

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 10, 1978

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): I should like to direct the attention of the honourable members to the gallery where we have 10 students of Grade 9 standing of the Earl Grey School. These students are under the direction of Mr. B. D. Abramo and this school is located in the constituency of the Honourable Member for Crescentwood.

We also have 44 students of Grade 5 standing from Precious Blood School. These students are under the direction of Mrs. Bouchard and Mrs. Perreault. This school is located in the constituency of the Honourable Member for St. Boniface.

We also have a former member of this Chamber in my gallery, Mr. Steve Patrick.

On behalf of all the members of the Chamber, we welcome you here today.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Mines.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I would like to read a statement with respect to spring runoff forecast.

The Water Resources Division reports that rainfall over the Red River Basin during the past week has resulted in an increase in anticipated peak stages on the Red River. Peak stages on the Red River from Emerson to the Floodway inlet are expected to exceed those of 1969 but should be less than those experienced in 1966. Peak stages upstream of the Floodway inlet should be 2-5 feet less than those experienced in 1974. The Red River peaked at Halstead on April 9th and should peak at Grand Forks on April 13th.

There is some information here, some statistics, Mr. Speaker, which I won't read out, that deal with anticipated stages.

The Water Resources Division reports that runoff is well under way on the Assiniboine River and on the Souris River. Flooding is not anticipated on the Assiniboine River with normal weather conditions. The Portage Diversion is being operated to prevent ice jams on the Assiniboine River between Portage la Prairie and Headingley.

On the Souris River, low lying agricultural areas near Coulter are now flooded. Flooding of low lying agricultural land near Lauder is also expected with normal weather conditions. Water Resources Division reports that precipitation during the past few weeks has substantially increased the runoff potential in the eastern Interlake. Some flooding may now be expected on the Icelandic River and the Fisher River with normal weather conditions. Flooding in these areas is expected to be more severe than experienced in 1976, but not as severe as that experienced in 1974. Minor flooding may also occur on Cooks Creek, the Brokenhead River, the Whitemouth River, and the Seine River.

Flows on Sturgeon Creek will be just below bank full. Flooding is not anticipated on streams such as the Pembina River, the Whitemud River, the Boyne River, the Turtle River, or the Vermilion River.

Water Resources Division emphasizes that weather conditions in the next two weeks will be highly significant. Above normal precipitation would lead to major flooding on the Red River and could lead to flooding similar to 1974 in eastern Manitoba and the Interlake. The division will monitor the runoff situation closely and will issue further reports if there is a significant change in anticipated peak stages.

MR. SPEAKER: Notices of Motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne) introduced Bill No. 4, An Act to amend The Highway Traffic Act.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, my first question is to the First Minister or the Minister of Finance. It is a subject matter which I am sure both are aware of, and that is to ask

whether the Crown can confirm as to whether Manitoba, will, in fact, be participating along with Canada and Saskatchewan and possibly Alberta, relative to a financial package needed for the future stability of Co-op Implements Limited.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, in answer to the question from the Leader of the Opposition, I expect that the final details of an agreement will be released some time mid-week of this week, and I fully expect that we will, as indicated, be entering an agreement with regard to the financial support through way of guarantees on a portion of their requirements and that this question that has been hanging for many months looks like it is at the point of being resolved.

There are quite a number of parties involved, as the Leader of the Opposition will recognize, either governmental or co-op or pool interests, and the final agreement is a fairly long and complicated agreement which will not be completed probably for a matter of a few weeks. But agreement in principle, I think, will be finalized probably mid-week this week.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, I thank the Honourable Minister for that reply which was unequivocal, although understandably not yet detailed.

My next question, Sir, is to the Minister reporting for the Communities Economic Development Fund, the Minister of Industry, to ask the Minister whether he can confirm reports to the effect that a north-eastern Manitoba tourist lodge, known as Thunderbird Lodge, which was built, I believe, with \$75,000 of provincial loan — loan, I repeat, and in the order of 300 and some thousand dollars of federal grant and loan, is being sold for \$132,000?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. BANMAN: Mr. Speaker, I understand that that matter is right now before the courts and the Receiver will be making certain recommendations along that line.

MR. SCHREYER: Yes, I take it then there will be recommendations to consider. May I ask the Minister — perhaps he would like to take this as notice — whether, in the event that it is sold for in that order of \$132,000, whether Manitoba's \$75,000 loan will be completely recovered or recovered in part? And if not recovered in whole, why not, since the loan is only one-half of the reported selling price?

MR. BANMAN: Mr. Speaker, I'll take that question as notice and report back.

MR. SCHREYER: A question, Mr. Speaker, to the Minister of Health — again asking for confirmation of what I would have to describe as hearsay information; namely that there is contemplation by the province of disengaging from any support for the continuation of the Children's Rehabilitation Service at the former Shriners' Hospital?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, first I would like to extend personal congratulations to the Honourable the Leader of the Opposition on the occasion over the weekend when the twentieth anniversary of his entry into public life was observed.

In answer to the question, Sir, there certainly is consultation and consideration under way at the present time with respect to the Children's Rehabilitation Hospital, formerly the Shriners' Hospital for Crippled Children. There is a very valuable prosthetic lab there, as the honourable gentleman knows, and it is the intention of this government to maintain that facility. As for the total future of the hospital, Sir, I can't answer that question yet.

MR. SCHREYER: Mr. Speaker, if you would allow me, Sir, to take note of the fact that the Minister of Finance said, in response to the observation about twenty years, that twenty years was a long time; he was kind enough not to say too long although he may have thought so.

My last question, Sir, is directed to the Minister responsible for the Manitoba Housing and Renewal Corporation, to ask him whether he can confirm that land that had been acquired by the Crown in the right of the province in the area of Arlington and St. Pauls — in other words in the area of the inner core and the west periphery of the inner core — land already so acquired is being sold or prepared for being sold, rather than as a site for future elderly persons and family housing.

MR. SPEAKER: The Honourable Minister responsible for Housing.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I'll have to take that question as notice and answer the honourable member tomorrow. Thank you.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW: I direct my question, Mr. Speaker, to the Minister of Health. As the Minister of Health, the Premier, and the Minister of Northern Affairs didn't have the courtesy and the decency to attend the meeting at Snow Lake — (Interjection) — you didn't have the decency to attend a meeting of such an important crisis, would you agree . . .

MR. JORGENSON: Mr. Speaker, that question is out of order asked in that fashion.

MR. SPEAKER: Order, please. May I inform the member that questions are to elicit information. Questions of an inflammatory nature should not be allowed in this Chamber and I would ask the member to rephrase his question.

MR. SCHREYER: It is surely in order for a member to ask whether a certain Minister would have the courtesy to — I admit that to assert that one didn't have may be infringing on the rules.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. BARROW: My question, Mr. Speaker, then is, would you have an inspection team go up there and look at that hospital and make up your mind on a knowledgeable basis? Could you do that?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, the answer to that question is, yes. I would just like to say that the honourable member knows — he and I have been in conversation — that because of an engagement in another part of the province on Sunday it was not possible for me to be in Snow Lake. I intend either to go or to have somebody from my office or the Health Services Commission go; I am in consultation with the company, with the hospital board and with my colleague, the Minister for Northern Affairs and with the Member for Flin Flon on that very crucial, critical question of the Snow Lake hospital, right now.

MR. BARROW: I thank the Minister. In the meantime, would you send 10 helmets up there, or hard hats, for the patients, the doctors, the nurses; that's how bad it is.

MR. SHERMAN: Mr. Speaker, I accept the implications in the honourable member's question and the sincerity in which I know the question is put. I know it's a crisis, I hope to be able to work something out very quickly.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister reporting for the Communities Economic Development Fund, supplementary to my Leader's question. Could the Minister indicate to the House — if he wishes to take this as notice, please do — what exactly the amount is that is being charged for the receiver who is in charge of the winding up of the Thunderbird Lodge account, and if the Minister is satisfied with the charge that is being made by the receiver, if he feels that it is a just and reasonable charge that is being made.

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

MR. BANMAN: Mr. Speaker, the member will appreciate that the particular lodge was put into receivership and that we are one of the creditors, the Federal Government of course carrying the vast majority of the money through DREE as well as through the Department of Indian Affairs, I understand, and I will try and get as much information on that subject as I can.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Supplementary in light of the Minister's reply. I would ask the Minister to indicate to the House when he says that the province is only one of the creditors, could the Minister indicate if in fact the province has the security of at least 50 percent of the security value even though the province's input by way of loan is perhaps only in the order of 20 percent of the total input by Federal and Provincial governments.

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

MR. BANMAN: Mr. Chairman, I believe that goes along with the first question that the Leader of the Opposition asked, and I will try and ascertain that.

MR. SPEAKER: The Honourable Member for The Pas.

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MR. RONALD McBRYDE: Mr. Speaker, I believe the Minister of Health and Social Development is waiting for me to ask him a question about welfare statistics, and I wonder if the Minister could indicate whether it would be possible to get monthly and regional statistics on the level of welfare payments in Manitoba?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I appreciate the question from the Honourable Member for The Pas. I was hoping to give him the information today, it relates to a question he asked me some time ago about what statistics my department provides in terms of the number of welfare recipients in the province, and whether or not I get regular reports and a regional breakdown. The answer is, "Yes, my department does provide me with monthly figures on the number of persons on the Income Security program.

"The latest statistics made available to me indicate that as of January 31st, 1978, there were 22,058 persons receiving assistance, which represents a total of 974 cases lower than at the end of January 1977." The answer is also, "Yes, there is a regional breakdown and as far as the Norman Region is concerned, as of January 31st, 1978, there were 754 provincial welfare recipients."

I have additional information to that, Mr. Speaker, but I don't particularly want to take up the Opposition's question period time, and I can communicate it directly and informally in the House this afternoon to the honourable member.

MR. McBRYDE: Mr. Speaker, a supplementary. Maybe he could indicate if he will be formalizing this almost like a Statistics Canada Unemployment Report, so that we can expect this on a regular basis even when the information is not that beneficial to the government?

MR. SHERMAN: Well, Mr. Speaker, the honourable member is certainly free to ask me once a month, on the month, for such information and I will attempt to have it available for him.

MR. McBRYDE: Mr. Speaker, I will give him notice now, and he can take the question as notice for once a month from now on, even when the session is not in session.

I wonder if it's possible for the Minister to get statistics that also relate to the level of welfare payments within the City of Winnipeg, and whether it's possible for him to get information on the level of welfare payments within the Indian Reserves in Manitoba?

MR. SHERMAN: Well, Mr. Speaker, it's certainly possible to give the honourable member information on the amount of welfare payments, the total spent on a fiscal year basis or on a monthly basis in comparison to the month for the previous year, in the entire field of Income Security programs for the province. I can't tell him at this juncture whether I could do it for those purely within the City of Winnipeg and those on Indian Reservations, but I'll find out and report back.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker, I would like to direct a question to the Minister of Consumer Affairs responsible for the Manitoba Telephone System. Can the Minister advise the House whether the province has received clarification to date regarding the Canada-Manitoba Agreement pertaining to cablevision? As the Honourable Minister may be aware the various community groups, the community cablevision groups, namely, Westman Media Co-op Limited, Interlake Cable T.V. Limited and Portage Community Cable T.V. Limited have expressed concern regarding some delays in this matter. I'm wondering whether the Honourable Minister could advise us whether he has, or the government has, received clarification on the early implementation of this Canada-Manitoba Agreement.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, the question of the Member for Brandon East leaves me with some lack of clarity in respect to his intent. He asks me if the Federal Government has in any way indicated when the terms of the Canada-Manitoba Agreement will be implemented. I can tell the member that there is no problem relating to the position of the Federal Government with respect to that Agreement. The difficulty seems to lie with the way in which the CRTC is either implementing or ignoring the terms of that Agreement, and I can tell the member that, as of this moment, there is no indication that those differences between CRTC and the Federal Government are completely resolved.

MR. EVANS: Thank you, Mr. Speaker. My question, of course, did relate specifically to the clauses pertaining to drop-ownership and cost equalization. I presume the Honourable Minister understood that.

In view of his answer could the Honourable Minister advise whether there is any way the Province of Manitoba can help these community cablevision companies, or co-ops, in this matter? Is there any way the government can encourage the Federal Government to resolve this matter for the implementation of community cablevision in those communities, and particularly in Brandon which

is the one first to be involved, I believe?

MR. MCGILL: Mr. Speaker, the CRTC is a quasi-judicial body set up with certain powers. It is true, of course, that the Federal Government has the authority to overrule the CRTC and has done so on at least one occasion to my knowledge. However, we are hopeful that the views as expressed by the Minister of Communications in Ottawa will be reflected in the decisions of the CRTC. At the moment the difficulty seems to be that while the Canada-Manitoba Agreement recognizes the right of the common carrier, i.e. Manitoba Telephone Systems, to own the house drops, in the case of the rural licensees the CRTC has not yet, in refusing to accept the present contracts between those licensees and MTS, has not yet given an indication that they, too, agree that that ownership is properly with MTS.

MR. EVANS: A final supplementary then, Mr. Speaker. Can the Honourable Minister then advise, in view of the complexities and the seeming differences of view within the Federal Government bureaucracy, CRTC versus the Ministry, and so on, whether he could advise when he anticipates cablevision to be put into place and into operation in the City of Brandon at least?

MR. MCGILL: Mr. Speaker, I would not like to speculate on when the delivery of that service will take place. The planning is for this fall. Whether or not that will be possible I'm not prepared to say. I believe that, and we are hopeful, that some of the differences may be resolved within the next few weeks. If that does occur it may well be that those intended programs and the intended completion of the service in the Westman area and other areas of the province will take place this fall.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, my question is to that Minister that has the responsibility for representing Manitoba's general interest for the Federal Government with respect to aviation and air service. Can the Minister indicate if Manitoba has, or still might be, making representation to the Federal Government with respect to the imminent possibility of the red Air Force of Alberta, namely PWA, taking over operations of Transair, given the fact that PWA is the most recent example of major scale government intrusion into what was before a private enterprise airline operation and which has an accumulated indebtedness of \$100 million-plus?

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

MR. BANMAN: Mr. Speaker, to reply to the Leader of the Opposition's question, as the member knows, the Canadian Transport Commission gave okay for the PWA to operate Transair. We have had several meetings with the president of PWA who has given us his assurance that the level of service to the northern communities as well as the staff complement in Winnipeg is going to remain constant. That was one of our main concerns. We monitored the hearings very closely with not only departmental staff but also with some legal staff. I should also say that we can have a second look at the whole thing and see how the PWA has been performing when an application goes before CTC to finally ratify the joining of the two so we will be watching those operations very closely to see that Manitoba's interests are protected.

MR. SCHREYER: Can the Minister indicate, in addition to the information he's given us, whether Manitoba made a positive submission to the federal authorities in that respect, a negative representation, or no representation with respect to the subject matter of the proposed acquisition by PWA, which is now Crown-owned, of Transair which was previously a privately owned operation?

MR. BANMAN: Mr. Speaker, our role was basically one of monitoring the proceedings.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: Mr. Speaker, to the Minister of Health. Has the Member for Wolseley advised the Minister that there was a riot at the Youth Centre over the weekend?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: The Member for Wolseley didn't advise me of it, Mr. Speaker, but officials of my department did.

MR. BOYCE: Mr. Speaker, can the Minister advise the House whether the security of the people who live around that institution is being protected by the staff cutbacks that he's carried out at the Youth Centre?

MR. SHERMAN: Well, Mr. Speaker, my information is that it was not a riot although certainly it was a damaging and violent incident. There were two juveniles involved, both had been on short leaves from the Centre and were on their way back. Both have a history of quick-tempered violence, it might be valuable to point out, and they had been committed to the Centre. The police responded very

capably and very helpfully. There is a substantial amount of damage done, the necessary emergency repairs to provide security have been undertaken and completed. The daily schedule at the Youth Centre is back on routine and my department and the Youth Centre have promised me a more detailed report very shortly.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: I would appreciate the Minister filing that detailed report later, but that really doesn't answer my question. You know, this is the first time that there has been such violence outside of the institution since the inception of that place, and would the Minister once again — you know restraint is restraint, but completely destroying programs is destruction of programs. Will you once again look at your staffing in that particular institution?

MR. SHERMAN: Mr. Speaker, the incident, insofar as I know, is in no way related to staffing or staffing patterns. These were juveniles coming back to the Centre; there is normally not security staff at work outside the Centre to prevent this kind of thing from happening. Perhaps the two juveniles should never have been let out, perhaps some of the policies that had been in place and in effect over the years have been too lenient. —(Interjection)—

MR. SPEAKER: Order, please. The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Speaker. I direct my question to the Minister of Labour, and ask her if she can advise the House if she had any notice of impending layoffs at the Health Sciences Centre?

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): No I haven't, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, so that we may understand the subtleties of the mind of the Minister of Health, could I ask him to indicate the distinction he draws as between, to use his own words, serious damage, acts of violence or actions of violence on the one hand and riot on the other.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, the distinction would be, and it would be purely a personal one, that a riot usually involves a number of people; in this case there were two juveniles involved, there were no others participating. In strict semantic terms that constitutes a riot, then the Honourable Leader of the Opposition went through different English courses and English classes than I did. I don't call that a riot although they acted in a riotous way —(Interjection)— I make that careful distinction, Sir.

I would also say that I don't think I have answered the question of the Honourable Member for Winnipeg Centre. He is asking me whether I'm concerned about the safety and security of people in the neighbourhood, residents in the neighbourhood. Yes, I am, and I well remember when the debate was launched some years ago as to whether the Youth Centre should be located in that particular area. I've always been concerned about the safety of people in the neighbourhood. —(Interjection)—

MR. SPEAKER: Order, please. The Honourable Member for Winnipeg Centre on a Point of Order.

MR. BOYCE: Yes, Mr. Speaker. If the Minister is going to make a speech I would like equal time.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to ask the Minister of Health, with reference to his last answer, is he suggesting that such conduct is acceptable in the centre part of Winnipeg, where it was suggested by the Conservative government that this facility go, but it's not acceptable in Tuxedo, where it's gone?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: In no way, Mr. Speaker, in no way. I was asked by the Member for Winnipeg Centre whether I was concerned about the safety of residents who live adjacent to an institution of that particular type; I say yes, I am concerned about it. There have been no serious ramifications or effects thus far, but if this is an indicator of things I think that I must admit I am concerned about it and I would want to see a tightening up of re-admitting procedures at the Centre so that events of that kind won't be duplicated.

MR. GREEN: Well, Mr. Speaker, would the honourable member then share the concern of the

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previous administration where the Centre was to be placed closer to residents of Winnipeg than it presently is at the same time, that that would be a shared concern of the Minister.

MR. SHERMAN: I didn't oppose the location of the Centre at its present site at the time, I merely cite for honourable members the debate that took place at that time which revolved around whether or not the Centre should be situated in any residential area, and that close to resident homeowners.

MR. GREEN: Mr. Speaker, one further question to the Minister with regard to definition of the words. Would the honourable member agree that if it occurs under a New Democratic Party administration it's a riot; if it occurs under a Conservative administration it's violent conduct.

MR. SHERMAN: No, Mr. Speaker. I would say that if it occurs under a New Democratic administration it's probably a disaster.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, will the Minister share his concerns with his colleagues in Cabinet and caucus to the extent that what you are talking about is the perimeter of that institution, not what goes on inside of it, and the staff under you will make errors in judgment as they did under me, but, Mr. Speaker, that includes the whole old Fort Osborne complex out there. The question is, will he share his concern with his colleagues because is it not the overall cutback in staff which is cutting back on the security of Assiniboine Park where you can't cover it with the staff that you've got and you can't cover the perimeter of that place with the staff that you've got.

MR. SHERMAN: Well, certainly, Mr. Speaker, the Cabinet is collectively concerned with those questions and it will be discussed and examined.

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

MR. BILLIE URUSKI: Thank you, Mr. Speaker. I would like to address a question to the Minister of Labour. I wonder if the Minister could indicate what has happened to the career planning office functions and specifically the work on the Affirmative Action Program and Equal Employment Opportunities within the Civil Service?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, that will all come up in the Estimates.

MR. URUSKI: Mr. Speaker, could the Minister indicate what Affirmative Action Program she has within her department to assure that there are employment opportunities for the handicapped students in our post-secondary institutions for this coming year?

MRS. PRICE: Mr. Speaker, I can assure the Member for St. George that it is carrying on as usual but I will delve into it further during my Estimates.

MR. URUSKI: Mr. Speaker, could the Minister indicate to this House how the function is carrying on as usual when there are no staff in that branch?

MRS. PRICE: Mr. Speaker, there are members of the staff in the Civil Service handling it and as I said, I will tell him more about it in the Estimates.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Thank you, Mr. Speaker. My question is directed to the Minister of Health. I wonder if he could prevent a disaster as is being requested by the Victoria Hospital of the employees to take a 3.2 percent cut in wages in a letter they received, or in lieu of that the hospital threatens to cut staff.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHEAN: Mr. Speaker, the Victoria General Hospital is in my constituency, and I have not had any such communication from their board or their administration. If I do have I will certainly sit down with them on the problem.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: My question, Mr. Speaker, is for the Minister responsible for the Task Force. Would the Honourable Minister like to confirm widely disseminated rumours that a member of his

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Task Force staff travelled to Brownsville, Texas, a short time ago at public expense, with respect to the business of the Task Force?

MR. SPEAKER: The Honourable Minister responsible for the Task Force.

HON. SIDNEY SPIVAK: Mr. Speaker, someone from my office did travel to Brownsville, Texas, but not at public expense.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Yes, Mr. Speaker, my question I'll direct to the Minister of Health. Can the Minister confirm that the Lynn Lake Community Counselling and Resource Centre has been forced to close its doors due to a lack of funding?

MR. SHERMAN: No, I can't confirm that, Mr. Speaker. I will take that question as notice.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, I have two questions for the Minister responsible for Tourism and Recreation, one of which I gave notice last week, and that is asking the Minister if he can confirm or deny reports to the effect that the Province of Manitoba had transferred sums of money to the Manitoba Hotel Association to cover the salaries of two employees which were also to be transferred, with recommendation, to the Hotel Association from the department?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. BANMAN: Mr. Speaker, I have checked with my department and I understand that no employees or funds have been transferred to the Manitoba Hotel Association. I would report though that negotiations are under way with the association to maybe carry out some of the functions previously done by the department, and that some of the Branch employees are involved and there could be a grant made available for this.

MR. SCHREYER: Could the Minister indicate if that grant would be in the order of \$50,000 to \$55,000.00?

MR. BANMAN: Mr. Speaker, I haven't got a figure here. I will have to check that out.

MR. SCHREYER: Well, Mr. Speaker, my other question has not been given notice of, the Minister may wish to take it so, and that is to ask the Minister — I'm sure it's genuinely amusing, I wish I knew what it was, Sir. May I ask the Minister if he can indicate that the service which had been provided by the province hitherto, with respect to having two persons in the province in the employ of the department working on Hunter and Firearm Safety, and that these two persons are no longer so employed? Can the Minister indicate if arrangements are being made to have this rather necessary service carried out by some alternative means, or is it being dropped entirely?

MR. BANMAN: I'll take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: I wanted to direct a question, Mr. Speaker, to the Minister responsible for the Task Force. Could he indicate whether the Task Force is still functioning, and in particular whether it is now examining the Crown corporations with a view to making cuts in their work force.

MR. SPEAKER: The Honourable Minister.

MR. SPIVAK: Mr. Speaker, I can assure the honourable member that the staff of the Task Force are working with respect to certain projects that were not completed, the details of which will be known in time.

MR. DOERN: Mr. Speaker, I wanted to ask whether — the Minister makes a very vague response which is hard to assess — he indicated in an earlier statement that they were going to examine the Crown corporations and agencies with a view to making cuts. Could he confirm that that is now taking, in fact, taking place, that the Task Force is or will go into the Crown corporations, make recommendations with a view to reducing their staffs?

MR. SPIVAK: Mr. Speaker, the honourable member refers to a statement which obviously comes from a newspaper write-up which is either misinterpreted by the individuals who wrote it or is being misinterpreted by the honourable member, and I'm not sure which is the case. I think the statement that was made was that if there are restraint guidelines to be applied for government initials departments, it would apply equally as well as far as Crown agencies and there was a necessity for

the Crown agencies to, in fact, organize themselves to be able to live within those guidelines.

With respect to the work of the Task Force staff, their work is a conclusion of a number of specific studies that were undertaken which were not concluded at the time the report was tabled. That information will be available and will be discussed when the Minister's salary comes under Executive Council, and the estimates of that are discussed.

MR. DOERN: Mr. Speaker, given the size and dimension of the cuts made in the regular line departments, can we assume that several thousand jobs are at stake in the Crown corporations?

MR. SPIVAK: Well, Mr. Speaker, I gather there are approximately 15,000 people employed in the Crown agencies, and 15,000 people, more or less, employed within the Civil Service, so we are talking about 30,000 people — that's a fairly substantial number. I am not aware of any particular statistics with respect to the Crown corporations, except a general impression, from information that has been supplied, that in effect the Crown agencies have tried to live within the restraint program as best they can recognizing their priorities.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, I'm overwhelmed and exceedingly pleased to note that the Minister has used the number of, "Less than 15,000 in the Civil Service." That is a number which I certainly subscribe to as being factual.

I go on now to ask the Minister — I pause only so that that can sink in to my honourable friends opposite — I go on now to ask the Minister whether he can indicate, given the fact that the President of the University of Manitoba, Dr. Ralph Campbell, has referred to the Task Force recommendations — vis-a-vis the University — as a direct assault on academic freedom of the University, and an attack on the collegiality of Universities? Can the Minister indicate if any of the Task Force or its sub-component Sub-Task Forces had direct face-to-face discussions with any of the leading senior people, administrative or academic, or student at the University with respect to these recommendations?

MR. SPIVAK: Mr. Speaker, I would like to indicate first to the Honourable Leader of the Opposition that the figures of 15,000 are used as a general figure when one has to understand that it is very difficult to understand how many employees the government had any given day. If one looks at the categories of casual, departmental, term, contract in Civil Service, one would be talking about figures that are not normally and have not been bandied around properly in this House for some time. — (Interjection) — Well they don't include, Mr. Speaker, casual employees who are casual for several years, nor do they include departmental people who are departmental for several years, and the difficulty with the categorization is to understand in reality how many people are really employed and I think that that . . .

MR. SPEAR: Order please, order please. May I suggest to the member that his answer be short. We are already over the time on the Question Period.

MR. SPIVAK: Mr. Speaker, I will try and be brief, but it was in response to the Honourable Leader of the Opposition.

With respect to the statements that have been made at the present University, and the question was asked, my understanding is, and I think it's correct, that the sub-committees of the review teams and the review teams themselves did meet with many of the officials including the president, and discussed the various problems at the University.

With respect to the question of the direct assault on the university — universities have had the opportunity and it is part of their freedom to be able to examine every facet of our society and be critical as they see fit. It would seem to me, Mr. Speaker, that there is an equal opportunity in this House, when funding is to be provided, for the members of the Legislature and for those who are commissioned to examine certain facets of it, to be able to do it with the same kind of freedom that is allowed within the university itself.

ORDERS OF THE DAY - ORDER FOR RETURN

ORDER NO. 49: On Motion of Mr. Desjardins.

THAT an Order of the House to issue for a return of:

1. All reports of review teams submitted to the Task Force on Government Organization and Economy.

2. All special study group reports submitted to the Task Force.

3. All supported documentations submitted to the Task Force.

MR. SPEAKER: It has been moved by the Honourable Member for St. Boniface, seconded by the Honourable Member for Selkirk. The Honourable Member responsible for the Task Force.

MR. SPIVAK: Mr. Speaker, following the practice of the previous administrations, with respect

internal working documents, we refuse to accept this Order.

MR. DESJARDINS: This will be, no doubt, transferred for further debate in the private members' then?

MR. SPEAKER: The Honourable Member for St. Boniface requesting that it be transferred for debate. Is that agreeable? The Honourable Member (Agreed.) for Selkirk.

ORDER NO. 50: On Motion of Mr. Pawley.

THAT an Order of the House do issue showing the following:

1. Total cost to the Government of Manitoba of the Report of the Family Law Review Committee.
2. Fees or remuneration paid to Myrna Bowman, Ken Houston, Q.C., Rudy Anderson, for their work on the report.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: The Order is accepted, Mr. Speaker.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSEN: I move, seconded by the Minister of Highways that Mr. Speaker do now leave the Chair, and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSEN: Mr. Speaker, I think you should put the question before you call the . . .

MR. SPEAKER: Is it the pleasure of the House to adopt the Resolution? (Agreed.)

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for Development Agencies and the Honourable Member for Crescentwood in the Chair for Agriculture.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — AGRICULTURE

MR. CHAIRMAN: If everybody who is present in the room will stay present, we have a quorum. We left off on Friday afternoon on page 10, Resolution 13, Crop Production. We have not passed, according to my records, any items within that section as of yet. We did have approximately fifteen minutes of question and debate period on Friday on that particular section, though. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, last week we took some time to discuss the disposition of Morden Fine Foods, and as I recall it, our Minister here at the Committee meeting suggested to us that there was going to be no change and yet as I understand it, it was reported in the media that the Minister of Industry at the same time was indicating quite a substantial change in policy in respect to the operation of that company, so that really, I am wondering whether we can find out from the Minister just whether he is not discussing it with his other colleague or what the logic or how do we reason the difference of statements nisters? Why are we getting two different statements?

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Chairman. I believe I indicated to the Committee the end of last week, that there was some contracting taking place with the Morden Fine Foods and I would just like to confirm that at this time, that the Morden Fine Foods will be continuing on and have contracted some crops for this year.

MR. USKIW: For this summer?

MR. DOWNEY: That's right.

MR. CHAIRMAN: Item 6.(a)(1)—pass — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the other aspect that I wanted to get more information on, was whether or not there were any particular concessions given to McCain Foods vis-a-vis production. Perhaps I should be more specific than that. Did the government give a commitment to McCain Foods that the

producers of potatoes in Portage la Prairie, or anywhere, in contract with McCain Foods, would or would not be eligible to utilize the Natural Products Marketing Act as a means of enhancing their bargaining position?

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, in regard to McCain Foods, I am not aware of any special concessions that were promised by the past administration. Our department has had very little discussions with McCains and certainly I am not aware at this time of any special concessions — we have none planned in our Estimates for special concessions in the production of potatoes this year.

MR. USKIW: Mr. Chairman, perhaps the Minister doesn't fully appreciate or understand the question. What I want to know is whether or not there has been an approach by McCain Foods to the government, asking the government to exempt that plant from any sort of marketing board structure through which producers would bargain for their production.

MR. DOWNEY: Mr. Chairman, not to my knowledge. I have not been approached personally or the Minister's office and have not been notified if the department have been approached by the plant in question.

MR. USKIW: What is the policy of the government with respect to that question. Should the producers choose to operate under the Natural Products Marketing Act, in essence, should they choose to establish a marketing board for potatoes produced for processing, what is the policy of the government with respect to allowing that to take place by regulation?

MR. DOWNEY: At this time, Mr. Chairman, there has been no effort made by anyone, or I have not considered at this time to change the Natural Products Marketing Act to enable anyone to have special . . . I have not been approached and I have no intention, as I said at this time, to have any changes to that.

MR. USKIW: Would I be then correct, Mr. Chairman, in assuming that should the producers wish to market their product collectively, that they would be free to do so, and that they would be able to use the existing legislation?

MR. DOWNEY: Yes. To the member opposite, it's very difficult to answer a question that he might assume; assumptions are hard to . . .

MR. USKIW: I'm not assuming anything, I'm just asking. Well, Mr. Chairman, the Minister perhaps doesn't appreciate the importance of that question, because if you take a look at his policy with respect to other commodities it is a very real and important question. You know, the idea that we should take a commodity out of the umbrella of the Natural Products Marketing Act as he is proposing to do with respect to beef could certainly apply with respect to potatoes produced for a specific plant, for specific purposes. I raise that question in the context of his already stated position with respect to beef in Manitoba, and I'm asking if that is the direction we are going to take with respect to potato production existing, or new production.

MR. DOWNEY: Mr. Chairman, as I stated earlier, I haven't been approached by anyone asking for such changes and at this time it hasn't been considered.

MR. USKIW: When the Minister uses the words, "it hasn't been considered," it obviously leaves the impression that it could happen then, that that is a possibility. Is that the correct interpretation?

MR. DOWNEY: Mr. Chairman, it could be considered.

MR. CHAIRMAN: Item 6.(a)(1)—pass. Item 6.(a)(2), Other Expenditures—pass. Item 6.(b)(1), Salaries, under Soils and Crops Branch, \$1,679,300.00.
Item 6.(b)(1), the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, would you get a breakdown of staff components here? The usual, the same question —(Interjection)— In the crop soils and crops branch?

MR. DOWNEY: Mr. Chairman, I believe I gave him that information. —(Interjection)— That is correct.

MR. CHAIRMAN: 6.(b)(1)—pass. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, what is happening with respect to the new vegetable production in Manitoba, the new species, new varieties. For example, Jerusalem Artichokes, where are they at? Is that developing into a commercial product or is it still . . .

MR. DOWNEY: Mr. Chairman, I'm informed by my the department that we are carrying on with that program. We have found the first process of extraction of sugar uneconomical and are continuing on with another process to extract sugar so that it possibly would be an economical process and crop for the province.

MR. USKIW: Could the Minister indicate to me just where we are with respect to the studies and experiments that were conducted in a number of on-site farm situations on the question of pickling onions. I believe there is a lot of public funds went into that, bringing some new equipment in and so on.

MR. DOWNEY: Mr. Chairman, that program is continuing and one of the growers has purchased some new equipment to go into the commercial production of the particular product in question.

MR. USKIW: What still has to be resolved with respect to those studies? What is the problem there?

MR. DOWNEY: Mr. Chairman, there still has to be some work done on the production and harvesting. The product has been accepted quality-wise by the purchasers of the product, the processors, and there has to be more work done in the area of producing and harvesting the onions.

MR. USKIW: How many producers are involved in this project?

MR. DOWNEY: Mr. Chairman, as I've indicated, one producer has purchased equipment and there is indications that a few more producers plan to get into the production of this particular product.

MR. USKIW: Mr. Chairman, I wonder if the Minister would indicate to us just how much money is committed to this program in this current fiscal year, broken down by way of direct departmental costs and any subsidies to producers.

MR. DOWNEY: Mr. Chairman, the departmental costs I'll have in a minute. It's probably difficult to break down. But there aren't any subsidy moneys to that, direct subsidy payments to the crop.

MR. USKIW: Well the whole thing is a subsidy. Well, all right, if I can have the global figure on what this is costing us. The point I'm trying to raise, Mr. Chairman, is that one always has to be cautious with respect to introducing new technique, new technology, new production, vis-a-vis the producers themselves in that if you're not vigilant at all, you find that you end up subsidizing an operation that's ongoing rather than the research end and there has to be a fairly critical eye on the program to make sure that the public is not getting, sort of, ripped off in the process. Once we have established our research material, then I think that it's time that staff input and material input should come to an end. I don't think it should be an ongoing thing in the form of a hidden subsidy to any one or number of particular producers.

MR. DOWNEY: Mr. Chairman, I can assure the honourable member opposite that I will be keeping a critical eye on all the programs that we have taken over and are carrying on with from the last administration.

MR. CHAIRMAN: 6.(b)(1)—pass. The Member for Ste. George.

MR. URUSKI: Mr. Chairman, I wonder if the Minister of Agriculture could indicate as to what program or what avenues this year the department is going to be undertaking with respect to the Dutch Elm disease that had been detected in 1975 and what areas is the department going to be concentrating on?

MR. DOWNEY: Mr. Chairman, it will be a program such as the one last year. There is a little less of the problem with the disease so there will be probably less trees to take out.

MR. URUSKI: Are there any new areas that the department, since last fall, is being apprised of or are we just waiting now for the spring thaw to see where, if any, new outbreaks have occurred?

MR. DOWNEY: Mr. Chairman, because of the nature of the type of disease that we are talking about, we have some people watching the problem and have not identified any new areas that will need treatment, however, we will try and keep aware of problem areas if there was an outbreak show somewhere.

MR. CHAIRMAN: 6.(b)(1)—pass. The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, I'm not sure whether what I want to ask comes under this section, but I want to ask the Minister or the Chairman if we can discuss the Crown lands under this particular Section?

MR. CHAIRMAN: It would come under this Section. I'm told.

MR. ADAM: Yes, thank you, Mr. Chairman. This government has given us a great deal to be concerned about since its election in October but I believe the thing that concerns me the greatest is: what is the policy of this government in regards to what I believe is one of our richest resources and one of our greatest heritages, and that has to do with the approximately 85 percent of all the land mass in Manitoba that belongs to the people of this province collectively. Most of this land, Mr. Chairman, is marginal, sub-marginal land, but it plays a very very important part in our society. The Crown lands, because they belong to the people collectively, it affords, for instance, you, Mr. Chairman, to own land even though you're an urban citizen. It affords some control over land use. It affords some control over management and it provides a cover for wildlife, for recreation and for the production of furs and many other valuable resources.

We are always concerned when we have a so-called free enterprise government elected and we're always concerned that we're going to have a free-for-all jamboree on this valuable and treasured resource. We have seen evidence of that when it was announced that there was a 200-unit condominium that was going to be planted right down in the centre of the Whiteshell Park and we are concerned about what the policies of this government are in regard to the sale of Crown land, whether that is going to be kept for future generations.

Crown lands that are designated for agricultural use provide many many ranchers accessibility to land at a reasonable cost. It does not apply a burden to the municipality such as privately-owned land because when land is privately owned, there are demands made on a municipality for drainage, roads, etc. I believe that the lessee has better tenure of land under the Crown land leasing arrangement than he would if it was sold to the highest bidder. This is one of my greatest concerns and I would sure like to hear the Minister reassure us on this point.

MR. DOWNEY: Yes, Mr. Chairman. In the area of Crown lands, I'd just like to clarify at this point staff have been instructed to carry on with the long-term lease program as it has been. We are also working on a sale policy, a policy to sell the agricultural Crown lands that we will be working very closely with the municipalities and certainly do not want to cause any hardship on the individuals who are living on Crown lands and producing crops and making their livelihoods off it. We certainly don't want to cause any hardships to the municipalities in which a lot of the Crown lands lie. There has certainly been indication from a lot of the people who are using Crown lands that they would like the opportunity to purchase it. It is part of their security that they would like to feel that they could be able to invest in their land and know that they have the right of ownership and continue to purchase it if they feel that they would like to buy it. So that is the status of the Crown land program right at this time.

MR. ADAM: Yes, is the Minister assuring us or not assuring us that the land will not be sold, or will it be sold? I would like either a yes or no, or a maybe. I think that's what he said. I think that's what he said. I think he said maybe and I would like him to clarify his position whether we are going to preserve this resource for our future generations or is this going to be a free-for-all, sell to the highest bidder and clear out all our communities, because that's the way land is sold. It's sold to the highest bidder and the man with all the money gets the land. That is not good for Ste. Rose constituency and neither is it good for Emerson constituency.

MR. URUSKI: Or St. George.

MR. ADAM: I would like to have a more definite answer from the Minister on this one.

MR. CHAIRMAN: All right. We'll attempt to have the Minister of Agriculture answer your question.

MR. DOWNEY: Mr. Chairman, as I indicated earlier, we plan to certainly make some of the agricultural Crown lands available for the people that are farming it and are using it to be able to buy it. As I said, we would be working in close consultation with the municipalities involved and hope to have a policy announced, not immediately, but sometime in the future. But we are continuing on with the long-term lease program and the sale policy will fit in with the long-term lease policy program.

MR. ADAM: Mr. Chairman, I understand the policy on the Land Lease Program —you know, the Land Lease Program, you are going to try and sell as much land as you can under the Land Lease Program. I'm talking about the Crown land, not the cultivated land, I'm talking about Crown lease land and there's a difference. Is the Minister telling me now that he is going to decide who will buy that land? Is he going to determine who shall have the right to buy that land and not the Member for Crescentwood if he wants to buy land? Is the Minister going to make the decision? If there's a man leasing land now and he has lifetime tenure on that land for his livelihood, is the Minister saying that he's going to decide that that fellow will have the right to buy it and not the Member for Crescentwood who owns that land as well as the man who's working it?

MR. CHAIRMAN: For the benefit of the Member for Ste. Rose, I don't want you to get me too wealthy and owning too much. The Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, as I stated earlier, we're discussing Crown lands. We are carrying on with long-term leases. We are working on a sale policy for agricultural land.

MR. ADAM: Pardon me, Mr. Chairman. Could you differentiate between . . .

MR. CHAIRMAN: Could you let the Minister of Agriculture finish his statement?

MR. ADAM: Well, I'm trying to get a clarification. He has repeated that statement about three times now and I'm not sure. He talks about agricultural land and I'm not sure whether he's talking about the Land Lease Program or the wild hay leases. There's a difference.

MR. CHAIRMAN: All right. Let the Minister of Agriculture finish, please.

MR. DOWNEY: Mr. Chairman, again I'm discussing the Crown lands, the agricultural Crown lands program. We have discussed the Land Lease Program in Manitoba Agricultural Credit Corporation Estimates. We're now discussing the agricultural Crown lands as they apply to the department and we are carrying on with the long-term leases. We are working on a sale policy for the agricultural Crown lands; we are working in close consultation with the municipalities and the people involved. It is my intent, the department's intent, to give, and the government's intent, to give the individuals that are leasing this land the option of certainly becoming owners of it. However, I do not feel that it is our right to force people to enter into certain things if they are not desirous of it.

MR. ADAM: Then, Mr. Chairman, you are advising us that you will be deciding who will have the right to buy that Crown land. The person who is leasing it now, you are saying we will give him an option to buy that land, just because of the fact that he's leasing it. In other words, you're going to decide who is going to own this land?

MR. CHAIRMAN: To the Member for Ste. Rose, I believe, if I've heard the Minister correctly, he said the department and he are working on a policy as to the sale of the land and he's not in a position to say anything other than that and, in the meantime, they are carrying on with the policy that he inherited. But I don't think I've ever heard him in answering your question, and he's attempted three times, saying that he is going to say who's going to buy it. He said we're still in the throes of drafting a policy. Is that not the way you understand his answer?

MR. ADAM: I understood his last answer to say that they were working on a sales policy that would give that lessee an option to purchase and to me, that tells me that he is going to decide who is going to buy the land. If a person in Brandon wants to buy land, or a person in Killarney, or a person in Emerson wants to buy land, he's not going to be able to buy it. Mr. Minister is going to decide who buys that land and this is why I am objecting to that policy. That's what came across.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. The Minister, if I understood him correctly, indicated that he is developing a policy in order to put up for sale agricultural Crown lands now presently under lease to farmers. I would want the Minister to undertake to provide to the members some assurance to the rest of the people of the Province of Manitoba as to how their rights will be protected when he develops a policy for the sale of Crown lands, since they are also owners within that land.

I would like to know, as well, in his development of that policy, is he referring at all to the discussions that were begun last fall in terms of returning the Crown lands that were administered by the province from the LGDs which the province took over some, oh, approximately 20 years ago, which were originally tax sale lands and which really belong to the LGDs within the province. There is some considerable numbers of acres, I believe somewhere in the neighbourhood of half-a-million acres, that are agricultural Crown lands, some of which are under lease. I would want to make clear: in his statements is he talking about those lands which may be offered for sale and are in consultation with the municipalities, or is he talking about the provincial Crown lands that are solely provincial Crown lands and are under agricultural lease to farmers? Is he talking about both of them or is he talking about one or the other? Could he clarify that and indicate to me how he will protect the rights of all the citizens of this province in respect to the Crown land and if this land goes up for sale, will they be able to take part in a sale of the Crown lands?

MR. DOWNEY: Yes, Mr. Chairman. I would like the member opposite to rest assured that in developing any policies and programs, that all of the interests of Manitobans are certainly being considered and certainly trying to come forward with a policy and a program that is fair to all Manitobans.

In answer to the second part of the question, the return of the LGD lands that were held in trust by the province, certainly these are some of the discussions that are taking place with the LGDs and certainly we will work with them to see that they are treated fairly. I believe it will be the intent of our government to see that the lands are returned to them and that should have a joint policy to work with the province. If they are to be disposed of, we should have a program that is fit pretty well together

with the province and what is taking place within the LGD areas that have land returned to them and with the provincial Crown lands.

MR. URUSKI: Yes, Mr. Chairman. Could the Minister indicate, in the development of that policy that he's developing, will there be a clause or a stipulation within that policy that once that land is sold, in the event of a resale to either a non-owner operator of the farming community or one other or how many steps down the line, how will that right or that land be made . . . How will the Minister make sure that that land remains in agricultural production by an owner-operator of a farm? How will those rights, and how will the rights of the lessees who are presently on long-term leases be protected? Is he indicating that the lands in question now on a long-term or lifetime lease are going to continue and that option be given to that individual? If so, could he so indicate?

MR. DOWNEY: Mr. Chairman, if there are any other problems with this, we are certainly in the very beginning stages of developing a selling policy, and it's pretty early to really identify or to pick out these specific type areas to say that we would be doing this, this and this, but in fact, are still very early in the stages of developing a program or a policy in this area and, as I said earlier, it would be the intent to try and make the land available to the people who are now leasing it, certainly have an option of purchasing it and shall consider the long-term lease aspect of the whole program at that time.

MR. URUSKI: Mr. Chairman, I want to register my concerns so that the Minister knows that there is concerns about the use, the future use of that land and that is likely the most important aspect of the land question, as to how that land will be used in future years and how will it be determined whether the people of Manitoba will have some say as to how that land will be operated in land that was public land and was primarily used for agricultural purposes.

I would like to know, as well, whether improvements on the existing Crown land will continue in the future for farmers who are desirous of making improvements and expanding the capacity and carrying capacity of the land as well as for forage crops and the like, whether that will be carried on for lands that are not sold. I would like to indicate, or ask the Minister, in the event that a present lessee does not wish to purchase land and he may be a short-term leaseholder, in what way will that leaseholder's operation be protected under this new developmental policy? How will he be dealt with?

MR. DOWNEY: Mr. Chairman, in answer to the first part of the question. I believe the question is referring to what is the intent of the government to do with the land after it is sold. I believe that would certainly come under the Provincial Land Use Committee as part of it. Other areas of protection, of course, is the area of the Farmlands Protection Board and certainly, I think as we all realize, all the agricultural land in Manitoba at one time was owned by the Crown and certainly we feel there would be very limited, if any, restrictions on the land after it was sold. However, that will be in part of the policy after it is certainly developed, and it was quite premature to make any firm commitment on it at this time.

The other concern of the member, I guess would be in the shorter term lease area. There haven't been any changes planned at this time and that also will be part of the decision that is within the sale policy, how they will be handled, and it is not finalized. We have not changed anything for this coming year as they relate to these Estimates.

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

Mr. URUSKI: And with respect to improvements, continued improvements?

MR. DOWNEY: There aren't any plans to change that program as it relates to the improvement of the Crown lands.

MR. URUSKI: What funds are being budgeted this year in relationship to those that were budgeted last year for improvements of Crown lands?

MR. DOWNEY: Mr. Chairman, that program this year is reduced by — it is now \$500,000.00.

MR. URUSKI: I would like to know what it was the previous year, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, it was \$750,000 last year.

MR. URUSKI: Thank you.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Mr. Chairman' under the present policy of development of these Crown lands, I believe the policy is that only so many acres will be opened on Crown land in order to leave habitat for wildlife, and my concern is that if the policy is to sell land, what stops the purchaser then from just knocking down all the cover that is now kept for the wildlife? That is one of my concerns and I think it would be a real tragedy if we started to sell this land.

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The second question I would like to ask the Minister is: The policy was changed on the rental rates, the criteria was changed from royalties to economic rent. The economic rent was tied into the price of livestock. I would like to ask the Minister if the economic rent, the lease rates are going to be changed?

MR. DOWNEY: The first question as it relates to the clearing of the Crown lands. . .

MR. ADAM: After it is sold.

MR. DOWNEY: We haven't really finalized a policy for the sale of it. We are only in the beginning stage of it, so it is a little difficult to go down the road and say what can happen to it after the clearing. However, I would like to certainly mention that our farm people, and particularly farm people that live on land in areas such as this, are some of the best conservationists the province have. I am sure that they are all very well aware of the need to continue on with the support for wildlife and see that they have habitat and that there is feed available for them. I commend the farm people for that. I feel that they feel it is a responsibility and have lived up to that. I think there is probably more of a concern in areas where the wildlife have been in excess or surplus in certain areas have caused some hardships, and this is where you will see farm people discontent. I don't foresee any real problems with farm people clearing lands that are certainly valuable areas of habitat' that a lot of it is marginal type land and won't be cleared and certainly will leave an abundance of areas for the wildlife in the province.

And the second question, the formula remains constant for rent, but as the value of crops and livestock change the rent per acre may change on the Crown lands.

MR. ADAM: Will the rates be changed — there has been no charge since 1975 on Crown lands — will the rates be changed in view of the better price of livestock this year?

MR. DOWNEY: Mr. Chairman, yes is the answer to that.

MR. ADAM: When will this be announced?

MR. DOWNEY: Mr. Chairman, I really answered in the affirmative there that that particular part of it has not really been fully cleared yet, but it is up for consideration. We are considering the. . .

MR. ADAM: For 1978 or 1979?

MR. DOWNEY: 1978.

MR. CHAIRMAN: The Member from Emerson.

MR. ALBERT DRIEDGER: Mr. Chairman, I would just like to express a little bit of a concern here about the clearing program that has been in effect regarding the clearing or improvement program on Crown land, which I believe works out to about \$65 per acre. We had a situation in my constituency with a group that formed the Grayson Co-Op, which ended up in a dismal failure, at that type of a situation, and I personally, you know, do not endorse that kind of a program. The \$65 an acre for clearing land and bringing it to a tillage stage is very inadequate, and people are supposed to stick one-half again that much money in there, or replace that amount of money in there, to get this land productive, and they still don't own the land.

You know, I think this is where there is a lot of concern about possibly buying Crown land and owning it, that if they make that kind of an expenditure at least it is their land. Here they are doing it on Crown land and I can't really see the concern that you have about maintaining that type of a program. I would much rather see a program whereby people could own the land, get proper financing, and develop it to the complete stage where they can use it.

MR. CHAIRMAN: The Member from Lac du Bonnet.

MR. USKIW: Mr. Chairman, what is the status of the soil survey operation? As I recall it our department was involved in a continuing program servicing other departments, I presume that it is still the case, is it?

MR. DOWNEY: I'm sorry.

MR. USKIW: The soil survey component of our department, is that leveling off or has it leveled off or are we carrying on simply in the servicing of other departments as well as our own? Or are there still mapping programs to be done?

MR. DOWNEY: Mr. Chairman, we are carrying on with our own work and we are studying the work that has to be done, or the needs of the other departments. I believe we are still carrying on with some work with those departments, but we are studying the other departments.

MR. USKIW: There is no change in the program?

MR. DOWNEY: There is no change in the program, Mr. Chairman.

MR. CHAIRMAN: 6.(b)(1)—pass — The Member from Lac du Bonnet.

MR. USKIW: Could the Minister give us an idea of what is happening with respect to the fruit development program in Manitoba? The strawberries in particular — I know there was a lot of research money went into that program and I don't know if we are any further ahead today than we were five years ago. It would be interesting to know just what is taking place.

MR. DOWNEY: Mr. Chairman, that is one of the programs we are carrying on with to try and have the strawberry industry in Manitoba become a better one — and we haven't any plans to change it this year.

MR. USKIW: It's ongoing yet, is it?

MR. DOWNEY: Ongoing, Mr. Chairman.

MR. USKIW: The next question, Mr. Chairman, has to do with the northern agricultural program. What is the government intending to do with respect to supporting that part of agriculture in Manitoba?

MR. DOWNEY: Mr. Chairman, the status of the northern agricultural program is carrying on the same, same staff and the same amount of money provided for the program.

MR. USKIW: The greenhouse operation in Thompson — is that still wholly or partly funded by the department or is that now a private operation?

MR. DOWNEY: Mr. Chairman, I am informed it has been taken over by the City of Thompson.

MR. CHAIRMAN: 6.(b)(1)—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: What is the position of the government with respect to Dutch Elm disease control programming.

MR. DOWNEY: Mr. Chairman, I answered that previously, that is the same. We haven't identified any new areas where it is a problem, there are less trees infected, I believe. I would also like to say we have also paid the 1976 money that was owed to the City of Winnipeg for that year, that was one of the bills left to pay when I came into office.

MR. USKIW: Mr. Chairman, I am not sure what the Minister is suggesting — I don't recall that there was anything in dispute at that particular time.

MR. DOWNEY: I would say, Mr. Chairman, that the agreement had not been signed in 1976. . .

MR. USKIW: Oh, by the City of Winnipeg.

MR. DOWNEY: . . . and we have since signed the agreement and paid the moneys to them. But as far as the program is concerned, it has been indicated there are less trees affected at this time and there are no new areas identified. We will be monitoring it this summer.

MR. USKIW: What is the position of the five contract staff that we had in the program — were they kept on, Mr. Chairman?

MR. DOWNEY: It remains the same.

MR. USKIW: The dollar funding is very much the same, Mr. Chairman?

MR. DOWNEY: Mr. Chairman, it is approximately some \$60,000 less because of the numbers of trees that are identified that have to be removed.

MR. USKIW: Has there been any change in policy with respect to administering that program on municipal lands? For the benefit of the Minister, under the Act we could have chosen to levy a fee on to the municipality . . . recovery as opposed to doing the program ourselves at our cost. I believe there was a ceiling put on the municipal component of one dollar per capita, as I recall it, after which we picked up 100 percent. Is that still the policy or have there been any changes to that policy?

MR. DOWNEY: Mr. Chairman, there is no change in that.

MR. CHAIRMAN: 6.(b)(1)—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: 6.(b)(1) is a one liner, but it involves a tremendous amount of activity in the department, Mr. Chairman, so I hope you will bear with me. Soil testing at the lab at the University complex. What is the volume — is it still fairly constant?

MR. DOWNEY: Mr. Chairman, I would like to just mention that the volume is fairly constant, we are carrying on with the program plus we are adding some new equipment to the lab.

MR. USKIW: The important question in view of our restraint program, Mr. Chairman, has to do with weather. We are getting full recovery fees on the service at this stage.

MR. DOWNEY: Mr. Chairman, yes, the service at the soil test lab has indicated that it has full recovery.

MR. USKIW: Have the fees changed, Mr. Chairman, from last year?

MR. DOWNEY: No, they have not, Mr. Chairman.

MR. USKIW: What about the potato seed farm — what is the status of that operation, is that the same as it was or have there been any changes of policy?

MR. DOWNEY: Mr. Chairman, there have been no changes in the potato seed farm, but it's under consideration.

MR. USKIW: Hard to find any changes.

MR. DOWNEY: I'd like to bring something to light. To refer back to where I mentioned that we would go to an increased rent on the agricultural land, that was a regulation put into force by the last administration in 1977 and established the formula for rent charges based on the economic return. The price of beef for 1978 was subbed by the beef income assurance program — that's the price that was used — and the rent will be established accordingly because it was a regulation that was passed by the last administration, so it is in fact something else that we have inherited, and are carrying on with it and this is the rate that is recommended for this 1978 year.

MR. USKIW: Mr. Chairman, I think the Minister should be aware that that particular formula was not fully adopted in 1977, and it remained an open question for 1978, although it had been put together. The reason it wasn't adopted in 1977 was because of the depressed beef market and the recognition that not all producers, and in particular grassland farmers, were in the beef program per se, and therefore we did not apply that particular provision. I appreciate that at some point in time with the changes in beef prices, that there has to be some adjustment there. The key question is whether or not the formula is going to be based on economic rent — 50 percent of economic rent is really what the formula was, if that is still the same.

MR. DOWNEY: Mr. Chairman, we have no plans right at this time to change the formula, however, it will be one of the programs and one of the formulas that I will be reviewing — the department will be reviewing.

MR. USKIW: Yes, the Minister has indicated a desire to allow people to continue with long-term lease arrangements on agricultural Crown lands. Is this going to be at the option of the lessee as to whether they want to continue on a lease basis versus the idea of purchasing the unit, if that option is made available, or is the Crown going to make the decision as to whether that land should be continued under a lease arrangement instead of a purchase, or whatever? Who's choice is it?

MR. DOWNEY: Mr. Chairman, that will be brought in when the policy is brought in.

MR. USKIW: Have any of the lease eligibility criteria been altered, Mr. Chairman, since the change of government?

MR. DOWNEY: No, they have not, Mr. Chairman.

MR. USKIW: Mr. Chairman, the Appeal Board — is it still an existing agency that services any conflicts and disputes within the lease program?

MR. DOWNEY: There has been no change in that, Mr. Chairman, in the Crown Lands Appeal Board — it is carrying on with the appeal duties, the appeal requirements.

MR. USKIW: Mr. Chairman, I'm not through with that section yet. What is the rationale on the part of the department in reducing the amount of capital allocated for Crown land improvement? Is it

because of lack of utilization of the amount allocated last year, or is it because of some change in policy on the part of the government?

MR. DOWNEY: Mr. Chairman, it's part of the restraint program that it has been cut back, however, I think that with a policy to be announced in some of the other areas, with the Manitoba Agricultural Credit Corporation and the sale of Crown lands, that there is a possibility that that much money might not be needed in this coming year.

MR. USKIW: Mr. Chairman, that is a very important area, it has to do with the farm management decisions of the lessee, it has to do with the desire to improve productivity of each unit and to bring into greater efficiency, more farm units in Manitoba and I would find that rather strange that we would want to reduce our involvement in that area because we have so many people, in particular in grassland agriculture, that happen to show up at the bottom end of our income scale, that that is the area that I would not want to reduce, and if there was to be a reduction that would be the last group that I would want to cut funds from. What seems to be the logic in doing that at this time, especially on the heels of very absolute economic depression in the beef industry?

MR. CHAIRMAN: As I stated earlier, I feel that some of the programs that we will be implementing, that there will be a covering here from the other programs, that we do not certainly want to see less land developed, but I feel that areas like that will be covered with the announcements of our other programs.

MR. USKIW: Will the Minister tell me whether we used all of our funds in the last fiscal year for developmental purposes — \$750,000.00?

MR. DOWNEY: Mr. Chairman, we did not use all the funds last year.

MR. USKIW: Well, Mr. Chairman, let me put it more specifically, then. Have they all been committed? There's a difference.

MR. DOWNEY: No, Mr. Chairman, they have not all been committed.

MR. USKIW: What is the policy of the government with respect to subletting?

MR. DOWNEY: At this time, Mr. Chairman, there is no change.

MR. USKIW: Does the Minister have any views with respect to the question of lessees being able to sell their leases?

MR. CHAIRMAN: Will the Member for Lac du Bonnet repeat it, please?

MR. USKIW: Yes, does the Minister have any views or policy with respect to lessees being allowed to sell their leases?

MR. DOWNEY: Mr. Chairman, right at this time, my views are that the leases and the program will carry on as it is right at this time and I have no intent to make a lease a saleable item.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, I would like to ask the Minister whether any new techniques are being employed in trying to resolve, and from time to time of course, there are conflicts that arise in determining what lands, all the Crown lands area are to be withheld from either any hay production, grazing, or crop production vis-a-vis their use by wildlife. I know I felt, certainly from time to time, these conflicts do arise and I am not sure whether there has been a resolution of this type of area whereby, in a satisfactory or maybe it could never be resolved satisfactorily, but any conflicts do arise — for example, I will give you a fairly specific item and that is an area where there is Crown lands adjacent to an established wild life management area, where the area has been completely designated as a wild life management area. Those lands within the periphery, although they are under the jurisdiction of the Crown land section, and can be likely used for agricultural purposes, there seems to be from time to time, a hesitation by the Crown land section to allow these lands to be either developed, used for hay, or used by the agricultural sector per se. And yet these lands are lands that have been designated for agricultural use.

Can the Minister indicate in what manner this type of conflict, because it seems at least the message that has been passed down to the local farmers is that, if the wildlife department indicates that they may have some interest in it, this land is withheld from agricultural use. Is there any way, any change, or any new approach being contemplated or being used to try and resolve this kind of input, because I can tell you it certainly many leaseholders or potential leaseholders in a bit of a — not only in a bit of a quandry they are damned upset at having or not being able to at least attempt to lease the land or use it. In accordance with good management practices in an area where they realize that wildlife abounds, not to go down and go ahead and knock down all the land, but they realize that

good management techniques have to be practiced, is there a way to resolve this kind of situation because there is great concerns in this area. And I can tell you, although I was a member of the previous administration, these concerns haunted me as well as, I am sure, they will haunt you in your term of office.

MR. DOWNEY: I appreciate, Mr. Chairman, the honourable member opposite's position. I am sure he was sitting in a sort of situation of being part of the administration and finding it difficult to cope with coming from a farm community that certainly were concerned about the use of the plans that he has mentioned for the use of agriculture, and certainly I am too. I had discussions, in fact, we have a interdepartmental committee set up to discuss it, and to certainly try and resolve the problem so that we conserve wildlife and make the ongoing use of this land available for agricultural people. I feel that as the pressure is put on farm people to certainly work and produce the food for the country, that we have to make the land available to them and certainly have to work in the direction of multiple use for this land that if we expect the farm people to put up feed and certainly clear lands, or to provide lands and feed for the wildlife in the wintertime, the hard winters, that we have to let them use the land in the summer time to also provide food for their livestock. I don't think that we would begrudge the use of this land for the farm people and it is my intent to work through the committee and with the ministerial level and with the farm people and the municipalities to resolve it and make more of it available to agricultural people.

MR. URUSKI: Mr. Chairman, I will even get more specific to what I am really talking about, and I appreciate the Minister's comments. I would hope that in their deliberations, on the committee that handles it, that there be a policy established, that the lands that are outside of a wildlife management area and there be in a sliding scale — the lands outside — that certain portions on a sliding scale, are able to be developed and used for agricultural purposes so that these lands be put into good productive use, as the Interlake itself, as a portion in the lake, has a high proportion of its lands of a very marginal nature, and a great proportion of those lands have been placed in wild life management areas, and I think in the long term of things, that certainly has been a good land use program in terms of a lot of the land within the Interlake. But there are some areas, and I think it all comes down to judgment on the part of the department, there are some lands that are well within the agricultural area which possibly should not be allowed to be opened up at all because of the soil types and conditions and yet lands that may be closer to a wild life management area, while they are now being withheld from any agricultural use, the policy should be able to be flexible enough as to take these conditions into consideration and good sound land use management techniques be employed.

MR. DOWNEY: Mr. Chairman, it certainly is clear that the honourable member opposite probably would find it easier to work in the area of agriculture under this administration than the one he was trying to work with prior to this, it would appear that possibly we could get some programs that would mean a lot more for the agricultural people and work with them and not in opposition to them. I think he has certainly indicated that there is room to share this land, and the future was certainly tied up for wildlife and there wasn't a lot of discussion between the wildlife people and agriculture. But certainly, I appreciate his comments that there is a program that we can work on a wildlife in an agricultural, multi-use land for — or multiple use for these lands — and certainly appreciate his comments that he is supportive of that type of an idea.

MR. URUSKI: I thank the Minister for his comments. I wish to indicate that in his development of his new policy of selling agricultural lands, the type of policy that he is talking about in terms of good sound management practice in land use will likely go out the window, because there certainly will be no input from the public if that land is sold as to the land use practices that may be employed on that land, once the title of that land changes hands into private ownership. I certainly hope that the Minister of Agriculture, while he is saying one member can well work within the policies that he is announcing, I think he will soon see the area that he is moving will certainly create him as many problems that he now maybe foresees, there will be just as many problems that he won't foresee in the line that he is embarking upon.

MR. CHAIRMAN: 6.(b)(1)—pass; 6.(b)(2)Other Expenditures—pass. Resolution No. 13, granting to Her Majesty a sum not exceeding \$4,106,000 for Agriculture. Crop Production—pass.

Item No. 7.Marketing, 7.(a)(1), Salaries under the Marketing Branch of \$132,800—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, could we get the breakdown of staff?

MR. DOWNEY: Mr. Chairman, there are 13 permanent positions in this program; 6 positions are associated with the Marketing Board; 7 positions are associated with the Marketing Branch; there are no contracts; one market development officer position is vacant in the Marketing Branch and this will be reviewed and filled on a priority basis.

MR. USKIW: In the Minister's opening statement, he indicated, Mr. Chairman, the change in policy with respect to the marketing of buckwheat. I am not sure if it is a change of policy or whether just a restructuring within the department to do the same thing. Perhaps the Minister is in a position to give

us some clarification.

MR. DO NEY: Mr. Chairman, in the area of the Marketing Branch with the Marketing Commission as it has been known to actually contract and sell product, write contracts with the farm people, and sell the product to other countries or other companies, we are not in marketing as such as the contracting business, but we plan to continue on and support the marketing of Manitoba products through creating an environment that the private sector can sell the commodities and will not be actively involved in the contracting of crops as such. We do plan to fulfill a commitment that was certainly intended by the last administration to provide a product to the country and do not want to jeopardize the trading relations with that country and Manitoba.

MR. USKIW: Mr. Chairman, I would like the Minister to tell us just how it is he intends to operate this program, other than to buying ads in newspapers or send a PR team over to Japan, and what is the . . . how does he intend to assure us that we are not going to lose an opportunity here because it appears to be nothing other than ideological position.

MR. DOWNEY: Mr. Chairman, as far as the operation of the Marketing Branch is concerned it is my intent, the government's intent, as I said, to create an environment where the private sector are filling the contracts, writing the contracts with the farm people, and in fact, if the farm people are desirous of forming an organization to write contracts, certainly they will be free to do that. We do not certainly want to get into a program of subsidizing such countries that we do not feel that it is our responsibility as the Manitoba government to subsidize programs such as the Black Bean Program; we have to leave that type of negotiations between the private companies and the countries desirous of buying a product from Manitoba. And certainly would think that, instead of the department coming back to write contracts and spending their time in the physical part of selling Manitoba products that they encourage it and certainly if there are people wishing to contact the Manitoba government, we are certainly prepared to tell them what we have in Manitoba and certainly help advertise the products but not actually in the handling of the materials.

MR. USKIW: Mr. Chairman, the very reason the department got into this whole program was because the private sector seemed to be unable to carry it out — that is, we were on the verge, in fact, we did lose out with respect to marketing of this product in Japan. It was Pool Elevators, as I recall it, that got themselves into one tremendous difficulty in not being able to deliver product, because people were not, either didn't produce honestly, so to speak with respect to their contract or didn't deliver in keeping with the contract because of a change in the market that took place. As I recall it, Pool Elevators indicated to us that they were getting out of it because they lost a tremendous amount of money on it since they were not in a position to force delivery of the product even if it had been produced since the market was higher than the contracted price. The setting up of a marketing agency to do this job for the growers of Manitoba came about as a request from the buckwheat producers themselves and the Japanese. The Japanese wanted to have some assurance that there would not be default on delivery, and therefore the agency became the arm that was going to provide them that service in exchange, of course, for maintaining a very good market in that part of the world for Manitoba grown buckwheat.

The difference between our program and that which is carried out by the private sector, was that in setting up the marketing commission, you locked in, legally locked in, a product that was committed for sale pursuant to an agreement. Other than weather factors that could have changed that commitment, there was a fairly sound legal commitment involving the producers vis-a-vis the Crown and this agency. Now, it probably didn't work perfectly but I think relatively well. The producers have indicated to us, at least in the first couple of years, that they were very pleased with the program and wanted us to continue. Just where they're at with respect to last year, I don't know, Mr. Chairman, but I know it was working fairly well, and that rather than throw it out I think we should work towards more improvement of such an instrument without which, I think, it will be difficult for us to retain that market.

MR. DOWNEY: Yes, Mr. Chairman. I would just like to speak briefly on the work that has taken place with the Commission and I'm sure that the things that the honourable member opposite has referred to, the fact that certain companies were unable to fill their commitments, it certainly is on the records within the department that the past Minister, within the Department of Agriculture, certainly came within any means of anywhere nearly filling the commitments that he entered into with the same individuals.

In fact, when he mentions a farmer-producer organization it went from an organization that was a good farmer-producer organization to where it was almost dissolved because of the fact that the over-interference with the marketing branch certainly did not encourage him to continue on but certainly filled in and tried to replace the farmer-producer organization.

MR. USKIW: Well, Mr. Chairman, the Minister is not correct at all. The producer organization in question really was not in a financial position to carry on, as I recall it, and that, in essence, the department came in to rescue the situation vis-a-vis keeping that market in Japan and having an

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ongoing production program. I think it's true to say that some people wanted a sort of blank-cheque approach on the part of the department which we did not yield to — which we did not yield to, but I don't believe that the producers were capable, as they said so themselves, to carry on the program without the heavy involvement of the department. It became unviable for them to do so. They did not have the kind of ability, legally and security-wise, to undertake such a program.

MR. DOWNEY: Mr. Chairman, I would just like to certainly bring to light the fact that there has been interest, reinterest from the producer organization to reform and certainly get back in the business that they were in. I feel that if there is an area that we can help them in, being supportive to them with our staff and create an environment for them to certainly trade. If, in fact, we as a province, the pProvince of Manitoba, were to subsidize anyone, I think we would be far better off subsidizing our farm producers than we would be the consumers in Cuba — which we have done to the tune of something like \$180,000 in the black bean deal — that I would feel that it is more our responsibility to help the producers of Manitoba than it is the consumers of black beans in Cuba.

MR. USKIW: Well, Mr. Chairman, the Minister alleges that there was some degree of subsidization of consumers in different parts of the world, in particular Cuba. I would challenge him to submit, for this Committee, documentation that would indicate that because, Mr. Chairman, the Black Bean Program was not a commercial operation in Manitoba it was a research and development operation of another commodity, it had nothing to do with being in a commercial enterprise kind of context. The subsidies went to the growers of black beans in Manitoba; all of the subsidy dollars went in favour of the producers of black beans in Manitoba; and the Cubans purchased those beans at the world price at that time. They were not sold below world market prices, and therefore, how does this Minister indicate that when you sell a product at world prices prevailing at that time, or at any time, that that happens to reflect some degree of subsidization to the buyer? It's absolute nonsense, Mr. Chairman, and I challenge the Minister to tell me that we sold that product below the world price at that time.

MR. DOWNEY: Mr. Chairman, I'm going by the figures that are left, the amount of money that was lost by the marketing commission . . .

MR. USKIW: The producers got the money, not the Cubans.

MR. DOWNEY: . . . in the black bean crop and, in fact, it was a commercial type of an operation. It was both a research and a commercial type operation and because that same branch carried on commercial contracting with the Japanese people in buckwheat. So it was a commercial arm of government that was, in fact, involved and as the figures I've certainly brought forward are true, that it is possible that they were sold on world market, but it is also true that the department lost that amount of money in that particular commodity.

MR. USKIW: Mr. Chairman, I now ask the Minister of Agriculture to tell me how much money we lost in supporting one farm in Portage la Prairie in the onion research program because he now says these are losses. I want him to tell me how much money we spent in supporting one farmer in Portage la Prairie in the onion business, adding all the departmental costs, because that now is reflected as a loss in the mind of this Minister. And he can tell me that about everything we do with respect to departmental activity in support of private investors throughout Manitoba.

MR. DOWNEY: Mr. Chairman, in reply to that, the work that has been done in all the area of research and development in Manitoba certainly can be charged to a certain segment and a certain part of the industry and individuals, collectively, whatever. That is certainly part of the responsibility of government to help develop new crops in the province and I would certainly think that we will continue on to develop new crops and spend money in that area. That is the responsibility of government.

However, to get into the trading of the commodity such as the Marketing Commission was, it has a record of contracting with Japan, it has a record of selling product to another country and certainly it lost money in that venture. Those particular things are why we are changing the direction of the marketing branch, that in fact we are not in the business of contracting, we are promoting Manitoba products. Certainly we are supportive of all individuals, as I said, collectively, as companies, or as producer groups to sell Manitoba products to markets that we help them find and help to encourage. But, as I said, we are not continuing on with the direct contracting with producers because of the experience that has been shown. I feel that it is time that we carried on with promoting and encouraging the people to do the work that they do best and certainly government will be supportive of that particular kind of a process.

MR. USKIW: Mr. Chairman, the Minister would like us to believe that he is getting out of some kind of an arrangement vis-a-vis a program to produce agricultural commodities for some other country. He would like to leave the impression that we are talking about Cuba. The fact is that the previous government terminated the program in terms of its involvement, in terms of its involvement, on a research development basis and indeed, negotiated with Manitoba Pool Elevators to take on the commercial aspect of producing and marketing that product. .

That's where it was when we were the government so this Minister doesn't have to sit here and tell me that they are getting out of those programs because we were in the research and development end of that program for two years, and it was a time definite that was decided upon and it terminated, after which it became another commodity that is open to the people of Manitoba to produce and that could be handled by the existing grain trade or private sector component. It is also not wrong, however, to use the marketing branch to facilitate the further development of markets of that commodity or any other in co-operation with Manitoba Pool or outside of that organization. There's nothing wrong with that if we can achieve some benefits for the economy of Manitoba and the producers of Manitoba.

All of the costs that went into that program have to be looked upon as development costs, Mr. Chairman, because we had to get into a program of production of a commodity that was not produced in this province before. We had to make it attractive to producers on an experimental basis. We were in a position of having to modify equipment to handle the product in terms of its total operation during the summer period, the storage of it, the handling of it, all of those were first experiences with a new product, a product that is not consumed in any measure in this country but could only be produced, in realistic terms, for the countries in South America. So, I don't know on what basis this Minister would want to suggest to anyone that that happens to be a particular subsidy to consumers or whoever. It's not even a subsidy in the sense to producers although they were the chief beneficiaries who were guaranteed, I believe it was 18 cents a pound to produce that product, even though it was known that we could realize much less than 18 cents for the product.

Now there's two ways of doing the experiment. One could give a quarter million dollar grant to the University of Manitoba and suggest to them that they carry out a number of field trials and so on, or one can involve existing producers, farmers who are capable of doing this kind of experimentation on farm site, and end up with the same kind of results with departmental technical support staff. There are two ways of doing this. We chose to do it directly with the farmers themselves who would like to experiment with the production of a new commodity. So that has to be looked upon as research and development of a new product that may have — may or may not — have potential in Manitoba. That objective was realized, Mr. Chairman. We discovered that, yes, we can produce that product fairly efficiently in Manitoba and at the same time, in the process, a number of farmers realized that they had one other option in terms of special crop production, so that the total community, in essence, has benefited from the fact that that research was carried out.

Now, with respect to the buckwheat aspect which is the one that I considered to be fairly successful, if you compare the two, the buckwheat one had to do not with production research but had to do with the fact that there was an impasse in the marketing of buckwheat for Manitoba buckwheat producers. That's the reason the marketing branch got involved with the buckwheat producers who were producing buckwheat in this province for a long long time, Mr. Chairman. I don't think anybody had to teach them how to do it. But there was a problem in the marketing end, and especially as it related to guaranteeing minimum requirements for export to Japan, in particular. Those are very rational approaches in my opinion to the question of production and marketing and I think it's wrong to take away that kind of flexibility from the producers of this province.

MR. DOWNEY: Mr. Chairman, it is certainly interesting to note that the honourable member opposite mentions that it was a research project and that, in fact on completion of that project, that they were desirous of getting out of it. However, in the implementation of that project, in the beginning stages of that program, the last administration was certainly desirous of entering into a contract with that particular country on a long-term contract to sell them product and I guess we can be thankful that they did not sign, especially with the amount we sold them, losing some \$180,000. In fact, what would we have lost if we had entered into a long-term contract. So it certainly would have to be the decision to get out of that particular business. However, he is correct when he says that there was some negotiations taking place with Manitoba Pool to sell the supplies and the research work that had been done and in fact that was one of the things that I carried on and continued to do, was to finish the negotiations and to actually carry on with that sale to Manitoba Pool. However, it was not the intent for him to, in case the wrong impression is left, to get out of the marketing of product, in fact, and because of the meetings I had after coming into office there was certainly a concern by the Japanese people who wanted to carry on and buy a certain variety of buckwheat from Manitoba producers, that in fact they wanted me to give them some assurance that we would live up to the commitments that the Manitoba government could fulfill them with the needs and in fact it was indicated to me that they were not getting what they had been told possibly they might get by the last Minister. So I would feel that we don't want to break down relationships by telling people we could provide something as a government and not live up to those.

MR. USKIW: That has to do with weather conditions though.

MR. DOWNEY: I would say that there is room for weather to create a problem here but it is also certainly can create some problems down the road if we were to continue to do this and I feel that to keep up good trade relations with the government if we do not continue to be involved in guaranteeing of supplies or certainly saying we will do one thing and unable to do it, we are better off not to participate and certainly encourage the private sector to do it along with the people desirous from buying from that country. So that is the reason, Mr. Chairman, we are certainly getting out of the contracting business but are very supportive of selling all of Manitoba agriculture products and all of

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Manitoba products throughout the world, and we will continue with the marketing branch to be supportive of the individuals who want to sell Manitoba products either individually or collectively or through export companies.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I am rather intrigued by the analysis of the Minister of Agriculture on the marketing program as it relates to black beans in particular, because he suggested to this Committee that we were very fortunate that we didn't have a long-term commitment, and really, it's obvious that this Minister doesn't know the history of that particular program because the initial proposal was based on a market that was somewhere between 34 and 38 cents a pound for black beans, where the Cubans were anxious to enter into a firm agreement for a period of years on fairly substantial tonnages, and it was the government's position that since we didn't have any experience in producing this particular commodity, that we had better be cautious, and that we should first experiment with the program before we got into any long-term commitments.

Of course at the end of the experiment, by the time that we were through with the experiment and accumulated some 1,500 tons of beans the market had dropped from 34 or 38 cents down to 16 or so cents a pound — the producers were paid 18 — so that had we entered into a long-term program, had we taken the long shot and assumed that we could do it without having had any prior experience, we would have come out of this with a tremendous amount of profit. So the Minister is completely wrong in suggesting that we are fortunate in not having had a long-term commitment for production based on the prices at the time that the initial negotiations took place. That was at the same time as all grains, world-wide, were at their peak price-wise and that wheat was commanding something in the order of \$5.00 a bushel as well. But certainly it was a very attractive and an interesting proposal initially. The only thing that went wrong with it is that we were very conservative in our approach. He said no, we don't know if we can produce enough of these beans in Manitoba to sign a firm contract on delivery, and we didn't want to be in a position of having to go to the world market to buy black beans in order to supply our contract. And so we had to of necessity take a very short-term, research development type of approach to it to establish whether or not (a) there was an interest on the part of Manitoba farmers to produce the product and (b) whether it can be produced on a fairly significant commercial basis. And that aspect of the project we were successful with, we did achieve all the goals in that sense that we had set for ourselves. So I think that it is too bad that we weren't perhaps willing to take the risk, because had we done so we would have been away ahead financially speaking with respect to a long-term contract, based on those prices.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, the Minister of Agriculture has espoused a policy of strategy in terms of marketing. I would like to know from the Minister whether he is now saying that he will not use the instrumentality of his marketing branch at any time during his tenure in office to contract or facilitate the marketing of any agricultural products whether it be specifically by contract if the need arises in the future.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: No, I cannot commit myself to that at this time, Mr. Chairman.

MR. URUSKI: Well, Mr. Chairman, the Minister has indicated that he does not intend to use it. Is he not in a position to indicate because of his philosophy that he will pass on any type of opportunities to whomever is there at the time? Since he is so sure of himself that marketing strategy can be handled by producers themselves or by the private sector, if he is so sure of himself, can he not indicate that the marketing branch will not be employed, as he now says that he is getting out of every area, and by indicating such is he not prepared to say that they will not employ the marketing branch? Or is he indicating that from time to time he will, as he has indicated, subsidize the interests, whether they be of some foreign consumers, as he has alleged, or some producers, as he has not indicated, in the marketing of agricultural products?

MR. DOWNEY: Mr. Chairman, as I have said just previously, I could not commit myself to that.

MR. URUSKI: Well, is the Minister in his statements not implying a double standard in terms of his philosophy, in terms of the marketing in this one area of agricultural product, in that he has indicated that there does exist a private capability, and if there does exist a private capability in the area of direct marketing and he has indicated that in the area of the buckwheat contract, that he intends to pull out because there is that capability? If there is such a capability then I think the Minister should be in a position to indicate that that is his strategy.

MR. CHAIRMAN: 7.(a)(1)—pass. 7.(a)(2), Other Expenditures—pass. 7.(b)(1), Manitoba Marketing Board, Salaries. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I believe that at this stage it's incumbent on the part of the Minister to

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tell us what he intends to do with respect to marketing policies in Manitoba, and I say that because during a number of question periods over the last session and this one to date the Minister has indicated that he was not in a position to give us any answers and that we should be prepared to ask our questions during the consideration of his Estimates where he might be in a position to give us some policy statements. I would suggest that as an opener, he should tell us just where we are going with the Manitoba Marketing Board, and the Natural Products Marketing Act.

MR. DOWNEY: Mr. Chairman, as the members opposite and all the members of the Committee are aware the Manitoba Marketing Board is the arm of the department that is the overseer of all the marketing boards in the province and is an appointed board that in fact conducts hearings and certainly makes the job of the government easier, that the people who they are responsible to, that they can certainly handle the needs of the producer groups. As the member opposite is certainly well aware there are certain regulations that have to be lived up to, that there are several federal-provincial agreements that have been signed, that it is difficult to certainly change them because of ongoing agreements, that in fact it is the intent of the government at this time to work with the Manitoba Marketing Board to make it easier for the producers in Manitoba to expand and produce more product, not only for the Manitoba and Canadian market but also to produce more product for markets outside of Canada and Manitoba. There is also a problem within the area of quota transfer, that's one that is certainly a concern to myself. The Marketing Board, the people who are appointed to that board, are certainly dealing with this. I refer the people to the Marketing Board to certainly handle the problems that arise within the different producer organizations.

As far as any direct changes, the purpose of the Board will remain the same, to be the overall arm of government that the boards report to, and there is no plan to change that. I am certainly concerned about some of the problems that have arisen within the marketing of different commodities within the province, certain disagreements which I have referred to the Marketing Board. We are also in the process of examining some of these particular areas and we have no immediate plans to change the use of the Manitoba Marketing Board as it is now in place to be the overall group that the provincial marketing boards report to.

MR. USKIW: Well, Mr. Chairman, I am rather surprised that the Minister is that casual about this whole question because it certainly makes a complete falsehood of the position of the government party during the election campaign in that at least a number of candidates that I got literature from or had copies of, espoused the theory that we should really get government out of this field and that people should be freer to do what they want to do with respect to the production of any commodity, and that after the election there was going to be greater opportunities for many people to get into production of almost anything they desire to produce without government interference. This in particular was suggested to a number of Hutterite colonies throughout the province who are anxious to increase and expand their production, in particular with respect to eggs, poultry products and so on. I am amused and intrigued by the fact that with all of that this Minister is telling me that we're not going to change anything, Mr. Chairman. That's really what the Minister had just stated, that we are not going to change the question of the people's right to produce what they want to produce for a market that they want to market in; that in fact he is going to restrain them from (a) production, and he is going to restrain them from marketing as they please — certainly in conflict with a so-called free Manitoba concept and certainly in conflict with all the pronouncements that have been made by his colleagues in the ministry, and certainly a number of candidates in the last election.

How does this Minister explain, Sir, to this Committee, that so soon they have already changed their mind and they are now going to carry on with the policies of the past which they attacked so vigorously? Mr. Chairman, I would like to know from the Minister of Agriculture whether a farmer could establish, a new farmer could establish himself, or herself, into a new dairy operation tomorrow without having the requirement of quota obligations, without having to sell to the Milk Producers Marketing Board or through them, but directly to get into production and to market their product as they wish, providing, of course, they meet health standards and so on as has always been the case? I would like to know if that is going to be possible fairly soon. —(Interjection)— Well, we're going to start with milk. I want more freedom now.

MR. DOWNEY: Mr. Chairman, the member opposite said that he wanted more freedom. Well, it was certainly he that brought in all the regulations to certainly tie the industry in knots that it's now tied in. . .

MR. USKIW: You're going to change all of that.

MR. DOWNEY: As I stated in my opening remarks it is certainly the intent of the government to use the Manitoba Marketing Board as that particular arm of government that is the overall organization that the provincial producer marketing boards report to, and I think that's only a type of organization that would work and certainly work to the betterment of all agricultural products seeing that we now have the producer marketing boards and the particular marketing system that we do have in the province. And I would say that it is also the intent of the people involved that we are in discussion with, the producer organizations, we are working with the industry that certainly has been

mentioned, the dairy industry, and would like to see an easier way of transferring one unit to another, that individuals would have the ability to start into the industry, that there would be, in fact, a surplus of quota made available so that a new producer who wants to get into the industry can have some allocated to him, that, in fact, we do not always have to have a third party come in and certainly say to the people selling one unit to another that they are not selling, in fact, quota but they are just selling the cow herd, the assets, and that they have the right to produce. It is very difficult in the marketing of an agricultural commodity not to attach value to quota when, in fact, you have supply management — when you have supply management such as we have inherited — that, in fact, it is our intent to make it easier for farm people to enter into the industry and to certainly transfer the right to produce from one to another, that we do not have to charge unfair, probably unfair assessments for appraisals on the individuals that are trading or buying or selling something that they themselves are confident that they are doing without causing any undue hardship to one another.

As I have stated it is the Marketing Board that is the overall tool of the government that will act in the capacity that it is the overseer of all the boards. I'm not saying that there might not be some policy changes in regulations that it has to work under. I do not see it continuing on being the restrictive overall policeman in the agricultural industry, that the producers themselves will certainly have a lot more say and input into how quotas are transferred and how regulations are set for production and certainly the futures of their industry. I think it is only fair that they themselves as producer organizations have the right to have some input into the future of their industry.

MR. USKIW: Well, Mr. Chairman, that is indeed interesting because the Minister for one second has not deviated from the philosophy that there will continue to be quotas on production of Manitoba agricultural products in this province, which is the severest restriction of all restrictions. The rights of the people of Manitoba to do what they want to do with their own investment dollars and their own initiative is certainly not going to change with this Minister, Mr. Chairman. And I'm not saying that they should, I'm not saying that they should. I'm only saying that this Minister has turned his position around, at least the government's position around so soon, so soon after the election of this government and that obviously there is not going to be a great deal of change with respect to the rights of Manitobans in a free enterprise economy — the restricted position of so many agricultural producers in this province.

I would like to know whether this Minister can assure me, Mr. Chairman, that any one of us here would be able to start up a dairy business at any time without having to buy anyone's quota, without having to buy anyone's dairy operation. I want to know from this Minister whether a group of us, or any one of us, tomorrow, could go out and establish a new, completely new dairy farming operation without regard to the Marketing Board, without regard to the need to purchase quota, or without regard to having quota allocated to that person.

MR. DOWNEY: Mr. Chairman, I think it is only fair to suggest that when a government acts responsibly that to make immediate changes within the selling of their products and the regulations that these people have lived under, and the fact that it took the last Minister some eight years to certainly put the particular industry, the dairy industry, into complete frustration and confusion, that, in fact, he himself had proposed a whey plant and a dairy plant that would certainly handle a large percentage of the product, that we now can, after five months of being in office, come forward with the answers. I would say that we are well on the road to accomplishing some of the things that have been mentioned, that in fact we will hopefully be able to let an individual start into the dairy business. In fact we will be able to let a dairy farmer transfer his farm without having added value, or value to the quota, that the people are again starting to work together as an industry with the processors and the producers, and certainly have gone through a period of time since being in office of turmoil, that the people that have been involved in the marketing of the product mentioned and the people that are desirous of producing have certainly been frustrated. And after we sit down and do some more discussing with those individuals, with the producer boards, and with the Manitoba Marketing Board still acting and will continue to act as the arm of government that does work with these organizations, that I do look forward to the Province of Manitoba, the producers of Manitoba, being able to enter into the production of the products mentioned without any great problem, that I feel that, given a period of time, such as eight years, we can again have all the producers in Manitoba entering into the production of all commodities without severe restrictions, that we can also have a fair and stable price for those producers, and certainly look forward to the growth of the livestock industry that are now certainly in some areas hampered by restrictions, but first we have to work with the people in the industry — that we can not continually tell them what the answers are but have to certainly see what they have as input on a fair and equitable basis.

MR. USKIW: Mr. Chairman, we have in Manitoba approximately 1600 dairy farms, whatever, approximately 1600. I want to know whether this Minister is going to allow us to have 1900 by a year from now, or 2,000, or 3,200, and what provisions is he going to put in place, or maintain in place to restrict that kind of development.

MR. DOWNEY: Yes, Mr. Chairman, I do not feel that certainly is the place for government to decide in total how many farmers, or how many dairy operations that we have in the province. I would think that in the coming years we will certainly look forward to an expansion in all the livestock industry that, in fact, I think the figure now is 1,500 dairy farms in the province, not 1,600. I think it should be the

farm people themselves, the people that want to invest in farms, in dairies, or whatever they want to invest in, shall be the people that decide either collectively or individually, how many farms there are in the province — that it is not the Minister of Agriculture's intent to sit down with a model Manitoba and tell people that they should be in this, or they should be in that, they should be in hogs, they should be in dairy, they should be in poultry. It is now time that the agricultural people made up their minds for themselves — that they are not directed to certainly get into commodities that they are unable to make a living in, that they themselves have the freedom to operate and regulate their farms whether it be through a marketing board, or a marketing structure set up and operated truly by them and truly elected by them — that they operate their industry as they see fit.

MR. USKIW: Well, Mr. Chairman, I appreciate what the Minister is saying. He's going to let the farmers decide, but some farmers who are not now in production of those commodities would wish to get into production of those commodities that are now regulated. I want to know who will determine whether they will be allowed in or not allowed in. What freedom are they going to have to make that decision themselves? When are we going to have a relaxation of regulations to allow any number, any number of people to get into the production of any commodity which to date has been regulated.

MR. DOWNEY: Yes, I would just like to go back and answer the honourable member opposite. The start of that whole process took place on October 11th of last year that the relaxation — certainly that was the beginning of it with the change of administration.

MR. CHAIRMAN: The hour of 5.30 having arrived, Committee rise.

SUPPLY — DEVELOPMENT AGENCIES

MR. CHAIRMAN: Page 52. Development Agencies. Item 1. Manitoba Development Corporation. The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I have some questions for the Minister. It is the custom of the House before the restraint, and before the Task Force, that the Minister was in the House for his Estimates so I'm waiting for him. Mr. Chairman, thank the Minister for — I was making fun of you while you were gone, I assure you. I'll try not to repeat some of the questions that the Honourable Minister dealt with when he was dealing with these questions on Friday in my absence, Mr. Chairman.

But my recollection is that the \$250,000 that was voted for the Development Corporation last year was to cover expenses of maintaining support programming, etc. for Saunders Aircraft, that it was not an administrative expense of the Fund — that it was not the governpaying administrative expenses for the Fund.

MR. BANMAN: That's correct, Mr. Chairman, I understand that that moneys was to be set aside for the product support for Saunders Aircraft.

MR. GREEN: I also understand, Mr. Chairman, that the program of Saunders Aircraft whereby they were trying to sell off existing aircraft and also trying to obtain rental payments from aircraft that were out resulted in receipts, at least cash receipts, which exceeded cash expenditures, and therefore that it is unlikely that this amount, if transferred — and I don't even know if it was transferred — was drawn down upon by the Receiver of Saunders Aircraft, in which case that expenditure was not utilized at all.

MR. BANMAN: That could be, yes.

MR. GREEN: Well, Mr. Chairman, those are two inconsequential questions which are readily determinable and that normally I would not take issue with — I would really not be dealing with them at all. The only reason I do, Mr. Chairman, is that the Conservative Administration, in their anxiety to demonstrate everything at its worst and at its blackest, issued the following two statements — and I ask the honourable member to correct me if I'm wrong about them: (1) They made a point of saying that this year in the Estimates there would be no moneys for administration of the Manitoba Development Corporation, and that the Corporation this year would be able to pay its administrative expenses out of its receipts, Mr. Chairman. And if the Minister didn't do that, if the Minister didn't do that, then I ask him to look at what Information Services said when the Estimates came out, because it appeared in the news items that accompanied the Estimates — and I will appreciate sometimes that the news stories are incorrect — that one of the highlights of the Estimates this year was that the Manitoba Development Corporation would operate on its own receipts and that no moneys would be advanced to the Development Corporation for administrative expenses, as if, Mr. Chairman, that that was a significant change from what occurred. Now, Mr. Chairman, the reason for that type of announcement is to try to impress upon the public of this province that up until now that is not what occurred, and that the new Estimates reflect this new change.

Well, Mr. Chairman, the Minister will agree that in 1973 it was a projective goal of the Manitoba Development Corporation in conjunction with the government, and he can check the guidelines which are available to him, that the Fund would not be, would not only not be getting administrative

expenses, Mr. Chairman, but would have to operate with its own capital in terms of it making advances, and that last year, by the Minister's own statement, no capital authority was needed from the public of this province for the Manitoba Development Corporation, not one cent in capital authority was given or required, not that the Fund didn't spend any money, but that no capital authority was needed or required and that they were able to operate on the capital that was generated from previous loans and that secondly, Mr. Chairman, the administrative expenses of the Fund were paid for out of the Fund's receipts.

The reason that \$250,000 was put into the Estimates was that the Fund no longer accepted and was charged with — and we'll use the two — responsibility for Saunders Aircraft, which the government had required the Fund to put into receivership by not advancing any more money, and that if expenses were necessary, the government would accept the responsibility for them and would use the Fund's administration to handle them.

It's not a big point, Mr. Chairman, it's merely an indication that there is now an attempt to suggest that there has been a complete turn-around with respect to the philosophy of the Manitoba Development Corporation which results in no money being advanced. That turn-around did occur, Mr. Chairman, it did occur. It occurred a year ago, not now, and the facts, by the Minister's own statement which he filed in the House, which I indicate to him is probably the — well, I was going to say the one bitter feeling about the election but I suppose there may have been some more although I think I take it as well as most — the one most difficult feature about the election is that for four years, Mr. Chairman, we worked to rationalize some of the problems with the Manitoba Development Corporation and were able to have a profit of \$4,800,000 on the operating expenses of that corporation and I would, indeed, yes, Mr. Chairman, I would have got some satisfaction in tabling this report which doesn't even bear my signature any more but that's the way it is in political life and I accept that.

What I don't accept is that there should now be statements from the Conservative administration that this is now achieved. It was achieved last year. I'm not going to be able to make anything out of it, I know, but at least I'm going to talk to the Minister about it during his Estimates when I have the opportunity of doing so.

The second feature of it, Mr. Chairman, is that the Minister has said on repeated occasions, that Saunders' Aircraft continues to be a drain on the Treasury and continues to cost us money. Now although we did say — and said it quite frankly — that we are expecting an expense of in the neighbourhood of \$300,000 a year for the support program, up until last year — and the Minister again has confirmed it — the support program, given the fact that we had 13 airplanes from which we were getting revenue from six or seven, and the possibility of selling the others, was showing a cash flow surplus. It was not showing a cash flow deficit. Therefore, we had a problem with Saunders!, yes, the were a \$40 million venture which failed and I'm not going to debate that with my honourable friend at this time although I have no sensitivity about it, I can assure him, of what the government tried to do in that case. But, on the support program, which is what we were left with and which we allocated \$300,000 to \$400,000 per year — the honourable member says that the Public Works was paying the insurance — that is correct. Public Works had released the rent, that is correct, and we're told, Mr. Chairman, that at any time that we are demonstrating that we are depriving you of income, that that could be reviewed because otherwise it was just in places which were not being used.

But nevertheless, the income from the revenue on the airplanes and the inventory that if one were to look at that Support Program as a completely isolated operation, which the Minister was doing when he said that it's a continual drain on the Treasury and then was contradicted by the Receiver who said that it hasn't cost the government a cent and, as a matter of fact, has a cash flow surplus. I believe that to be the case. I'm not going to assert it because the Minister has the figures and I'm prepared to hear them but I would like to know whether in fact that state of affairs is the case.

MR. SPEAKER: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, it's a pretty difficult thing to assess if you don't know exactly what the number of assets that have been disposed of are that we're talking about. In other words, if assets are being disposed of and that is being used then for operating capital, then one could logically say that if you are going to sell all the assets at once and return the moneys to the coffer, or to the Provincial Treasury, then your losses wouldn't be nearly what they are now. In other words, you wouldn't have the day-to-day operational costs. So I think the member will agree that if we were to sell all the assets suddenly now and return the funds without having any ongoing costs to us, to that extent, the operations are a drain on the provincial purse. In other words, if you are selling assets right now to continue the operation of the company, then technically I would say, in my business experience, that it's really costing you some money because you are using your assets to go ahead and prop up the company.

MR. GREEN: Well, I'm delighted to hear the first Minister of the Conservative Party that I've listened to since October, the magic date of October 11th, agree that the disposal of an asset is not an advantage. It doesn't represent income. The disposal of a \$250,000 boat, if it is worth \$250,000, does not represent income. It represents a change from one form of asset, namely boat, to another form of asset, namely cash. And one has to evaluate those two assets. I assure the honourable member that I understand that and I understand it, I hope, as well as he does. What I am saying to him is that the income that one would get not putting it in as a lump, but the projected income and the rents that

were being received on a projected . . . well, at least on a temporary basis, and that's why I asked him on a projected . . . at least the income that was being received from rentals and the income that we received from sale of airplanes, more than paid for the expense of operating the Support Services and when another plane would be sold, if it received \$500,000, one would calculate how much support services you have to add to that and project it out for the life of the operation.

But to this point, to this point, I take it that what the honourable member is saying is that he will not say Mr. Florence was wrong because Mr. Florence was quoted in the newspapers as saying the Support Services Program did not cost the government one cent. As a matter of fact, it is showing — it was showing — a cash flow surplus and the honourable member can ask his Receiver to project what will happen if we have seven planes out and the rent comes in, how much will the support service cost, how much will the rent be received from the seven planes, and what will happen if we sell another plane because then you will have to again project support services for that plane. We figured it would be in the neighbourhood of \$300,000 a year because, Mr. Chairman — and the honourable member can now check — I always projected as bad as possible so that if there was an improvement, it would come in at less. We projected those types of figures and they did come in at less, and to this point in any event Saunders Aircraft support program has not cost the government money, it's taken care of by the sale of planes and the receipt of money that comes from the sale of those planes, which shouldn't be a big problem to my honourable friend. I mean, when he sells cars, he is reducing an asset but he is reducing it on the basis that there will be a cash flow, part of which will go to refurbishing inventory, part to administrative expenses, and I hope part to his profit. I mean, that's the nature of the transaction, he will then replace inventory. In this case you are not going to replace inventory, but in determining whether the program is going to cost money you would have to project it on that basis.

Now, I think that the Minister has confirmed that Saunders Aircraft support program has been much better than the projections that we gave it in that the expenses have not exceeded the revenues and as a matter of fact the revenues have exceeded the expenses. So the two points, Mr. Chairman, on which I first rose are being dealt with and the Minister — I thank him for it — has dealt with them to my satisfaction, that first of all the Development Corporation operations, in that they didn't cost money, occurred not after October 11 but before October 11, and that the 250,000 money for a support program is not necessary this year because Saunders is not costing us anything, as it was anticipated it would cost us, and that's why it's left out. \$250,000, there's no item this year, so at least you're not asking for money for it this year and I would hope that the program can continue and I would therefore urge the honourable member with all the sincerity I can muster, that please, do not sell the 12 planes at a fire sale price merely to show that there was a terrible horror story. If the 12 planes can be carried as a separate entity on the basis that the revenue from the sale of the planes will pay the support program and more, then I suggest to the honourable member there is no problem in dealing with it, and that if he finds that he can get more return that way than by turning over the airplanes for a salvage price and buying one's self out of the support contract, all of which are possibilities, and all of which we considered, by the way, and decided to proceed in this way and it's turned out better than what we expected it to, by what the Minister has said.

Now, Mr. Chairman, that's not my most serious problem with the Development Corporation because I think that I have to deal with the concept of this organization, and I wish that some of the newer members of the House were available to consider all of their criticisms with regard to this agency, which I admit had some serious problems. But I ask the Honourable Minister to recall that the Manitoba Development Corporation was not set up in 1969. The Manitoba Development Corporation was set up more around 1960. It was not set up by a doctrinaire socialist administration, it was set up by a doctrinaire Conservative administration. And I think that one should go to the reasons as to why a doctrinaire Conservative free enterprise administration would set up a body which it said it was going to give in the neighbourhood of first \$5 million and then \$50 million in capital, to put the government in two positions. one to act as a financier of business where they couldn't get money from anybody else, and Mr. Blake — excuse me, the Member for Minnedosa has quite properly characterized that as a sure-thing losing proposition, and he is right, and that's what it did prove to be — so that the government in 1960 knew that they were going into a certain losing proposition, number one, even with lending; and secondly, Mr. Chairman, gave the corporation the power and the government the power to require under part two that the corporation and the board of directors make advances for any kind of business enterprise including advances which had no relation to loans or equity.

The interesting thing, Mr. Chairman, is that the New Democratic Party, when it took power and did what had been described by various Conservatives as horrendous things with the Manitoba Development Corporation — of course I don't accept that, and I'll deal with the relative degrees of horrendousness in due course — (Interjection) — horrendoucity, is that the word? We have to invent words now, Mr. Chairman — that in substance, we did not have to change one letter of Conservative legislation to do what was being done, not one letter. We did change several practices, and my colleague the Minister of Industry changed the name of "Fund" to "Corporation" — we changed to practice of hiding things. We said that the person who borrows money from the Development Corporation has to make it known. We changed the practice of leading on debentures where there was no security and said that if there is no security we will do what any sound businessman will do; if we are going into the thing and there is no security we will take equity, because if we are taking all the risk we may as well take the ownership. And if that is a horrendous doctrinaire ideological socialist

position then I have to look for my authority to the former Member for Ste. Rose, the now Senator Molgat, who I regard as a man who would fit very well ideologically into the seats of the present Conservative government; as a matter of fact, he would be one of the more right-wing of the group — (Interjection) — No, Mr. Molgat was certainly more of a Conservative than Mr. Roblin, in my opinion. More of a Conservative, using the term in an ideological or philosophical sense. But Mr. Molgat said, when he learned that we were advancing \$92 million to private people on no security and taking a debenture rather than taking ownership, Mr. Molgat said, "Mr. Speaker, I am no Socialist," and he is right. But if the public puts up all the money then the public should be the one that's entitled to the ownership and to the profit. As it was, there wasn't very much profit to talk about, but nevertheless, you bring me the businessman, ask your Task Force whether they would, as business people, advance money on no security and take all the risk and not take the equity. And I suggest to you, even though I don't have great authority nor do I look for their authority as approval, but I predict to you that they will say the same thing.

Now, Mr. Chairman, what has happened is that the Conservative government set up this instrument which we didn't have to change any material concepts of, and I say that with all due respect to the Member for Brandon West who may think differently than I do — (Interjection) — Brandon East — well, now he says he doesn't, so I don't even have to disagree with him, but he did bring in legislation and there are different Ministers who have different views as to legislation. The honourable members who regard me as the arch-Bolshevik on this side of the House will know that I brought in less legislation than any other Minister of the New Democratic Party because I believe that there are ways of doing things without legislation, but nevertheless — (Interjection) — the honourable member, my friend the Member for Lakeside said that I'm an anarchist; to the extent that I don't wish to be inhibited, the honourable member is correct. I probably have a greater feeling for liberty and freedom than any of the so-called Conservatives.

MR. ENNS: Now, now, now. You're taking a lot on to yourself there now, Sidney.

MR. GREEN: Let's get back to the subject of the discourse, okay? Even the Chairman is on my side. Well, Mr. Chairman, here is this instrument for which we didn't have to change anything, which up until 1968, up until 1969 had advanced \$45 million, and if we put those in today's terms where everything is multiplied three times, you have a figure of about \$120 million, under Conservative governments. And that money, Mr. Chairman, still bears, in terms of activities, a greater percentage of the losses that had to be picked up by the people of the Province of Manitoba for ventures in which this organization was involved. That figure still represents it — with the horror stories that they like to talk about of Saunders, because, Mr. Chairman, there is one story, and that is the story of Churchill Forest Industries, which dwarfs all the others, and that was a Conservative project funded by a debenture which my friend, the Member for Sturgeon Creek says it's okay if you loan the money, if you don't take equity you're all right because if you loan the money, you get it back. Well, Mr. Chairman, the Member for Sturgeon Creek will have to be aware that I have seen numerous cases of people who have been advanced money and they didn't pay it back, that's why you take a debenture, and when there is no asset, that's why you take ownership.

But, Mr. Chairman, on one proposition there is \$170 million advanced up to now, and of that, \$51 (?) million was written off immediately by the auditors to try to improve the financial picture of the company — you know, I just admire the way auditors improve financial positions — I know I have to go out and slug, I have to cut expenses, I have to increase sales, but the auditor does it by making a mark with his pen: wipe out this debt, don't charge any interest on it. And that was turning it into doing it in a business-like way, those were his words. Because all of the years that he talked about doing it in a business-like way, changing it from the way we did it to what he called the business-like way — and the honourable member I know agrees — did not save the people of Manitoba one cent. Just changed the bookkeeping, that's all, which is something that we never tried to do.

But let's get back to it, Mr. Chairman. In 1969 the amount that was receivable in Loans was \$50 million and this was under a Conservative administration. Now, why did the Conservatives set up an instrument which involved a heavy public input into the commercial world, and did it on terms which were most vulnerable to losses — they didn't do it on the basis that they were going to make money, in the legislation it said that you couldn't get money from the Manitoba Development Corporation until you were refused by two other financial institutions or that it was a lender of last resort, and that was the only way you could get money from this institution. They did it that way and then they proceeded, Mr. Chairman, not just to do it, but to move dramatically in the area of the business world. The fact is that when we came into power we didn't change the legislation at all; we did the same types of things and I submit we did it more business-like, because we took equity, and I tell the honourable member an interesting story about Alex Kasser.

I met Alex Kasser for the first time, and I hope I'm going to be accurate, but it was certainly towards June of 1970, that I was not involved in the preliminary dealings with Kasser, but ultimately I became involved because of the Forestry section of it and I was the Minister of Mines and Resources. And I said to Alex Kasser as follows. I said, "We are giving you \$92 million. You are going to make X dollars. X. I don't know what X is, you know, you know now because I regard you as an astute person and you know how much you are going to make. We are giving you 92, you are going to make X, and after this thing is built it will belong to you. Now why couldn't we do it so that we gave you the same X dollars" — I don't know what the figure is — "the same X dollars will be what you make, and when you build it,

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it will belong to us." Do you know what Alex Kasser said to that? He said, "You can't do that." And I was shocked. It didn't seem like such a difficult thing. And I said, "Why can't you do that?" And he said, "Because you didn't do that." He didn't say it wasn't right, he said, "That was not our deal."

You didn't do that. If you had done that — I would make X dollars, I would build a complex and you would own it and we would make a deal as to management. But that wasn't your deal. Your previous government said that for ideological reasons we do not want to be involved in owning this thing — had nothing to do with business. For ideological reasons we will give up \$92 million, we will be the only owner of it, you will make money on the \$92 million, and you will own it, because we will not be involved in a Crown Corporation. And Kasser confirmed that, and I'm not telling a story that he would not repeat, nor does it affect anything that has been going on before or after so far as Mr. Kasser is concerned.

All right, Mr. Chairman, what's done is done. We have this agency, we've moved with it in this world, but problems arose under one government and arose under another government. The problems that arose under the succeeding government were infinitely worse in terms of public comment than the problems that arose under the previous government. And why is that, Mr. Chairman, why are the Tories in such a preferred position with regard to this? Because all of the sympathy for success is on this side. Since October, have there been no problems with Flyer Industries Limited, Mr. Chairman? Did they not have an employee who complained? Is the union now happy with everything that has happened? Are all the buses terrific and have no warrantee problems? Is every customer satisfied? Is every sale wonderful? Is the honourable member really suggesting that?

What has happened is that the people who are in sympathy with success of the operation are not seeking to discredit it, and the members who would seek to discredit it for any reason whatsoever, are all members of the government. So that was the essential difference between 1960 and 1969 as to dealings with the Development Corporation when there were sometimes complaints.

I remember complaints about Friendly Family Farms, etc., but who did they come from? In large measure they came from the Liberals who were out of sympathy with what was happening, and I'm not saying that because we are in sympathy that we are going to close our eyes to everything that's happening. But the honourable member is assured that we are not going to treat those corporations in such a way as to try to discredit them on the commercial market. We would not do that. And that's the big problem that my honourable friend has. His problem is not failure; his problem is success. His problem is success. He knows that two things have happened since 1973 which have changed the entire ball game. Will the honourable member agree that since 1973 no projects have been started which have cost the government of the public of Manitoba any money at all with the exception of one — that's Evergreen Peat Moss, in which we made a joint investment with a private sector firm who ran the management and failed and which, Mr. Chairman, I accept as a normal development type of transaction. But the only one since 1973, since the issuance of the Guidelines, which has been a problem that I am aware of, and the member will correct me if I'm wrong, but the only one I'm aware of since the change in the Guidelines is Evergreen Peat Moss.

Furthermore, Mr. Chairman, since 1973 there have been problems associated with the Development Corporation. The Development Corporation has shown that it has a capacity to do something with these problems. Mr. Chairman, there's a very interesting development that's taken place here. We used to talk about profits or losses, but profits or losses are no longer a good thing to talk about because it makes us look too good. So we are now talking about reductions and accumulated deficits. I understand that the Minister said that there isn't one of those things that didn't have a deficit. A deficit in his terms is an advantage.

When we did go around, and I deny to the honourable member that we were talking about selling Flyer, although that was an option, his chairman and members of the board will all agree that what I said is that I would not close off any options, that they could do what they like but my preference would be that we retain the company in conjunction with somebody else who could put in another product or give us some additional input which would make up for the lack of demand for buses only. And as a matter of fact, people who wanted to just buy the firm on the basis of bailing out the government from an embarrassment were told to go packing — check that, that is what happened.

We were not trying to dispose of Flyer. We were not trying to dispose of Morden Fine Foods, but, mind you, that would be one. If you could find somebody who wants to buy and pay you for a losing operation, that's fine. What he knows is that the private enterprisers who had it up until it was purchased by the Development Corporation abandoned it, and that operation was gone into because Morden was not to be deprived of that industry. And the Honourable Minister, I read the words carefully, did not say that he will close Morden down. He said that those are the things that can happen — you either give it more money — you sell it and hope that somebody else will make a success for you didn't, or you don't give it any money, in which case it closes down, but he didn't say that he would do that. If he would do that to save money then the biggest problem is not Morden Fine Foods. Morden Fine Foods has had years when it has made money. I think its worst year would show a \$250,000 to \$300,000 loss. CFI lost \$11 million two years running. If you want to close something on the basis that you won't put money into operations that are losing money — Churchill Forest Industries has lost more money than every other thing that the Manitoba Development Company has done put together, added to each other. And if we translated the money into inflationary terms it would dwarf what has happened since then.

But nobody talks about closing the forestry complex at The Pas, and if they sell it, or if they sell

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Morden Fine Foods, they will sell it on a government subsidized basis and, Mr. Chairman, I respected several times when the minister said that they wouldn't do that, but I'm going to come to it in a moment. The fact is that the deficits to the buyers are in many cases the most attractive asset. The company is making money, Normand was making money, Cybershare was making money, but they've got a deficit. What does that mean to the person who buys the shares? It means that next year he makes money he pays no income tax. He doesn't pick up the deficit. He picks up the deficit only as a loss to write off against his profits. The honourable member is not saying that. I tell him that the honourable member can look to the MDC recommendations from terrific consultants who gave us this advice, Mr. Chairman: Stop taking equity in the company. Let the deficits grow bigger because when we want to sell it the deficit will be very attractive in terms of future write-offs. That's what they told them.

And I don't know the actual mechanics of these purchases, but these purchases may indeed be subsidizing the purchasers on the basis that the future profits will not be used to pay those deficits but will be used to — not to pay them to the government — future money, of course not, this is a straight transaction, but will be available to down-write future profits that those companies will make.

MR. CHAIRMAN: I'd like to remind the honourable member that there is one minute left in his allocated time.

MR. GREEN: Mr. Chairman, we are in Committee, we can do — *Mi Ken Azoy, Mi Ken Azoy*. If you want me to go ahead I will go ahead. If not, I will sit down and let the Minister get up and talk for another half hour. We can do it either way. I'm glad that the Chairman is in the Chair because he understands me when I say *Mi Ken Azoy, Mi Ken Azoy*.

MR. CHAIRMAN: I have no objections to the honourable member but I know what's going to happen — that even if he takes another half hour or so and somebody else intervenes he's still going to come back so . . .

MR. GREEN: I'm willing to sit down now and let the Minister take off from where he left off and come back when he's finished.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, very briefly, first of all I just want to briefly touch on the Saunders question that the Minister mentioned tonight. I would like to put it forward like this: If there are — let's say just use an arbitrary figure of \$2 million assets, with airplanes and parts and whatever there is — if in the next seven years it costs \$300,000 a year to provide product support for the sale of those airplanes, that means we will be expending a little better than \$2 million to sell that million dollars worth of assets, so I guess my contention would be, and this comes back to my experience in the car business, I would be better off to sell them today for a million dollars. I would be better off, the province would be better off, to sell it today at that loss, if you want to talk about a \$1 million loss, but not have the contingent liability constantly there which would then eat up the total amount of moneys that you're working with. Now that's my rationale — I think the member might agree with that. I think it's sound business sense.

MR. GREEN: But it will mean that there is a net gain to the province. But it will mean — I'm just asking a question rather than what was suggested — that the Saunders support program is costing money either way. If you do it your way the Saunders support program will show a profit of \$1 million.

MR. BANMAN: Well, Mr. Chairman I won't differentiate that. I think it's all taxpayers' money, however, and if it's MDC's money, Saunders' money or whose money it is, it's all public money and I would look at it that way, so I think we'd be splitting hairs there. But that's the way I look at it and that's the rationale I'm attacking this particular problem with.

With regard to the last few comments that the member made with regard to the deficit positions of some companies, I think one thing that has not been made clear yet, and I understand from talking to tax people, is the ruling on whether the deficit positions in government Crown corporations are transferable, and there seems to be quite a grey area there; I understand from a lot of the tax people I'm talking to that they question that very much, so I would just throw that out right now. Now, it could happen that the Federal Tax Department rules that they are transferable but in some instances they're not; such as the boat, for instance, where you're selling an asset, there is no transferable deficit. So I just want to point that out — if you're selling the shares of the company along with the accrued deficit, fine, but if you're just selling the assets of the company — and, of course, one of the reasons that we try to sell the shares is to keep the company going as far as the name of the company and things which the member knows is somewhat goodwill and adds to the price of the company.

MR. GREEN: Okay, Mr. Chairman. I thank the honourable member for giving me a breather. With regard to the asset picture, I did specify the selling of shares and they wanted to buy the balance sheet so that they could pick up the deficit, and he has indicated that it may indeed do what our consultants said. He hasn't ruled it out — he says that there may be an argument about it, but certainly the people who are looking at purchasing are looking at that deficit position to see what

gain they can get as a result of that deficit. And it doesn't change the fact, Mr. Chairman, that the corporations themselves don't lose money by having the deficit. If they make a profit the next year there is a reduction of the deficit, and if one has to look at the viability or the operational management and judge that, you don't judge that by its previous deficit, you judge it by how it is operating today.

Mr. Chairman, I was developing the position that the Conservative administration had gone into this program, and I think that the Minister and some of his colleagues — particularly in the House, last year — said that, when I insisted that other governments are doing this, that the only difference between our government and other governments were two: (1) I said that we will make it public, which is different from what other governments have done and are doing, and that we will operate on a businesslike basis in that we will not be doctrinally opposed to taking equity where a business prudence commanded that we take equity. Those are the differences under which we operated. That we will not, and I repeat that, and if we ever have a chance to do it I submit that we will not give private enterprise money merely from the point of view that they will get the benefit of it and the public will accept the responsibility of paying for it. We will not do that under the guise of a loan, nor will we do it under the guise of stimulating business such as is done by DREE, and I think that the honourable member said that he agrees that the DREE program is not something that he considers businesslike, and not something he would do that he would do, because, DREE gives out \$100 million a year, and they have no losses. How does one pay out \$100 million a year and have no losses to business? It is very simple, you give it away. If it is not a receivable, it cannot be a loss.

And that is what the so-called businesslike government of Canada has done. But the honourable member has said that he wouldn't do that, and I've heard other honourable members on that side of the House say that they will not publicly finance private enterprise. They will not bail out problem industries, and give them money, rather than have the government be involved in it.

Well, how long did the purity of the Conservative administration last? — (Interjection — Well, I have to give them longer than three days. I heard just last week that the Conservative administration, dealing with a troubled industry which cannot get money on the market, which cannot get funding, and this is what they said they wouldn't do — are advancing or committing the people of this province, for \$3.5 million to CCIL, \$3.5 million to CCIL, in conjunction with Alberta, Saskatchewan and the Government of Canada, because they will not see this industry go down for lack of support from the provincial government.

Mr. Chairman, please don't misunderstand me, I'm not criticizing the Conservative government for doing this, I said they would do it, I said that they had done it throughout this country, and their suggestion that the government would not do it throws the lie to their previous conduct and as of this minute, makes them, Mr. Chairman, just a little bit pregnant. And you can't be just a little bit pregnant. — (Interjection) — Mr. Chairman, you can try, and maybe you did try — maybe you did try, but you were tried and found wanting of your own standards, because what you are now saying . . . — (Interjection) — Oh, Mr. Chairman, they didn't say that, they didn't say that. They said that if you believe in both systems you would do it the way we did it. You said that you would not advance that type of money, but where are you faced with, Mr. Chairman, you are faced with the fact that Saskatchewan will give them \$3 million, Alberta will give them \$3.5 million, or what the figures are — if I'm wrong, I'm wrong only in amount, I'm not wrong in principle — the Federal Government will give them this much money, and if we refuse, what are we going to look like? All of this other money coming into the Province of Manitoba, and we are refusing. Well, as a matter of fact, Mr. Chairman, I believe that sometimes, and I am not going to commit myself as to when, but sometimes this type of thing is necessary and frankly, to have that plant in Manitoba, to give it another chance to make good — to see if whether it can be organized to stay in existence — if there was \$7.5 million Federal and \$2 million Saskatchewan or \$2 million Alberta, I would not be able to say as was professed by members on that side of the House, "We would not give public money to business." You are giving public money to business, you are doing it within a short period after taking office, and you're doing it on the very first critical situation. You haven't even been able to turn down one.

I want you to know that CCIL, when they were asking money from us alone, despite the fact that they could have gone down, were told that they couldn't get it, the MDC refused them, and they came to Cabinet under the base of their proposition — we could not commit the people's money. We didn't have the proposition that my honourable friends are now considering, but we did have a proposition, and with the one that the Conservatives are now considering and have indicated that they are committed to.

What have they said about themselves? They have said that what was being done was necessary, that the economy of Manitoba, in the same way as the economy of this Country, cannot survive on private enterprise initiative, that what is needed is public money as a crutch to private sector problems — and I do not say that in a critical way, I say that it is a fact. And that all of the years of protest that public money was being used in this way, have now been thrown to the winds by the Conservative Party and will have to be thrown to the winds.

Mr. Chairman, I want the honourable Honourable Minister, at least I know that the government is going to use money in this way, I say that we would use money by doing it on businesslike principles, that when the public puts up the public takes the maximum type of security and if necessary ownership. The honourable member, for ideological reasons, will never take equity, and therefore he will enrich somebody else when they are a success — he will cost the people of Manitoba money when it is a failure, that you will take all the bad and none of the good, that you will only do it on a last

resource basis which means that you are never able to be involved in the sound business transaction, and are always the ones that are called upon when the junk is there. That's the proposition under which the honourable member required the corporation to operate, and it's interesting, Mr. Chairman, that when we came in and said that we are going to remove this lender of last resort restriction, that it was the Conservative Party that said, "Leave it in there. We don't want you to remove it, we only want you to take bad risks so that we can enjoy the luxury of making fun of what the government has done."

Mr. Chairman, I make these remarks because I want to restore the dignity and the confidence of the public of this province, which has been deprecated by members on the other side, who said that everything the public does is a failure, the public cannot be involved, the only way that initiative can be succeeded is if it's entirely private.

Mr. Chairman, the public of this province is directly responsible, has had a direct role in the establishment of over 300 businesses in the Province of Manitoba for people who now run around — many of them — and bite the hands that feed them, and say that the government has no business being involved in this type of thing.

Mr. Chairman, between 1969 and 1978 the following businesses owed all or part of their existence in this province to public initiative, to public financing, to public involvement, not private enterprise, because the public financed them when they couldn't get it from anyone else, by the definition of my honourable friends who said that they would only finance business if it was the last resort loan. Well I want to restore it to the public of Manitoba their role in the economy of this province which the honourable members on the other side continually deprecate and continually say is a money-costing one, and continually say has been a drain on the taxpayer.

Mr. Chairman, here are the businesses, some of them which still exist, some of them which didn't exist because sometimes you fail and sometimes you succeed, which is a normal law except when the public is involved, in which case my friends from Great-West Life say that they are always a failure, or they must always be a failure: Aakton Plastics, Aamco Transmissions, Acme Metal Products, Advance Lighting Ltd., Advance T.V. and Car Radio; Agri-Steel Ltd.; Ajax Equipment Ltd., Altona Industrial Development Corporation, Alphametrics Ltd., Ambassador Interiors, Mrs. Shirley Anders — Ethelbert, Applied Photogrammetric Sciences, Arctic Beverages Ltd., Art Metal Products, Automedic Instruments Ltd., Bait-Path Ltd., Bakers Narrows Lodge Ltd., Barkman Developments, Barkman Hardware — these are Steinbach. It is good what we, the public, have made possible for Barkman of Steinbach, who will no doubt run around and say what kind of a good, private, individual, free-enterpriser he is, whoever he is.

Barney's Ball Lake Lodge, Behnke's Greenhouses and Florists — question?— (Interjection)— Yes loans, yes loans — oh, did you get paid back — many of them were paid back, some were not paid back. Well, my honourable friend now says that if it's a loan it will be paid back. Apparently he wasn't in the House. CFI was a loan too, Prairie Foundry was a loan, Columbia Forest Products was a loan, and if you want me to read the list of Conservative failures, I will read them. The point is that you lose money when you make advances, either by loan or by equity, and if your situation is the poorest, you take equity. Because you say that if the risk is that great, and, Mr. Chairman, Versatile Manufacturing Limited, the biggest business in this province, was saved from disaster by the public of this province, and it was equity — it was equity — and then we didn't exercise the option. But you can do it with equity or you can do it with loan *Mi Ken Azoy, Mi Ken Azoy*, Mr. Chairman.

If you will go to any businessman, he will tell you, when your security is weakest and you are going to take all the risk, then you put yourself in a position where if there is anything good to come of it, you get it too. Versatile Manufacturing — the public made that business.

Benco Component, Bell Foundry, Bentleys of London Slacks, Beverage Services Ltd., Birch Enterprises, Birch River Plywood Ltd., Birchwood Motor Hotel, A. Bollenbach, Boissevain Manufactured Products, Border Chemical Co. Ltd., F. G. Bradley Co. Ltd., Brandon Poultry Producers, Brett Young Seeds, Buffalo Hat and Cap, Builders Furniture, Burke's Motel and Diner, CAE Aircraft Ltd., C.C. and T. Sports — the Honourable Member for St. James wasn't here. These people couldn't get money from anybody else, by your own rules, that's the bad shape they were in, when they applied for this money, for the Manitoba Development Fund — those were the rules.

Canada's Manitoba Distillery — Minnedosa, Canadian Co-op Implements Ltd. — CCIL, Canadian Fulcon Fabricators, Canadian Garment Co. Ltd., Canadian Occidental Petroleum, Canadian Tool and Die Works, Capital Linoleum and Rug Ltd., James B. Carter Ltd., Central Graphic, Ceramicraft Ltd., A. R. Cerko, Chemalloy Minerals Ltd., Chicago Blower Ltd., Chicago Kosher Sausage Co., Circle "10" Enterprises Ltd., Columbia Forest Products Ltd. — did you get the your money back on that loan, Mr. St. James? Committee — listen to this one — Committee on Manitoba Economic Future in February, 1962. I would like to know if you got your money back on that loan — to the Committee on Manitoba Economic Future? Continental Craft, Daniel Cook, Cooper Furniture Ltd., Cooper's Yamaha Music Centre, Cormorant Lodge Ltd., Cowl Industries Ltd., Craftsman Machine Co., Crankshaft Industries Ltd, Creative Linguistic Centre, Crocus Foods Products, Custom Abattoir.

Crocus Foods is one of the companies that got money from the Manitoba Development Corporation, and so did Custom Abattoir. You know, I know Mr. Freed very well. He is very antagonistic to government involvement, but he took government money for Custom Abattoir, so the public made his business too.

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G.C. Cryderman Co. Ltd., Custom Profile and Pipe, D.A.W. Steel Products, Damascus Steel — it's an interesting story, Dauphin Alfalfa Products, Dawn Plastic Ltd. — now being sold, A.A. DeFehr Manufacturing Ltd., Denis Prefab Ltd., Dents Processors Ltd. — did you get your money back from the Dents' loans, Mr. St. James. Dents Processors Ltd. — it was a loan. Did you get that back? It was a loan. It was foreclosed on. You didn't get the money back. — (Interjection)— Certainly we got a lot of them back. Certainly, I'm not objecting to this, you are. I am not objecting to what was done here. I am proud that the public of Manitoba was the one who made these businesses successful. I am arguing with those who have deprecated the public role and Mr. Chairman, we are going to come to the point. We are going to come to the point if the public was necessary for making all of these things successful, what is going to happen to the Province of Manitoba? What would have happened if the public had not done this? Because they tell us that they are not going to loan, they are not going to advance, they are not going to do anything. Of course, they are not telling the truth. CCIL has now got money and I'm glad of it.

Dormond Industries Ltd., Doral International Ltd., Dominion Tanners, Digest Reporting Services, George Derksen, Dring Laminated Structures, Dryden Chemical, W. Dumont, William and Ann Dunlop — Seven Sisters, Duracrete Building Products, Echo-Lite Aggregate Ltd., Edson Industries, Electroliner Corporation, Electro-Knit Fabrics, F. Ellis, Roy Ellison, El'Nor Motel — Falcon Lake, Emes Bros. — Sprague, Evergreen Peat and Fertilizer — it is the one that I spoke of where we went in partners with a private sector industry.

F.P.E. Pioneer Electric, — Brandon, Falcon Machine Works, Federated Fine Foods, Wayne Finucan Productions, Fletcher Investments, Fletcher Investments, Flying Dutchman Kitchens, Friendly Family Farms — Steinbach, and that was a problem, Mr. Chairman. If the honourable member said that if Friendly Family Farms' statement was open and everything that they did was broadcast and they were attempted to be destroyed by public criticism. I think they could have, but that's Friendly Family Farms — I believe that Mr. Freed is also associated with that although — well the member is nodding so Max Freed, who I know very well, great free enterpriser, the public supported him, the public made him.

Futronics Limited, Frontier Packing, G.N.R. Sportsland Ltd., Auby Galpern Famous Foods, R. and K. Gebhardt, General Machine and Welding, General Scrap and Car Shredder, Gerards Feed Lot Ltd. — Boissevain. Is she still there? — (Interjection)— I'm glad. I'm glad that that fellow in your constituency recognizes that he has been a partner with the public in his rugged individualistic rise to fame. — (Interjection)— Right, right, they too. You know, Mr. Chairman, the greatest socialists in this province are the rural people. The greatest socialists in this province are the rural people and that is recognized by my honourable friend's Budget. Everything else went down, but rural socialism, the building of roads with no tolls. That has gone up by \$25 million. That is rural socialism. How come you people are not saying, "Let them pay tolls." That is what you are saying to the City of Winnipeg people who have to ride on the buses, you are saying, "Let them pay tolls." But when it is in the rural area we are socialists, no tolls, build roads' public expense, restraint on everything else. . .

MR. ENNS: Let's get this in writing. The NDP wants tolls on our roads and highways from now on. Let's get that on the record.

MR. GREEN: No. You know who wants it? Mr. Chairman, it is the Task Force who said so. Of course, I know that my honourable friend will be, as I said when he wasn't here the other night, he will be my shield from the Task Force. They will never get that Task Force by the Member for Lakeside, the Minister of Highways. We won't have to fight the Task Force. The fighters are over there and they will do a good job for the most part. But I am not half finished, I am only up to the "Gs".

General Machine and Welding, General Scrap and Car Shredder, Gerards Feed Lot, Glenway Supply, Globerman Bros., P.E. Gould Mfg. Ltd., Gravure Graphics, Great Oaks Development Ltd., Hamel Sales Ltd., Harbour Industries, Harco Electronics, Hargrave Applied Research Corporation, Neil Harris Enterprises, Healthy Hog Enterprises — Carman, J.R. Heath Co. Ltd., Help Unlimited, Herbert S. Harper, Hidden Valley Enterprises, Home Soda Server, Horseshoe Riding Academy — Brandon, George Howard Industries, International Fur Dressers and Dyers, J.R. Wire and Metal Specialty Ltd. — I acted for them. He is a very fine man. All of these people are fine people. — (Interjection)— They pay. They paid with the help of the public putting them into business. No problem, no problem, Mr. Chairman. No problem.

Jara Steel Industries Ltd., Jo-Anne Sportswear Ltd., Johner's Woodworking Ltd., Richard Jones, Jumbo Tred Matting, Junior Wear Ltd., K.D. Associates, K S Motel Ltd., Kemso Canada Ltd., Killarney Feed Service Mill, Killbery Industries Ltd. — We saved that one. Killbery Industries in St. James. Killbery Industries was in deep trouble. The public saved that industry, Mr. Chairman. The public saved that industry.

MR. MINAKER: There is a little story there.

MR. GREEN: The public saved that industry.

MR. MINAKER: I know the story there.

MR. GREEN: Yes, and the public saved that industry, without the public . . .

MR. MINAKER: It is a matter of opinion.

MR. GREEN: Yes, well, all I know, Mr. Chairman, is that the man couldn't get any money anywhere else, that they were going to close down, that the public saved them, kept them going, and it is a successful business in this province. And I give credit, not to the government of Manitoba, to the people of Manitoba. The public saved him. —(Interjection)— What these people want is too much. They want the public to take all the risks and then when something bad comes along, and there is a problem, they criticize the public. The same public who saved all these, or had a role to play in every one of these companies.

Kemso Canada Ltd., Killarney Feed Service Mill — Killarney, Killbery Industries Ltd., King Choy Ready Foods Ltd., Kitchen Craft of Canada Ltd., Kool Shade Manufacturing, A.A. Kroeker and Sons — Winkler, —(Interjection)— "Oh, it will be in Hansard tomorrow." I don't know when somebody has had to table his speaker's notes, but I will be happy to table them, but it will be in Hansard.

J. Kutcher — Thompson, Lake Winnipeg Navigation, Lakeside Honey Farms — Roblin, Lampolier Ltd., La Riviere Hotel Co. Ltd., La Riviere Ski Resort, La Verendrye Motel, Leaf Rapids Corporation, Leland Hotel — Portage, John Lesko Ltd., Lighting Materials Ltd., Loewen Holdings Ltd., C.T. Loewen and Sons, Logan Industries Ltd., Macey Foods Ltd. — A very good joint public-private program where we had an equity and we had a right to buy this out, and for many years we were in trouble, difficulties, but it is now a good industry in this province.

Madison Holdings, Madison Woodworks, Magnecord Graphics, W.A. Maguire, Manpeko Industries Ltd., Marin-Ninette Hotel, Marley McMahon, David Martens Mfg., Master Metal Products, Master Products Co., Matheson Hotel, Matthews Mechanical Ltd., Mayers Ltd., McGavoch Lake Lodge, Frank McIvor Ltd., A.E. McKenzie Seed Co. Ltd. — the public did a tremendous job with that company. If it was financed like CFI was, it would be making half-a-million dollars a year because that's what it is paying to banks in interest.

Media Village, Medicine Hat Brick and Tile Co., Metals and Alloys Ltd., Metev — I want the public of this province to know what they have helped do, because they have taken enough insults over the past four years about what they are capable of, that they are entitled to have knowledge of what they did.

Midwest Transair, Midwest Furniture, Milprods Ltd., Minnedosa Community Development Corporation, Minntoba Industries Ltd., Misawa Homes Canada Ltd., Monarch Wear Ltd. — Monarch Wear, yes, Moosehorn Hotel, Morden Cold Storage Ltd., Morden Community Development Corporation, Morden Fine Foods Ltd., Morris Welding and Iron Works, Morton Timber Preservers, Motel 21, My-Mor Industries, National Products, Philip Noiseaux, Norcana Concrete Ltd., North American Laboratory, North Cypress and Carberry Community Development, North Hill Motel, Northern Industries Ltd., Northern Welding Co.,

MR. CHAIRMAN: Order please. I must remind the member that there is one minute left in his allocated time.

MR. GREEN: Morton Timber Preservers, Motel 21' My-Mor Industries, National Products, Philip Noiseaux, Norcana Concrete Ltd., North American Laboratory, North Cypress and Carberry Community Development, North Hill Hotel, Northern Welding Co., Northgate Trailer Park, Northland Commissaries Ltd., Oak Point Hotel Co., Omnitheatre, P.M. Scientific Fur Cleaners, P.R. Creations Ltd., Pakfold Western Ltd., Joe Packnowski, Paramount Bio-Chemicals, Park Leather Ltd., Parkland Plastics Ltd., Penguin Camp, Kenn Perkins Animation Ltd., Phoenix Data Ltd., Pitt Leather Goods, Playgreen Inn, Plum Coulee Growers Ltd., Polar Equipment Ltd., Ronald and Natalie Pollack, Portage la Prairie Community Development Corporation, Prairie Foundry — it was a loan, Prairie Produce Co. Ltd., Precision Machine and Steel Works, Precision Platers, Princess Auto and Machinery, Public Cold Storage, Pukatawagan Trading Co., Quality Communications Products Ltd., Rainbow Rug, Rambler Trailer, Reimer Express Lines Ltd., Remote Industrial Music and Control Ltd., Riding Mountain Holdings Ltd., Riediger's Feed and Seed Service, Rodell Corporation, Rother's Fine Furniture, Russell Inns Ltd., Sabra Pharmaceuticals, St. Jean Sportswear, St. Laurent Local of Manitoba Metis, St. Martin Hotel, Sandilands Forest Products Ltd., Sasaki Industries, Saxon Ltd., J.M. Schneider Ltd., Selectone Industries, Sever Signs, Shearmat Ltd., Shee Lee Record Player Co., Sheer Mist Hosiery, Sheller-Globe (Manitoba) Ltd., Shelton Hatchery Ltd., Shepherd Machine Tool and Die, Shur-Foot Mat Co., Silver Birch Resort, Wm. Skibo, Michael Donald Skoronski, Souris Producers Ltd. — Souris, Springfield Leader Ltd., Standard Knitting Co. Ltd., Standard Tube, Star Hotel, Sterling Glove Ltd., Stonewall Hosiery Mills, Stoney Mountain Motor Inn. I will just be a few minutes finishing the list.

MR. CHAIRMAN: Carry on please.

MR. GREEN: Sutherland Steel, Sylvan Lodge, Steve Tabak, Tall Timber Lodge, Talpha Laboratories Ltd., Tamarack Motel, Tantalum Mining Corporation, Teulon Hosiery Mills Ltd. — (Interjection)— Yes, that is our mine, Larry.

The Pas (I.R.) Corporation, The Tool Centre, Thompson's Kississing Lodge, Thorkelson Rose Ltd., Unicity Steel Corporation Ltd., Unicraft Enterprises Ltd., Universal Distributors, Universal Machine and Engineered Products, Valley Motor Lodge Ltd., Venture Manitoba Tours Ltd., Verne Labs Ltd., Vita Lumber Mills, Walterson Pattern Works Ltd., Warner International, R.V. Warnez,

Washtronics Ltd., G and J Watt Co. Ltd., Wendigo Resort, Western Archrib Structures, Western Film Ltd., Western Label Co. Ltd., Western Mushroom Growers, Western Peat Moss Ltd., Western Processing and Cold Storage, Western Propane Ltd., Willow Island Development, Winkler Apparel Ltd., Winkler Industrial Development Corporation, Winnipeg Burn-O-Matic Gas and Heat, Winnipeg Gardener Co-Op Ltd., Winnipeg Gardeners Sales Ltd., Winnipeg Supply and Fuel. . .

A MEMBER: You're kidding.

MR. GREEN: Winnipeg Supply and Fuel, Wolverine Lodge Ltd., Wray Brothers, Yellowstone Development, James Bertram and Son, Churchill Forest Industries, M.P. Industrial Mills — famous names, River Sawmills, Western Flyer Coach (1964) Limited, Saunders Aircraft, Simplot of Canada.

Mr. Chairman, I'll just be one minute, I'll sit down, because I'll get up again. Some of these things failed, some of them did not fail. Some of them are loan, some of them are equity. What the Minister is saying is that none of this will happen. Now, I don't believe that. The Province of Manitoba and industry in the Province of Manitoba has survived by public involvement. It has depended on public involvement. It cannot exist without public involvement. And the Conservatives are going to give public involvement. And I said today, they got pregnant this week with C8C8!!! and I don't object to it, I agree with it. I want to know, what is the Conservative government going to do to replace what the public has been able to accomplish in the past 18 years, and let's agree that mistakes were made on both sides and let's agree, Mr. Chairman, that in the last four years that the philosophy which permitted the major part of those mistakes has been abandoned and that we have not made mistakes.

But the honourable member is proceeding as if this economy can survive without this public input. I say that it can't, Mr. Chairman, and I'm going to question the Minister, and I want to find out what is going to replace this mechanism, because I've heard some horror stories. I've heard a horror story from the Attorney-General, and do you know what his horror story was? That the Conservative government is going to replace this by giving guarantees only to that amount which the bank feels is insecure. Isn't that terrific, the Member for Minnedosa, that if a man goes to the bank and wants to borrow a million dollars and the bank says, "You're only secure for \$800 thousand, but you need the million, the Manitoba government is going to guarantee \$200 thousand." They won't even make the interest on it, they won't get anything from it, and if it's a loss, \$200 thousand will disappear and the Manitoba government will take the loss; if it's a gain it will be points for private enterprise. And who suggested this, Mr. Chairman? Where does this suggestion which the Attorney-General — I want the Minister to tell me that the Attorney-General was misleading the people of Manitoba. Please tell me that, please tell me that because otherwise it will be a disaster. And you know, I think the Member for River Heights said something of the same kind when he stood here in Opposition, said something of the same kind. But the Minister is a more rational person than either of those two individuals, and I beg the Minister to tell me that my money and my covenant and his, is not going to be used, only as a last resort to guarantee the banks that they won't lose on that part of the loan which they feel is insecure. Please tell me that, and tell me that the Attorney-General didn't know what he was talking about and had no right to make those remarks.

Mr. Chairman, there were certain losses on some of those farm approval loans. What I know is that the bank didn't lose anything. Mr. Chairman, what I do know is that the bank didn't lose a penny. Do you know why? — (Interjection) — Do you know why the bank didn't lose a penny? Because they were guaranteed by the public of Manitoba.

MR. DAVID BLAKE (Minnedosa): Oh, yes they did. Oh, yes they did. Oh, yes, they lost . . .

MR. GREEN: Well, if it got the guarantee, it didn't lose. But the public lost. And that's what the member said. Well, now, I'm a little scared. I was very confident that the member would say that the Attorney-General misunderstood, to find some out — (Interjection) — to find some out for the stupid business suggestions that were made by the Attorney-General. There's an out for him and the member will give it, but don't tell me that you're going to agree with the Member for Minnedosa, that that's what we should do instead of trying to secure our loans in the best way possible, because that's what he said.

And the other scheme, Mr. Chairman, was suggested by the Member for River Heights, that money be put into a venture fund in conjunction with private sector individuals — and by the way, the people who suggested that last wonderful scheme for banks were the same people who are on the Task Force, I'm surprised they didn't put that into their document but they probably realized that it's a ridiculous thing to do. And I refer to the Winnipeg Chamber of Commerce from whom some of our illustrious Task Force members are drawn, because that was their suggestion. The Member for River Heights said there should be a venture fund, a secret fund, the government should put up some money with some bright, intelligent free enterprisers and let that fund be used to push investment in the Province of Manitoba. Sounds wild, sounds like no businessman would do a thing like that. Mr. Chairman, it's been done. The Canadian Development Corporation tied hands with — who will you guess? The former Member for Wolseley, Izzy Asper. And they put into his hands venture funds, where he was to put up a certain amount of money, he was to attract a certain amount of private enterprise capital, they would give him public money and he would go out and investigate it as he saw fit. And they are relying on that fellow — you fellows saw him in the House — they are relying on him to make it a success. They liked him. Well, Mr. Chairman, I know uow it was done in Minnedosa. I'm willing to wager, and let the facts be shown, that Asper's equity is in large part his scheme — no

money. In large part he will be given equity — the Member for Minnedosa is nodding in full agreement with me — that his equity will be his ability to talk the Canadian Development Corporation into following such a scheme and he will be given a major part of his equity by virtue of the fact that he did that, that he promoted them. Not only he had conned them, but he gets paid for doing it.

MR. BLAKE: Consulting and legal fees make up his equity.

MR. GREEN: Yes. And that fund has been done, and it's been done with public money, with your money and my money. Now what is the difference between the two parties here? We say that if it's going to be public money we should accept the responsibility for it, we should guard it, and we should do the best we can with it. And the other side says no, we are incapable. Get Izzy Asper, give him the money, let him invest it, and hope he makes a dollar, and we as a result of his brains will make money.

Mr. Chairman, the Province of Manitoba cannot exist economically — it's not my assessment, it's the Conservative assessment — they cannot exist economically without major public input of funds in investment activities in the commercial world, by loan, by equity, otherwise. It's been proved before, the Honourable Minister, when I raised it, that this is what his government did before, he gave a pretty smart answer — I saw him on television, he's very photogenic — he said, "You know, Mr. Green is talking about a time when I was probably still in — 10 years ago, I might have still been in school at that time. Why is he blaming me for what the previous Conservative government did?" That's more or less what he said. He can't say that any more. CCI L. is today, it's not years ago. I'm not criticizing the CCIL. though, I'm criticizing the suggestion that was made by members on that side that the public is not going to participate in business and it's not going to finance private people to participate in business with public money. That's what it said. That's particularly what the Minister said. Well Mr. Chairman, it can't be done. What we are discussing now is not whether the public is or is not going to invest, they are going to invest. The question is, are they going to invest for their benefit or for the benefit of private people who happen to come along and get the money from them?

MR. CHAIRMAN: Item 1—pass — the Honourable Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, I'd like to ask the Honourable Minister for his views on the Task Force recommendation, that is the Report on Government Organization and Economy, Volume II. There are a number of recommendations made in this document on Page 163, various options that are suggested to the Minister for his consideration and we are talking about industrial development strategy, we are talking about the involvement of the public sector versus the involvement of the private sector, we are talking about the strategy that should be followed by this government, by a provincial government in order to bring about the optimum amount of industrialization in the Province of Manitoba.

My colleague, the Member for Inkster, has made a very clear case that the record proves that a great deal of industrialization took place in Manitoba because of the involvement of the public sector, whether it be through the Manitoba Development Fund or whether it be called the Manitoba Development Corporation, and indeed whether it be a Department of Finance financing arrangement that we learned of today as announced by the Minister of Finance, financing arrangement with CCIL. The fact is that Manitoba has a number of disadvantages that it is suffering for industrial growth; this is very unfortunate but it is a fact for some very basic reasons: our location in the North American economy, our particular resource base that we have to deal with — surely if we had the resources of Alberta, the oil and gas, we would be far better off, or if we had a larger concentration of population, heavier markets, we perhaps would be better off. But the fact is, we have a lot of hurdles to overcome and I think it's incumbent upon the Minister to tell us how he expects to proceed to bring about industrialization in the province and particularly, does he expect to see the Manitoba Development Corporation continue or is he prepared to follow some of the recommendations suggested in the Task Force Report which suggest a new loan agency? I don't know whether that really makes any difference. If you scrap this one and bring a new one into effect, I really don't think that makes any real, significant difference. It depends on what the new agency does and how it operates. Another option is suggested, a smaller, restructured Manitoba Development Corporation. Well, what does the Minister say about that? Another option is an expansion of the Federal Business Development Bank activity with perhaps some risk underwritten by the province. That's another option, but again, it leaves a lot of question marks. A fourth option is an agreement with private lending institutions to make available additional loans in return for some degree of government participation, which seems to me is what my colleague the Member for Inkster was talking about, a "heads we lose, tails you win" arrangement where the public takes the risk and the bank, or whatever the lending institution is, takes little or no risk, so we are in the worst of all possible worlds.

Another conclusion is that existing institutions are adequately fulfilling the role. I would suggest, Mr. Chairman, that existing institutions did not play an adequate role in the past and this is one reason why the previous government under Duff Roblin set up the Manitoba Development Fund, and it is the reason why the government today, through the Department of Finance, is preparing to support CCIL. So I think this is a very important question of policy, I think it's incumbent on the Minister to stand up and tell us just what is the policy direction he wishes to take with the MDC or some substitute, or whatever arrangement he or his government may have in mind.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the last two speakers both asked as to the future and the role of the Manitoba Development Corporation. Let me tell both members that we are in the process of examining the role. The former Minister is probably well aware that in the last number of years there have been very few loans that have gone out, I think something in the neighbourhood — I'm talking about new loans, other than the companies that we have equity positions in — and I think there's somewhere in the neighbourhood of four in 1976 and somewhere in the neighbourhood of four in 1977. So, Mr. Chairman, with the advent and the more aggressive approach of the Federal Business Development Bank, with more of an aggressive approach on behalf of such lending institutions as RoyNat, we are at present examining the role, and I don't think that . . . If we are faced with having a few loans to administrate, and there are chances that we are duplicating some of the other services, then we will have to have a look at that. So I am not prepared today to make an unequivocal statement as to the direction of the fund, the fund right now is administrating the Loan portfolio that they have at present as well as the different equity companies that we still have. I haven't got a clear figure on it but the members must appreciate that in the last couple of years as far as new loan portfolios, the corporation has not been very active.

MR. GREEN: Mr. Chairman, the honourable member is indicating that the corporation has not been very active. The honourable member is aware that the corporation in 1973 was told that they had to concentrate on their existing portfolio to see whether they could make a success out of it, and as a matter of fact, the Board of Directors divided themselves into various groups and went to work on that. And the honourable member will agree that they — well, if he goes to the records, I think he would agree that they did virtually an industrial miracle with Flyer Industries Limited, that they improved the Flyer Industry position first of all — by showing a profit for the last three years, and secondly by removing an obligation of some \$20 million in performance commitments which the Flyer Industries had but they never ever stopped the possibility of developing new industry in this province. Mr. Chairman, maybe that's one of the real problems. That the Manitoba Development Corporation was into too much loan activity, that their development role was based on a loan, and I would say that that is the major difficulty with Churchill Forest Industries.

None of the people on our side of the House when we were in opposition criticized the concept of developing a pulp mill and a paper complex at The Pas. We said that if we are putting up all the money, we should be the owners of it. The other side said, Mr. Evans said, — that's the former Mr. Evans — that these people have got their own sources of money. Well, they sure had. Our money. And that's what we criticized.

But the honourable member is saying that the Development Corporation didn't continue a significant role in development. I say that in the last year, Mr. Chairman, they made a very very significant loan and maybe they should be making that kind of loan once a year. You know, just because there is numerous activity, doesn't mean that you're doing a good job. As a matter of fact, that was one of the problems.

But the honourable member will agree that McCain Foods development in Portage is an important developmental loan; it's an important government involvement; and, Mr. Chairman, it is reasonably secure. It's the kind of loan that we probably couldn't take if we were told that it had to be refused by a bank. And that was one of the differences. But McCain Foods in Portage . . . is it \$4 million dollars? It's in the area of that amount — (Interjection) — well \$7 million, well I don't call that a lack of activity. It seems to me that if this province, Mr. Chairman, and this is where I will agree with conservatism — not Conservatives — \$7 million a year of public development that would suit me fine. It's not the 20 and 30 that we had under Churchill Forest Industries where we were paying it out in shovelfuls but it would be . . . and provided it was based on viability. And Mr. Chairman, you know, when I was reading this list, I read the name, I read the name Dominion Tanners8 . . .

MR. CHERNIACK: Who owns Dominion Tanners?

MR. GREEN: . . . Dominion Tanners. And it wasn't us. It was in July of 1965 that a loan was made to Dominion Tanners. I have here that Conrad S. Riley — this is dated 1977 — Conrad S. Riley is the president of Dominion Tanners Ltd. Now, I see nothing wrong with that. No. But I want the public of this province to know that this task force head who talks about the incapacity and incompetence of the public, didn't think that they were so incompetent that they should not be approached for a loan for his company — Dominion Tanners Ltd. — (Interjection) —

MR. GREEN: Well, it says on my sheet Dominion Tanners. It says in the book Dominion Tanners Ltd. I assume that they are the same group. If they are not, then I will have to apologize to Mr. Riley.

MR. CHERNIACK: Why? You said there was nothing wrong.

MR. GREEN: No, no, but I would not want to say that he did get money from the government because he, he I would expect, Mr. Chairman, that Conrad Riley would not want to say that he came to the public of Manitoba in its corporate capacity as a government and asked it for money.

MR. CHERNIACK: That's today.

MR. GREEN: That's today he wouldn't. I'm not sure he wouldn't do it today. I'm not sure he wouldn't do it today. There is one thing that I have found out about free enterprisers, that they are not embarrassed to ask for public handouts, not at all embarrassed. They are the biggest recipients of social assistance in this country. The biggest recipients. They get grants for this and grants for that and the Federal Government gives them \$100 million a year in grants.

Now, Mr. Chairman, the Minister is now in charge. There were suggestions from the other side that the New Democratic Party was telling the Fund what to do, that all of these things were done by direction or some type of influence. Now we know that under Part II we did advance money to Saunders' Aircraft after we reached the \$20 million figure. We know that there were a couple of other Part II realize loans, one Tantalum — which I didn't at one time was a Part II loan but it is a Part II loan which happens to be a good thing — and if the member wants to talk about their deficit, he is playing around because he knows that there has been considerable depletion and depreciation and other allowances which a mining company is entitled to take which have reduced its book profit but which does not detract from the fact that that is a desirable stock and the people of the Province of Manitoba have done a good job with that mining company.

So I repeat, Mr. Chairman, the honourable member's problem is not failure. The honourable member's problem is success because he has now realized that as soon as the change of policy came in, as soon as the government indicated that it's not going to be merely the public solving all the private enterprise problems, as soon as we directed by direction, that the board has to deal with viability and as soon as it was demonstrated that it can be done, it became an embarrassment. It is an embarrassment for the Minister to come in and put down a statement showing a \$4,800,000 profit.

How does that \$4.8 arise? It arises as first of all, Mr. Chairman, because \$3 million, which was previously put into a reserve as a loss, has been turned around and if the honourable member says, "That's not a profit," then I suppose they will say that the \$16 million was not a loss. But they were very happy to call it a loss when the auditor showed it as a loss. But of that \$4.8 million, \$3 million arises in that way, the biggest part of it arises in that there were very few other reserves put in for losses because essentially he has got a clean sheet. He comes in, Mr. Chairman, with a sheet which is a little different than the one that I came in with. The one that I came in with had CFI, Saunders, Flyer, Cowl Equipment, Prairie Foundry, Unicity Steel, all of which were problems. But he comes in with a \$4.8 million profit and very few problems. Not no problems. Very few problems.

Now what does he say? The public cannot be permitted to know that they can deal with these things sensibly and therefore we have got to get out of it as quickly as we can before we start making money, before we show that we are competent. But the Minister has had charge of affairs. Has the Minister been able to demonstrate, as a result of having charge, that the previous Minister for four years had been responsible for all of the problems in the MDC and that he was the one that resulted in this loss and that resulted in the other loss and that he interfered with the activities of the board in such a way as to cause you problems or, Mr. Chairman, is it — as I allege it is — that we selected a good prestigious, competent, hardworking board of directors, we gave them terms of reference which he has no quarrel with — or if he has, let us know what the quarrel is — and those directors, in performing a public service, tried to do a job and that the decisions that they made as to how that job was done were, except where otherwise indicated and where we announced that it was so, the decisions of that board of directors. Or, as the member is saying, "No, the government was really responsible, directly, for things that they never admitted that they told the board to do." Now he's had the records. Does he indicate that our government interfered with the independence of that board of directors?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I think the member has said that his philosophical approach to him dealing with this particular board, whether it be any board, is one which if you're not happy with the board of directors, the way they're performing, you change the board. And I think I have mentioned time after time, that is the way I have approached the situation too so that if he is saying that I have said that he directly interfered with the board of directors, I don't think that's so.

MR. GREEN: I never said it?.

MR. BANMAN: I think when you're dealing with a board of directors, with a lending institution, there is no way that myself, as a Minister, that I can get involved in all the different loans. I've got other things to do; that's why we've got a board of directors there.

MR. GREEN: I quite agree, Mr. Chairman. I quite agree. And to be fair to the Minister, I never said that he said this. I say that other members in his group claim that the government was the one that was responsible for all of these decisions.

MR. BANMAN: Partly.

MR. GREEN: No, no. Mr. Chairman, I'm talking about, you know, if there were no loans made to

Flyer under Part II, none, nor would I blame the board of directors for the decisions that they made. Nor do I not accept ultimate responsibility, which I always said that we do. But, Mr. Chairman, members on the other side were talking about the things that were going on as if they were things that were directed by members of the Treasury Benches and what we insisted, and tried to insist to the public and which is now at last understood by others, is that the public has a responsibility to get as competent a board as they can and if they are to have good functioning by that board, they are to place their confidence that that board will make the right decisions and that the Minister should be criticized if he starts telling the board what to do. That's the way we operated the Manitoba Development Corporation and I congratulate the member for saying that that's the way it should be operated. That's the way we operated the Hydro.

What the other side said is that we were responsible for telling these people on the Hydro board what to do but immediately that that government took power — and I'm not going to stray on this matter, Mr. Chairman, just for a couple of seconds — the arch enemy of what the government did in Hydro, Mr. Cleverley, came out and said, "Look, you can't blame the government for raising the hydro rates. People forget that the government doesn't tell the Hydro when to change the rates. The Hydro has an independent board and they are the ones who have to decide." —(Interjection)— Immediately, Mr. Chairman, immediately. Suddenly the relationship between a government and its independent boards became understood.

Well, Mr. Chairman, I'm also happy to see that the Minister, for the most part, for the most part — as a matter of fact I can't even think of an exception — has felt that the choice of members of the Manitoba Development Corporation were such that he was not going to interfere with them in terms of the existing board. I have no doubt that he'll make new and other appointments but the fact is that I want to know whether he is concerned with the personnel of that board as being in some way inadequate or not properly chosen to do the task that was before them.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. ENNS: Well, Mr. Chairman, I think most of us have enjoyed the afternoon listening to the Honourable Member for Inkster, the House Leader. It's regrettable, I suppose, that members of the fourth estate, the media, aren't here to enjoy an afternoon which is always enjoyable with the Honourable Member for Inkster, the House Leader. It is regrettable, I suppose, that members of the Fourth Estate, the media aren't here to enjoy an afternoon which is always enjoyable with the Honourable Member for Inkster.

But really, Mr. Chairman, and I want to address my remarks directly to you because I noted with some concern the rapt attention that you were paying to the Honourable Member for Inkster. I believe that you were beginning to believe everything that he was saying and that concerns me, Mr. Chairman. And, in fact, there may be some other members in this Chamber that actually are beginning to believe most of everything what the Honourable Member for Inkster is saying, and it has really been a kind of Alice in Wonderland fairytale story this afternoon, that we have been hearing. For instance, that somehow, and I don't profess to know all about it, but somehow through a program called the Saunders Aircraft Support Program, that somehow, that if we just continue that, we will erase the biggest single fiasco — financial fiasco — this province has undertaken under the name of public enterprise, and under the name of public investment, namely 14 millions of dollars, but if somehow the Honourable Minister of Industry and Commerce can just keep the Saunders Aircraft Support Program going for another few years then we finally will be in the black on that particular program.

MR. CHAIRMAN: Order please

MR. GREEN: On a point of order. I do believe that the honourable member understood, but in case he didn't, I said that there is no way of recovering the 40 million dollars, I have repeated that, I say that for the record here, and I make no such claim.

MR. ENNS: Well, Mr. Chairman, that's fine, and then I think I'm serving a purpose just to get our feet back on the ground a little bit, to understand in that particular program that cost the people of Manitoba, that those 40 millions of dollars of scarce capital could well have been applied to some other worthwhile program, social program, roads, if you believe. In fact, Mr. Chairman, I might be so bold as to suggest to the honourable members opposite, that had they applied some of those programs to the Department of Highways in the course of their last seven or eight years in office, then perhaps there might have been at least the odd additional member sitting on the other side representing the people of Manitoba. —(Interjection)—

MR. GREEN: Well now, Mr. Chairman, let's talk about the 100 million dollars on CFI for a little bit, because I think it's not quite fair, Mr. Chairman, because after all, Sir, you were busy at other pursuits during that time frame when the CFI matter was unfolding. But let me put it on the record for your edification and for that of the record and new members in the House, that again the Honourable Member for Inkster has that very astute debating skill of, when he is making a point, slipping in an assumption, which isn't correct. If you buy the assumption then the logic of his argument is irrefutable, but it's the assumption, the initial assumption that you have to question, and in talking about CFI this afternoon, what did the Honourable Member for Inkster say? He said, what we were

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providing for under the agreement signed by the then, or the previous, previous, previous administration, Conservative administration, was that we were supplying the 92 million dollars to a private individual who would then own the plant Pardon me, I think if I remember correctly, who was to make X number of dollars, and he agreed he didn't know what the X number of dollars stood for. . .

MR. GREEN: I didn't know, that's right, that's right.

MR. ENNS: . . .and in addition to that would have had the ownership of the plant. Of course, Mr. Chairman, what he forgot to say, what he forgot to say is that that Mr. So and so, had to pay back the 92 million dollars before he got the ownership of any plant.

MR. GREEN: No, no, no, no.

MR. ENNS: The honourable members opposite. . .

MR. CHAIRMAN: The Honourable House Leader on a Point of Order.

MR. JORGENSON: The interjections and the shouting that now is going on on the other side of the House typifies an attitude on the part of honourable gentlemen opposite. We sat here in absolute silence, not because we believed everything the Honourable Member for Inkster was saying, but simply because we gave him at least the courtesy of allowing him to continue his speech. That's a courtesy that I notice honourable gentlemen opposite never extend to members on this side of the House.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre on a Point of Order.

MR. BOYCE: The House Leader was not in the House here half an hour ago, and the Member for Minnedosa and the rest of them over there were chirping more than we've ever chirped this afternoon, and I am tired of his pomposity.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. ENNS: How does my friend, the Honourable House Leader of the Opposition say it — I try reading it in Hansard every once in a while, but it doesn't come out the right way — *Mi Ken Azoy*. I always think he's talking about somebody by the name of McCance from the Great-West Life Company that Hansard doesn't know how to spell properly.

Anyway, what I have to explain to honourable members opposite — and I leave them in their blissful ignorance; I really do — because if they honestly believe that they can call every person who has occasion to avail themselves to the Federal Farm Credit Corporation to support his farming operation; if they believe that any Manitoba farmer that has had occasion to avail themselves to those services, put in and provided for initially by a Conservative administration, when they established the Manitoba Agricultural Credit Corporation; that when they're doing that, that they have slid over somehow to their ideological side of the fence; that they have become socialists; well then, Mr. Chairman, why should I take any effort to disabuse them of that illusion. I don't have to, Mr. Chairman. In fact I would be doing my side a disservice if I took the time of the House, Mr. Chairman, and the time of this Committee to explain to honourable members opposite that that farfetched theoretical argument that my friend from Inkster is putting forward today in this House; that listing of every firm that has from one time or another availed themselves to the services of government that were made available to them. . . . And by the way, Mr. Chairman, in a somewhat different fashion in the last eight years which accounted for the rather large list, than the original scheme of the Manitoba Development Corporation intended as a lender of last resort, because, Mr. Chairman, one of the favourite expressions of the past government was to institute and to initiate programs that had an outreach, that reached out into the community to offer the services of government. And that certainly was implicit in the operations of the Manitoba Development Corporation when we can remember the ads in our local papers, the ads in the newspapers, particularly directed to the small businessman. We saw the well put together television ads several times in the evenings in prime time. You probably saw that harassed, hurried businessman trying to figure out his books late at night; then came in the softsell from the NDP administration, "Come to the government for some support."

Well, Mr. Chairman, the fact that numerous business firms avail themselves of that support should not surprise anybody. And I agree with the Honourable Member for Inkster that the support given was precisely that. It may not have been always available somewhere else and it may have not been always available on the conditions that it was sought for.

But, Mr. Chairman, if the Honourable House Leader believes that he has, in a devastating way, demonstrated that there is no feeling for the private sector in Manitoba anymore; that every Manitoban who drives toll-free on highways has become a "Blackbird Socialist" overnight; that every farmer that, from time to time, avails himself to the services, whether it's at the District Agricultural Extension Office or whether it's through the 4-H Program, or whether it's through availing himself to credit sources made available to him by the government of the day, then, Mr. Chairman, it only underlines how seriously members opposite misread the public mood and the public understanding in their conception of what constitutes individual enterprise; what constitutes individual initiative

and what constitutes individual responsibility.

You ask any farmer in Manitoba with a heavy mortgage hanging over his head, you ask him whether he is being supported holus-bolus by the state. He knows he has payments to meet, and if he doesn't meet them he's foreclosed on in the same sense that any business operation is foreclosed on when they don't meet their obligations. There is no bowing down in gratitude towards the state, the Supreme Being, Big Brother, for having offered some form of support, usually at going interest rates. In some instances where a government of the day has seen fit because of particular policy direction, perhaps at subsidized interest rates.

But, Mr. Chairman, the Honourable Member for Inkster now would like to have us believe that any kind of government activity, any kind of government activity represents this ideological position that he wants to embarrass us with. Well, Mr. Chairman, we are not embarrassed with it. Not at all. We are compassionate and understanding and will respond to individual situations at any given time, as I hope we will be able to in the case of the Co-op Implement Plant.

MR. GREEN: Good.

MR. ENNS: But, Mr. Chairman, that doesn't take away and that does not decry a position that we have taken whilst in opposition and that we're taking now that we're government. That we believe that this has to be tempered with a great deal of thought; that it has to be entered into with a great deal of concern about the spending of the public purse; and that perhaps is the difference between us and them. You know, they rush in where angels fear to tread. They see it as a holy mission to involve the public sector in everybody's business and at every level. We see it from a non-doctrinaire position, recognizing that from time to time jobs are at stake; recognizing from time to time policy direction is at stake. But there's a great deal of difference, Mr. Chairman, in those two positions. There's a great deal of difference in those two positions. —(Interjection)— And it can be best exemplified by the Honourable Member for Inkster's performance this afternoon. It can best be exemplified by the Honourable Meer's performance this afternoon.

You know it is with a glee that he expounds the performance or non-performance of the public sector. Well, Mr. Chairman, we don't think there is anything to defend in either case in this particular instance. We believe that wherever possible, wherever possible, the private sector ought to be encouraged. And we believe that to do that basic and fundamental things have to be done, that is to create the kind of business climate to create the kind of conditions so that this natural development of the private sector can accomplish.

My honourable friends believe exactly the opposite, and they say that every time they stand up and talk about taxation policies. They have no regard about the fact that we have become, under the eight years of their administration, in an uncompetitive position. That doesn't bother them.

The Honourable Minister, the former Minister of Mines and Natural Resources has absolutely no regard whether his mining policies are such that tend to scare off the risked capital necessary to develop our mines. He has said so in this Chamber. He says, "If they don't like the poker game, I'll take it. I'll play the hand." But, Mr. Chairman, though, is there not a fundamental difference in our approach?

MR. GREEN: Certainly.

MR. ENNS: Is there a fundamental difference in that approach?

MR. GREEN: I hope so.

MR. ENNS: Well, Mr. Chairman, just a little while ago — and the honourable member spent a good part of his speech this afternoon indicating that we were doing exactly what they were doing a little while ago — and that's what he was chastising us about.

MR. GREEN: No, no.

MR. ENNS: And he was saying that, "Given a bit more time we will continue to do exactly what they did a little while ago." And he cited the Co-op potential loan as an example of that, and that's what was bothering the Honourable Member for Inkster.

MR. CHAIRMAN: The Honourable House Leader of the Opposition on a point of order.

MR. GREEN: Yes, Mr. Chairman. I wanted to ask the honourable member a question. He usually lets me interrupt. He's different from the Meer for St. James in that respect.

Mr. Chairman, the honourable member will agree that he was not in the House during the entire remarks that I made and I never said that you and us would do it the same way at all. I said, both would use public moneys different ways.

MR. ENNS: Mr. Chairman, I was not in the House for the full two and a half hours that the honourable member regaled us with but I was there for a good portion of the time. I was there for a good portion of the time and I must also tell the honourable member, I heard it all before. I heard it all before. And I will continue to hear it, I suppose, I will continue to hear it, Mr. Chairman.

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But, Mr. Chairman, I really rose to not leave on the record this afternoon, (a) the suggestion that he managed to convey that if we carry on the Saunders Aircraft Support Program that that would somehow whitewash or take away the hurt, the sting and the \$40 million. And, No. 2, Mr. Chairman, and perhaps this isn't the time, but we're approaching Budget and maybe we can have our go at that particular time, the suggestion, Mr. Chairman, that I suppose honourable members will continue to make — they have made it of course throughout their occupancy of power in government — that they are totally devoid of responsibility for the difficulties created under CFI. Mr. Chairman, let the record be very clear that this government had ample opportunity to renegotiate the situation that involved the public commitment of CFI; that they spent of the \$160 million or the \$170 million spent on CFI, they spent the \$160 million.

A MEMBER: Right. They spent it all, Harry.

MR. ENNS: And that was after meeting with the principals, as the Honourable Member for Inkster has said, with the principals of CFI at that time and coming away being satisfied with the arrangements.

Mr. Chairman, in fact they were forewarned, as the heavy payouts began to flow out, that they had fundamentally changed the pattern of payouts — they have changed the pattern of payouts — and that they should have been far more prudent in the manner in which that was handled. — (Interjections) —

Well, Mr. Chairman, that's another thing that ought to go on the record, of course, the Royal Commission — the millions of dollars that were spent to a large extent to use as a political weapon to discredit the Conservative administration, ended right at the time of their involvement of CFI, when, in fact, just about as much, if not more money, thereafter was put into that complex. Surely, Mr. Chairman, if you are going to spend upwards of two-three million dollars on a Royal Commission, then let's look at the entire financial involvement that was involved, and, Mr. Chairman, I think that may well be a suggestion to the new administration to now look into where the rest of the money, and how the rest of the money was spent in CFI. But, of course, Mr. Chairman, they would have you believe that that was all accomplished back in 1969, that that was all accomplished back in 1969. That is not the case, and there are enough learned gentlemen in the province that know that.

Well, Mr. Chairman, I will leave the Honourable Member for Inkster, and the members opposite with that delusion that everybody in Manitoba is a socialist, except they don't know it. Thank goodness, Mr. Chairman, that they seem to remember it at voting time. I will leave the Honourable Member for Inkster with this firm declaration that, unlike the New Democratic Party, we will not institute tolls on Manitoba highways, we will not institute tolls on our citizens to drive to Thompson or Lynn Lake or elsewhere, and I refute the suggestion that to do so, is to accept the fact that I am a socialist.

MR. CHAIRMAN: Order please, order please. On a point of order, the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, on a point of order, the Honourable Member has suggested that the New Democratic Party would levy tolls on highways. Nothing that was said by anybody in the New Democratic Party can lead to that conclusion. What was said is that the Task Force Report recommended user fees, and that the Task Force Report recommended tolls on highways.

MR. CHAIAN: The hour of adjournment having arrived, Committee rise. Call in the Speaker.
The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS: Mr. Speaker, I beg to move, seconded by the Member for Emerson, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour being 5:30, I am leaving the Chair to return at 8:00 o'clock.