

THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Thursday, October 9, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills; Orders of the Day.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, before the Orders of the Day, I have a question for the First Minister. I wonder if he can inform the House whether the government has a consultant, or has employed a consultant who is now examining the productivity studies by the previous administration in connection with the proposed changes in reorganization of the government.

HON. ED. SCHREYER (Premier and Minister of Industry and Commerce)(Rossmere): Mr. Speaker, the answer is affirmative.

MR. SPIVAK: I wonder if the Honourable First Minister would indicate to the House who the consultant is and his qualifications.

MR. SCHREYER: Mr. Speaker, the consultant I believe is a man who has had perhaps 20 or 25 years of experience in the public service of another province, who has been President of the university of another province, and I believe his name is MacLeod.

MR. SPIVAK: A supplementary question. I wonder if the Honourable Minister could indicate whether he recommended the changes that were announced yesterday in connection with the Department of Transportation.

MR. SCHREYER: Mr. Speaker, the rationale for the changes announced yesterday with respect to organization on matters concerning transportation, the rationale for that was simply that this was the organization that obtained in the years before 1968 and we simply went back to the status quo ante.

MR. SPIVAK: Just as a point of information, I do not think that the statement is entirely accurate. I do not think the Minister of Labour was involved with railway matters.

MR. SCHREYER: Well, Mr. Speaker, the Minister of Labour, the House Leader has been given the designation "Railway Commissioner for Manitoba."

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to direct the attention of the honourable members to the gallery on my left where we have 20 students of Grade 11 Industrial Arts Class of the Garden City Collegiate under the direction of Mr. Froese. This school is located in the constituency of the Honourable Minister of Youth and Education. On behalf of all the Honourable Members of the Manitoba Legislative Assembly, I welcome you this morning.

ORAL QUESTION PERIOD CONT'D

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I'd like to draw the attention of the Minister of Industry and Commerce to the report last night that the rocket research range at Churchill is being -- some of the staff are being withdrawn, and it has been pointed out, and alas rumoured, that there will be a serious cutback in the money for the scientific research. And, Mr. Speaker, I know -- probably I'm extending the question -- but it has been reported that if they do cut back then there will not be sufficient funds to encourage the scientists and the researchers from all over the world to come there with their experiments.

MR. SCHREYER: I thank the honourable member for that question and would like to answer by saying that we shall investigate the accuracy of the news report and, if it be true, we will make some representation to the federal authorities, especially if the whole viability of the research establishment there is put in jeopardy.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: A supplementary question. I wonder if the First Minister can indicate whether the Churchill development team that was formed by the previous administration is still in existence or not, and whether this has been charged with any of the matters that have just been dealt with.

MR. SCHREYER: Well I understand, Mr. Speaker, that this team is still in existence. Whether this particular subject matter has been brought to their attention is difficult to say, inasmuch as it's a recent development. Gathering from the way in which the Member for Churchill put the question it must be a very recent development, but I'm sure it will be brought to their attention very quickly.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): I would like to direct this question to the Honourable First Minister. Would the First Minister consider the advisability of placing these people that are displaced in the north, placing them on his task force for northern affairs?

MR. SCHREYER: Mr. Speaker, may I say to my honourable friend from Birtle-Russell that I really regret that he should be trying to inject a partisan note in his reference to the composition of this northern task force. The task force on northern problems is made up of members of northern constituencies, and if my honourable friend's party had elected a member in the north they'd have a representative on there, I can assure him that.

MR. GRAHAM: Mr. Speaker, on a point of privilege. I didn't ask for a diatribe on the affairs of

MR. SCHREYER: On a point of privilege, Mr. Speaker, I didn't ask for a smart aleck question either.

MR. GRAHAM: Mr. Speaker, on a point of privilege. I was concerned about these people that will be unemployed in the north and just suggested that there's a possible way to use them.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, in order not to end up behind bars and set my friend the Honourable Member for St. Boniface at ease, and in view also that the matter received so much publicity, may I state that the game that was played the other day - which has been termed "lottery" - was confined to the membership of this House and therefore I think was in the confines of the federal legislation. There was no investment on my part; the amount involved was much smaller than stated, it was only \$10.00, and the money will be used for a good cause and has been turned over to the Honourable Member for La Verendrye and Souris-Killarney. It's going along the principle of the lottery bill so that it's going to be used for a good cause, it's going to be used for celebrations and will make some people happy.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): On a matter of privilege. I think I must testify that the honourable member did not invest anything at all. I invested it for him and he really had nothing to do with it.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Mr. Speaker, may I suggest to the Honourable Member for Rhineland that we have a member in the House who does take confessions in private as well.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker, I would like to draw to the attention of the First Minister, or maybe one of his Ministers, maybe the Minister of Welfare, I wonder if they could also investigate the -- I have information that there are approximately 300 civil servants, or former civil servants here - they were working for the Federal Government I understand - who were in the habit of receiving their pension on the 28th of each month and they haven't received their last cheque, and when they enquired they are told to get in touch with Ottawa and so on. So I wonder if maybe the Minister of Welfare or somebody could look into that.

HON. SIDNEY GREEN (Minister of Health and Social Services)(Inkster): Do I understand the member to say that old age assistance cheques or the old age security - (Interjection) -- civil servants' superannuation pension cheques have not been received by people. We'll look into it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I'd just like to direct a question to the Minister of Mines and Natural Resources, and I don't know if he is well versed in the subject of the Shellmouth Dam and the lands to be allocated for development. I question this morning, wondering when this land would be released back to the municipality so that the developers could start the development of it for tourism and recreation.

HON. LEONARD S. EVANS (Minister of Mines and Natural Resources)(Brandon East): Well, Mr. Speaker, the honourable member assumed correctly, I'm not familiar with this particular detailed question, but I will look into it and provide the information to the honourable

(MR. EVANS cont'd.) member by correspondence if the House isn't in session.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: I would like to direct this question to the Minister of Health and Social Services. Has there been a policy change with regard to the amount of initial capital required for a senior citizens' housing development?

MR. GREEN: Mr. Speaker, I'll take the question under advisement. I'll take the question as notice.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): I wonder, Mr. Speaker, if I might have leave to introduce a resolution confirming a resolution that was adopted the other day in reference to the Standing Committee of the House on Economic Development. The purpose of the resolution is to comply with the amendment as proposed by the Honourable Member for Ste. Rose as to the composition of the Committee.

MR. SPEAKER: Does the Honourable Minister have leave? (Agreed.) The Honourable Minister of Labour.

GOVERNMENT RESOLUTIONS

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Health and Social Services, by leave,

WHEREAS the Legislative Assembly passed a resolution on the 7th day of October, 1969, establishing a Standing Committee of the House on Economic Development; and

WHEREAS the amended resolution provides among other things that the House give consideration to the advisability of enlarging the membership of this Standing Committee; and

WHEREAS the House deems it advisable to increase the membership of the Committee by two members;

THEREFORE BE IT RESOLVED that the membership of the Standing Committee on Economic Development be increased by adding the names of Messrs. Beard and Desjardins.

MR. SPEAKER presented the motion.

MR. PAULLEY: Mr. Speaker, His Honour the Lieutenant-Governor having been informed of the subject matter of this proposed resolution recommends it to the House.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. PAULLEY: I wonder now, Mr. Speaker, if you would kindly call the motion Committee of the Whole House.

MR. SPEAKER: Committee of the Whole House.

MR. SCHREYER: Mr. Speaker, I move, seconded by the Honourable the Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following Bills standing in my name, the Honourable Member for The Pas, the Minister of Municipal Affairs, the Member for Winnipeg Centre and the Minister of Agriculture.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole with the Honourable Member for Elmwood in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill 41, an Act to amend The Manitoba Development Fund Act. Section 1-30 (3) -- passed; Section 1 - 30 (4) -- The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, unfortunately at Law Amendments I was unable to be present and I gather that this bill went through without any question and there were no representations made. I wonder if the First Minister would indicate what members of the Assembly may be appointed to the Committee and whether he's considering -- first of all, I wonder if he would indicate to the House whether the Economic Advisory Board as proposed by TED has been formed and who those members of the Board are. If that information is available, then I possibly can then lead on to the next question. If it's not available then I have to speculate as to the make-up of the Board and then deal with this in a more

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I can answer my honourable friend's question. The Economic Advisory and Review Board has not been established yet, because while it will be done by Order-in-Council I understand that it requires the passage of this bill to provide the necessary authorization. When this Bill becomes law it will then be permissible and advisable

(MR. SCHREYER cont'd.) to proceed by Order-in-Council to establish this Advisory Board.

MR. SPIVAK: I wonder if the First Minister could indicate what members of the Assembly are intended to be appointed to the Board, whether they will be just members from the government caucus or whether it will include members from the other side.

MR. SCHREYER: Well, Mr. Chairman, the honourable member knows that we have, pursuant to the TED Report's recommendations, to one of their recommendations, provided for the establishing of a committee of this House, Standing Committee of this House to be known as the Standing Committee on Economic Development. Now obviously that committee will be composed of members of both sides of this House. This provision however here in Bill 41 is for the appointment of an MLA to the Board in the same way as was the practice up until now to appoint a member for example to the Manitoba Hydro Board, the Manitoba Telephone System Board and to the Manitoba Water Commission Board. It is felt desirable that we have the authority given us by this Legislature to appoint a member to the Economic Advisory and Review Board once it is established. I hope that answers my honourable friend's question.

MR. SPIVAK: Mr. Chairman, I must express a very real concern for the statements that have been made by the Honourable First Minister. First, because there is nothing in the TED Commission's recommendations that are consistent with what he is suggesting, and the comparison between the Hydro Board or the Telephone Board or the Water Commission Board with the Economic Advisory Board in that an appointment can be made by a member of the Legislature is not valid. The TED Commission's recommendation was -- (Interjection) -- Page 400 of the TED Report. I've already done this, but I think it may be worthwhile again to read the three paragraphs dealing with this and read it into the record so that we have a complete understanding of what was recommended by the TED Report.

Now the government certainly has every right to make any kind of suggestion it wants in the way that it sees fit, but I think it has somewhat of an obligation to at least adhere to the TED report if it's going to use the TED report as the basis for which the legislation is being introduced. Now Page 400 on the Advisory Council on Economic Development says: "The government of Manitoba does not seem to have an instrument for obtaining rigorous independent appraisal of policy matters relating to industrial expansion and economic development." -- Independent appraisal of policy matters relating to industrial expansion and economic development. "In effect, the appointment of the TED commission itself is a recognition of this problem. To correct this deficiency, following the completion of the commission's task, it is recommended that a permanent five-member Advisory Council on Economic Development be created, drawn exclusively from the private sector."

MR. SCHREYER: Would the honourable member permit a question?

MR. SPIVAK: Yes.

MR. SCHREYER: Is my honourable friend quoting those sentences from the TED Commission report in such a way as to have us understand that he feels the TED report provides useful guidelines, or is he quoting that with the same loving care that he would quote holy scripture?

MR. SPIVAK: Well, this may appear humorous to the Honourable First Minister, but I'm suggesting to the Honourable First Minister that you can do whatever you want but don't try and fool this House that there's a recommendation in the TED report that a government caucus member can sit on the Economic Advisory Board, because the two elements that are required are: (a) it should be drawn from the private sector; and (b) it should consist of people who are going to be able to give an independent appraisal of policy matters. That was inherent in this recommendation, and I suggest that any reference to the TED report is meaningless with respect to this suggestion. And I say as well that any comparison between this committee and the Telephone or Hydro Board is rather ludicrous as well -- (Interjection) -- Hydro is very important. Hydro has to deal with policy matters, Hydro has to operate a utility, and the fact that there is a member of the government caucus on that board is one thing. You're asking here for an Economic Advisory Board, who is this particular case in the fund are going to make a review of the fund's activities with respect to some claims, and maybe others that will be brought forth, and as far as I can see from all the representation that is made, there are probably six members of the government caucus who have not been yet placed on some committee or other and I would assume that what will happen is that one of these will now be placed on here so that by the time we finish this session we're going to

(MR. SPIVAK cont'd) have all the government caucus members dealing with one government committee or other and having some additional income being offered to them and being involved in government matters which really, truly, are the responsibility of Cabinet and not caucus.

Now, it would seem to me that there's a basic fundamental change that is proposed here that is very serious and should not be ignored. The fundamental change is that an Economic Advisory Board is going to be set up which is going to be able to deal -- which is supposed to deal independently and be able to give recommendations to the government, and we're now going to put a member of the Legislature, in all probability a government caucus member, on that board. Now I wonder how much of a real independent appraisal we're going to have, and I wonder how much-- I wonder really in this respect in dealing with the fund matter how we divorce government policy with respect to the fund and be an independent one. I don't even know who the members of the board are; I don't even know what businessmen you have, and I don't even know whether you intend to put any businessmen in. I think - and I've read this chapter over and over again and I've had an opportunity to discuss this matter with the Chairman of the TED Commission and other members of the TED Commission - I think that the intention here was to realistically have business people who would be in the position to advise the government on economic matters. The government doesn't have to take their advice but that there would in fact be a dialogue; there would in fact be some consultation; there would in fact be an opportunity for a review of economic matters and advice would be given; and I suggest that you defeat that purpose by in this case suggesting that with respect to the fund a member can be a member of the Legislature, and I would assume as well that this section of the Act would allow the Economic Advisory Board now to consist of a member of the Legislature.

So therefore, Mr. Chairman, I would like to introduce a motion. I move that Bill 41 be amended by having Section 30(4) deleted.

MR. CHAIRMAN: The Honourable House Leader.

MR. PAULLEY: If I may suggest to my honourable friend, what he proposes in his amendment can be achieved by voting against the section, and if the section is rejected, why then what my honourable friend desires will be accomplished.

MR. CHAIRMAN: The proposed motion of the Honourable Member for River Heights that Bill 41 be amended as follows: "That Section" - I can't quite make this out - that Section 30(4) be deleted." The Honourable Member for Rhineland.

MR. PAULLEY: . . . vote on a technical point of order. As to the necessity of an order of the resolution, the same proposed by my honourable friend from River Heights, because what he proposes can be achieved simply by voting against the section contained within the bill, which in essence is the deletion thereof.

MR. FROESE: Mr. Chairman, on that same point of order, I've on previous occasions made a similar motion and I take exception to the House Leader's supposition that you do not need a motion. If you want to attract attention or draw specific attention to a matter, this isn't the proper way to do it. There's no reason why such a motion cannot be submitted. And while the motion is before us, Mr. Chairman, I would like to hear from the Minister how essential is it that we have a complete divorcement of members of the Legislature from this particular board or committee that is going to be set up. The Honourable Member for River Heights feels that this is very essential and that the government indirectly should not influence policy of that committee. If this is very essential I would like to hear from the government's side on this matter.

MR. SCHREYER: Well, Mr. Speaker, I really do concur with my colleague the House Leader when he contends that the motion to delete all of Section 30 (4) is out of order because it is a complete negation of the clause. It's not an amendment therefor but a complete negation of it, and in any case what's the need for it? There's no need for it because my honourable friend the Member for River Heights can achieve his same end by simply voting against Section 30, sub-clause (4), and if he votes against it and it carries he has achieved the same purpose as though his proposed amendment had passed. Now I would like to speak further but perhaps I should await, Sir, your ruling.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: On a point of order please, on the same matter. I think it's essential that such motions be placed otherwise you will not have a vote. This automatically means that there will be a vote recorded on the matter.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Chairman, it appeared to me that the discussion was academic in view of the fact that when you read the motion I believe that you accepted it. I think it's the standard practice of the House that when the Speaker or the Chairman of the committee receive and read the motion that it's really before the committee. Furthermore, Mr. Chairman, I think it has been the practice in Committee of Law Amendments for example, and here, to actually move that a certain section be deleted if the members -- I think this has been always the way we have done it in the House.

MR. SCHREYER: I take it then that the amendment has been, or rather the motion has been accepted by your mere reading it. However, without arguing that point, I wish to deal now with the substance of the proposed amendment. I would begin by saying that the Honourable Member for River Heights quotes . . .

MR. CHAIRMAN: May I interrupt? I suppose in effect I have accepted the motion, but in discussion with my advisors I think that the practice really in effect is redundant, it's unnecessary; namely, that in asking for the passage of any particular section of the bill it would simply be when the chairman calls for the section to pass, the mere voice utterance of some member in opposition would indicate that a vote is in effect necessary, and then I think the practice should therefore be that a voice vote would be taken. I don't feel it's actually necessary to propose such a motion, but by simply someone answering in the negative this would of course indicate there wasn't unanimous support and consequently a vote. But whatever practice we follow, I think the intention of the Honourable Member for River Heights is clear so there will be of course a voice vote. I now ask the First Minister to continue on the question of Section 30 (4).

MR. SCHREYER: Right, Mr. Chairman. So accepting the motion then for purposes of debate, even though we on this side think it's unnecessary, it's accepted and I'd like to deal with the substance of it.

The Honourable Member for River Heights likes to quote verbatim from large parts of the TED Commission report, and that's fine with me. I, too, find the TED report very useful - very useful - but I do not regard it as holy scripture to be followed slavishly. If this government in its policy judgment regards large parts of the TED Commission to be compatible with our idea of public policy, then we accept the guidance and guidelines of the TED Commission report, and in those specific instances where we do not, we feel under no obligation to follow it. It's as simple as that. I don't mind saying to my honourable friend that large parts of the TED Commission report are useful and we intend to follow the guidelines in large parts of that report.

The honourable member made another point which I thought was very interesting and that is that this Advisory Committee on Economic Development, that it was in his view to be made up entirely but exclusively of people from the private sector. -- (Interjection) -- Well, Mr. Chairman, that's the point. This government certainly has it in mind to the best of its ability follow a mixed enterprise approach to economic development and industrial expansion -- (Interjection) -- mixed enterprise approach to economic development and industrial expansion -- (Interjection) -- mixed enterprise. In case the term is unfamiliar to my honourable friend, it means some admixture in different proportions of private enterprise effort and public enterprise effort.

Anyway, I really find much of his argument to be really beside the point, because when he says that it will somehow impinge on the integrity -- independence rather, that it will impinge on the independence of the Economic Advisory Board if there is someone appointed from government caucus. I want to ask him, what greater impingement could there be than a government while not appointing any member of the Legislature to an Advisory Board, that went ahead and plugged that board with appointees of their own political persuasion from the private sector. I'm not accusing my honourable friends and the previous administration of prok barrelling, but they did plug quite a few committees, boards, commissions and agencies with people who were so obviously identified with the Conservative Party of Manitoba.

Now that's their privilege, that's their right if they see fit to so proceed. What difference is there if a government appoints an MLA from the caucus and does it openly or if a government goes ahead and selects very carefully those whom it will appoint to a commission, board or agency. I don't want to mention any names, but it seems to me that certain prominent conservatives, while not members of this House, were during previous administrations here appointed

(MR. SCHREYER cont'd) to just about every second or third commission, board or agency that existed. Now what kind of independence does that give an Advisory Board? If we had some ulterior motives we could have served that motive just as easily, perhaps more easily if we had not appointed a member of the government caucus but handpicked very carefully three or four people from outside of government but who were very closely identified with us, very sympathetic to our party's point of view, and appointed them all to this Economic Advisory Board. Then what kind of argument would my honourable friend have? It seems to me the previous administration appointed the president of their provincial association to a number of boards or commissions, and I don't find anything dark or sinister about that. However, let's not get up in this House and use the argument that we, by appointing an MLA, one MLA, are impinging upon the independence of an advisory board, because my honourable friends have done that in the past by appointing, not an MLA, appointing somebody from their own provincial party association. What difference is there? What difference?

In any case, we intend to proceed along the lines of the TED commission in this respect with only one change, and that is we intend to incorporate the practice of past years of appointing a member of the government caucus to important boards or agencies. Just as the previous government appointed an MLA to the Hydro Electric Board, to the Telephone System Board and The Water Commission Board, we intend to appoint one to the Economic Advisory Board. And let's not get any silly ideas that there is something having to do with extra emolument for an MLA, because do you know what it amounts to? Perhaps at most \$600.00 a year. Now that's an awful lot of money isn't it? I know that the previous administration, not the immediate past but several years ago, saw fit to appoint an MLA to the Hydro Board and Telephone System Board at an emolument extra of \$3,000 a year. Now we're not proposing that in this case. The per diem that is received by members of the Development Fund Board is something like \$40.00 or \$50.00 and we propose to follow the same general level of per diem allowance here.

I would agree with my honourable friend the Member from River Heights if he were to express his concern that he has just expressed if we were proposing to appoint a member of this Assembly to the Development Fund Board, that is the board which makes the decisions as to actual granting of loans. We're not doing that, we're simply saying that the board that shall advise as to broad economic development policy, the board that shall make some over-views in a very broad and general way of the Development Fund's functioning, that we propose that here there should be at least some representation of government interest. Not on the Development Fund itself; there we do certainly agree that there should be complete independence of the Legislative Assembly and of the government in office.

For those reasons I really feel that my honourable friend's fears are exaggerated and misplaced. There is precedent to go by. Perhaps the most important argument in his mind has to do with the guarantee of the independence of this Advisory Board, and I say that the independence of the Board is just as secure if there is one MLA on that Board than if there were no MLA but if the Board were packed with people intimately connected with the party in power, which my honourable friends were not above doing from time to time.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, with respect to this, I can't help but feel that the First Minister to a certain extent is justifying his action based on what may have been done in the past by previous governments. I think this is wrong. I think he's had the opportunity -- (Interjection) -- No, he's made the suggestion that you've got one on the Hydro, one on the Telephone, one on the Water Commission, therefore it's quite all right to put one on the board that's going to examine the MDF. First of all, there's a difference. Well, I'll even say that I think you should have turned back the previous pattern of appointing an MLA to the Hydro and to the Telephones. I think you had the opportunity to do it and you didn't do it. Well, that's beside the point.

But we're talking now specifically about the Manitoba Development Fund, and let me make the point that, quite aside from what we may think back and forth across the House, the Manitoba Development Fund deals by and large with people that aren't that concerned about what takes place back and forth across the House. What they are concerned about is that the Manitoba Development Fund not be involved in any way in politics and this is essentially, whether it technically is true or is not true, is going to be the impression which they get.

I think the reason that the government is at this position is simply because they have themselves on the hook. They went on a wild goose chase, they went on a witch hunt in trying

(MR. CRAIK cont'd) to prove there was something wrong with the Manitoba Development Fund and it was wrong in the first place. The whole Damascus Steel witch hunt was wrong; the whole witch hunt with regard to Friendly Family Farms was wrong; and the members on this side of this House at that time didn't have the good discretion to know that unless the Manitoba Development Fund had freedom of action and that the government was prepared to put their trust in the people they had nominated to that Board - and you can't say they were political nominations because they weren't and aren't - that unless you have the good judgment to say that as the legislative body of this province that you were prepared to put your judgment in that group, and say like any other organization that they were going to be allowed some discretionary room to make a mistake - and I don't think they did make a mistake - but unless you're prepared to do that you might as well face the fact that the Manitoba Development Fund is going to die. And I shouldn't say that because you're going to accuse us of gloom and doom.

But I don't think there's any question that the only way that it's going to be effective is if you are prepared to put your stamp of approval on the board which you set up to do it. If you're going to be looking over their shoulder with an Appeal Board with an elected political representative on it, I don't think there's any question but what you're making the wrong move, and particularly in respect to the Manitoba Development Fund because the public at large that's going to appeal to the Manitoba Development Fund for money, for a loan, for financial assistance, wants their loans to be made on the basis only of good financial judgment, and whether it is or isn't made - I'm not saying that it's not going to be made because I'm not concerned even who you put on or what he's paid - the impression is going to be that the Manitoba Development Fund is now political and you've got the approval to - right there - they'll point right to it.

MR. SCHREYER: Would the honourable member not admit that what we're proposing here is to appoint such a person, not to the Development Fund Board but to the Advisory and Review Board, which is quite another matter.

MR. CRAIK: . . . Board or the Review Board or whatever you may call it, but which is the body that can blow the whistle on the MDF at any time. -- (Interjection) -- Well let them do it. Let somebody on the Treasury Bench do it. -- (Interjection) -- They certainly didn't. -- (Interjection) -- Yes, if necessary. Let the First Minister and his Cabinet take that responsibility, but I'm saying keep your political hands off the Manitoba Development Fund. I'm going to say it again. The reason you brought this Bill in is that you've got yourselves on the hook with the foolish witch hunt which you propagated when you were on this side of the House and you did during the election, and there's no need for this Bill.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: The term "witch hunt" is a little bit too strong to be allowed to be used without objection, because this administration, I want Members to know and I want everyone to know, has not engaged in a witch hunt of any kind since coming to office. We have not gone poking through old files to see what kind of muck-raking we could be successful at. I want my honourable friend to know that, that we have not in any slightest way attempted anything that could be construed as witch hunting in the slightest.

MR. CHAIRMAN: The Honourable Minister of Health.

MR. GREEN: Mr. Chairman, I wonder if the honourable member would permit another question. Does the honourable member consider that any commercial bank whose officers and whose directors, whose direct loan authorities is handicapped to some extent because some place else there is a head office which has an ultimate supervisory and investigatory power to look into what they have been doing?

MR. CRAIK: Well the point -- certainly there's a hierarchy in any organization, but it's not a political hierarchy at the top of it.

MR. GREEN: But this is a political fund.

MR. CRAIK: Ah ha! That's where you're wrong because the express purpose and intent, the express purpose and intent of the Manitoba Development Fund is to deal in financial matters, and if you're going to set up a review body that is a political one . . .

MR. CHAIRMAN: Order please.

MR. GREEN: But the moneys are raised democratically from the people of the Province of Manitoba. It is taken from them; it's put into the jurisdiction of this Legislative Assembly to deal with, and ultimately it's responsible to the people. -- (Interjections) --

MR. CRAIK: It's fine as long as you're a politician. That's just fine, but there's a tendency for any government to attempt, after a period of time, to try and run things from the top

(MR. CRAIK cont'd) down. -- (Interjection) -- I never made a move like this, and would never be guilty of making this move because I think there is a basic difference between politics and business, and if you as a politician can't put by your good judgment more responsibility than is indicated here in the people you nominate to run that board, then I think you're making a basic mistake and you don't seem to be able to see this. Maybe it's because - and I'm sure you've had enough exposure to business people - but unless you are sure that they're not doing a good job with the autonomy that you've given them, then you shouldn't be doing this. If you try and do it at the university you -- I'm sure you grasp the fact that the academic world requires a degree of freedom in which to operate even though there may be injustices which take place there, but which you would probably not question because you always accepted the fact that this is an autonomous group and that you're not going to touch it. Now I'm saying that the same applies to the financial community, that as long as they are doing a reasonable job don't attempt to, even by an Appeal Board over them with a political representative on it, give the impression that you're now dabbling into the financial world, because you're going to give that impression whether you want to or not. There's no question about it. -- (Interjection) -- No, there's not.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Could the Honourable Member for Riel tell us if there's any difference, or if there's anything worse about appointing a member of this Assembly to a Review Board that is quite separate from the Development Fund Board itself which makes the decisions on loans, between that or appointing defeated Conservative candidates to quasi judicial bodies as chairmen of Boundaries Commissions, etc. etc.? You know we could have avoided this clause here and simply gone ahead and appointed, as my predecessors used to like to do, someone quite sympathetic to their politics, in any case who was not a member of this House perhaps but who was very intimately connected with their party, and appointed him or them to their boards, commissions and agencies. Is there any big difference really?

MR. CRAIK: Well, my first sentence when I got up, Mr. Chairman, was that we were tending to be justifying what we're doing now by looking into the past. Of course this question deals directly with that, and I don't think that we should be looking at what may have been done in setting up -- I think you have to look at specifically the relationship between government and the financial community, and I have to say that I think you're doing two things. I think that you're bailing yourselves out of what you got into when you started accusing the MDF of all sorts of shenanigans prior to the election of June 25th; and that secondly, that you have no proof that the MDF was actually operating in such a way that this Appeal Board or Review Board is necessary, and that unless there is -- (Interjection) -- Well, why do you want the Appeal Board then if you want to -- (Interjection) -- Do that.

But what you're doing is putting the MDF closer to the political world and I have to disagree, and I have to state categorically that when all of this furor started the Damascus Steel greffuffle had some, maybe an element of substance to it, but it was blown far out of proportion. The Friendly Family Farm thing was a completely political issue, and that was blown completely out of proportion. But if you had to decide on those two issues with a politician on a board there's no question, you would probably have found that there was something maybe wrong, thinking as a politician, but what you're trying to do now in your Review Board in those issues-- and you only need one to prove to the public that the decisions of the Appeal Board are going to dab in politics and you're done. And I don't think you need it. -- (Interjection) --

Well, I was going to finish, Mr. Chairman, but perhaps -- the Honourable Minister seems to be talking about appointment of political candidates, defeated candidates, elected candidates, maybe we should just go over at some time during this session the number of appointments which he has made already. And I feel sorry for him because he had the opportunity to present a new look and he hasn't done that. He still plugged every hole he possibly could.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: I wouldn't mind, I wouldn't mind in the least bringing out all the lists of boards, commissions and agencies to which this government makes appointments and compare the appointments we have made with the appointments that were made in previous years, and if you want to see which set of appointments looks more partisan, more blatantly partisan, it wouldn't take even the most uneducated observer very long to figure that one out.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, I find the remarks of the Member from Riel a bit ridiculous, and I think if anybody is pulling out a red herring it is the Member from Riel. The

(MR. DESJARDINS cont'd) last thing that he said is that he would like to see the appointments, the list of appointments. I don't recall in the 11 years that I've been here, 11 years under a Conservative Government, where they did appoint people such as this government did with Mr. Campbell and Mr. Witney. I don't think you can have any example of such appointments, but I recall very vividly a -- (Interjection) -- What was that? I'd like to have an example if you have any.

A MEMBER: Bobby Bend.

MR. DESJARDINS: Bobby Bend. What commission was he appointed to? Well come on, Bobby Bend - what commission? -- (Interjection) -- He was appointed Minister of Education, that's it. I know what Bobby Bend was, but what commission was he appointed to? So now they're leaving because they can't face this. And what do they say? They say that the people of Manitoba are worried about the Manitoba Development Fund now. You know what the people of Manitoba are saying? Finally, we're going to have a look to see how our money is spent. This is what they're saying. Because you have a certain group of people that might be in a different financial bracket, it doesn't necessarily say that they have no leaning to any political party. I suggest that the Member from Riel just stands up there and says: No, this is a political -- there's no politicians, there was never any politicians in that; we never thought of that at all. And now he's making a big thing out of the appointment of one member of this House on a Board, and it's not the Board that's going to decide where the money'll go anyway. It's an Appeal Board. The people of Manitoba have a chance -- I mean it's a Review Board. The people of Manitoba should have a chance to review where their money's going.

The former Minister of Education made a point also to say that this was a "witch hunt". Well, let him prove, let him quote any statements that were made attacking the Board. Let him quote -- I mean you don't just stand up here and make an accusation. They said they would look into it because the people of Manitoba were not too sure, and the First Minister, I recall, said openly that probably there was nothing, but that for once and for all we would set the minds of the people of Manitoba at ease. And this is all that is being done. For the member to get up and say the Board is going to disappear, the Fund is going to die, is ridiculous and asinine, just because this government is showing some responsibility. And that's all it's doing; It's not taking over. Just because this government - I don't know if it's because it's too honest or if it's too gullible - but don't proceed and don't use the same ways as the former government of appointing boards.

And you have the best example of all in this Boundaries Commission which is supposed to be a commission that's going to be independent. And now the member has the nerve to say, All right, take your responsibility. There was no use for this, no reason at all for this Boundaries Commission, and it's not only a former Minister that's heading it, all the defeated candidates practically in Manitoba are on it. How many times did you hear me, when I was sitting on the other side, say I'm starting to think maybe I should run against myself in St. Boniface and then I'd get a good job. And I could name all the people, I could name all the people that were appointed to Boards and so on starting with the last one, Mr. Arpin, going with Mr. La Freniere and Mr. DeLeeuw and Mr. Léveillé. All of them, every single one of them were put on boards. So the least you can do is keep quiet, find your hole and bury yourself, but don't stand up here and be a doom and gloom boy and talk about how great it was when you were sitting over here, when the judges -- it wasn't politics at all, it wasn't political at all. The only people were the front bench. They knew exactly what was going on. You wouldn't even let the leaders of the different parties know what was going on. Whenever you'd ask Mr. Evans something, he didn't know, but your friend was going around cutting a lot of ribbons. -- (Interjection) -- Oh, you were cutting a lot of ribbons, you would take -- it was you that was loaning the money. You didn't know a thing about it but were there snipping ribbons, and I imagine you've got a lot of pair of scissors at home because you were taking the credit for that. So let's not be ridiculous and asinine, and let's go on with the business of Manitoba.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Chairman, we must have hit a soft spot, because every time we do they roll out the hatchet man from St. Boniface to wield his mighty axe and see if he can't draw a little blood.

Well let me tell the Honourable Member for St. Boniface that I don't consider there's anything wrong with making appointments, even if they're political. But let me also tell him that really he's trying to paint the picture that the previous government made only political

(MR. CRAIK cont'd) appointments. Well let me point out to him that there are an awful lot of appointments that have been made that I can't tell you - and I would say the majority of them, the vast majority of the ones that I ever saw, I couldn't tell you what their politics are. And certainly the vast majority of the ones I ever had to make, I can't tell you what their politics were. But that is quite apart from the matter we're talking about so let's just forget about it. What we're talking about is a matter of principle.

HON. AL. MACKLING (Attorney-General)(St. James): You'd like to forget about it.

MR. CRAIK: The little road-runner from St. James here has always got the right answer.

MR. MACKLING: You'd like to forget about the Boundaries Commission wouldn't you?

MR. CRAIK: Well let's get back to the matter of principle. Political appointments are not the issue at question here. -- (Interjection) -- That's right, and it doesn't matter who's in power, it's a question of whether this review board, which is going to assume greater and greater powers as time goes on, is going to be a review board with a political appointment on it. I think that there's no question that it is not in the best interest of the fund entirely. I think you're into the matter, and I'll repeat it again, because you're bailing yourself out from an intolerable position you got into when you didn't expect to be in power, and therefore that there is no need for it. Basically it's wrong in principle and this clause should be ruled out.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, I'd like to assist the honourable member who would like to forget, and if he says he doesn't know the party of some of the members that were put on boards I'll try to help him.

First of all, Mr. Smellie is a defeated Cabinet Minister - a Conservative.

MR. CRAIK: Is he still there?

MR. DESJARDINS: Sure he's still there, sure he's still there. -- (Interjection) -- Because we're responsible that's the reason.

MR. CRAIK: Because you know he's the best man.

MR. DESJARDINS: Oh no, he's not the best man, but you don't have a commission that will go on for about three or four years, and when it's going to be in there just for a couple of months throw them out. Then you would cry. -- (Interjection) -- Just a minute, just a minute. There are others.

The Deputy Chairman is Mr. La Freniere who ran as a Conservative in St. Boniface; Zef Audette is a former Conservative candidate. I don't remember the name of the member that ran as a Conservative against Mr. Molgat, but he's there - in Ste. Rose. Mr. Enns, a brother of the Member from Lakeside, is on this. And there are many others, many others. -- (Interjection) -- Well if you want to cater up or butter up to Juba, it might be a good way to put him on, and I suggest this is what you did when you had to add a few people, when this commission didn't know what they were doing.

Now for your information Cam MacLean is also a Conservative, and Conservative of long date. And now you're crying the blues because there'll be one man amongst a group of others, one man, an elected member of this House that's going to be on a review board, not a board that has the final decision, and you're making such a big fuss on this. You've got to be kidding.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I'd like to, if I may; now proceed with the matter really before us. And may I say this, I'm sorry the First Minister is not here. Some time ago, as a matter of fact I think in his reply to the Speech from the Throne, he used an expression which I think aptly fits what is taking place here. The course of action of the New Democratic Party with respect to the fund over the years has been dumb, the whole course of action has been dumb and they continue to be dumb in what they're suggesting now. And that's the only way that you can apply this, the course of action initially was dumb; it's still dumb. For the simple reason we have passed an Ombudsman Act and the Ombudsman has the right to review in detail all the matters with respect to the fund, and any borrower that has any complaint can go to that Ombudsman. But we have now devised another scheme whereby we are going to prostitute - for a lack of a better word - the economic Advisory Board recommendation and twist it in such a way so we now can appoint a member from the caucus rather than a member of the government front benches, who now, as he sits on the Economic Advisory Board, will now be able to do the review for the government on these matters to get them off the hook. Now that's really what we have in front of us.

(MR. SPIVAK cont'd)

Now the government and the Minister has a perfect right to call for every file and has a perfect right to call the Chairman of the fund and the members of the board before them, and has a perfect right to investigate all the matters and to make a decision, and then in the government's judgment there is anything wrong, in the government's judgment the course of action is wrong or a discretion has been exercised that's incorrect, they can take whatever action they want and they can assume that responsibility which is a political responsibility that's to be assumed by them.

A MEMBER: . . . they always do that?

MR. SPIVAK: This power they have, and it has . . .

MR. DESJARDINS: For Heaven's sake, what did Mr. Evans say?

MR. SPIVAK: Mr. Chairman, let the honourable member sit down and listen for a few moments, we've listened to him enough.

MR. DESJARDINS: Well, tell the truth.

MR. SPIVAK: I'm telling the truth. I'm telling the truth that the Honourable First Minister, before he was even sworn in, was already making statements about the fund which were indiscretions, and he should have kept his mouth shut at that time -- (Interjection) -- Yes, he could have kept his mouth shut and he could have investigated those matters, and if in fact those matters were as he suggested they were and warranted action, he could have taken them. He still can.

But the whole objective and the whole arguments that were brought forth when the Ombudsman Act was brought up, that these matters should have been given to the Ombudsman, was so that there would be some impartiality in this and it would not be political. And now what do we have? We have an Economic Advisory Board who are now going to review the fund's activities. And that isn't the function of the Economic Advisory Board. The Economic Advisory Board is to be really a board from the private sector to give advice on economic matters to the First Minister and to the Minister of Industry and Commerce. That's what it was set up for originally. And as I said earlier, you can change that. There's nothing that says that you have to stick to TED, but don't stand up in this House when you introduce the bill and say, as the House Leader said in reading the statement that was prepared by the First Minister, "Mr. Speaker, this bill to amend the Manitoba Development Act makes provision, first of all, for an independent committee to be appointed by the Lieutenant-Governor which will be the Economic Development Advisory Board, which will review and report on individual loans where a borrower believes that he has not been fairly treated." And then to make reference that this is because of TED, because it isn't. -- (Interjection) -- You don't love TED, I can assure you.

Now the Honourable Minister of Transport the other day had an indiscretion when he talked about Conservative stooges, and you know everyone sort of got upset by that because the TED Commission was not Conservative stooges, and he retracted that. There was a hurried meeting in the hallway and someone prepared a statement for him and he stood up here and he retracted it right away.

MR. DESJARDINS: Were you at the meeting?

MR. SPIVAK: Well, if you don't believe me, ask the press. Let me say this to you, we see from the statements of the First Minister and others that we still have this psychology -- this whole concept that they were Conservative stooges. Well let me say this, that the discussion that's now taking place with respect to the fund is unworthy of the people who have the reins of government, and I'm saying this in all sincerity, it is unworthy of them. This whole concept is a dumb concept, and you continue to be dumb in the way you handle this. You've given the power to the Ombudsman to review the matters before the fund -- and I don't know who that Ombudsman is, but I'll rely on his impartiality and if he finds and makes a recommendation that the course of action in Damascus or any other matters was wrong, then that's fine; and the consequences have to be borne by those who were responsible, and I accept that. But don't suggest to me or to the people of Manitoba that by you appointing an Economic Advisory Board and then taking one member of your caucus, that that recommendation from that is going to mean anything. Because it doesn't mean anything. Because that wasn't the purpose of the Economic Advisory Board, and by then putting a member of your caucus, to commence whatever hunt he has, whether it's a witch hunt or otherwise, is ridiculous. I suggest, Mr. Speaker, that the only way in which the government can recoup themselves at this time, and at least for those people who have had dealings with the fund -- and this is a very interesting thing which

(MR. SPIVAK cont'd) the members for the government did not understand initially, but I think may now understand -- it's not the 300 people and the 300 concerns that are involved with the fund, it's all the financial and credit institutions that are involved with those firms that are involved with the fund, which affects probably everyone who does any financing in this province, who have had a great deal of respect for the fund, who have understood that the fund has been responsible for the development of Manitoba.

The Honourable Member for St. Boniface is worried because at one time I cut ribbons, and those ribbons were for firms who were financed by the fund. Well let me say to him that the Minister of Industry and Commerce is going it now, and is going to continue to do it, because without that fund, without that fund the economic growth in this province would not take place. And the people who I refer to in the financial field, who have a great deal of respect for the way in which the fund is operated, for the great contribution that is made, must be continued to be stunned, that's all I can say, stunned by the attitude of the government who in opposition acted dumb and are continuing to act dumb in the way they're handling themselves now.

Now I suggest, in the interest of developing an impartial and a fair position in connection with those who may want some review of their specific problems - you've given the ombudsman that right, let him have it and let him deal with it, and let's get out of the political end in terms of the review of their activities.

MR. CHAIRMAN: Just before I recognize the Minister of Health, I'd like to say that the debate is getting rather heated, and I think that some of the language being used is bordering on, if not, very strong, bordering on being unparliamentary. And I direct those comments to some of the last two or three speakers.

I also think some of the debate is getting highly repetitious. So I just point that out as an observation. I now turn to the Minister of Health.

MR. GREEN: Mr. Chairman, I rise essentially because the Member for River Heights chooses to engage in a debate for the purpose of trying to provoke us into suggesting that perhaps he is doing damage by his reference to the government as being "dumb", and as to the reference that the opposition is being dumb. I know that he expects, and has continued to expect all during the time that he's been here, at some stage for some of us to say that what he is saying is damaging the business community, or damaging the economic climate in the province of Manitoba. And I want to assure him that we are quite confident in what we are doing, let him call it what he likes. We know that this reference that he has made has not scared anybody, except perhaps himself because he knows that it's the right thing. That we do not have the tremors and quakes on the part of people in the business world that he is now eliciting on behalf of himself; and that the reason we don't is because the people in the community have far more intelligence than my honourable friend gives them credit for.

He refers to us as being dumb in opposition. Let's understand why he says dumb. Because what we said, and I want to recall it to the honourable member, is that when the First Minister of this province got up - it was then Mr. Roblin who's not here any more - and I guess it's because he wasn't dumb, that he's not here any more and is not occupying any public office any more. But what he said was this when asked by the Minister of Finance - the now Minister of Finance - as to whether he could tell us what a certain interest rate was, he said: "That the government is prohibited by law", and I can quote chapter and verse if my honourable friend wants me to, "The government is prohibited by law" - the government, not the legislative assembly: "The government is prohibited by law from going to these men", who the honourable member says that we should trust and have confidence in and ask no questions of, "from asking them what they are doing with the \$50 million or 100 million dollars of peoples money which has been entrusted to them". That's what the First Minister said, and that appears to be the smart way in which the former Minister would have us operate. And we've said, and I say now, I repeated it, perhaps my honourable friend has different connotations as to what the word means, I said that this was a political fund. And what does that mean, Mr. Chairman, and why should anybody who chooses politics as a career as I have done, and as the Member for River Heights has done, establish any negative quality to the word "political"? What does the word political mean? It means that this is an area in which the ultimate responsibility lies on the representatives to the people of the province of Manitoba; that everything that they do will be guided by the knowledge that they are ultimately responsible to the people; that this is an area in which the people have control over the activities that are taking place, as distinct from the private area, where not the general public has control but the people who are privately involved

(MR. GREEN cont'd) have control. That's what the word political means to me. To engage in politics, in my view, is to engage in the highest form of human endeavour; and if something comes under political control, in my view it comes under the control of the highest form of human civilization. And that is all we are saying with regard to the Manitoba Development Fund; and indeed there is a difference.

If my honourable friend says that we believe that these monies and the manner in which they are dealt with are ultimately in the control of the people of the province of Manitoba, whereas you believe that they are in the control of five or six respectable people who we should trust and not ask questions of, then indeed there is a difference. And whereas you people said that with regard to the activities of the fund we are going to rely, not on responsible government, but respectable people, we say that there is a difference; we believe that this is a political arm of the economic activities of the government. And indeed, the statute that was passed by the Conservatives creating the Manitoba Development Fund said the same thing, and I'll read it to you for those who are interested. The statute that was passed by the former Conservative administration said of the Manitoba Development Fund -- I'm not talking about a different creature: "The objects of the fund are to encourage a balanced development of industry in the province, and to that end to provide assistance, financial or otherwise, to existing industrial enterprises or to industrial enterprises to be established and community development corporations." And (b) "to assist the Minister in encouraging the owners of capital to invest funds in industrial enterprises in the province". To encourage the Ministers. Now if that's not a political mechanism, then what is? And for the members of the House to say that the political involvement of the people of Manitoba in the operation of the Manitoba Development Fund is something evil, is to delineate a difference between us and them, which I think does credit to the Party that is now in government. And if they say that that's dumb, well then let's ask the people of Manitoba to judge whether that's dumb, whether to say that the elected representatives of the people are going to survey and keep tab on what is happening to the monies that are collected from the people of the Province of Manitoba in the form of taxation rather than to ignore what is happening, then I challenge you to go to the public on the basis that your way is the smart way.

Mr. Chairman, I'm not in the habit of using the type of language that the Member for River Heights is. It's intended to provoke the kind of argument which I don't think is conducive to good debate, but if what we are doing is dumb -- I strongly reject that it is, and I'm prepared to face every one of my constituents on this basis -- that when we give money to the Manitoba Development Fund we are going to ultimately have that fund controlled by the people of the Province of Manitoba and we are setting up a mechanism which will act as a fact finding body and that fact finding body reports -- and I'd like the members to note -- to the Legislature, to the people, because the people of Manitoba are assembled in this Chamber right now. We say that that is assuming ultimate responsibility and that's not dumb. We suggest that any political group that says they are prepared to take the money of the people of Manitoba and not have any control over it by the elected representatives and give it to people who they say are respectable and should be left alone, that that's not only dumb that's criminally negligent; and that's the type of operation that the former Minister of Industry and Commerce, the now Member for River Heights, says that we should operate. Mr. Chairman, all that is . . .

MR. SPIVAK: Will the honourable member permit a question? . . . correcting the situations that you've described. Exactly how are you going to be correcting it with this legislation you have now?

MR. GREEN: Mr. Chairman, by the very method which the Member for River Heights seems to criticize. We are making it abundantly clear that the activities of the Fund are ultimately, not in every case, but ultimately under the control of the elected representatives of the people. We see nothing wrong with that. -- (Interjection) -- The Minister may request a report; the report is given to the Legislative Assembly; it's right in the section. I say that what we are demonstrating is that we are prepared to have public involvement in the fund and we are prepared to have public control over the fund. And if the Minister says that that's dumb then we will have to accept his charge and plead guilty, not to his adjective, but to the activity at any rate. We think that the other way was not a proper way of doing it and doesn't comply with the provisions of the Act.

MR. CHAIRMAN: Section 1 subsection 33 -- passed. -- (Interjection) -- I'm sorry. We're dealing with the amendment I suppose. Does the Honourable Member for Rhineland wish to speak on that?

MR. FROESE: Before we leave the question that is before us and hearing the discussion that was carried on for this last while, I come to the point where I question the wisdom of the provision in this Act or in the proposed Act and also because of the line of communication that can be set up other than the one that is normal and the official channels that are normally used, whether this cannot lead to a new channel of communication which probably is not the proper one. Both the present government and the former government have had the experience in this. I as a member of an opposition group do not know what the experience has been in this connection, and to what extent communication is going back and forth between the various Crown corporations or commission and so on, other than through the normal or official channels. Then, too, I'm wondering to what extent does government policy or is government policy being imposed on the Fund or other Crown corporations or commissions by having a member of the Legislative Assembly from the government side of the House on these various commissions and corporations.

This is also a question that I can't answer but I'm sure that members of government can answer. I think it would be wise and well worthwhile to hear on these points as to what is taking place and what is happening. The principle of an MLA appointment to various commissions and corporations. We have numerous precedents on this but does the present or the proposed position that is proposed in this bill, does it compare with that of other commissions or boards or are we introducing a new principle in this case because of the, probably the confidence or the privacy that should be there in some people's opinion, and whether we are not going off the regular course that has been established. I think these points are valid points and I think we should have some information in that connection. Both the previous government and the present government certainly can give us some information on this. We in the opposition do not know to what extent this matter plays into the operations of these commissions and corporations.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, the Honourable Minister of Health and Welfare is not here but I think that some of his statements are worthy of reply; particularly the reference to the fact of what he interprets the bill to do. He's correct insofar as he goes but I'd like to make reference to the House Leader, Minister of Labour's presentation on this bill when he said, "I made reference to the Economic Development Advisory Board which will have as one of its duties the review of individual loans where the borrower, and I emphasize the borrower, believes that he's not been fairly treated; suggest the Board will consist of a Chairman and seven members appointed by the Lieutenant-Governor-in-Council, one of whom may be an MLA." And I suggest, Mr. Chairman, again that this is a dumb recommendation.

MR. CHAIRMAN: You have heard the proposed motion of the Honourable Member for River Heights that Bill 41 be amended as follows: that Section 34 be deleted.

MR. CHAIRMAN put the question on the amendment and after a voice vote declared the motion lost.

MR. SPIVAK: Yeas and Nays, please . . .

MR. CHAIRMAN: Yeas and nays. Call in the members. We are dealing with Bill 41, an Act to amend the Manitoba Development Fund Act and a proposed deletion of Section 34 proposed by the Member for River Heights.

A STANDING COUNTED VOTE was taken, the results being as follows: Yeas 20; Nays 24.

MR. CHAIRMAN: I declare the amendment lost. The Honourable First Minister.

(Bill No. 41 and Bill No. 43 were read section by section and passed.)

(Bill 44 was read section by section.) The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, before this Bill is passed would someone from the government side or whoever is responsible give me an explanation of Section 990 subsection 9 which mentions application to Winnipeg and St. Boniface. Do I understand correctly that because of passage of Bill 45 that these two cities will still have to opt-in more or less in order that the sections apply?

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Mr. Chairman, all that this section does, due to the fact that the City of Winnipeg and the City of St. Boniface has their own charters it specifies that the provisions respecting the amendment to The Municipal Act before you also pertain to the charters of the City of Winnipeg and the City of St. Boniface, and only an indication that all provisions in respect to the bill before us also apply to those two charters. That's all it means, Mr. Chairman.

MR. CHAIRMAN: Bill be reported. Bill 45, an Act to amend The Winnipeg Charter, 1956 (2).

MR. EARL McKELLAR (Souris-Killarney): The Member for River Heights . . . put before the Committee and we're having trouble trying to track him down.

MR. CHAIRMAN: On Bill 45?

MR. USKIW: . . . not deal with the next bill and then come back to this?

MR. CHAIRMAN: Are you referring to Bill 44 or . . .

MR. McKELLAR: Yes Bill 45.

MR. CHAIRMAN: Bill 45? Well we're just starting to deal with that.

MR. McKELLAR: Could you pass on to the next bill, No. 46 while we're waiting . . .

MR. CHAIRMAN: Agreed to refer to Bill 46 first and then return? (Agreed.) Bill 46, the Agricultural Credit Corporation Act. -- (Interjection) -- By page?

(Pages 1 to 5 of Bill 46 were read and passed.)

MR. McKELLAR: Mr. Chairman, just one question. I can't seem to find my bill . . .

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Could I ask the Minister a question at this time? I was wondering, due to the fact that snow might be on the ground within 30 days, is it the intention of you as Minister to pass these regulations in the next 30 days so that the farmers might by chance apply for a loan, or will it take longer than that to get things in action?

MR. CHAIRMAN: The Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Chairman, in reply to that question I may point out that there are applications now pending the passage of this bill and it is my intention to immediately go into the regulations after -- as soon as possible, Mr. Chairman.

MR. McKELLAR: . . . just one request of the Minister. When these regulations are passed by Order-in-Council would it be possible for your office to send out a copy of these regulations to the individual members? I'd be interested in knowing.

MR. USKIW: Well I'm sure, Mr. Chairman, that all regulations appear in the Gazette and I'm sure all members receive the Gazette.

MR. McKELLAR: That's right. I forgot about it.

MR. CHAIRMAN: . . . 45 as amended --passed. -- (Interjection) -- 46. We are holding your Bill 45. (Pages 6 to 8 of Bill 46 were read and passed.) The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Chairman, the Member for Souris-Killarney has brought up the question of the regulations and yesterday both the Member from Souris-Killarney and myself in committee yesterday brought up the subject of the regulations and the interest rates that we might expect would be charged on these loans and the maximum amount that might be expected that a farmer could apply for, and I again appeal today to the Minister to give us some indication. I recognize that it is government policy, but in consideration of the fact that we have now been in the House, Mr. Chairman, for two months and we have discussed almost every aspect of the social and economic situation of the people of the Province of Manitoba, we haven't really had one thing from the Minister or from the government in respect of agriculture. I think that it is recognized here that agriculture is still the basic industry in this province. I think the whole province is dependent, the economy of the whole province is still depending on a healthy and buoyant agricultural economy, and I simply appeal now to the Minister to give us something concrete on what the intent of this Bill is, whether there is going to be assistance insofar as interest rates are concerned, the maximum loans, and to what extent the Minister does anticipate this will assist the farmers in their present economic struggle.

I again say that I recognize that we are talking here about government policy. The Minister has indicated that regulations will come forth, but I would like to know from the Minister, if he's not prepared today to give us some indication of whether or not their interest rates are going to be subsidized by the provincial Treasury, whether they're going to be bank rates, and to what extent the government does anticipate putting money into the agricultural industry. A figure of \$6 million has been mentioned. The present guaranteed loan system which is incorporated into this Bill and which will still be in existence in the Province of Manitoba, provided over a three-year period for \$150 million to be poured into the agricultural industry; and while we recognize now that the program is not proceeding to the extent that we had hoped that it

(MR. WATT cont'd) would, the intent was there at that time to guarantee up to \$150 million over a three-year period. We were in no position to anticipate the tight money situation which is now responsible for the relaxing of the activity of this particular policy, but I simply say to the Minister, Mr. Chairman, that \$6 million will not go very far in alleviating the problems that we have in agriculture today and I think that I'm asking a legitimate question now: to what extent does the government intend to project this policy?

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: . . . gets up to reply, I was rather going to speak on the matter of regulations when we came to the particular section. However, since the matter has been raised already I might as well participate in that part of the debate at this point. I, too, feel that too much of the legislation is left over to the regulations. I think about half the Bill or more than half the Bill is left to regulations. In fact all the important parts that we would like to be advised on at this point are left to regulations.

I would like to ask a question of the Minister. Is there going to be any limit on any individual loan application as to the amount that will be lent? Because if we're only going to allocate a certain amount of money, you probably have two or three applications that take up the bulk of the money that will be allocated and others will be left holding the bag or not getting their request satisfied. I think there should be some consideration given in this respect.

I strongly feel that this Bill should be delayed until such time as we have the regulations before us. I know that the government when they were in the Opposition and we had legislation of this type, they were very strong in their request and in their demand for having the regulations at the time that such a Bill was presented, and I feel on this occasion that we should have the regulations before us together with the Bill so that they can be considered in connection with the legislation that is being proposed, because there are so many questions left in abeyance and left open that we should as members have answers to at the present time.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I don't want to repeat what I did say at other times in committee and in the House but I want to simply make specific reference to points that were raised here this morning. The question of how much money in the program? We did indicate direct lending capital of six million. If my honourable friend from Arthur would recognize that we are still keeping the guarantee provisions of the previous legislation, then he will recognize also that there will be money through that medium; the amount of which I am not prepared to say because I don't know just how the banks and credit unions are going to respond to the credit demands at this time. I know that it has been a problem. This is the reason why we're going back into some direct lending. It's my hope that long-term arrangements will be through the direct lending provision and that short, medium term will be through the guarantee provision; that we will have a combination of two areas of credit combined under one authority and under one media of supervision, if you like.

Now as far as the question about too much left in the regulations, I recognize that this is so, and it is intentionally so. I want to point out to members opposite that it is wrong to pass legislation which places one in a strait jacket with respect to the availability of credit under any legislation in that it doesn't give you the kind of flexibility to deal with the different situations you may have in applications and the likes of that. I instructed the credit people to draft an Act which would be most flexible, would give us the most elbow room so that we would be in a position of giving consideration to almost any application that might appear, and it is certainly intentional to be that way. I don't want a strait jacket set-up in credit legislation. I want to have the elbow room with which we can fulfill the credit needs of the farm community in this province without having to postpone consideration of applications because of the lack of provision in the Bill itself. I don't want to come back here next year making further amendments because of some technicality that ties us down and where we have to refuse credit to certain individuals, or groups of individuals, Mr. Chairman.

A limit of loan is left to be determined by regulation - and again for the same reason, because I expect there will be quite a variation of applications in terms of the amount requested. There will be groups that will want credit which may amount to half a million dollars, maybe a million, I don't know, whether they be corporate or co-operative. In keeping with the philosophy of this government I want to point out that if they are corporate they will have to be farmer-owned corporations wherein there is more or less equal shares, and co-operative, of course, the principle applies. And, of course, we have to be prepared to recognize the

(MR. USKIW cont'd) changing circumstances in the farm economy, even for the individual, which I don't know whether we should have a ceiling of credit for. I think flexibility is the best way to approach the credit needs of this province.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. WARNER H. JORGENSEN (Morris): . . . can't help but marvel at the distance which the honourable member has travelled since he was on this side of the House. In all the years that I have watched legislation being piloted through the House, there was one thing that always represented the thinking of honourable gentlemen opposite, and that was that they wanted everything nailed down in legislation. There could be no flexibility; they wanted everything -- (Interjection) -- my honourable friend can wait until I'm through. He can make his own speech; I never interrupted him, and I would ask him to sit down and wait until I'm through. If he feels that I'm misrepresenting them then he can get up and make another speech. These constant interruptions on the part of the Minister are not going to be tolerated as long as I'm on the floor.

As I say, all through the years, legislation that has been passed, they have asked for everything to be placed right in the legislation and nothing left to regulations, and I'm glad to see - I'm not criticizing him for that attitude because I'm glad to see that he's finally learning. I'm glad to see that the short time that he's been on that side of the House he's acquired an education that he didn't all the years that he was over here, and we commend him for his ability to learn. But the question that I want to ask on this section, and it seems to me that he should be able to give us some kind of an answer - that is, is the government going to subsidize these loans to any extent or are they going to be the prime bank rate plus a service charge for administration cost? He should be able to answer that. Surely, surely farmers, or we should be able to know whether or not the government is going to pick up a subsidy on the interest rate to the tune of three, four, five or six percent as the Farm Credit Corporation loans are. Obviously, Mr. Chairman, what farmer in his right mind is going to take a loan from this organization if he can get a Farm Credit Corporation loan for five percent, if this one is going to be at nine or 10 percent. I think the Minister has an obligation to tell us, at least within a reasonable degree, as to what the interest rates on these loans are going to be, so that the farmers can look forward to the passage of this Act with some anticipation, or whether they can say, well, it doesn't mean anything to us at all. And surely, if he can't tell us anything else, he should be able to give us some indication of what their proposal is going to be. I'm not asking him to give us the precise Order-in-Council, because I know he can't do that until the Bill is passed, but surely they have some idea of how they intend that this Bill should operate. I ask the Minister now to give us some indication of what the interest rate is going to be on these loans.

MR. USKIW: Mr. Chairman, there is a degree of subsidy that I am prepared to point out, and that is in the area of the administration costs of the program. It is not my intention to build into the interest rate the cost of the administration which would probably amount to somewhere in the neighborhood of one percent above the cost of borrowing. It is the intention to make funds available at the lowest possible cost.

But at the same time I want to point out to members opposite that one can get into substantial subsidies of the interest rate for obvious reason, and that is that you would simply preempt all the other credit agencies from doing the kind of business that they are prepared to do and the kind of service that they are offering to the people of this province. If we were to substantially subsidize credit it would be true that the demands on this government for credit would be on such a scale that we would have difficulty raising the kind of funds necessary to meet that demand, the program would not succeed, because there would be no point in anyone going to banks, credit unions, FCC, you name it, if they will achieve substantial savings by going to the Manitoba Agricultural Credit Corporation. I think we have to recognize that fact, that we are not in a position to put in two or three hundred million dollars by way of credit through our Credit Corporation; we still have to rely on the private sectors for the servicing of credit needs to some degree, and that to set the idea that we could substantially provide credit at subsidized rates much below the current rates in the market place, would be inviting disaster to the program.

MR. WATT: Mr. Chairman, I'm rather surprised at the statement the Honourable Minister is making now. I ask him now, was principle that he has established yesterday on this side of the House not principle over there now? He stood for the principle of subsidized

(MR. WATT cont'd) loans when he was on this side of the House and he constantly, constantly harangued we as government and myself as Minister on that side of the House, to bring in subsidized loans to the farmers of Manitoba. There's nothing new about administration costs. This was established by the Conservative Government when we were on that side of the House. There is a subsidy involved in fact insofar as the lending institutions are concerned that are backed by the government, because it's simple interest. I showed a program of a farmer consolidating his loans under the present system of guaranteed loans that is operating now, where the subsidy there does amount to something. This was not on the part of the government actually but on the banks themselves. But this is not what we're talking about. We're talking about what the Honourable Minister was talking about when he was in that seat over there - a direct subsidy insofar as loans were concerned to farmers. It was principle then; is it not principle with him now?

MR. USKIW: Mr. Chairman, I think when my honourable friend talks about something that was said in the past, he must also assume the fact that things ought to have remained as they were in the past, but as my honourable friend ought to recognize, that that is not the case. The cost of money today is such that any amount of subsidization of credit would bring to this government the volume of applications for financing that this government would not be prepared to handle. My honourable friend opposite knows that this is the case. It was a different question when we had ceiling on interest rates. -- (Interjection) -- No, there's a difference, when we had a ceiling on interest rates, Mr. Chairman, at one time, which was to my way of thinking - which is regrettable that the ceiling was removed. I'm talking about the bank rate, for example. One has to recall that a few years ago there was a ceiling on bank rates of six percent. That ceiling was removed some year and a half or two years ago. The story at that time was that by removing the ceiling on bank interest, that the competition in the credit field would be such that the rate of the interest of finance companies and trust companies would come down. Well, I think my honourable friends opposite will know the tragedy of that story, and that is that instead the bank interest went away up. This is what is wrong with the present credit picture in this country. And for my honourable friend to sit there and not recognize that difference, I would say either he's naive or he's playing games.

MR. WATT: I recognize the difference, but I still recognize that there was a principle established on that side of the House by the present Minister of Agriculture, and I say, Mr. Chairman, that what the Minister has just finished saying now was that he took an irresponsible position when he was in Opposition and he realizes now that when he has the responsibility that he has to take a little bit more realistic view than he did when he was in opposition.

MR. CHAIRMAN: The Member for Morris.

MR. JORGENSEN: . . . what we have been able to determine here now is that the interest rates on these loans are going to be pretty much in line with what interest rates farmers are going to have to pay at ordinary chartered banks minus service charge -- he has admitted that he is going to pick up the administration costs, and the administration costs only, if my understanding is correct; and if I am not correct then I want him to get up and correct me. We can assume the prime bank rate will be the lending rate of these loans which is going to be considerably above what the farmers are now paying for a Farm Credit Corporation loan; and last year according to the figure submitted by the Minister's own department, \$12 million were loaned out by the Farm Credit Corporation at a much lower interest rate than he will be offering loans.

I'll ask my honourable friend the Minister of Consumer and Corporate Affairs to take this into consideration, the fact that when the Minister announced this program with a great deal of fanfare, he let it be known that farmers were going to be able to get loans at much reduced interest rates. That, Mr. Chairman, is misleading advertising, and the Minister of Consumer and Corporate Affairs who is responsible for that sort of thing should take this matter under advisement, because the news release that went out with the announcement of the introduction of this legislation indicated that the interest rates were going to be considerably lower than what are available to farmers today - and that is just not the case according to the Minister's own admission.

MR. USKIW: My honourable friend can take me out of context any time he pleases, but I'm not going to deal with that kind of nonsense.

MR. JORGENSEN: I'm only trying to get some information from the Minister, and if he refuses to give it well that's his fault . . .

MR. USKIW: Mr. Chairman, I pointed out that the credit that was available to farmers in this province to date ranges from 8 to 24 percent, somewhere in that area, and that farmers were using prime interest credit, they were using finance company credit, farm implement company credit, with all different amounts of interest rates, with quite a variation in interest rates, and all I was pointing out the other day that by consolidating their credit needs under one program they will effect substantial savings in interest and that they will get the best rate that the province can get for them on the money market.

MR. JORGENSEN: Well is my honourable friend trying to tell the farmers that if they have a choice between getting a bank loan at 9 or 9 1/2 percent and a company loan at 24 percent that they're so stupid that they don't know the difference themselves, that he has to tell them?

MR. USKIW: I think we have to remember the fact that the province probably can borrow money at somewhat less cost than the commercial people in the credit business, but I want to point out as I mentioned a few moments ago that we are using the two vehicles in this credit program, the direct lending system will apply largely to the longer term credit needs and the guarantee system will apply to the short medium term needs which will give us the complete package.

MR. JORGENSEN: Mr. Chairman, we're quite aware of the two lines of credit. We're quite aware of that. What we're trying to find out is if the interest rates are going to be the same in the new direct loaning as it is in the guaranteed loans - is there going to be a difference in the interest rates?

MR. USKIW: Obviously there may be a difference of interest rates as between long and short term credit because your sources of credit come from two different areas.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. MCKELLAR: This had been very wonderful experience for a farmer sitting here listening to what's been going on here this morning. It proves one point. The Minister of Agriculture is completely out of touch with the needs of the farmers of Manitoba.

A MEMBER: You tell 'em Earl.

MR. MCKELLAR: I will tell you. I was here in '58 when you were here when this credit act was brought in. At that time the need was really there, and what did the government of that day do in the year 1958 when they came in and brought this Agricultural Credit Bill out in the year 1959, the spring of '59? We subsidized the interest rate for young farmers. And what did it do? It made it possible for many young farmers to get going. Now those young farmers have been in business for 10 years; now their problems are, it's not the direct loans that they need, it's guaranteed loans to keep them in business, they're day to day financing. I'll defy anybody that's got a farm in our part of the country to find a buyer, and I mean that. There's the best half section between Nesbitt and Wawanesa that you could find; that man's 73 years of age and he's had that sign out on his gate for a year and a half and nobody will buy that farm.

A MEMBER: Why don't you buy it Earl?

MR. MCKELLAR: Why don't I buy it, because the land prices haven't hit the bottom and they're going to go lower, and for the simple reason, -- (Interjections) -- for the simple reason that you people won't back up the farmers of the day. If you want to do a service to the young farmers and a service to the older farmers who want to get out of business that you could subsidize the interest rates on the guaranteed loans to 5 percent. And you know what you'd do? -- many towns are going to die unless there's some money injected into the communities today to pay the debts of the farmers. These communities would come alive and in turn you would get more dollars back in your treasury and it's just a big circle. Nobody can tell me in this day and age that money injected into the farmer economy isn't going to make more money for everybody. Actually it's been proven that. The big wheat sales, what did that do? Canada as a whole prospered like it never prospered before. Our balance of payments were never as good in any other time in history as they were during that period of time. And what's happened to the balance of payments right now because of the lack of grain sales? They're hitting an all-time low. And here we are today arguing about interest rates of around 8 1/2 percent.

I have in my hand here a bond sale CPR, Canadian Pacific Railway Company. What's the interest rate they're paying to get money - \$25 million, 8 3/4 percent. Can you imagine a farmer paying 8 3/4 percent to buy a farm today with three and four bushel quotas? Well you know what would happen to him, he'd be out of business before he even got started. This is the position the farmers are in. They're not wanting to get bigger, they want to consolidate what they presently have. And survive as one member mentioned here, survival. Can

(MR. McKELLAR cont'd.) you not realize the position of the average farmer. Well, migosh I'm telling you it's just a case of months, not years before they're out on the road, and I mean it; with their granaries full to the top too. I think this needs a lot more serious discussion on the part of the government of the day to realize the position the farmers are in.

Maybe the First Minister would be well advised if he took a trip out to our part of the province, and I'd be glad to go around and meet many farmers, rather than to go to North Dakota looking for new industries. We have the largest industry in Manitoba here and we're going to lose it unless some government gets off the seat of their pants and gets on with the job of helping our farmers. Do you realize, as I mentioned yesterday, the average age of a farmer is around 56 years of age and we're not going to have any sons of the farmers of today - they won't take over at rates of 8 3/4 percent interest. Do you know what they're going to do? They're going to some other parts of the country where they can make a living. They're going up to Thompson, the mining country; or they're going to other parts of the north where there are opportunities.

How can a man with \$100,000 investment hope to survive if they can only sell \$3,000 of their grain and pay all expenses out of that, and live. I never saw an economist, and we have two of them in the House here, that can tell me how this can be done. Now, you can't do it with 8 3/4 percent; you can't do it with 8 percent interest; you can't do it with anything less than -- give the farmers a break and make it down to five. It's not going to cost you that much. Surely the province has a little financial strength behind them. I understand that there's a few dollars in the Treasury there left yet. It could be used, it could be taken out of highway programs that the Minister's going to take out -- there's a bridge in my area I understand that's stalled for another year -- use that half a million dollars to give the farmers in my area, take something out of some other account, but for goodness sake don't travel all over North America looking for other industry when we have the best industry on the face of the earth right around us here, 40,000 farmers trying to survive. And remember, Mr. Minister, the responsibilities are on your shoulders and they will remind you in the coming months during the winter, because this is the time the farmers stop and think. They're too busy all summer to worry but they do a lot of thinking in the winter months. This is all I got to say at this time.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, the Honourable Minister said that loans would be available to co-operatives and to corporations as well, and he said that operate on co-operative principles. Now some of these principles that co-operatives operate on is one member one vote and open membership and other things like this. These are what you call co-operative principles. But many corporation type farms are not set up on that principle; they are not co-operative but they are corporation type farms, where maybe one man would have 10,000 in it and another man would have 5,000. Now does this mean that your loan wouldn't be available to them because they weren't on co-operative principles?

The other thing is, if a loan is negotiated now and when the people made their present loan, it's at a rate we'll say of six percent or seven, supposing this corporation farm has been going for awhile, and if they negotiate a loan, are you going to take, shall we say, collateral that's going to raise the loan on it all, or is it just on the portion that's made now? That's another of the questions.

Another thing that you say is that to get into loaning money on a subsidized rate takes a terrific amount of money, and of course we all know that. But in the form of backing loans in banks or financial institutions, is it not so that you guarantee them and then if you subsidize the rate the amount that you would be responsible for is just for the amount of subsidization? You'd be responsible for the loan, but I mean all that the government would have to do is to make up the balance in the difference of the rate, subsidized rate.

I don't know why they're so hesitant in putting money into agriculture, because one of the things that really gripes me is there's so much money available for welfare. Now we know it's necessary in some occasions, but this is one department that's really terrible, there's a terrible waste in it, both in administration and in people that get it. I might say while I'm up, too, because the Minister of Health and Social Services is looking at me, that there was quite a reform went on in the Unemployment Insurance Act in checking up on that, and I suggest that there could be quite a lot of work done on the welfare program too to see that there's not more waste. I certainly can't see why that the province of Manitoba can't put a million or two into subsidizing interest rates in one form or another.

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MR. CHAIRMAN: Page 9 passed --. The Honourable Member for Birtle-Russell.

MR. GRAHAM: On this question of direct loans and the apparent enthusiasm of our Minister to do something for the farmer in Manitoba, I would certainly hope that he would do something. I would like to take the honourable member out to my constituency and let him talk to the farmers there; the small farmer, not the corporate farmer, but the small farmer who has been farming for 30 years and 35 years, and some of them 40 years; men who have tried honestly, they've put diligent work into trying to improve their lot in our society. They are not in an open end agreement as other industry is; they're right down at the end of the rope and the knot is being tightened, and they have no room to move. Subsidization on interest rates is just a little bit of leeway to give him that chance to carry on and to improve our agricultural economy which to me has a future and unless something is done to really help that industry is almost doomed, and I would say that this would hurt our province more than anything else.

The Minister has stated he is putting \$6 million in. I would say that \$60 million is still not enough to revitalize the agricultural economy in Manitoba. The farmer essentially is not going to borrow any more than he absolutely has to get through in this crisis. But what have we got here? Through the loan system that's set up, the person that's going to benefit is the man that's going to be taking the 25, the 50,000 the 75 or the 100,000 dollar loan, and that is not the type of loan that the small man needs. He wants maybe a \$2,500 loan or a \$3,000 loan, because he realizes his situation in this world and he is willing to borrow money and repay it, but if he goes into the large loan he may not be able to repay. This concerns him and this action under this Act is not going to assist that small man in any way, shape or form. The very fact that there is a clause later on which could possibly involve the government in direct farming alarms him even more - but perhaps I should wait till we get to Page 11 on that. But I would urge the Minister to once more consider a subsidization of interest rates rather than making additional capital available in the direct loaning field.

MR. CHAIRMAN: Page 9 -- The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I mentioned before that there was too much left to the regulations and that we should have more information or indication at this time as to what will be prescribed and what the regulations will be like. I mentioned the other day that the matter of maximum amounts, the matter of security or collateral, interest rates, the terms that will be applicable, the measures that will be taken in case of default, the procedure in determining losses, collection procedures, reports to the banks, inspections -- these are all matters that are left up to the regulations, and in my opinion that is really the meat of the bill, of the legislation that we're passing, and this will come out in regulations. And on top of that I was taken off the Committee on Regulations, so I won't have an opportunity to examine the regulations when they will come out, because when the committee makes its report, the Regulations Committee makes its report, all it asks for is concurrence. On one occasion we were denied discussing these matters on concurrence and I take great exception to what is being proposed here.

Then the last item that is mentioned under regulations is the matter of guarantee, and here I'd like to know from the Minister as to the guarantee. Mention was made that under the new legislation we could probably have loans of a million or a couple of million dollars in a single loan. How will the guarantee apply, will it apply across the board, or does the guarantee apply on the total amount that will be outstanding and that you will only be guaranteeing a certain percentage of that total? Where does it leave this particular loan of a million or two, if it goes sour, if the firm should go bankrupt? There's no reason why these cannot happen because we have seen them happen, corporations going bankrupt, and that there are very large or very substantial losses in such cases.

And then too, the funds for guaranteed purposes, do they come from the credit corporation or are these funds being provided out of the Consolidated Fund? Because if they're going to be provided from the corporation itself, this could considerably increase the rates of interest that the farmers will be asked to pay if there should be substantial losses. And experience has it, especially with corporations that you have bankruptcies much faster, more easier; that people who invest in a corporation only lose that portion of the corporation that they invest in it, whereas the farmer who is making a loan on his own, is responsible in total and that all his assets are backing up that loan. Not so in a corporation, there all he stands to lose is whatever he's invested in the corporation and this might not be so large, it might involve

(MR. FROESE cont'd.) other people's money but the person involved in that corporation might not be losing that much money, and that we will be faced, I think, with bankruptcies much more than we have in the past when we're dealing with individual farmers. And this guarantee section being left completely to regulations as it is now, I think we should have a much better understanding as to what we are doing and what we are proposing under this very item.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Mr. Chairman, I thought I covered the field the other day. I want to repeat again that this Act is not all embracing and is not intended to solve all the problems in agriculture, and I'm not going to repeat what I said the other day.

But I want to point out that one of the things that is going to be possible under this Act, because of the fact that we want to encourage as much as possible - by way of policy - diversification, more diversification in this province, that it is going to be possible to effect this kind of diversification through the media of capital being made available to people that want to get into other areas of production.

My honourable friend the Member for Souris-Killarney mentioned the fact that it takes a period of time to get established into something else, that it takes from one to three years, depending on the enterprise, before one has a cash flow. I recognize that this is so and I want to point out that the regulation will be such that this will be taken into consideration and that there will be a postponement of payment of principal and interest until such a person is in a position to make payment, until he is operational. So if one wants to convert his grain into dollars by way of cattle, hogs, poultry, we will enable him to do so without the requirement of a principal or interest payment until he is fully operational.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I wish the honourable member would have answered some of my questions that I pointed out because they may have to do with whether I make any more remarks or not. I'm referring to open membership and things like this.

MR. USKIW: I think I made that point clear the other day, Mr. Speaker, that we are not going to encourage, indeed consider loans wherein one individual of a corporation has substantial interests. They are either going to be corporations of more or less equal shares or we are not going to be prepared to consider an application.

MR. CHAIRMAN: The Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, you mentioned diversification of the farming operation. I've heard that phrase mentioned many many times, and I've heard it mentioned by experts, but I've yet to have someone come and tell me what you're going to diversify to. It's easy to say diversify, but what are you going to do? Are you going to diversify to cash crops? I don't know of a cash crop that you could really diversify to. Are you going to diversify to hogs? My gosh, all you need do is increase the hogs by 25 percent and the whole hog market is going to be depressed. Are you going to diversify to cattle? I don't know what's happened to the cattle market but there's just nobody eating beef now. So this has depressed by 10 cents in the last three months - the price. Now if you're going to diversify you've got to be able to look ahead and find out where you're going to pay this interest and principal. And I, for the life of me, have never had one man come out and tell me how I could diversify and come out on the top end of the balance sheet, and this is what's important to the average farmer.

He wants some practical advice, not some up in the high heavens for the economists, we don't need that kind of advice. We need down to earth advice for the average farmer which he can understand; and they're not getting this kind of practical . . . they're all this expert knowledge about diversification to this and that, sow down to grass and get out of wheat. What are you going to get out of? Why if you sow oats and barley everybody would load up with oats and barley.

The flax market is the only little bright spot at the present time, and even it's becoming depressed.

Rape and other cash crops are becoming - mustard, it's limited in contracts. And I just don't know what you can diversify to.

Now I'll tell you what many farmers are going to do next year. They're just going to summer fallow the balance of the farm; many of them are not going to sow an acre because of the fact they've got three years' grain stored up ahead. This is one way of reducing costs. But I don't know what you're going to diversify to.

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MR. CHAIRMAN: The debate is getting pretty wide-ranging. I don't speak in reference to the present speaker alone, but we're getting into the whole question of agricultural estimates, the whole question of policy.

MR. MCKELLAR: That's what we're here for, Sir. That's what we're here for.

MR. CHAIRMAN: Right. But I must point out that we are dealing with a specific section of the bill, we are dealing with the question of guaranteed loans. I think that members should attempt to not go too far afield and should attempt to deal with this clause of the bill. Otherwise, there's no limit to the debate in terms of time or subject, and I think we have to attempt to keep our comments within certain limits. So, I ask the members to attempt to deal with the specifics of the bill and not get into all the questions of agriculture.

Would the member proceed.

MR. MCKELLAR: Mr. Chairman, I understand the difficulty you have because you don't know anything about agriculture.

I understand what the bill is all about. The guaranteed loans do refer to diversification; or direct loans refer to diversification, you can apply to them both. But if we want to argue this point, we can argue it under Section 28. I'll wait till that time if this is the case, you're trying to limit me.

MR. CHAIRMAN: That's not . . . my point is to attempt to not get too far away from the specifics.

MR. MCKELLAR: We're talking about a multi-million dollar industry, and it deserves a little comment in this Legislature. I'm hoping to express myself, but I'll wait till Section 28.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I mentioned the matter of guarantees before; I did not receive any reply. I feel that this is very much in order because we're dealing with both the direct loans and the guaranteed loans. Is the guarantee going to be applied indential to the same sections? We know that under the farm improvement loans that were issued by the bank, the Federal Government guaranteed I think something between 10, or was it 15 percent, of the total amount that was outstanding? The losses I think never went higher than 1 or 2 percent. Just what are we doing here? What will the government be proposing? Is it identical to that, or just what will the guarantees amount to?

Then I asked whether the money for the guarantees will come from the funds of the corporation, or will it be from the consolidated revenue fund? I think these are very important matters. If we leave everything to the regulations, that means that the legislation is then being drafted by Order-in-Council, by the Lieutenant-Governor-in-Council, they will be proposing this and we are giving automatic approval of whatever they were going to do in the future, right here and now. I feel that this is unfair because we know that from any given year that the total amount of regulations, generally the volume is as thick as that of the legislation itself, so that much of the legislation that is being made is not being made in this House. It is being made by the Lieutenant-Governor-in-Council. Therefore, I think we should have some indication from the Minister at this point on some of the matters that are before us.

MR. USKIW: Mr. Chairman, I'm sorry I neglected to answer my honourable friend the Member for Rhineland. It did slip mind at the time.

The guarantee provisions it is intended will be the same as in the previous Act, guaranteeing 10 percent of the total.

And who shall pay the guarantees? I think that will come under the area of administration costs if there are any losses, and that of course comes out of consolidated revenues.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I want to deal for a moment just again, and directly with Part 3, direct loaning. Now the Minister has stated that this reinstitution of the direct long-term loans will not solve all the problems, and I want to find out from him where it will solve any of the problems. Because we have at present, a federal loaning policy, direct loaning for long-term loans that is a subsidized loan.

The Federal Government also have a farm improvement loan which is negotiated with the banks every six-month period. It's bank interest, negotiated with the banks.

We have at the moment - and I'm repeating myself, I said this the other day - that we have now in the province of Manitoba a guaranteed loan system through the recognized lending institutions. And the Minister now proposes to reintroduce what was Conservative policy at one time, that is a loaning institution now to go back in competition with the Federal long-term

(MR. WATT cont'd.) loaning plan, or if you like, the Federal farm improvement loans. One is negotiated with the banks, and the other is subsidized.

I'm trying to get it out of him just exactly what this policy will do for the farmers in the province of Manitoba in competition with the Federal Government's loaning institutions. Because I cannot see, Mr. Chairman, a farmer borrowing through this policy now, at bank interest, when they can borrow from the Federal Government, subsidized loans for long-term loans, or negotiate with the banks through the Federal farm improvement loans.

We're dealing with, as the Member for Morris said yesterday, 'a pig in a poke'. I'd like some indication from the Minister exactly how he anticipates competition with the Federal Government subsidized loans and bank interest loans in the province of Manitoba?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Mr. Chairman, again I'm going to repeat part of it, but not all of it. My honourable friend can read Hansard if he likes. The Federal Government has provision but it is not complete. It's very difficult, for example, to provide credit for the purposes of operating capital wherein you have a farmer obligated by some mortgage to the FCC. It turns out in many instances that the equity and the collateral that is put up for FCC loans are much in excess of what is necessary, and it leaves the farmer in a position of not being able to go to other areas of credit, even though he has the collateral to back it up. This is an area which will provide him with some consolidation of credit under one agency so that one agency can administer the credit, whether it be long, medium or short-term, and would be in a better position to ascertain whether or not this farmer indeed has the kind of collateral, and if he has it, that he may be able to borrow money in accordance with that collateral. This is one of the problems that we have had with the guaranteed system. This is one of the reasons why it isn't working.

One of the other things that I might point out is that, as I understand the Federal Act, it does not provide for monies to corporations or co-operatives. -- (Interjection) -- Only for farm machinery. But this agency will provide for the setting of farmer owned corporations and co-operatives, which is a substantial departure from Federal legislation.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: I must apologize probably to the Honourable Minister for being a little stupid, but I don't seem to get through his answer. Either that or it was a little evasive. I must probably apologize to the other members of the House too, because I realize that many of them are in different professions and they must find this rather monotonous. However, I do think our profession is important, so I must place my question again. One of them was very direct, and it was the fact that if a loan was negotiated would it change the present rate of interest that they're paying on their former loan. Now that was not answered.

Now the other question was - what type of farms or corporations would be able to get it. And I'll give you a real example of the type I mean so as probably you can understand it. Where there might be ten people involved with capital invested from \$1,000 to \$10,000, where they elect from among the ten, five people to carry on the business of the corporation, and yet if they were considering disposing of their assets, where it was settled on the basis of the number of shares each man held, now is that type of a corporation going to be available for a loan?

MR. USKIW: I answered that question a few minutes ago, Mr. Chairman. I said that where there is some discrepancy as between the amount of shares, between individuals of a corporation, substantial differences of shareholdings within that corporation, we would not consider the application.

MR. HENDERSON: How would that?

MR. USKIW: This is an area that has to be determined by regulation and there is no policy on that particular point at this time.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Thank you, Mr. Chairman. I would just like to make one last appeal to the Minister for some form of subsidization of interest before we move on with this bill; and secondly, for him to call the Agricultural Committee as quickly as he possibly can because I'm really concerned. I thought there was much more in this bill and I thought that the farmers would get an answer to at least some of their problems, so my second appeal is for him to call the committee as quickly as possible, because I can recognize immediately that there's going to have to be a whole change of direction because many, to me, were thinking by statements that have been made that there was going to be some form of subsidization in the

(MR. McKENZIE cont'd.) interest rates. I just casually read through the Minister's, one of his speeches last year in the House, Page 1409 of Hansard and it's one that maybe come back to haunt him for many years to come. Some of the things that he said in there, "negligent", "lazy" - of this Minister. Another one here: "We are long overdue . . ." If he'd like to read that one back some time I'm sure he'd find it most interesting because I'm telling you it's fantastic. -- (Interjection) -- I humbly submit, Mr. Chairman, that we haven't got the time of the House, but I would for the weekend offer the members some wonderful reading material, read page 1409 of Hansard.

MR. USKIW: Would the honourable member permit a question?

MR. McKENZIE: Certainly.

MR. USKIW: Would I get a royalty on every piece that's read?

MR. McKENZIE: I'm sorry I didn't hear your question, I'm sorry. I won't take the time of the House because -- I'll just tell you, those three words I'm sure would give you an in that it's interesting reading, where he talked about "negligence" and he talked about "overdue" and he talks "lack of policy." He talked about a "lazy government," a "lazy minister" and so on and so forth - no information coming forth. But anyway, I again, I appeal to him very seriously for some real consideration of some form of subsidization of the interest rates for the farmers. And the second thing for him to call the committee immediately, and I really mean when I say immediately, next week if possible, because we have many many problems that are very serious today and we must know where we are going, because I don't get it in this bill.

He says here in Section 23: "now to diversify his farming operation" - diversify. Now I'm sure the farmers want to know where we are going to go. How are you going to diversify the farming operation, and let's get it on the record. The second thing: "to carry on or improve a farming operation." My God how can we improve it any more than it is today? There's wheat growing out of our ears. I would like a clear understanding for the farmers of Manitoba what the Minister means by that section. The third section: "to relocate on new land." Do you mean to tell me if he relocates that he is going to grow what? - What's he going to do? The fourth section: "to establish or develop a farming operation that will assist other farmers." Is that that one farmer is going to have to assist another one?

Well this is why I humbly submit to the Minister, before we call the committee, and call it next week I submit at the latest, because this is not the answer to the agricultural problems of Manitoba. I appeal, as I sit down, for the Minister to take that under very serious consideration over the weekend and also read his speech on Page 1409 of Hansard.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Page 9 -- the Member for La Verendrye.

MR. BARKMAN: Something bothered me when the Honourable Member for Pembina was using a figure of 10, I think he used at random, and I can't find it in the Act or in the Bill. Is there perhaps, in forming a corporation, that there will have to be a certain number of people involved in this corporation, or is ten just a figure used at random here?

MR. USKIW: The figure doesn't ring a bell, Mr. Chairman. Any number of people can form a corporation. The criteria of consideration for a loan will be that they have equal shares, or as close as possible, and also that they are farmers.

MR. HENDERSON: How close do you mean by as close as possible? Excuse me I should have addressed the Chair. This is the question, because there's corporation-type farms being formed in my area all the time and it is one of the questions that came up. There are always some that have more money to put into it than others, and money represents shares and we understand this. Now tell us the percentage that you are referring to in shares.

MR. USKIW: This will be determined in due course, Mr. Chairman.

MR. JORGENSEN: Mr. Chairman, I am assuming that we are still on Page 8.

MR. CHAIRMAN: Page 9.

MR. JORGENSEN: Well I just want to -- I can direct my remarks to Page 10 if

MR. CHAIRMAN: I have given up hope of proceeding so you can refer to Page 8.

MR. JORGENSEN: I thought that we were on Page 9, but when other members started referring back to Page 8 I got a little confused. I just want to be sure that -- (Interjection) -- Well, be that as it may.

I do want to make a few comments on this particular section because the Minister has very proudly stated that with the provisions of this bill the difficulties of agriculture are going

(MR. JORGENSEN cont'd.) to be resolved, that the diversification that could be achieved as a result of the loans that are going to be made available to farmers would do a great deal to assist in getting rid of the wheat surplus. I am more concerned now than ever. I have been looking over some of the figures that were contained in the report that he tabled in the House the other day and it is indicated there that the income from livestock has gone up from last year to this year from \$172 million to \$190 million compared to an income of \$189 million or close to \$190 million in 1968 on cereal crops, and reduced to \$183 million this year.

What I was attempting to establish when I suggested that the agricultural committee deal with this matter was to determine the extent of the problem insofar as the wheat farmers are concerned. You don't get that picture from this report. You don't get it because they deal in somewhat general terms. We have no idea of how many grain farmers are also engaged in livestock production, and for many of those who have that kind of a mixed operation I would presume, if they are getting rid of their grain, they don't have the problem that the straight grain farmer has.

I think one of the things that should have been established, and what I had hoped would be established by the calling together of the agricultural committee, would be just to what extent government intervention would be necessary in order to deal with this particular problem. If it can be assumed that half the farmers of this province are not suffering unduly, they are in either straight livestock or they are in a mixed kind of an operation that does not place them in the position of straight grain farmers. Then, by the process of elimination, we could determine how many farmers were in actual difficulty and to the extent that they were in difficulty, and then you would have some idea of what the problem really was and how it could be dealt with. And to suggest now that you are just going to diversify, and as my honourable friend from Souris-Killarney said, diversify into what?

We can stand the 20 percent increase in hog production without damaging hog prices and without creating any real problem on the market, but you know what's going to happen - and this bill hasn't been passed yet - do you know, Mr. Chairman, what's going to happen this year? There is going to be a 50 percent increase in hog production in Alberta; there is going to be a doubling of the hog production in Saskatchewan; and there is no figures to indicate what the increase will be in Manitoba, but I am going to presume that it will be pretty close to 50 to 75 percent here. You can imagine the effect that that is going to have on those sectors of the agricultural economy, so rather than helping the problem you are going to create more difficulty. If you are going to unduly encourage the diversification into commodities that are going to be in increasing surplus in the coming years, you are going to spread your problem from the wheat farmer to other segments. It would have been far better to deal with the wheat problem alone instead of attempting to spread the whole thing all over the whole province. In other words, instead of solving the problem, you are going to spread the whole mess all over. This is what we are going to wind up with.

The same is true in the livestock industry - in the beef industry. We can stand up to 1980, I think there can be a 50 percent increase in livestock - and I'm speaking of cattle production - but that increase has to be a very gradual one. If you are going to encourage farmers to diversify, then you've got to be very careful you are not going to damage that industry as well. Now there was a time when in the United States a limitation on the increase in production of cow-calf operations was the availability of land. It was generally felt that across the North American continent the limitation of land would prevent a too rapid expansion of the cow-calf operation. But what has happened? With the wheat surplus that hangs over our heads on the North American continent, there is now a good possibility that the conversion of acres from wheat production into pasture will substantially increase the cow-calf operations in the United States.

The same thing will happen here. Cattle prices are very sensitive to demand, much more so than most other commodities. The admonition of my honourable friends opposite when they were sitting here, about the high beef prices, resulted in consumers stopping to buy beef. Very quickly it affects the price of beef - very quickly - and now you have a situation in the beef industry where the prices have placed a good many of the feeder operations in jeopardy. You can't buy feeders at high prices, feed them all winter and sell them at a price that is substantially lower than what you paid for them and expect to make money. The kind of encouragement that I seem to detect the Minister intends to give to the increasing of the cow-calf operation could be disastrous to the beef industry. And what he will be doing, instead

(MR. JORGENSEN cont'd.) of assisting the wheat farmers who need the help today, will be spreading the disaster all through the entire agricultural industry. I think that there should be some very careful consideration given to the Minister's statement about how he is going to diversify because it can create more havoc than it can solve problems.

I said at the outset that we should have been dealing specifically with the wheat problem and the wheat problem only. It would have been far better to have paid a subsidy for farmers to take wheat out of production. There was a suggestion made at some farm meeting this spring about something like \$15.00 an acre of an acreage payment. In the final analysis it would have cost much less to do that than the kind of programs that have been developed on a half-baked basis in the last year, both federally and provincially. And I'm not critical of the Minister attempting to try to do something, but I warn him that the result of what he is doing would be more harmful than it could be good, and I hope that he takes that into consideration in this legislation.

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: Mr. Chairman, we are fully aware of the situation, and to the extent to which this is going to be encouraged will be determined by the market potential without deflating the market price. I want to point out though that my honourable friend from Morris either is not talking to my honourable friend from Pembina or else they have a difference of opinion, because a moment ago my honourable friend from Pembina talked about the callous approach to, well their payments - or what was his term? I'm not sure - but he thought they were extravagant and costly and we should be doing something else. Now my honourable friend from Morris said that we should give welfare to farmers that want to lay their acreage aside. -- (Interjection) -- Well, that's what he said.

MR. JORGENSEN: . . . try to play around with words or try to be smart, because he is not that clever. What he should attempt to do is to deal with the situation in the way that I have suggested. I was serious when I made my speech and I hope the Minister can be serious in piloting this legislation through the House, without trying to make smart-alecky remarks all the time. He would be far better advised to deal with the problem that he's confronted with, and it's a big one.

MR. CHAIRMAN: Page 9 -- passed; Page 10 -- passed; Page 11 -- passed; Page 12 -- passed; Page 13 -- The Member for Rhineland.

MR. FROESE: I would defer to the Honourable Member for Morris if he would prefer going first. On Page 13, I would move that clause (b) of Section 33 be deleted. In speaking to that motion, I would first of all like to say just what the government means by this particular clause - and I should probably read clause (b) which states and I quote: "Acquire by lease or purchase real property for the purpose of assisting in the relocation of farming operations or for the purpose of assembling land to assist in the development of economic units."

Mr. Chairman, you can place a very wide interpretation on this particular section. Just what kind of an administrator of this Act will you have? Is he going to be a farmer? Will he have farming experience? What about the committee that is going to be placed in charge? How much experience will they have? Because I think you are opening up the Act very wide indeed. We just finished considering the fish Act, which under its provisions makes provision for redundancies of those fish processing plants that will no longer be economical units or no longer be used. We have now in Manitoba hundreds of farms that are offered for sale that in my opinion are no longer economic units. Will they be purchased up by this government, and will they be paid for and in what way? I think we should have some indication here just what is intended.

Earlier this spring we had the members of the federal agricultural committee having a meeting here in this city. I only attended part of a session and this very matter was discussed, as to what is an economic unit, what is an economic farm unit. And there are various interpretations of this. Sometimes you can have a small farm unit that is diversified and probably will have some dairy cows and chickens and pigs and so on, where the farm family contributes to its operation and upkeep and so on, and that these people can get away quite well. At the same time you might have a much larger unit which is not diversified and which might not be economic at all, and I think we are leaving this wide open to interpretation.

As I already mentioned, this clause, together with the next section which deals with an agreement with Canada, I am wondering just what is proposed here. Are we going to dovetail into the federal legislation whereby we will have large land assemblies here in Manitoba?

(MR. FROESE cont'd.) Are we going to get federal monies for this purpose? Is that the intention of this government, to arrange for a large contract or agreement whereby federal funds will be channelled into this province for the purpose of assembling land? Because I feel that this legislation is open for that very thing, and I think we should be able to discuss it and do discuss it at this point.

The matter of land assembly, right now there are virtually hundreds of farms offered for sale. As was mentioned also by the Member for Souris-Killarney, many of our farmers are reaching the age of retirement where they no longer can and are fit to operate their farms and they want to get off. If we are going to provide for redundancies in the fish business, or in the fish processing plant area, I think we should do likewise for our farmers, and if good and well compensation will be placed. I should mention though that I am not in favour of the principle of this whole thing, of acquiring land as being proposed under this section. I do not subscribe to the principle and I am just wondering what we are letting ourselves in for under this proposition here. How much money does the government plan to set aside or allocate for this purpose? What kind of a program does the Minister envisage under this section for the immediate future, and also probably for a longer term, let's say for a five or ten year term. I think we should hear from him on this very thing.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. JORGENSON: briefly on section 33, for lack of a better word, I suppose we could call the kibbutz section. I just wonder what the Minister's intention is here in suggesting that there is going to be an acquisition of a considerable amount of land, and combined with the following section where they intend to work in agreement with the Government of Canada - and of course we know what the Government of Canada's intentions are, the Prime Minister outlined that during the campaign, and in a recent letter to one of my constituents about the purchasing of land. And I am not critical of the section, I don't think that there's anything particularly wrong, but we've got a real problem on our hands. Mention was made awhile ago about the average age of farmers today. There are a good many of these farmers that are going to be going out of business, and under present circumstances you couldn't find a buyer for land if you tried. There is just nobody that is offering to purchase land. It means that the life savings of a good many of these people are going to be wiped out completely unless something is done to ensure them that their farms can be offered for sale or can be purchased at prices that are reasonably in line with either what they purchased the land for or what its market value should be, what its assessed value is. -- (Interjection) -- As my honourable friend from Fort Garry has said, the farmers will become redundant and perhaps what should be made here is a redundancy clause in this bill.

But this is going to be a real problem, and I am curious to know if this is what the Minister has in mind in this particular section of the bill or what else is there. I know that part of the acquisition of property involves the acquisition of headquarters buildings and property of that nature, but is it the intention of the government to go into the business of buying up farms and setting up kibbutzes and communal farms, or whatever you want to call them, or just what is his intention. I wonder if he would give us an explanation of that.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: I just want to make a few comments on this section and to indicate that I intend to support the amendment that is being proposed. I want to say to the Minister that it is correct that it is Tory legislation, it was brought in by the Tories, it was put on the statute by a Tory government and it was safe in the hands of the Tory government, but I want to say to my little friend this morning that he's established here clearly this morning that he was irresponsible when he was on this side of the House and during the past few months that he has been Minister he has established that he is irresponsible as a Minister. And I say to the member, and to the government, that this would be a dangerous instrument in the hands of a socialist government, so I intend for that reason to vote with the amendment.

MR. CHAIRMAN: Page 13. Now I understand it's

MR. FROESE: under development of an economic unit. We are using the term in the bill and in the section, and surely enough we should have some idea as to what

MR. USKIW: honourable friends to read Hansard instead of having to repeat myself.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Other members have expressed concern about the kibbutz, the communal farm, but Mr. Chairman, this is far more serious problem than is apparent at this particular

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(MR. GRAHAM cont'd.) time. There may be a jovial mood here at the present time but this is quite serious, because it can lead to a destruction of the way of life that is presently in effect in the rural areas. We could conceivably have a communal form of farming such as we have in the Hutterite colonies develop out of this, and every rural member knows what this does to a small town, what it does to a school system and what it does to a municipal system.

So I would ask that the Minister explain more before this section is passed. I am sure that it's not the intention of the Minister to bring this type of legislation forward. It is extremely dangerous to the rural section of this province, to the agricultural economy as a whole, which is still the largest industry in Manitoba. And while we recognize that there are many who are reaching the point in their life where they would like to retire from the agricultural economy, I think there has to be more incentive given to the young people, and this section I do not believe would encourage such action from the Minister.

I think that the Minister has to explain to us

MR. PAULLEY: I hate to interrupt my honourable friend but I note the clock says half past twelve, the time — (Interjection) — the witching hour? — to cease. May I remind the honourable members just before the motion, Mr. Chairman, that it has been agreed upon to meet at 2:30 this afternoon, and then immediately following opening proceedings we will go into Law Amendments Committee to hear representations on the Centennial Lottery Bill, and following which, if we are finished prior to 5:30, we would return to the Chamber.

Mr. Chairman, I move that the committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee has passed without amendments the following bills: No. 41 - an Act to amend The Manitoba Development Fund Act; No. 43 - an Act to incorporate St. Anthony's General Hospital; and Bill No. 44 - an Act to amend The Municipal Act (2).

IN SESSION

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. PAULLEY: Mr. Speaker, I move, seconded by the Honourable Minister of Agriculture, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Thursday afternoon.