

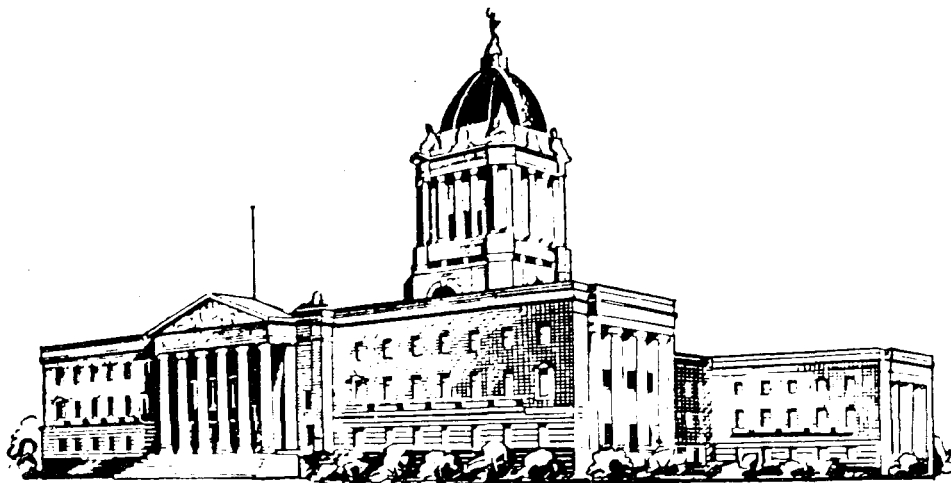


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXI No. 174 2:30 p.m., Thursday, June 13th, 1974.

First Session, 30th Legislature.

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, June 13, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I would like to direct the attention of the honourable members to the gallery where we have 70 students of Grades 3, 4 and 5 standing, of the North Memorial School. These students are under the direction of Mrs. Bailey, Mrs. Tomchuk, and Mrs. Penman. This school is located in the constituency of the Honourable Member for Portage la Prairie.

We also have 63 students of Grades 5 and 6 standing of the Riverview School from Rainy River, Ontario. These students are under the direction of Mr. Wilson, Mr. Gambsy and Miss Cross.

And we have 60 students of Grades 3 and 4 standing of the Balmoral School, who are the host of Sir Alexander McKenzie School of St. Albert, Alberta. These students are under the direction of Mrs. B. Margetts and Mrs. S. Margetts. The host school is located in the constituency of the Honourable Member for Gimli.

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

Presenting Petitions; Reading and Receiving Petitions, The Honourable Member for Fort Garry.

PRESENTING PETITIONS

MR. CLERK: The Petition of the Winnipeg Real Estate Board praying for the passing of an Act to amend an Act to incorporate The Winnipeg Real Estate Board.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; The Honourable Minister of Finance.

STATEMENT - HYDRO ISSUE

HON. SAUL CHERNIACK, Q.C. (Minister of Finance): Mr. Speaker, I have a short statement to make. It is not directly in connection with this board, which is on my desk and details are being distributed. It is, rather, in connection with our sale made on Tuesday and completed yesterday, of a one hundred million dollar Hydro issue which was sold in United States. What I have distributed, handed to Opposition parties, is the News Release which is not yet gone out but will be going out this afternoon, to the effect that the -- We had originally planned to make the issue a 75 million dollar issue, but within the last week we learned from the brokers in New York that there was a greater than expected interest in Hydro bonds and therefore, on their recommendation, we did agree to a one hundred million dollar sale. The rate is 9 1/4 percent interest coupon. It was sold at \$99.75, so that the yield to the investor is 9.275 percent interest. The issue is a 30-year bond with prepayment features commencing in the 15th - 16th year, and the last five years are re-payable at the will of the borrower without penalty. It's a coincidence, Mr. Speaker, that I've also distributed a sheet describing the Manitoba Savings Bond - which is again a coincidence, I suppose as the interest rate is the same - giving all details. I'm sure honourable members would like to have those details. And also I've asked to be distributed - I haven't seen it yet - a sticker that can be attached to vehicles or to any glass or any other sticker, to announce . . . similar to this board. If anyone wants to borrow it, I have a couple of extra ones.

MR. SPEAKER: Notices of motion; Introduction of Bills; Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition): Mr. Speaker, my question is to the Minister of Finance in relation to the Savings as issued. I wonder if he could indicate whether the interest payment is payable in Canadian funds or U.S. funds.

MR. CHERNIACK: It's a U.S. issue, Mr. Speaker.

MR. SPIVAK: Which means that the amount of principle and interest is payable in U.S. funds to the U.S. concerns. Is that correct? So that depending on the fluctuations of the market, the interest rate for Manitoba can be or could be higher.

MR. CHERNIACK: Mr. Speaker, in all borrowing in units of exchange other than Canadian dollars, then the factors involved are always interest rate and exchange rate at time of repayment.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and it relates to what appears to be new information in connection with the Manitoba Cancer Research and Treatment Clinic, where it appears that some of the people involved in research may be leaving Winnipeg if the facility is not expanded . . .

MR. SPEAKER: Order please. The question is hypothetical. The honourable member himself made the . . .

MR. SPIVAK: Well, Mr. Speaker, I'll frame it another way. I don't think the question is as hypothetical as you would suggest, Sir. I wonder if the Minister could indicate whether the Government intends to support the maintenance of the Research facility that we now have at the Manitoba Cancer Research and Treatment Clinic.

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health & Social Development) (Seven Oaks): Mr. Speaker, the Government is supporting the Research Foundation, and the Cancer Institute is part of the Health Sciences Centre. It has been doing this all along.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Does the Government assume that the research function of the Manitoba Cancer Research facility and its treatment function are the same?

MR. MILLER: Mr. Speaker, the research and treatment are obviously intertwined. I don't know where one would make the separation. I suppose there is a treatments factor which is not connected with direct research in this province; it may be related to research done elsewhere and the fruits of that research are then made available to treatment in Manitoba.

MR. SPIVAK: Well then, I wonder if the Minister can indicate whether the priority to be established with respect to the research facility is one determined by the Health Sciences Centre or is it one to be determined by the Provincial Government.

MR. MILLER: It would be both, Mr. Speaker, because the Health Sciences Centre would make their requests known to the Commission, who in turn would then make a recommendation to Government and Government, when faced with a dollar components, would have to then look at the totality of the request.

MR. SPIVAK: I wonder if the Minister could indicate whether the lessening of the research activities of the Manitoba Research and Cancer Treatment Clinic would be detrimental to the health of the people in Manitoba.

MR. MILLER: Mr. Speaker, I don't think I can answer that question, not being a researcher myself. Research takes place throughout the world and treatment takes place throughout the world and in Winnipeg, and as I said earlier, the result of research is then translated into treatment in Winnipeg. Recently the announcement was made of the acquisition of what's called the Rolls Royce of the linear accelerator. I'm told - I don't know - that it's the best of its kind in North America. The development of it wasn't done here; the research I don't think was done here. It was world-wide research. That particular piece of equipment comes from Paris, France, as a matter of fact.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I wish to ask a question of the Minister of Finance. Mr. Speaker, if you could catch the eye of the Minister of Finance, I would appreciate him getting back to his seat soon. The question relates to the News Service release and also the announcement that the Minister made a few moments ago, and Mr. Speaker, if you'll give me some latitude to pose a question, because we weren't prepared to respond at the time that the Minister made the statement, and I wish to quote. "Mr. Cherniack said he was pleased with the issue and with the success of its sale. It had been originally thought that the Province could normally expect a 75 million dollar sale at a somewhat higher rate. When we found we could get a hundred million dollars at a good rate, we took advantage of the opportunity to get this amount of funding for our major hydro projects." "

So my question is, Mr. Speaker, apparently the Hydro thought 75 million was enough for their purposes at this time but they leaped at the opportunity to take an extra 25 million. So I would like to know; (1) Is there going to be more borrowings for Hydro in the next year? And also, why the change to take 25 million more? It almost sounds like a housewife going to

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(MR. JOHNSTON cont'd) . . . a bargain sale and seeing something and on impulse taking it. Why are you taking the extra 25 million?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, never before in the history of Manitoba has there been a borrowing by the Province in excess of 75 million dollars. The brokers who advised us, and our own consultants, decide what they think the market is ready to borrow at any one time and, as I say, it has always been ranging from as low as 40 million up to as high as 75 million. The borrowing needs of the Province and of Hydro were fully discussed during Capital Supply and authority was given, and information was then given as to Hydro's needs for this current fiscal year, which are of course in excess of 100 million. But, as I say, the market appeared capable of and proved capable of sustaining a hundred million dollar loan, which is the largest, as I say, the Province has ever put out, and therefore it wasn't as if one housewife grabs a bargain; it's rather that knowing our needs and realizing that the investors were prepared to purchase bonds of Manitoba Hydro guaranteed by the Province at a rate which we considered favourable - in numbers it amounts in excess of the originally thought 75 million - we did try the 100 million and found that they were snapped up immediately, and it was proved to be a more than successful offering to the public in the United States.

MR. SPEAKER. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, a question to the same Minister. While the funds are awaiting dispersal as Hydro needs them, how do you dispose of the funds in the meantime? Are they in short term notes or . . . ?

MR. CHERNIACK: Mr. Speaker, the fact is that with the current market being what it is, we are making money on the moneys that are left with us, over our present needs. We are actually lending money out as high as 12 percent interest on short term, but I want to expand on this a little bit. Yes, it's true that the Province is making money on the cash surplus. However, some of this hundred million dollars is not being paid immediately. Some have taken their bonds on an understanding that they will pick them up in a few months from now and space it out so that it ties in with Hydro's plans for cash needs.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR, (Virden): Mr. Speaker, I would like to rise on a matter of personal privilege. I see by today's Free Press, there's a particular picture in it of Cancer Foundation Society, that I attended yesterday at their building, and it looks as though the Free Press is now using a technique that I used some year-plus ago in putting certain honourable members' names in a bottle and shaking it up, and not really caring who dropped out. And I must say, if they're using that, I'm a little annoyed that they didn't come up with the right name. It is the right area but the wrong name. It's nothing serious but I just wanted to draw the attention to the rest of you. Thank you.

COMMITTEE SUBSTITUTION

MR. SPEAKER: The Honourable Member for Raddison.

MR. HARRY SHAFRANSKY, (Radisson): Mr. Speaker, I have a substitution for the Law Amendments Committee. By leave, I would like to substitute Toupin for Green.

MR. SPEAKER: Agreed? (Agreed)

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON, (Gladstone): I have a substitute also, Mr. Speaker, for Law Amendments. Substitute the name McKellar for Blake.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, we would like to change our backfield also. The Member for Assiniboia and the Member for St. Boniface replacing the Member for Portage la Prairie and the Member for Fort Rouge.

MR. SPEAKER. Agreed? (Agreed)

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Speaker, I'd like to direct this question to the Minister of Highways. Is the Minister prepared to deal with the serious erosion that has occurred on the River Road #9 (238) south of Lockport?

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MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, first of all, I'd like to thank the honourable member for giving me notice of this question. As a matter of fact, I'd like to say that not only are we prepared to deal with this problem, we've been prepared for quite some time. We knew of the serious situation that has existed over the last couple of years, or probably even more, and we have had studies made as to costs and what have you, along with the Department of Tourism and Recreation, perhaps trying to some time in the future make this particular road a scenic route. As a matter of fact, I believe that on Monday or Tuesday of next week there will be a meeting held to finalize our plans.

MR. MCGREGOR: A supplementary, Mr. Speaker. Is the Minister aware the residents of the area are currently considering closing the road because of the driving hazard it constitutes? And also, to follow up the supplementary, is the Minister aware that the school buses are now being re-routed because of the erosion?

MR. BURTNIAK: Yes, we're aware of these situations, Mr. Speaker, and, as I said, we'll do our utmost to try and alleviate the situation.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Industry and Commerce regarding the new proposed policy of non-abandonment of prairie branch lines as announced by the Federal Government. I wonder where this Government stands, or the Minister, regarding that new policy.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS: (Minister of Industry & Commerce) (Brandon East): Mr. Speaker, I have not had the opportunity to study the Prime Minister's statement with respect to branch line abandonment or lack of abandonment, and I'm not quite therefore clear on exactly what question the honourable member is putting to me.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Well, Mr. Speaker, to help the Honourable Minister, may I refer to the statement that was made by the Honourable Otto Lang regarding the new policy of the branch line . . .

MR. SPEAKER: Order please.

MR. MCKENZIE: Well, Mr. Speaker, then may I ask the Honourable Minister what policy this Government pursues regarding rail abandonment?

MR. EVANS: Well, Mr. Speaker, I refer the honourable member to our policy statement issued at the WEOC (Western Economic Opportunities Conference) in Calgary last summer, where we made it very clear where we stood with regard to the question of branch lines. Also I would refer him to the speech I made only a few weeks ago to the Branch Lines Association of Manitoba. Our policy has always been that we are opposed to indiscriminate irrational branch line abandonment, and we've taken a very positive stand in this respect.

MR. MCKENZIE: Well, Mr. Speaker, the case then for clarification of the press, and I'm sure there's many . . . in the province who are not familiar . . .

MR. SPEAKER: Question. Question.

MR. MCKENZIE: Does the Minister stand under -- do I understand from the Minister's statement he supports the rehabilitation of the current system with upgrading?

MR. EVANS: Mr. Speaker, we have stated in the past that we believe that there are many branch lines that should be upgraded, and again I would refer the honourable member to remarks that I made to the Branch Lines Association which they consequently endorsed.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Minister responsible for the Manitoba Development Corporation, in his absence I assume I should direct it to the Minister of Industry and Commerce, Sir. I would like to ask him whether the Manitoba Development Corporation is in a position to do, and is doing anything to protect what I understand is its substantial equity position in Uncle Ben's Manitoba Brewery.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Well, Mr. Speaker, I should really take the question as notice, but to the best of my recollection there is not one dollar of MDC funding in Uncle Ben's Brewery.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: I have a question, Mr. Speaker, for the Honourable Minister of Industry and Commerce. I wonder if the Honourable Minister could advise the House if he or the

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(MR. McKENZIE Cont'd). . . Government supports the rehabilitation of the current system with the removal of the light density line?

MR. EVANS: If the honourable member is referring to the proposed new grain handling system that the Honourable Minister responsible for the Wheat Board is referring to, we have some grave doubts about what is being proposed by the Federal Government in this respect, and we have made known our particular position in this regard to the grain handling seminar or the grain handling organization, study organization, that has been in operation for some months.

MR. McKENZIE: Well, Mr. Speaker, I'll try again to get some information. Then can I ask the Honourable Minister if he supports the policy of the rehabilitation of the existing system plus the removal of the elevators that are being phased out?

MR. EVANS: Mr. Speaker, we support any policy that's going to improve the position of the farmers of Manitoba.

ORDERS FOR RETURN

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I have, by leave, copies here of Returns to Orders 17 to 24 inclusive, and 34, 37 and 63, for the table.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, by leave - Oh I'm sorry.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: And also, Mr. Speaker, Returns to Orders 81 to 97 inclusive, for the table.

COMMITTEE SUBSTITUTIONS

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, by leave, I have another substitution for Law Amendments Committee: Hanuschak for Evans.

MR. SPEAKER: Agreed? (Agreed) Orders of the Day. The Honourable Minister of Labour.

ORDERS OF THE DAY

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I understand that there is some desire, if I can interpret motions from across the House and other places equally, that we should not go into Committee of the Whole House at this particular time to consider of Bill 85, and I would appeal to honourable members as to the possibility of dealing with that this evening. I understand the reason for it is seeking further information. So I would suggest, Mr. Speaker, that I had originally intended that you should vacate the Chair until 5:30, but I think it would meet with general approval if I moved the adjournment of the House, members of Law Amendments Committee go into Law Amendments Committee, say at 3:00 o'clock, and that the House be reconvened at 8:00 o'clock this evening. If I haven't any objections at all to that proposal, Mr. Speaker, I would therefore move, seconded by the Attorney-General, that the House do now adjourn until 8:00 o'clock this evening.

MOTION presented and carried, and the House adjourned until 8:00 p.m. (Thursday)