

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 31 March, 1980

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

PRESENTING PETITIONS

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Speaker, I beg to present the petition of J.M. Westaway and Others, praying for the passing of An Act to incorporate the Canadian Institute of Management in Manitoba.

MR. SPEAKER: Reading and Receiving Petitions. . . Presenting Reports by Standing and Special Committees. . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I beg leave to table the Annual Report of the Workmens Compensation Board of Manitoba for the year ending December 31st, 1979.

MR. SPEAKER: Notices of Motion. . . Introduction of Bills. . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed to Questions, I would like to bring to the honourable members' attention, we have 32 students from Quebec City, with their teachers Sylvain Premont and Jean Labbe, who are visiting our province. Their hosts are the Landmark Collegiate and the host teacher is Jacob Siemens. This Collegiate is in the Constituency of the Honourable Member for Springfield.

We also have forty Air Cadet students from Russell and Dauphin, under the direction of Captain Paul Galatiuk and Captain Thom, and also a Mr. Reidulff is with them. These cadets come from the Constituency of the Honourable Speaker.

On behalf of all the honourable members, we welcome you hear this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Attorney-General. In view of the scalding fatality involving a patient at the Institute for Mental Diseases in Brandon on or about February 10th of this year, can the Attorney-General advise the House as to when information of such scalding death first came to his attention?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, I will take that question as notice and inquire into that matter and respond to the Leader of the Opposition at a later date.

MR. PAWLEY: A supplementary to the Attorney-General. Can the Attorney-General advise whether or not he has issued instructions for the holding of an

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inquiry inquest under the provisions of the Fatality Inquiries Act pertaining to that fatality?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, as I indicated, I will enquire into the subject matter of that inquest and will respond later.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is to the Minister of Education. In view of the report which was released over the weekend involving the sad state of some of the buses that are operated on behalf of school children within Winnipeg School Division No. 1, can the Minister advise the House as to whether all inspections, as required by law, were done by his department pertaining to the school buses under the ownership of H & S School Transport Ltd. in the city of Winnipeg?

MR. SPEAKER: The Hon. Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, school divisions are required to receive a certificate of road-worthiness every six months, on every school bus, and that certificate is signed by a qualified mechanic and school board members are to receive these, as I have mentioned, every six months.

In the case of Winnipeg School Division No. 1, the last certificates of road-worthiness for the buses that they have contracted for was received in March of 1979. They should have had further certificates received as of September in 1979. I understand on the reception of the report the board has taken immediate action to rectify the situation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: The Speaker, in view of the fact that the Minister has just acknowledged that some one year has passed by without the government policing its own regulations, can the Minister advise what action is going to be undertaken to ensure that proper inspections are undertaken as required by the law each and every six months from here on in?

MR. COSENS: Mr. Speaker, I am notified by my department, my Director of Transportation that verbally and in writing he notified the Director of Transportation for Winnipeg No. 1 that these particular regulations, and I refer to Regulation P250-R10, was not being adhered to and, of course, subsequent to that no apparent action was taken. Apparently the school board of Winnipeg No. 1 had not been informed of the situation by the people in their administration. I understand they now are fully aware and are taking action.

MR. PAWLEY: Mr. Speaker, to the Minister, does the Minister advise the House that not only was the school board not informed by their department but that indeed his department had not followed up since March of 1979 to ensure that the regulations were being properly enforced?

MR. COSENS: Mr. Speaker, my department merely makes the school divisions aware of what these regulations are. It is then their responsibility to see that the regulations are enforced. If they don't the school board puts itself in a very difficult position and, of course, is liable.

MR. PAWLEY: Mr. Speaker, in view of this blatant omission on the part of the government to assume any follow-up information, does the Minister now intend to undertake any action to ensure that such omissions do not occur in the future?

MR. COSENS: Mr. Speaker, we are continually monitoring the bus maintenance programs throughout the province and, in general, find that these programs are being followed very closely. The regulations are being adhered to. Where they are not, we will certainly make sure they are informed in that regard.

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MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Speaker, I direct this question to the Minister of Labour, and my question pertains to the Port of Churchill. While it's a known fact, Mr. Speaker, our government is in support of the Port of Churchill; it is well known. --(Interjections)--

Mr. Speaker, I have listened to honourable members opposite when they are posing their questions and if they cannot give those of us on this side to pose our questions in the same fashion as they do, then I suggest, Mr. Speaker, they should be brought to order.

MR. SPEAKER: Order. Order please, order please. The Honourable Member for Rock Lake may pose his question.

MR. EINARSON: Mr. Speaker, I would like to repeat, as it is a well known fact that our government is in support of the Port of Churchill, it offers its services to Manitoba . . .

MR. SPEAKER: Order please, order please. I would hope that all members would afford a courtesy to any member of this Chamber who is rising in his place and asking a question or making a speech. And I hope that that courtesy is extended by all members of the Chamber, not just some members.

The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, my question to the Minister of Labour is, that there are rumours that there's a possibility of a strike that may be pending at the Port of Churchill; I would just like to ask the Minister if he could confirm whether or not there is a possibility of a strike in Churchill this spring.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Well, Mr. Speaker, I'd like to assure you, first, that the people on this side of the House are concerned with the situation in Churchill, which I'm wondering if the members opposite really are. --(Interjection)-- Negotiations have been taking place, Mr. Speaker. In fact, two rather heavy sets of negotiations took place and both have broken down, and we certainly hope that both parties can get together in the very near future. I've done some things to endeavour to assure that, Mr. Speaker.

MR. EINARSON: Mr. Speaker, I wish to ask a supplementary question, and ask the Minister of Labour if he has been in touch with the respective union or the federal government in this very crucial matter.

MR. MacMASTER: Mr. Speaker, I've been in touch with people in Churchill and I've had some of my senior staff dealing with some of the people in Ottawa. You must remember that this is a federal jurisdiction. It didn't stop myself, specifically, from being involved in the work stoppage that took place in that particular port a couple of years ago and it's not stopping myself, as Minister of Labour, from involving myself at this particular time.

I have sent a letter to Mr. Pepin with a copy to Mr. Regan and I hope this afternoon to bring this particular point to the attention of Mr. Axworthy, who I'll be meeting with later on today.

MR. SPEAKER: The Honourable Member for Rock Lake with a final supplementary.

MR. EINARSON: Yes, Mr. Speaker, with a final supplementary. I wonder if the Minister of Labour could indicate whether he has been in contact, most important of all, with the residents and the business people of the Port of Churchill.

MR. MacMASTER: Well, there's a lot of interest in Northern Manitoba, certainly about what's taking place, Mr. Speaker. I've been in touch with the Mayor of Churchill; we've been in touch with the court authorities; I have been endeav-

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vouring to track down the president of the union who I understand is on holidays at this particular point, but he was involved in the two previous sets of negotiations. We're endeavouring to get a hold of some of the national representatives that have responsibility for the union in that particular time. Again, this time, I wonder - probably as a westerner and more specifically a northerner - just how much attention is really being paid to the problem by our Ottawa counterparts. I say that for a good reason, Mr. Speaker, because in the last work stoppage, there certainly didn't appear to be a great deal of effort exercised by the Ottawa head of the negotiations. That's why I have contacted both Ministers that are involved and I'm going to raise it specifically with the Minister from Winnipeg this afternoon.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Education concerning school bus inspections and ask him whether he can clarify this point. Is it the practice of the department to simply inform the division of its inspections and then there is no follow through, even after six or twelve months?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, I don't believe it's a matter of six months that the member refers to but, certainly, if we are in contact with the Director of Student Transportation in a division, making them aware of the particular regulations that they should be adhering to, then I would expect that the school board would take necessary action to remedy a situation.

MR. DOERN: I would ask the Minister whether the province has the power to order the buses off the road, or is the onus entirely on the school division?

MR. COSENS: It rests with the school division, Mr. Speaker.

MR. DOERN: Mr. Speaker, I look forward to a chance to discuss that matter during Estimates in view of that deficiency. I would also ask the Minister whether the study by departmental officials that came out the other day in regard to Winnipeg was a cursory examination or a thorough analysis. If it was, if he could explain whether that was a complete inspection, a thorough inspection, or whether the news reports were based on a partial or incomplete inspection?

MR. COSENS: Mr. Speaker, I can't speak for the news reports. A study was requested by Winnipeg No. 1, a study was carried out by people in my department. I'll leave it to the judgment of the Member for Elmwood as to whether he considers it a complete, superior, an A-grade, a B-grade type inspection. I think it covered the variety of topics that the school board was concerned about and covered them quite adequately.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Finance to whom Manitoba Hydro reports. Can I ask the Minister whether it is the intention of Manitoba Hydro to do environmental studies with regard to any future programming on the Burntwood River?

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, my understanding is that Manitoba Hydro has been looking at that possibility, and as a matter of fact, I believe that they had called for tenders from various consulting firms and proposals, I suppose, they should be called, from various consulting firms for that purpose.

MR. SPEAKER: The Honourable Member for Inkster.

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MR. GREEN: Mr. Speaker, I'm glad the Honourable Minister is aware of it. Is it not a fact, Mr. Speaker, that tenders were called for, that the Manitoba Hydro Board selected what they considered the best tender and at the instance of the Minister of Finance, they have been prevented from picking up this tender and have been directed to another consulting firm by the Minister who had not even participated in the first tendering process.

MR. DESJARDINS: You've got to be kidding.

MR. CRAIK: Mr. Speaker, that's not the case and whoever has provided the member with this type of information or where he is gleaning it from, I suggest that he check his sources more thoroughly. Mr. Speaker, the hydro has been looking at various proposals to look at the environmental engineering studies on the Burntwood system. To my knowledge, they have not made a decision with regard to the matter. There has been no instruction from this office that has gone to Manitoba Hydro to select anybody that's involved in the proposals.

MR. GREEN: Mr. Speaker, I ask the Minister whether it is not a fact that Hydro Board and Hydro personnel have agreed or desire to award the contract to one of the parties that bid and that they have been directed by the government to consider another consultant that has not even participated in the original tenders, or as the Minister now calls them, proposals.

MR. CRAIK: Mr. Speaker, I can tell you unabashedly, that whatever it is that the Member for Inkster is making, accusations or suggestions or tabling of this kind of information, is absolutely wrong. To the best of my knowledge, the Hydro Board has not selected tenders or proposals or whatever it is on the Burntwood studies. They were looking at them. There has been no instruction from the government with regard to who should be selected for these kind of studies, and there will not be.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Minister of Consumer Affairs. With reference to the Minister's statement to the effect that the government will assist those tenants needing assistance outside of those eligible for the SAFER Program, can we expect a statement offering guidelines for this new policy at an early date?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. WARNER H. JORGENSEN (Morris): I, first of all, Mr. Speaker, tell my honourable friend that I made no such statement; that the press quoted me as having made that statement and made it in error.

MRS. WESTBURY: Thank you. A supplementary question: The CMHC have offered a vacancy rate of 4.9 percent and I wonder if the Minister could confirm that this can hardly be described as a vacancy rate in accommodation that's affordable for those on limited incomes.

MR. JORGENSEN: No, Mr. Speaker, I have no comment to make on what the CMHC vacancy rate estimates are.

MRS. WESTBURY: Yes, Mr. Speaker, I wonder if the Minister would tell the House what kind of study he or any department that he is aware of has undertaken in the past year to ascertain the level of increases in rent are being imposed on tenants as the controls are lifted.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSEN: As my honourable friend may be aware, we have been monitoring rent increases, both inside the city, those that have been released from controls, and outside the city which have been free from controls since October, 1978.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker. A question for the Minister of Education dealing with bus transportation. In view of the fact that there is several urban school divisions in which there are proposals now to provide French Immersion classes for kindergarten and Grade I, I'm wondering whether the Minister could inform the House as to whether there's any proposal to assist those school divisions, such as River East, in providing transportation for the children who would be then able to attend those new French Immersion courses.

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, in that regard there is no transportation provided at the present time. I'd be quite prepared to discuss that at some length during my Estimates, however.

MR. SCHROEDER: Thank you, Mr. Speaker. A supplementary to the Minister of Education:

Could he also advise the House as to the position of the government at this time with respect to assisting those children who are going from one school division to another in order to take special courses such as Immersion courses?

MR. COSENS: I can assure the member, Mr. Speaker, that we have that particular problem under very close scrutiny at this time.

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, my question is to the Minister of Community Services.

In order to help those on low incomes instead of creating another hardship, will the Minister consider changing the format on Day Care financing, that is, to increase the maintenance grant instead of allowing an extra fee for all parents of those attending Day Care?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Mr. Speaker, as the honourable member knows, those people who are on low income probably qualify for a subsidy and they do so if they earn under something like \$11,300 a year, and that's their net income take-home pay. They will qualify for the subsidy rate as well as the \$500 maintenance grant.

MR. DESJARDINS: Mr. Speaker, the Minister did not answer my question, and the statement . . . does the Minister realize that by allowing Day Care to charge an extra fee, the total extra fee is paid by the parents of those attending these Day Care, and the maintenance grant hasn't gone up for the last four or five years, since 1976.

MR. MINAKER: Mr. Speaker, I wonder if the honourable member could clarify this. Is the honourable member referring to the dollar optional charge that's possibly going to be charged to some of the parents?

MR. DESJARDINS: Yes, Mr. Speaker, I was referring to the Maintenance Grant, which hasn't been increased since 1976; and I was also referring to the optional dollar, as the Minister calls it, that will be charged in total to the parents of those attending these Day Care.

MR. MINAKER: Mr. Speaker, I don't know if the Honourable Member for St. Boniface was present when the Honourable Member for West Kildonan raised similar questions and at that time I indicated to the Honourable Member for West Kildonan, that we would keep a close watch on the program; that if there appeared to be any hardship where people were dropping out, then we would look at reviewing those present policies.

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MR. SPEAKER: the Honourable Member for St. Boniface with a final supplementary.

MR. DESJARDINS: Mr. Speaker, I never heard of the Member for West Kildonan. I don't know where he sits. This is in the same spirit, Mr. Speaker, that I'm asking the question to the Minister, because there is no doubt that those problems will arise and it would be a lot easier to look at the situation now before the . . . --(Interjection)-- I beg your pardon?

I would like to repeat that it's a very well known fact, Mr. Speaker, as my honourable friend knows, that the people on Day Care will be penalized under the same format, and I would wish that the Minister would look at it now before this goes into effect.

MR. MINAKER: Mr. Speaker, first off my apologies to the Honourable Member for West Kildonan.

But firstly, Mr. Speaker, we don't believe that what the Honourable Member for St. Boniface has suggested will happen. We don't believe that, and there is no indication to date that that will happen and I have indicated to the House that we will watch the situation closely. We feel that the program that we've put forward is a fair one, not only to the low income people but to generally the taxpayers as well. It's a program that's based on affordability, not only for the user but also for the taxpayer who helps to subsidize a program.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Agriculture. I wonder if the Minister can advise the House of his position regarding the decision on Friday by Transport Minister Pepin to withdraw federal funding for the Port of Prince Rupert.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I would like to say, I haven't got the details of the announcement by the Federal Minister, but would have to say our position has been, in Manitoba, that we fully supported the development of Prince Rupert and fully supported the decision by Don Mazankowski to pay the full costs of the infrastructure without any charges to the consortium who had made the decision to build and not have to pay for the use of them.

I think that it is imperative that the western Premiers deal with this and put pressure on the federal government to, in fact, go ahead with the decision that was made by our former Minister, Don Mazankowski.

MR. McKENZIE: Mr. Speaker, I wonder will the Minister assure the House that either he or the government will call a meeting of the western Premiers or Ministers of Agriculture to hopefully establish ways and means to raise this \$40-some-odd million for the Port of Prince Rupert?

MR. DOWNEY: Mr. Speaker, for the information of the member and the House, we requested a meeting with the Honourable Minister directly after his appointment, that we sit down as western Ministers and people involved in grain handling and transportation to look at, or to hear their policies and what their ideas were on the continuation of decisions that were made by the last federal government.

And yes, we are looking forward to having a meeting with them to discuss these very issues and, in fact, pressure them to continue on with the commitment that the consortium had on Prince Rupert.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I posed a series of questions to the Minister of Finance about a week ago with respect to his department's demands for refunds of property tax credits that were provided to Manitoba taxpayers in 1978 and he indicated at that time that he would take the matter under advisement and

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bring the answer back at some future date. I wonder if this is the date that he might give us those answers.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I think I indicated some of the answers to some of the questions at the time, but there were some missing spots and, Mr. Speaker, if I can indicate to the Member for Lac du Bonnet that there has been some difficulty with the legislation under which the Property Tax Credits were set up in the interpretation of. About a year ago, or sometime during the last year, the federal revenue people advised that their interpretation of the legislation indicated that it would be required under that legislation to not make available to newly marrieds, two rebates in the year in which the marriage occurred. And as a result they have taken the - as the income tax laws operate, as of December 31 of any given year that determines the marital status of a person - as a result they interpret also that that should be applied to the case of the rebates.

There is a difficulty, Mr. Speaker, in that I don't know that it was the intention of the government at that time, when the legislation was passed in the mid 1970s to have that occur and went by for several years without being interpreted that way.

We have asked the federal government in the meantime if they could at least give consideration to waiving interest charges on any back payments, and I gather it has come to their attention and applies to the years 1978 and 1979.

We will have to look further at the legislation itself. It would require a legislative change as far as we can determine, to have any effect on the present method of interpretation.

MR. USKIW: Well, Mr. Speaker, I appreciate that that was a federal government interpretation. But is it not correct to suggest that the province of Manitoba was in a position to insist on the original interpretation since the grants were really grants from the Province of Manitoba to the taxpayers of Manitoba.

So is it not reasonable to assume that this Minister could have instructed the Government of Canada to continue with the original interpretation?

MR. CRAIK: Mr. Speaker, the information I have is that it will require a legislative change to clear up the matter, regardless. But as the legislation stands now, we are advised that there is a pretty clear indication, understanding on the part of the Revenue Canada people, that they must act in this manner.

We have asked them if they could, within their discretion, at least allow no interest charges on anything they did collect. We will review the matter, but it will require legislative change.

MR. SPEAKER: The Honourable Member for Lac du Bonnet with a final supplementary.

MR. USKIW: Well, Mr. Speaker, the Minister is placing the whole responsibility on the Government of Canada. But, Mr. Speaker, I ask the Minister whether or not this government could not legally require the Government of Canada to continue with the original interpretation, because this is purely a Manitoba situation; it has nothing to do with the Government of Canada. The Government of Canada is merely a collector of taxes for the province in this respect or the payer of rebates on behalf of the province in this respect.

MR. CRAIK: Mr. Speaker, the Member for Lac du Bonnet says that we're attaching responsibility to the Government of Canada. Mr. Speaker, that's not the case. If there is responsibility, the responsibility lies with he and his associates who put this legislation through in the first place in the mid 1970s. If they had written the legislation properly and adequately, we wouldn't have had this problem, Mr. Speaker. --(Interjection)--

Well, Mr. Speaker, we now have some members opposite saying, "Where were you?" Mr. Speaker, I was on the opposite side of the House and it always turns out that

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that former government, when they passed bad legislation such as The Mineral Acreage Tax Act, blamed it on the opposition.

MR. SPEAKER: Order. Order. Order please. Order please.
The Honourable Member for Transcona. The Honourable Leader of the Opposition.

MR. PAWLEY: A supplementary to the Minister of Finance, pursuant to the questions posed by the Member for Lac du Bonnet.

The honourable member makes reference to the legislation as being faulty when passed. Does the honourable member not acknowledge that there was no problem with interpretation till 1978, that the legislation stood on its own until 1978. And the specific question to the Minister, in view of the fact that there is now a problem of interpretation, is the Minister prepared to introduce legislation now in order to deal with what appears at this point to be a problem in interpretation?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Well, Mr. Speaker, I indicated in answer to the Member for Lac du Bonnet's question, that we were now re-examining the legislation and whatever, Mr. Speaker, in either case, it's going to have to be clarified as to the intent. The intent at the present time is clear that, if, as has been indicated by the Revenue Department, that the way it reads they are doing what they are supposed to do, and that's the case. Now, if we want to change it, we're going to have to change the legislation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, a further supplementary to the Minister of Finance. In view of the fact that he indicates he is considering legislative change and such payments are presently being made by taxpayers to the Department of Revenue, is he prepared to indicate to taxpayers that they should suspend payment on the basis of legislation that he will introduce during this session, 1980, so that such payments will not be necessary?

MR. CRAIK: Mr. Speaker, tacit in that suggestion is the assumption that taxation legislation would be retroactive. So, Mr. Speaker, the member is now suggesting that we pass legislation to clear up the mistakes he made when he was in government. I will tell the members opposite that we are re-examining the legislation. We'll clean up as much of their mess as we possibly can, Mr. Speaker.

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

MR. D. JAMES WALDING: Thank you, Mr. Speaker.. My question is to the Minister of Education, subsequent to his earlier answers about the school buses. Can the Minister clarify to the House just when his department became aware that the buses had not been inspected according to the schedule?

MR. COSENS: Mr. Speaker, I don't have that particular date with me. I'll take the question as notice. I'm sure it's on file.

MR. WALDING: A supplementary question to the same Minister, Mr. Speaker. Would the Minister explain why he permitted those buses to continue to run after they were found to be outdated as far as the inspection was concerned?

MR. COSENS: Mr. Speaker, I think the honourable member has to understand that as far as my department is concerned, the responsibility for the proper maintenance and so on of the school buses rests with the school divisions. If we are to follow the inference of the honourable member, then I would require a vast army of inspectors to parade around the school divisions, inspecting all buses and so on.

Let me tell you, Mr. Speaker, that I believe we have doubled the size of the departmental transportation department. Honourable members opposite, I believe, had one member in that department when they were in government; we now have two.

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MR. SPEAKER: The Honourable Member for St. Vital with a final supplementary.

MR. WALDING: A final supplementary question, Mr. Speaker, and that is, is the Minister of Education not wholly responsible, for education in this province and does he not have that responsibility to the children of this province to see that buses are properly inspected and that they are safe for those children to travel in, and that it's his responsibility and he cannot slough it off on to the school boards?

MR. COSENS: Mr. Speaker, definitely, I know where that responsibility rests and it's certainly a very serious one and one that we take seriously. I am very concerned about bus transportation. As a rural member, I suppose I am more familiar with it than many of the representatives on that side who live in the city. But let me tell you, Mr. Speaker, that we did inform the school board in question. I mentioned earlier that their Director of Transportation was informed by my department as soon as discrepancies did appear. And, of course, one would then expect that action would be taken immediately.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: My question is the Minister of Highways responsible for Transportation. I wonder if he could confirm to the House, that with the impending road restrictions coming on, if he is considering exempting farm trucks hauling produce to market this year.

MR. SPEAKER: The Honourable Minister of Highways.

HON. DONALD ORCHARD (Pembina): No, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, pursuant to questions that were addressed to me last week in the absence of, I think, the First Minister, the Minister of Consumer Affairs respecting rent controls, I note that there is a report in the Tribune indicating that I suggested that the rent controls were being considered for extension by the government. I don't have a copy, Mr. Speaker, of the Hansard at this point, the record may show differently, but it was not my intention to make the suggestion that rent controls were being actively considered by the government.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the - I believe it's the Minister of Community Services who is responsible for the Institute for the Mentally Retarded at Portage la Prairie. In view of the fact that Dr. Glen Lowther was removed from the position of administrator of that institution some time ago, is the Minister in a position, or could he tell us who the present administrator, either full-time or in an acting capacity is, for that institution?

MR. SPEAKER: The Honourable Minister of Community Services.

MR. MINAKER: Mr. Speaker, in answer to the Honourable Member for Transcona, the acting administrator is Gary Mattin from the Brandon Mental Health Institute. He is carrying on that responsibility at the present time.

MR. PARASIUK: A supplementary to the Minister - both the Minister of Health and the Minister of Community Services - I guess I direct this to the Minister of Health actually. Would he look into the situation, whereby an administrator from one department is being asked to fill on an acting capacity the position in another institution which is geographically separate from the other one. Would he look into that dilution of administrative capacity to determine whether any of the irregularities that arose at the Brandon Mental Health Centre after

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that unfortunate accident and death, in a sense had been created because of the dilution of administrative supervision at the Brandon Mental Health Centre, by asking the administrator at that particular place to administrate in an institution on an acting capacity, that is some 70 miles apart from him?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN: Mr. Speaker, from what I know of the situation at Brandon and the incidence to which the honourable member refers, and which everyone regrets, there was no relationship between what happened in those instances and the actual administrative role and function of the chief executive officer at Brandon. We have looked very strenuously for a permanent chief executive officer for the Manitoba School in Portage. That search is continuing. There's been considerable advertising done and a considerable search carried out. It has not, unfortunately, up to this point in time proven very productive.

MR. SPEAKER: The Honourable Member for Transcona with a final supplementary.

MR. PARASIUK: Given that there is some confusion in the reporting relationships between the Department of Community Services and that of the Department of Health, could the Minister of Health tell us when he was first made aware of the death at the Brandon Mental Health Centre by his staff?

MR. SHERMAN: I believe it was Friday, possibly Thursday, certainly Thursday or Friday of last week, Mr. Speaker, and it's my understanding that that was the approximate time in which the news stories, the public disclosures of the incidents took place.

MR. GREEN: Mr. Speaker, to the Minister of Health on the same question. Due to the fact that personnel at various levels of this institution failed to notify either the authorities of the Attorney-General's department, the police authorities, or, somehow the Minister, is the Minister planning any disciplinary action with respect to the people who were involved?

MR. SHERMAN: Not at this juncture, Mr. Speaker. I expect I will receive a report from the Chief Executive Officer at the Brandon Mental Health Centre, Mr. Mattin, on the situation. I haven't received such a report no have I asked for one, but I would expect in the normal course of events and in the knowledge that I have of Mr. Mattin's sensibility about his responsibilities, I expect I will receive a report.

MR. GREEN: Well, Mr. Speaker, does the Honourable Minister consider that failure to notify either the authorities or appropriate lines to the Minister, does he consider that to be grounds for discipline of the people involved?

MR. SHERMAN: Mr. Speaker, I would have to explore the details of the case but it's my understanding that the Chief Executive Officer notified the Medical Examiner, and I have no responsibility nor do I have - it's not a question of trying to determine where the responsibility lies - I do not have the right to invade or intrude the preserve of the Medical Examiner. It's my understanding that the next step rested with that official.

MR. SPEAKER: The Honourable Member for Inkster with a final supplementary.

MR. GREEN: Yes, Mr. Speaker. Would the Minister undertake to advise the House as to what lines of authority were notified by those people having responsibility and who were aware of this tragic accident? Would he undertake to notify the House?

MR. SHERMAN: Yes, by all means, Mr. Speaker.

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MR. SPEAKER: Order please. The time for Question Period having expired, we will proceed with Orders of the Day.

Adjourned Debate on Second Reading, Bill No. 22.

The Honourable Member for Logan.

ORDERS OF THE DAY

BUSINESS OF THE HOUSE - COMMITTEE CHANGES

MR! WILLIAM JENKINS: Mr. Speaker, just before we proceed with that Bill, I would like to make a substitution on committee, Committee of Public Accounts, the Honourable Member for Burrows for the Honourable Member for Transcona.

MR. SPEAKER: Has the honourable member leave to make that change? Is that agreed? (Agreed)

ADJOURNED DEBATES ON SECOND READING

BILL NO. 22 - THE INTERIM APPROPRIATION ACT, 1980

MR. SPEAKER: The Honourable Member for Logan on Bill No. 22.

MR. JENKINS: Thank you, Mr. Speaker. I adjourned this Bill on behalf of my Leader, the Honourable Member for Selkirk.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, this is a bill which normally takes several days of debate in order to permit Interim Supply, to permit payment of public servants, prior to the termination of the year end March 31st, but does give the opposition an opportunity to undertake some general observations, some general observations insofar as the present policies on the part of the government in power as to how those policies in effect are affecting the Province of Manitoba, whether they be affecting the province from a negative or a positive point of view, and also at the same time, to make some suggestions to the government as to steps that might be undertaken on their part in order to ensure that some of the present deficiencies that are so obvious within our social and economic fabric in Manitoba can be corrected.

Mr. Speaker, it was in 1977 that a solemn commitment was made to Manitoba by the then opposition leader, by the present Premier of this province, that there would be a certain thrust insofar as the future of the Province of Manitoba. And I would just refer honourable members to the statement in question, one which was repeated at various times during the 1977 campaign by the then opposition leader, the present Premier, to Manitobans in order to seduce Manitobans into supporting the then Progressive Conservative Party. To bring about an alleged new tomorrow insofar as Manitoba would be concerned. And the present Premier said to Manitobans, "I have a vision for Manitoba, a province of younger people fully employed and older people secured in dignified retirement; of family farms that are bountiful and prosperous, and a north whose abundant resources are being developed by northerners themselves; of children well educated for a bright and productive future, here at home; of job security, financial stability, for every Manitoban.

"We do not have these blessings today", said the then Leader of the Opposition, "but I believe that we can have them and I ask your help in challenging Manitoba for the better and making that vision become true." October, 1977; October, 1977. And Manitobans in considerable numbers accepted the words by the then Opposition Leader, accepted the words and gained a vote of expectation and a confidence to the then Opposition Leader, to present to Manitobans the reality of that so-called new vision.

Mr. Speaker, it was for a period of time after October 1977 that there was certain interesting developments. First, of course, the government embarked on its own clear enunciated policy of restraint. A policy which was geared towards reduce deficit at any social and economic cost. A policy which was directed towards cutting down vital services. A policy which did undertake some promise to

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Manitobans in 1977 and 1978. And for a period of time, Mr. Speaker, there was certain spinoffs. Spinoffs as a result of economic activity which had just been started prior to October 1977, and which had resulted in the increase of some jobs.

There was the McCain food development in Portage la Prairie which had been initiated some time prior to 1977. And then, Mr. Speaker, there was the Tupperware announcement in Morden. But my colleague, the Member for Brandon East had already undertaken much of the basic spade work insofar as that particular initiative was concerned. There was the commencement of Eaton Place; there was the completion of work pertaining to Trizac; there was certain economic spinoff in 1978. But despite that economic spinoff, the overall picture was not working out as the Premier of this province had pledged to Manitobans that it would back in October 1977.

And the Minister of Finance enjoyed some good luck. There was some miscalculation either, I believe on the part of his federal counterpart in respect to equalization payments. On November 2nd, 1979, he received advice from Ottawa, as witnessed in a news service release issued by the Minister of Finance that date, that revenues are increasing primarily because of a series of recent revisions in federal estimates of Manitoba equalization entitlements.

Mr. Speaker, it is my understanding that the additional revenue was in the neighbourhood of something in the general area of \$60 million, as a result of the miscalculations that had taken place on the part of the Ottawa.

So for a period of time, for a space of time there were certain contradictory situations that were making themselves apparent in Manitoba. But now, Mr. Speaker, two and a half years later the picture in Manitoba is clear, it is precise, it is a picture that all Manitobans can see and, Mr. Speaker, a picture that is causing more and more Manitobans to come to the only logical conclusion that they can; that this is a government that has failed in its opportunity that was given to them; a government which in fact has permitted what was a vision to turn into a little less -- little less - than a dogmatic spew of words, back in 1977.

A government that has caused Manitobans to become among the lowest in ranking by way of most economic indicators that economic activity can be measured by in the province of Canada. In fact, Mr. Speaker, it is becoming increasingly noted that Manitoba is becoming the Newfoundland of yesterday insofar as the Canadian economy is concerned.

Mr. Speaker, we were told that this was a government that would rely upon the private sector; a government which would put the private sector on trial; a government which would eliminate the role of government so that government would no longer be an activist effective role enjoyed in stimulating the economy; government was not needed. Government was pictured by my colleagues opposite as some sort of alien, some sort of foreign force in the total economy and social life of the province of Manitoba.

The result of that, Mr. Speaker, these misguided doctrinaire policies, propagated by the Minister of Finance, repeated over and over again by the First Minister of the province, has been to place Manitobans at a disadvantage.

And the Minister of Finance can smile. The First Minister can laugh, that this is not true. But if the First Minister and the Minister of Finance would leave the isolated surroundings of this building and to leave the isolation which they are thrust in by their own private advisers and speak to the man on the street and the woman on the street, they would find out, Mr. Speaker, that there is general and widespread concern about the direction that this government is taking Manitobans in 1980, in Canada.

We are faced with a situation involving record net outmigration, 1978, 1979, no other two years in the history of Canada that can compare with those two years. And all that the Member for Minnedosa, that loves to speak from his seat but rarely standing from behind his seat, is to walk about throughout the City of Winnipeg or in his own hometown of Minnedosa, or any other community, and ask the people how many of your neighbours and how many of your sons and daughters have been compelled to leave Manitoba to work in provinces to the west of us and to the east of us. The Member for Minnedosa and his colleagues might indeed find some revelation.

And last year, Mr. Speaker, was the first time that Manitoba has witnessed a decrease in population since 1966, another Tory year in the province of Manitoba. And, Mr. Speaker, as well, I am informed, the only province, the only province in

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the whole of Canada, to have experienced a drop in population in 1979. Because that is the experience. Was that the vision that the First Minister was going to develop into reality in the province of Manitoba? A population of net out-migration in record numbers, a Manitoba of losing population?

And then, Mr. Speaker, we have the situation where Manitoba had the sharpest decrease in housing, 44 percent decrease in housing, 1979. The greatest decrease in housing in any province in Canada - and I know the housing market is not the best, but I wouldn't have expected that Manitoba would have experienced the sharpest decrease in housing in any province in Canada.

Sharp increases in business bankruptcies; the largest increase percentagewise in many and many a year, 1979. And, Mr. Speaker, while once we imported skilled labour into Manitoba, we now do little less than to export our youth from Manitoba to other provinces. Investment, the lowest rate of increase for private and public investment in any province in Canada, the lowest rate of increase.

Mr. Speaker, I do not discuss these statistics with any relish. I can only express disappointment and sorrow as a Manitoban, that in two and a half years Manitoba has fallen into this sort of muskeg. But a muskeg, Mr. Speaker, that my honourable friends across the way must accept responsibility for.

They have set themselves out in a clearly defined economic and social and political course of action, a Tory quagmire that has led to the present situation in the province of Manitoba, and Manitobans will be holding the government, that Minister of Finance, the Premier across the way, for the responsibility which we are confronted with now in Manitoba, in 1980.

And interestingly, Mr. Speaker, so much was said in 1977, leave aside the question of the economy, so much was said by the Minister of Finance and by the First Minister that they were going to improve the financial picture insofar as Manitoba was concerned; that Manitoba was facing bankruptcy they said, in 1977; that they enjoyed the expertise and the business knowledge and the abilities and the skills that they would put all right for Manitobans so Manitobans could again have confidence in the financial management of internal workings of government in the province of Manitoba.

And, oh, they were going to get rid of those squandering socialists that were mucking about in the affairs of the province, and once that was done everything would begin to improve; that order would replace anarchy insofar as the financial management of Manitoba is concerned.

Mr. Speaker, the sad fact is and the indictment of this government is, that per person debt in Manitoba has increased from \$3,000 and some to \$3,800 and some, an increase of \$800 per person in the past two years under their alleged skillful financial management of the province of Manitoba. If that is what we call financial management then let us protect Manitobans from such management in the future.

Mr. Speaker, in addition we are faced with cutbacks involving restraint exercises, cutbacks which have affected the northern communities - and my northern colleagues could address themselves at length to what is happening in northern Manitoba - but unemployment rates of 75, 80 percent. The Member for Churchill states that in some communities, 90 percent. And we witness no planning, no planning on the part of the government of the day to address themselves to that problem. We witness no action on the part of that government across the way to attempt to ensure that working men and women in northern Manitoba do not continue to be inflicted with the dole, so that they can again ensure that they contribute usefully to the social and economic life of the province.

In fact, Mr. Deputy Speaker, this government has given little attention to the north since the election in 1977. We have a situation by which health care has been cut in Manitoba, where moneys have been diverted that were intended for use in the Province of Manitoba for health care - moneys were diverted and were not matched dollar for dollar by this administration for the improvement and the stabilization of health care in Manitoba - where personal care per diems have been increased, where Pharmacare costs have been sharply increased, and where we find that in hospitals there are increasing complaints involving service. Whether it be Concordia, Misericordia, Winnipeg General Hospital, rural hospitals, the story is the same.

We applaud, Mr. Deputy Speaker, some action on the part of this government to build some additional hospitals, some additional personal care homes. But, Mr.

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Speaker, in so many cases it is being done by way of construction of private personal care homes, too little too late. Profit, Mr. Speaker, is being re-entered into health care in this province to further expansion of personal care homes in Manitoba. And, Mr. Deputy Speaker, let me make it clear to you that the Opposition, when we form government, we will ensure as a matter of first priority, that we minimize profit in the care of our elderly and our ill in this province. The care of our elderly and ill ought not to be done on a profit basis.

Then, Mr. Speaker, we have the information which has come to light this last few days of increasing cost being imposed on ratepayers. You know, in the First Minister's statement, he saw a vision in which there would be improvement in education quality, where the children of this province would enjoy greater avenues for opportunities and educational programs. He forecasted there would be an assumption by the Province of Manitoba of 80 percent of the costs of education. Mr. Speaker, we've been going downhill ever since then. In the City of Winnipeg school divisions we are now faced with a situation just this year where there are increases of \$117 in the average home in Seven Oaks; \$102 in the average home in St. Vital; an increase of \$99 in Transcona; in the City of Winnipeg an increase of \$96.00. One could go on and on.

The Member for La Verendrye is not present but I notice that the special levy pertained to school divisions in Hanover School Division is a 23 percent increase and most of the other school divisions, and all any member need do is go to our library, choose the weekly newspapers, glance over the front pages of those weekly newspapers. That member will then see the shell game that is being exercised in the Province of Manitoba, how this government is shifting more and more costs onto the already burdened backs of the Manitoba ratepayers and how they are being inflicted with additional costs. Because this government, just as the Minister of Education was doing a few minutes ago, is shuffling off their responsibility onto our local governments in the Province of Manitoba, Mr. Speaker. That sort of a situation must be brought to a stop in Manitoba if the children of the future in Manitoba are to receive the benefits that they rightly deserve.

Mr. Speaker, then we find an additional situation where we have tuition fee increases in community college, Red River Community College, universities; third increase in three years, an increase in each of three years to university students in this province.

But the most damnable situation, Mr. Speaker, is not only are they inflicted with a tuition rate increase in each of the past three years but upon graduation, despite the promise by the First Minister of this province, few of them have any hope of enjoying permanent security and jobs in the province of Manitoba; they are forced to leave the Province of Manitoba to find useful employment outside our boundaries. High tuition fees in Manitoba, jobs outside the Province of Manitoba; is that the pledge? Is that the realization of the vision that the First Minister proclaimed for our young people in this province?

Mr. Speaker, we see the affects of their policies pertaining to the economy. We have witnessed the affects of their policies pertaining to education, to health and to other social services in this province. They have, by their policies, made the human condition of the average Manitoban worse well off today in 1980 than the average person was in 1977. And by any test that one can exercise today in Manitoba, this government has failed. They have failed whether it be from a concern for humankind through health and educational programs; they have failed whether we ascertained their skills and financial management of the province, which they have not undertaken and whether they have managed the economy of the Province of Manitoba in a method that you would anticipate that a reasonable government would manage the economy.

In each and every criteria they have failed. Unfortunately, Mr. Speaker, they have failed miserably. And, Mr. Speaker, as a result of that, I would like to make some suggestions to the Minister of Finance. And I would hope that the Minister of Finance would accept those suggestions in the manner by which they are presented to him. To attempt to ensure that the Minister of Finance and his colleagues will depart from the road of laissez-faire, no nothing activity, to a path which will lead towards activity in order to at last again attempt to bring about some regeneration of the economy of Manitoba and improve the lot of the average Manitoban in this, a difficult time throughout all Canada.

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But it is a time that requires some decisive action. It is a time that requires activist government. It is an occasion that requires a government which has some imagination and not a government which is stuck in the mire of its own lack of imagination and thrust. --(Interjection)-- And the Member for Emerson says, "Spend some more money." I would like to suggest that the Member for Emerson read a book which might be useful to him. Professor Barbour wrote an excellent book which was just distributed only a few days ago dealing with inflation, deficits, the economy and, Mr. Speaker, I thought Professor Barbour did an excellent job of putting aside one of the myths and, obviously, the Member for Emerson hasn't read Professor Barbour's account. There is a myth going its way that deficits, government deficits, create inflation, push up prices, and I've heard that repeatedly from members across the way. 1962 to 1975, Professor Barbour points out that governments in Canada, provincial and federal, were running surpluses. And interestingly, Mr. Speaker, it was during that period, 1962 to 1974, that we moved from the low inflation rate of somewhere in the area of 3 percent to record inflation rate, from 3 percent to record inflation rate, Mr. Speaker.

And, Mr. Speaker, the reason, unfortunately, that we are now in a situation of increasing deficits, whether it be federal or whether it be province to province, is because provincial governments and federal government are now following the path of neo-conservatism. Neo-conservatism which has brought about a decline in economic activity; which had lessened economic stimulation; which has thrown away all the useful tools that can be undertaken in order to bring about a revival of the economy. And, Mr. Speaker, therefore, it can be no surprise to any that we are now witnessing amongst the highest deficits that this country has ever seen. Deficits, Mr. Speaker, have occurred simultaneously with neo-conservative economics in the province of Manitoba. You know, to ask Conservatives to do something about deficits is to treat somebody suffering from diarrhea with Ex-Lax. That's about the type of comparison that I would like to make, Mr. Speaker. That's about as effective they are in dealing with deficits, inflation and all the other ills of the economy.

Mr. Speaker, first, the most obvious problem confronting us is interest rates and we're going to address that problem as legislators. Four or five years ago, we were facing interest rates of 10, 11 percent; now we're confronted with interest rates of 15 and 16 percent. Mortgages coming up for renewal, additional monthly payments of \$150, \$200 a month - the average working man and woman can't afford that additional monthly payment - 20,000 mortgages estimated to be coming up for renewal this year. Some 10,000 of those mortgage holders will be in the province of Manitoba. The federal government has come up with an inept sort of policy to assist about 2,000 of those homeowners through the Assisted Home Ownership Program, those that had purchased homes, but no fundamental approach to the overall problem confronting homeowners faced with renewal of their mortgages.

And I would like to suggest that the government do examine a number of alternatives, and the government have the research at hand. We once had a Planning Secretariat that developed some plans for Manitoba, that looked ahead for five years, that were ensured that we avoided the mountains and the valleys. We made a point of smoothing out the dips in our economy and telling the political people what we should be attempting to avoid, unfortunately, we don't have that sort of capacity anymore, but I trust that the Minister of Finance, within his department, has some capacity in order to provide some advice to him on important matters pertaining to the Manitoba economy. I assume that and, Mr. Speaker, through you first, I believe, that this government should undertake a serious study, analysis, as to whether legislation could be introduced to reintroduce a board or a commission that could examine cases in which mortgages are about to be foreclosed; to ascertain whether or not it would be just to impose a stay, insofar as such mortgage sale proceedings.

It might not follow along the lines of the board which was established back in the '30s. There might require to be some changes but, Mr. Speaker, if someone is being required to pay monthly payments in excess of 30, 35, and 40 percent of their earnings because of forces that are at work outside of their control and their area of responsibility, then surely we, as a provincial community, through our provincial government and through our federal government, have some obligation. And especially, when one considers, Mr. Speaker, that the high interest

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rate policy of today has been inflicted upon us because of Tory and Liberal interest rate policies, Tory and Liberal interest rate policies which were introduced as a result of "follow the American lead". They allowed the American banking interest to lead them around by the nose.

The average homeowner has had no control over these circumstances. Now, we have a situation in Ottawa where the marketplace is determining the rate of interest. We even have a worse situation by the so-called Liberal government of today which is following the most neo-conservative direction that could be expected. But I call upon this Minister of Finance to undertake some action during this session of the Legislature in order to minimize the sharp impact of rising interest rates upon Manitoba homeowners.

Mr. Speaker, fortunately we have the Manitoba Public Insurance Corporation. The Manitoba Insurance Corporation has in the neighbourhood of some \$88 million to \$90 million of funds that are available for investment in the province of Manitoba. Those funds have been invested in our hospitals and our schools, municipal debentures.

I do not believe, Mr. Speaker, that it would be unreasonable for us to examine as to whether or not those funds realized during this year could not be utilized in order to provide lower interest rate loans to homeowners under certain circumstances during a period of time in order to minimize the sharp impacts inflicted by interest rates. I don't think that would be unreasonable that we would put our own institution, an institution owned by all Manitobans, one giant co-operative, because that's what the Manitoba Public Insurance Corporation is, it's a giant co-operative owned by one million Manitobans, to put that public insurance corporation to work on behalf of Manitobans. And, Mr. Speaker, we wouldn't be able to do that if private insurance was the master of auto insurance in the province of Manitoba today but, fortunately, we have that freedom. We have that freedom which we obtained in 1971 that we can use our public agency to the advantage and to the benefit of all Manitobans.

I call upon the Minister of Finance to examine whether or not he can, through the utilization of the funds that will be made available from the Manitoba Public Insurance Corporation provide lower interest rates to Manitobans. Manitobans then, Mr. Speaker, and I believe the Minister of Finance would not wish to dispute this, would then clearly ascertain the advantage of ensuring that the moneys that are invested in insurance in Manitoba remain in Manitoba through the operations of their own Public Insurance Corporation. I call upon the Minister of Finance to take aside his ideological blinkers and ascertain whether he can use the public agency for the public benefit.

Mr. Speaker, just by way of another suggestion, I think we are blessed in Manitoba that we have a financial institution which is representative of pretty well every community in Manitoba, rural or urban, the Credit Union movement, where the moneys are kept in Manitoba, where they're used in the various communities of this province. Millions upon millions of dollars are invested by Manitobans in the credit union movement.

Let's see if we can't co-ordinate our actions with the credit union movement. Let's ascertain, Mr. Speaker, whether or not we can use, in co-operation with the credit unions, the funds of the credit union movement in order to provide loans at lower interest rates to Manitobans.

I do not know, the Minister has the research. But are there funds that are presently deposited through the government and its agencies that could just as well be deposited through the credit union movement, with the understanding that we return mortgages at lower interest rates which would be provided to homeowners in Manitoba? How much money could be available to Manitobans through a co-operative effort of development with the credit unions in this province?

The Minister may very well have to demonstrate some special interest in the credit union and the co-operative movement of this province. I don't think, Mr. Speaker, we're going to build this province upon a reliance, upon the huge multi-national private sector. I think if we're going to build this province it's going to be through the public agencies, through the co-operative agencies and through the small private sector in this province, areas that are owned and controlled by all Manitobans. That's how we're going to build Manitoba.

We're going to use those institutions for the benefit of Manitobans and the credit union movement leads the way, Mr. Speaker, insofar as providing a technique and a means by which we can undertake that.

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Then, Mr. Speaker, we are faced with announcements. This government is going to get rid of rent controls. If we are going to have a worsened situation it's because of the high interest rates, a situation by which many homeowners are forced out of their homes and forced onto the rental market. We're now going to be faced with a situation by which rent controls are removed, rents will be increased, the demand will be greater upon rental accommodation. I ask the Minister, is this the time to remove rent controls in Manitoba, at the very time that homeowners are being forced out of their homes because of foreclosures? And the Minister disputes my words.

If he doubts my words that homeowners are being forced out of their homes in Manitoba, I'd like to refer him to this past Saturday's Winnipeg Tribune. I can remember whether just a small portion of a single page would be consumed by mortgage sale advertisements. The bulk of three pages in the Saturday's Winnipeg Tribune was consumed by mortgage sale advertisements, Mr. Speaker. --(Interjection)-- 46 orders, one Saturday, advertised in the Winnipeg Tribune.

What sort of action can we anticipate from the Minister of Finance? Is the Minister of Finance prepared to do something now in order to assist those who are worst affected by this situation in the province of Manitoba?

So we have a situation by which the Minister could be utilizing the Manitoba Public Insurance Corporation; could be examining the credit union movement to ascertain whether he can coordinate his efforts there; ascertaining whether or not boards or commissions can be developed on a short-term basis in order to deal with what is a critical interest rate situation in the province of Manitoba, a period of time when the Minister can demonstrate some leadership, if he dare, in the province of Manitoba. Mr. Speaker, we in Opposition dare the Minister to exercise the type of leadership than Manitobans are looking to now in this crisis in this province.

The other area that I would have thought that this government would have been most concerned about was the plight of the small business community. More and more bankruptcies are occurring. The Member for Inkster gave us the figures only some three weeks ago, a 40 percent increase in bankruptcies in the space of 1978 to 1979. Much of that can be blamed upon the high interest rate situation.

And what is unsettling about that, Mr. Speaker, is that small business people in Manitoba, because of circumstances beyond their control; because of the marketplace; because of the rising interest rates, are being gobbled up by the larger economic units in Manitoba, so that we will find a situation in Manitoba fast developing where no longer is a family business the main foundation of the economy of this province but rather it will be the larger corporate units in this province.

But there's no assistance being offered to this point, Mr. Speaker, by the government across the way. And we call upon the government to use its vast research at its beck and call to see what can be done in order to assist the small businessman interest-ratewise in Manitoba at this time.

Just last week I was speaking to one proprietor of a small construction company, \$110,000 out to the bank, and he had been going along reasonably well over the past several years but now with the cutdown in housing starts, with the decline in construction, with the increase in interest rates, the bank was calling him on his loan. The small entrepreneur with about a dozen employess working for him was being put out of business; put out of business, another one added to the list of those entering into bankruptcy in the province of Manitoba, one less employer in Manitoba. Is that the vision that the First Minister of this province had for the small business community in Manitoba: Less small business, less employees hired by the small business community in Manitoba, and no leadership?

Then we have the sharp drop, as I've mentioned before, in housing, affordable housing for our low and for low-middle income people. And my colleague from Seven Oaks says, "Even the higher income people".

Mr. Speaker, there is great need for more initiation of various forms of housing construction. There's been a sharp slowdown in public housing in Manitoba. There's little being done by way of co-operative housing. The lists of those who are waiting in some communities for public housing is lengthening and lengthening. Rents are high. Mortgages are too difficult for most average income earners to undertake and yet we see no housing thrust zeroing in on those who need housing the most.

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And there are many parts of Manitoba where affordable housing is required. There are many income groups in Manitoba that affordable housing is now necessary for. We're not over-built everywhere in Manitoba insofar as housing. But let's again see some leadership from across the way. Let us again find some thrust from across the way. Has there been any planning? Has there been any ascertaining as to whether or not the affordable housing needs of all Manitobans are being met or have we no further concern in this regard, Mr. Speaker?

Then, Mr. Speaker, we have had the Hydro announcement. The Minister wasn't here but I made comments pertaining to the hydro sale, the Western Grid. Much of the credit for that, which was cleverly omitted from the statement which was read in this House, must go to the former Premier of this province, Ed Schreyer, who provided the capacity and the infrastructure in order to ensure that there could be hydro sales.

Mr. Speaker, that reminds me of the despicable conduct on the part of the Minister of Finance at the time that the Tritschler Commission Report was issued, when he went out of his way to attempt to libel the former Premier of this province on a 24-hour program, one of the most despicable exercises that I've witnessed for a long time on the part of a Minister of the Crown.

But we've had a situation by which Limestone has been delayed and will continue to be delayed. Even if they're to start now that completion wouldn't take place till 1986 or 1987. And the Minister refers repeatedly to over-construction. The other side of the ledger is that we're going to pay higher interest rates; the costs will be higher when we eventually build Limestone, all because of delay, Mr. Speaker. So again, there has been no leadership, no thrust, on the part of the government across the way.

Then, Mr. Speaker, we've had no indication from the Minister whether or not the Property Tax Credit, which was frozen back in 1977, will be adjusted to meet the cost of living increases this year, 1980.

In fact, we haven't even received the White Paper yet; and it was the Throne Speech in 1980 when the Throne Speech indicated, and I would read; this is back in the February 15, 1979, Throne Speech:

"It is the intention of the government to issue a White Paper during the next few months which will as far as possible make recommendations to rationalize all related programs under an effective delivery system that best ensures that continued financial support is provided to those most in need".

Well, we haven't received that White Paper yet. There's been no adjustments in the Property Tax Credit system in Manitoba. Not only is the burden of taxation at the local ratepayer level being increased because this government is sloughing off its responsibilities insofar as providing assistance to the education ratepayer, but they're also abdicating any responsibility to ensure that the Property Tax Credit is adjusted on the annual basis to meet the demands brought about by rising inflation. No action now, since 1977.

We call upon the Minister of Finance to announce today, or to announce during his Budget, an adjustment in respect to Property Tax Credit that will ensure that the situation which has been introduced by his government since 1977 is remedied by the appropriate adjustment in Property Tax Credits which haven't taken place in the last three years.

Mr. Speaker, in conclusion, this government has struck a blow at the heart of the economy in Manitoba. Their policies have not contributed to any lessening of the economic impact brought about upon the economy of this province from outside circumstances. In fact, their policies have aggravated the economic situation in Manitoba. They have struck a blow at the heart of the economic life in Manitoba. They have fostered imprudent economic measures and financial gimmicks that have not contributed to the well-being of Manitobans. They have fostered policies which have not improved the human condition of Manitobans. They have fostered policies which haven't even brought about economic growth in Manitoba but have placed Manitoba in a worsening position vis-a-vis other provinces in Canada from where Manitobans stood in 1977.

I assert that this government, in its unplanned manner, in its doctrinaire manner, in the red-baiting that is often exercised by the First Minister, has mucked about for two and a half years in Manitoba and mucked about and slopped about in such a way, Mr. Speaker, that we have been affected negatively and adversely from an economic perspective, from a social perspective and from an

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individual perspective, and we call upon this government now, finally, after two-and-a-half years of failure to adopt some leadership, some qualities of action, in order to remedy the present plights, the present problems, in Manitoba. That's our challenge to the Minister of Finance. We await his response, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? Is it the pleasure of the House to adopt the motion?

The Honourable Member for Lac du Bonnet.

MR. USKIW: The Member of the Opposition has, it appears, not been able to penetrate the mind of the Minister of Finance, at least not at this point in the debate, and perhaps the Minister of Finance wants to capture the contributions of all members of the House before he responds. But I would have thought that after the tirade that he just had to experience from the Leader of the Opposition that he would have wanted to respond now.

Mr. Speaker, I want to deal firstly with the question that was raised with the Minister of Finance, over a period of days, through a series of questions that he has failed to respond to in what I would consider an adequate manner. And that has to do, Mr. Speaker, with the fact that the Minister is trying to mislead the people of Manitoba into believing that he has no capacity and no control to prevent what is now taking place, Mr. Speaker, namely the demands on the part of his department for refunds from couples who were married in 1978 and who, according to the Minister's latest interpretation, should not have received their property tax rebates as individuals prior to the marriage, but only that one of the two should claim the tax rebate depending of course of who had the highest income for the whole year.

And, Mr. Speaker, that particular interpretation is a new interpretation, and that interpretation was brought to the attention of the Department of Finance in Manitoba by Revenue Canada, as I understand it. The Manitoba authorities had to make the decision whether they would continue with the existing interpretation, the interpretation from Day One to the end of 1978, or whether they would go along with the recommendations of Revenue Canada and give the Revenue Canada people their wish; and that was that it should be the new interpretation in order to conform with what Revenue Canada alleges is what is taking place in other provinces in Canada. Although notwithstanding that point, Mr. Speaker, I am given to understand that Ontario still gives the original interpretation that Manitobans enjoyed prior to this change and that's something that of course can be checked out.

But in any event, Mr. Speaker, the Minister, in response to questions put to him this afternoon, indicated to the Legislature that really the fault lies, if there is a fault, it lies with the previous government, in that they didn't properly draft the legislation when it was presented and passed in this Chamber. Well, Mr. Speaker, if that is so, that of course is nothing new in that tens of thousands of pieces of legislation passed by governments throughout Canada, governments everywhere, that may not have the kind of clear interpretation that was intended. It's usually an oversight that creates this kind of a problem, an oversight on the part of the Legislative draftsmen, and indeed the people who have had to peruse the legislation whether it be the government or members of opposition. All of us are involved in that process, Mr. Speaker.

But that doesn't mean, Mr. Speaker, that because there is a degree of confusion on certain sections of any kind of legislation that past practice has no relevance. It doesn't mean that in this instance that the Minister of Finance could not have instructed Revenue Canada to ignore their interpretation and to continue on with the interpretation that Manitobans enjoyed from the very first day and very first year of the Tax Rebate Program.

Now, Mr. Speaker, if the government is seeking additional revenue, surely this is not a credible way of achieving that goal, Mr. Speaker, because I don't believe that there are tremendous amounts of dollars involved. You know, I can't quantify it. I am sure the Minister will quantify it in his response. But I don't believe that it amounts to a great deal of money as far as the revenues to the Province of Manitoba are concerned, Mr. Speaker. But what has it done? What does that decision do to the individuals involved, Mr. Speaker? Well, it requires that they have a reassessment on their 1978 taxation year. It means that they have to find

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money in 1980 to pay for the reassessed 1978 taxation year or to refund to the Minister of Finance of the Province of Manitoba certain sums of money. Some people may have money readily available; others may not, and therefore, it may create some hardship for some people to do that.

But the other problem is, Mr. Speaker, that it frustrates the whole system, I have had communication from a number of people that are involved in the filing of returns in a commercial way. And they insist, Mr. Speaker, that they have from time to time checked with the tax credit authorities in Manitoba, prior to this new interpretation, and were always given the original interpretation. So it is not that they were employing a device that was incorrect, they were employing a device that was approved by the authorities in the Department of Finance over the years. And, Mr. Speaker, the information, the new interpretation wasn't known to them until after they completed filing their returns for 1978 tax year. And so we find ourselves in a retroactive situation. And the Minister now says, "Well, I can't pass retroactive tax legislation."

Now, Mr. Speaker, that very statement demonstrates the weakness of his position, because I don't think anyone is asking that he pass retroactive tax legislation. He could continue to interpret the tax credit laws as they were interpreted and simply advise the Revenue Canada people to continue to do the same, and if he feels uncomfortable about that, having been given notice that there is some question as to that interpretation, he could bring in a bill in this Assembly on a moment's notice, Mr. Speaker. And we certainly wouldn't oppose that kind of an amendment to that legislation, to alleviate the problems for those particular groups of people who did marry in 1978 and who now find themselves retroactively assessed.

So, Mr. Speaker, I suggest to the Minister that he would receive complete co-operation from this side of the House. We will give him first, second, and third reading in one day if he wanted it, Mr. Speaker. But it's obvious he doesn't want to do that. Mr. Speaker, I am sure that this Minister wants the tax revenue, he doesn't want to interpret the legislation as it was intended to be interpreted.

Now, Mr. Speaker, what is wrong with a person who was not married in 1978 for six months of the year, to have claimed the tax credits for that six-month period, or for both parties for that matter, and then what is wrong with the remainder of the year being claimed by the spouse who had the highest income? I can't understand what is wrong with that arrangement, Mr. Speaker. I would hope the Minister would be in a position to explain to us why that can't continue to work. But in any event, to suggest that it would now mean having to pass retroactive legislation, Mr. Speaker, that is not an answer satisfactory to members on this side, because it is not retroactive legislation that he would have to pass on taxation; because what he would be doing is passing a bill that would give him powers to rebate retroactively, not to tax retroactively. And there is quite a difference, Mr. Speaker. Yes, I agree with the Minister that it's not proper, or one should try not to tax retroactively, but what we are suggesting here is to rebate retroactively to those people who have had their taxes for 1978 reassessed and who are now receiving those assessment notices and are caught in the position of having to repay to the Department of Finance in 1980 for something that occurred in 1978, and something over which they have no notice of from this tax department or from any tax department. But on the contrary, were advised to continue filing their tax returns as they have been accustomed to for several years; by his staff, Mr. Speaker.

Surely it is not asking too much for this Minister to consider the scenario of events that took place until this point in time and encourage him, Mr. Speaker, to bring in a bill if he feels uncomfortable in proceeding without an amendment to the legislation and give it swift passage through this Assembly so that we would not harass tens of thousands of people in Manitoba who happened to get married in 1978.

Now, Mr. Speaker, I would like to suggest to the Minister that usually in the year of marriage, couples are led to expect congratulatory messages. They are accustomed to accepting gifts, Mr. Speaker. But in this example, the gift is going to the Minister of Finance, and I don't think, Mr. Speaker, that the Minister of Finance truly would like the married couples of 1978 to give him gifts because of their marriage; I don't think so. I would hope that he would take cognizance

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of the arguments that are being put forward and that he would bring about amendments that would resolve that problem and alleviate the situation for those numbers of people.

Now, Mr. Speaker, we are now part way through the Third full Session of this Legislature, and I think it's fair to say that in your Third Session of a new Legislature, which is almost the expiry date of the government's term of office, that one should be in a sound position to assess the government's success or failure. And I simply want to point out, Mr. Speaker, that this government came into office on the basis of promises that they would reduce Manitoba's per capita debt; that they would get the economy moving better than it was in 1977; that they would waste less money than did the previous government, and so on. There was a whole series of propaganda documents but the main one, Mr. Speaker, had to do with the fact that the New Democrats were spending money recklessly and indebting the people of this province beyond logic, beyond reason, only to fulfill their spending thrills, if you like, for programs that people didn't ask for or didn't want.

Now, Mr. Speaker, they said that they were going to reduce the deficit. That's what they said, or the debt, rather. We find, Mr. Speaker, this is now the Third Session, the third full Session - it's the fourth, actually - but it's the third full Session, wherein we have to consider the government's Estimates and its Budget, and we find that this province hasn't reduced debt by one penny, by one dollar, by a hundred. Mr. Speaker, we have increased our debt by several hundred millions of dollars. --(Interjection)-- Yes. We have increased our debt by several hundred millions of dollars in the last couple of years, Mr. Speaker. And so, Mr. Speaker, if the per capita debt in 1977 was a problem to the people of Manitoba and was an unbearable burden. Yes, the Leader of the Opposition points out quite rightly that the arguments were being made that that kind of per capita debt would bankrupt this province. Well, I want to ask the Minister whether a per capita debt, several hundred million dollars greater than it was two years ago, whether that isn't bankrupting the province, Mr. Speaker. Obviously, Mr. Speaker, the game that the Tories played was nothing other than the con game that was alluded to so often by the former leader of the Liberal party.

They also said that they were going to get Manitoba moving again. Now, I don't know what that meant. You know, usually that implied that there was something good that was going to happen if they only got their hands on the reins of government in this province. Well, you know, the Member for Inkster is right; he says they did get Manitoba moving again but they moved them out, because we have a net out-migration figure of somewhere in the order of 21,000 people over two years. I don't know what the third year is going to be, I suspect it will be about an accumulation of 30,000 by the end of year three. And, yet, they will say but look at our unemployment statistics are not too bad, they're not good, but relative to the rest of Canada we're in third place, or we're in fourth, or somewhere in there, that seems to be reasonable. Well, Mr. Speaker, they cannot respond in that way alone while they ignore the fact that they have exported a lot of Manitoba talent that moved out to other parts of this country and into the United States, they cannot ignore that fact. In realizing their current unemployment statistics they had to export 21,000 people over two years, Mr. Speaker, and I don't know how many in the current year.

Now we witness, Mr. Speaker, not only an out-migration, not only slower economic activity, but we witness a lower level of government services. The Minister of Labour has lowered the minimum wages in this province, Mr. Speaker, something that I could never have believed it could be done in inflationary times. The idea that anyone would think in terms of some people having to work for less money next year than what they received this year with 20 percent interest rates, and 15 percent inflation rates and so on. It just doesn't add up, Mr. Speaker. I don't know how the Minister of Finance, and the Minister of Labour, and the Premier of this province justify a reduction in the take-home pay of a number of people in this province who were previously covered by The Minimum Wage Act. I can't understand that kind of thinking, Mr. Speaker. Where is the logic? The logic should be the reverse, that we should narrow the gap between low wage earners and high wage earners, that's where the logic lies. If there's going to be fairness and equity and any semblance of economic democracy, Mr. Speaker, then we have to narrow those gaps. This government has widened those gaps, and they are saying we are going to rely on the charity of the patrons of these businesses to make up the

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difference. That's what they are saying, Mr. Speaker, they're going to rely on the charity of people who patronize the hotel industry and the restaurant industry in the hope that might satisfy the logical income demands of people working in those businesses.

Well, Mr. Speaker, that is not good enough and I truly believe that we have to move in the direction of dramatically closing the wage gap. We have to move dramatically, because it is obvious to me and I'm sure it must be to members opposite that people that are trying to make a living out of minimum wages are finding themselves in one hell of a spot these days trying to keep households going and trying to meet the rental payments. I don't know, I guess a car is out of the question for that group in our society, Mr. Speaker, and so, there is a real problem that has to be addressed.

We have also witnessed a very dramatic increase in user fees in every field over the last couple of years. Another means of taxation which, you know, I have to admit is hard to notice, because it's in small amounts but if you quantify it by the number of people that use these services you will find that it adds up to millions and millions of dollars, Mr. Speaker. And this was all done in order to offset revenue losses, revenue losses created by certain tax relief measures that members opposite provided for the elite of this province. Something that is not necessary and wasn't needed wasn't asked for, Mr. Speaker. I don't believe that the groups that they were giving tax relief to were facing obvious bankruptcy if they didn't get these tax measures in the last couple of years. I don't believe that was the case. But, in any event, this government's philosophy was to tax the little people a little hard, and to provide some tax relief to those who already had surplus capital, to spend capital that they could invest to make more money, Mr. Speaker. Those are their priorities.

We also witness, Mr. Speaker, a very hefty increase in property taxation at the same time that we find a freeze, we witness a freeze on the Property Tax Rebates from 1977 on not a dollar more in tax relief on property, Mr. Speaker, since 1977. And we find this government, in trying to balance their accounts according to their philosophy, passing on these burdens again on people least able to cope with such increases.

Now we have, Mr. Speaker, the spectacle and it is a spectacle of our capitalistic system bursting at the seams, mortgage interest rates going through the ceiling without government, whether it's federal or provincial, batting an eyelash. Who is proposing that we deal with the question of mortgage renewals this year? I haven't heard a thing from this Minister about what he is going to do about several thousand Manitobans who are facing this year, some of them faced it last year, mortgage renewals which, Mr. Speaker, they cannot afford. Increases of \$150, \$200 a month on their payments because of the change in the interest rate.

Now this is something that has to be dealt with. I don't think that it's sufficient to say that we have no capacity. I think there is capacity, Mr. Speaker, and I don't know what the Minister's position is with respect to Government of Canada policy on capital outflow out of this country. I don't know that it's wrong to advocate that we start to interfere with the capital outflow that takes place, money investment capital that flows out of Canada to other countries. It seems to me that's an avenue that we should be looking at in order to provide more capital for loan purposes within Canada and, in that way, hopefully reduce the interest rates for Canadians.

You know, they say if we don't keep up with American interest rates, that our investors will send all of their money south of the border. Well, let's put a block at the border, Mr. Speaker, if that's the problem and let's contain that capital supply within this country that would provide for lower interest rates for the needs of Canadians, whether they be business people or people wanting to meet their mortgage payments on their new homes. Now, that's something that should be looked at, and the Department of Finance is equipped to look at that, or at least it should be if it isn't and it should be in a position to make recommendations to the Government of Canada on whether or not this is a practical solution, at least on a temporary basis. Perhaps not forever, but maybe for the next year or six months until things level off, but certainly until the situation stabilizes south of the border, Mr. Speaker, because there it's obviously out of control. And I don't know why we have to be so severely affected by events elsewhere, unless we have exhausted every opportunity and all the tools that we have at our disposal in

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trying to deal with those problems. I don't believe we should accept imported problems if there is still some means of dealing with them.

Now, Mr. Speaker, the leader of our party did suggest to the Minister of Finance that there are things that the Province of Manitoba could look at, where they have constitutional control, and that is with the lending institutions that answer to this Minister and to this government in this province. Yes, he can hide behind the fact that he can't control monetary policy in Canada because that is a national responsibility constitutionally. But he can't hide the fact, Mr. Speaker, that he has control over hundreds of millions of dollars that are handled by institutions, financial institutions in this province over which he has jurisdiction and there might be room there for some negotiation and co-operation, as between the government and those financial institutions in this province, in order to deal with the interest rate situation that we now have.

And the other, Mr. Speaker, obviously is demonstrated by the fact that there is a vehicle that this Minister has if he wishes to employ it, and that is the capital funds that flow through the Manitoba Public Insurance Corporation. Has this Minister looked at the option of using some of that capital in the financing or refinancing of mortgages on homes, Mr. Speaker? Now, I'm not suggesting that the Minister take over all the mortgages in this province because that is not physically possible for Manitoba to do, but I think that the Minister can look at distress case mortgages, Mr. Speaker, that where there is an individual who cannot make the adjustments on the mortgage rate and was forced to . . .

MR. SPEAKER: Order, order please. I'm interrupting proceedings at this time for Private Members' Hour. At the completion of Private Members' business, the honourable member will have 15 minutes remaining.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: We're now under Private Members' Hour, the first item of business is Resolution No. 6.

RESOLUTION NO. 6 - SALE OF MCKENZIE SEED COMPANY

MR. SPEAKER: The Honourable Member for Inkster has 11 minutes.

MR. GREEN: Mr. Speaker, I was speaking on this resolution when the House was last in session, and indicated that I had some problems with the manner in which the resolution seeks to deal with this question since it merely expresses concern that the House register disapproval of the breaking of a commitment given by the Leader of the Conservative Party to the electorate. And I think, Mr. Speaker, that if we were to be dealing with problems in that way we would have this House being concerned and expressing regret with respect to a whole host of things, which really wouldn't change what is occurring with respect to the government's intentions.

I did indicate, Mr. Speaker, that it was my view that the Conservative administration was determined to divest itself of McKenzie Seeds Limited. I also indicated, Mr. Speaker, that it is my view that they intend to divest themselves of this company, not because it is a non-viable company; that indeed, their purpose in divesting themselves of this company is exactly the opposite; that they wish to divest themselves of this company because it has proved to be viable, and that it shows prospects of being viable in the future. And if there is anything that smacks against the doctrine of Progressive Conservatism, it is that anything that the public does can be viable. And in that, Mr. Speaker, they judge the public by themselves. They know that they can't do anything right and, therefore, if they as a government cannot do anything right, ipso facto, in their opinion, no government representing the public, no embodiment of the public will can do anything right and, therefore, they say get rid of this company. If you permit it to exist, it will be a problem in terms of proving Progressive Conservatism. And that has, Mr. Speaker, been the attitude of the Conservative government with regard to all of the companies that they have dealt with. And for those who are putting into currency, the position that the companies operated well and badly under the public sector and well under the private sector, Mr. Speaker, let me

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make a list. Virtually none of the companies that went bad in public hands were companies that had been successful in private hands, Mr. Speaker.

As a matter of fact, the reverse is true; if we look at the problems that the public endured with some of the companies, we know that Flyer Coach Industries was a problem in private hands. It came to the public to be saved, and the public tried, and, Mr. Speaker, I still have hope for that company although not in the hands of the Conservatives.

Versatile Manufacturing, Mr. Speaker, was a company that was completely wiped out in private hands. There wasn't a private financial institution that would do anything for Versatile. The principals of that company were the most anti-government people you could find. They were more anti-government people than any of the people sitting in the Conservative benches. They came, they gave; pride goeth before a fall, Mr. Speaker.

These people who said that they would completely stay away from government crawled on their hands and knees, Mr. Speaker, crawled on their hands and knees.

Mr. Speaker, I was there. They crawled on their hands and their knees. Mr. Speaker, they said, "No bank will bail us out; nobody will give us money; nobody in the private sector", Mr. Speaker, "will do anything for us. Would the public please help us?" And as a result of the public of Manitoba making a \$6 million commitment to the bank, which they then didn't have to draw down upon because the bank had the government's commitment that if it ever went bad they could come back to the public, that company is the highest sales manufacturing company in the Province of Manitoba. It wasn't done by the private sector; it was done by the public sector.

Mr. Speaker, all of those companies . . . Morden Fine Foods, was a private company that abandoned Morden and went broke. The Cybershare was a private computer company that went broke. It made a success in the private sector. Columbia Forest Products was a private company that went broke. Dormond Industry went broke with it. Dormond Industry was run publicly and made a profit, Mr. Speaker.

Mr. Speaker, CCIL is a private company that was in trouble, Mr. Speaker, was in trouble, went to the public of Canada, the public of Manitoba, the public of Saskatchewan, the public of Alberta, to bail it out. I hope that we did, but if it's a success it will be a public success; it was a failure in the private sector, Mr. Speaker. That is a fact. All of those things are true; they happened.

Well, the Member for River Heights is shaking his head. He is suggesting these things didn't happen. Every single one of these things happened, Mr. Speaker. Saunders Aircraft was a private company, Mr. Speaker, that was having difficulty and needed a new place to go and, Mr. Speaker, with Saunders Aircraft, the public of Manitoba was putting up \$9 million excuse me, that's not correct the public of Canada was putting up \$9 million a year into Gimli of public funds to dress people, to feed them, to clothe them, to house them, to have them equipped. None of it was to the benefit of the increased wealth of the Province of Manitoba.

For several years, at a rate of approximately much less than \$9 million a year, we were producing airplanes. And we didn't make a success of it, Mr. Speaker, which I suppose puts us in the same category as Chrysler, because Chrysler went to the United States and they didn't ask for \$40 million; they asked for billions of dollars, Mr. Speaker, to bail them out and the Canadian government is now going to bail out Chrysler Canada. --(Interjection)-- Mr. Speaker, he says the unions were backing them. Sure the unions were backing them. The unions were backing Flyer, too, and Saunders. Does it make it right? My honourable friend has found a new endorser. He says if the unions are backing them, it's right. That's what the Member for Morden said.

Well, Mr. Speaker, all I'm indicating is that the Conservatives cannot stand the embarrassment of a company which is viable and they will, Mr. Speaker, dispose of McKenzie Seeds, no matter if this resolution is passed, and therefore I say, that this resolution doesn't do enough. But, Mr. Speaker, in law my friend, the Attorney-General is here, and the Member for Crescentwood is here, and some of the others will recognize it even though they are not lawyers we have a doctrine it's called "caveat emptor", which is the Latin of, "Let the buyer beware". And what I said in the House, Mr. Speaker, last time, I repeat: The way to deal with these people is not to talk to the blocks, stones, worse than senseless things, on the other side of the House, it is no sense talking to them; we have to talk over

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their heads to the prospective purchaser and say to that purchaser, caveat emptor, "Let the buyer beware."

This company can be privateered by one government but it can be repossessed by another government. And those who are going to privateer should know that all they're going to get back although I don't think they are going to put up any cash because the general theory of this government is to give for nothing and to give a little money besides but all that they can back is the cash that they have put up, a reasonable rate of interest for the length of time that it was outstanding, and then it will be returned to the public. And if, Mr. Speaker, if these people, during the period of their management, engage in such mismanagement as to cause the company to deteriorate, that will be reduced from the amount of cash they put up and the amount of interest that they would otherwise have accruing to them.

And so, Mr. Speaker, because I believe in being nice to these people, in protecting them, and in warning them, that what they are doing is going to be a problem; I would move, Mr. Speaker, seconded by the Member for Winnipeg Centre;

That Resolution No. 6, be amended as follows:

By adding thereto the following: "And be it further resolved that this House give notice to prospective purchasers that a new government will reverse any privateering of McKenzie Seeds and will reimburse any purchaser only to the extent of actual cash outlay plus interest, as a maximum, to be offset by any deterioration caused to the company by any mismanagement while under private control."

MOTION presented.

MR. SPEAKER: Are you ready for the question?

The Honourable Member for River Heights.

MR. GARY FILMON: On a point of order. How can the motion speak for any new government? Should it not be for a new Democratic government?

MR. SPEAKER: The honourable member, I would think, is probably trying to debate.

The Honourable Attorney-General.

MR. MERCIER: On the point of order, Mr. Speaker, and I have no doubt that the amendment will not succeed but, in unlikely event that it did, is not the motion out of order on the basis that it is a charge against public revenue?

MR. SPEAKER: I cannot rule this out, as it is not a charge against the present administration. I find the resolution to be in order.

The Honourable Minister of Fitness and Amateur Sport.

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, this is the second resolution that we're dealing with in regard to McKenzie Seeds. I want to make a few comments with regard to not only what this particular government has done in the last little while but also with regard to some of the statements made by members opposite.

The Member for Inkster, in speaking to this resolution several weeks ago, got on to a very interesting topic and, really, if we were to sort of follow his analogy on the problems of McKenzie's and some of the other governments companies which had a bad debt equity-ratio, really what he was saying is that if we just keep on putting the money in and never really take stock to see what we've really got, we really haven't lost anything.

Mr. Speaker, that's really what he was saying. He was saying that this particular government was giving the private sector, in some of the companies that we sold, was giving them a handout. For instance, he mentioned Morden of \$2 million. Mr. Speaker, what he didn't tell you though, is that when we had assets such as Saunders Aircraft and I pointed this out to him last year Saunders Aircraft was on the books for \$1.2 million; that was an asset; but, Mr. Speaker, he will be the first to say that that was not an asset worth \$1.2 million. But, Mr. Speaker, until Saunders Aircraft was put into receivership, using his argument, the taxpayer never lost a cent. Well, Mr. Speaker, that's what he is say-

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ing. Mr. Speaker, he has not taken into consideration that the problems with this company. It has never received any public funds, as far as write-offs are concerned, but if you keep putting money into a company and advancing loans for something that you don't have there, eventually the day of reckoning comes.

MR. SPEAKER: Order please. The Honourable Member for Inkster.

MR. GREEN: I will ask the honourable member a question if he will permit me. Was not every cent advanced to Saunders with a very minimal amount for asset shown as a loss immediately on the reserve of the Manitoba Development Corporation? It was shown as a loss in the years that it was advanced and therefore, it was displayed as a loss long before it went into receivership.

MR. BANMAN: Mr. Speaker, I believe that was the case under Part 2 of the Act. In other words, that the. . .--(Interjection)--

MR. SPEAKER: Order please. May I suggest to honourable members that we are into a relatively short period of time and I would hope that all members are given every opportunity to make their speech, relatively uninterrupted.

The Honourable Member of Fitness and Amateur Sport.

MR. BANMAN: Well, Mr. Speaker, to continue on that line, the member has used Saunders as a particular example, as I did before. But let's revert back to the Morden situation. Let's revert to the Morden situation. The member has, on several opinions, said that the \$2 million was a give-away to the private sector. The only thing that he doesn't realize, Mr. Speaker, is that the assets there did not nearly represent the \$3 million that we had invested. And somewhere in the sense of business there has to be a relationship between the debt and the equity. And if you keep pumping money into a company and don't face the day of reckoning when that note comes due, as we are, Mr. Speaker, with McKenzie's. We have a debt load of this company which far outstrips the asset that we have. And, Mr. Speaker, I tell the Member for Inkster that he was part of a government in 1974 when a \$3 million loan was advanced by MDC to this particular company and that they knew at that time that they had no equity with regards to that loan.

But, Mr. Speaker, the argument that he uses in the real world of business finance just doesn't hold any water.

Mr. Speaker, the thing that I mentioned the other day that I guess annoys a lot of us on this side is the sort of "holier than thou" and sort of the self-righteous attitude in which members opposite have approached this particular situation.

I have checked back, Mr. Speaker, and I suggest to the Member for Inkster that he and the then Minister of Agriculture were instructed in a Cabinet Minute by the Red Committee of Cabinet to try and search out a buyer for McKenzie Seeds. Mr. Speaker, the records show for itself. In other words, Mr. Speaker, in 1974 a sub-committee of Cabinet recommended to the then Minister of Agriculture and the Minister in charge of the Manitoba Development corporation that they search out a buyer. --(Interjection)-- Mr. Speaker, it's documented, it's on the public record.

MR. GREEN: Does it say that I sought a buyer?

MR. BANMAN: Mr. Speaker, I don't know what you did in the private confines of your office. I don't know. But all I know is that the sub-committee of Cabinet instructed you to find one. --(Interjection)-- Well, Mr. Speaker, there's one. --(Interjection)-- Mr. Speaker, the biggest problem that we have with regard to this company is that we have been trying in a rational way to try and find a way which this company could be strengthened and not be a tax drain on the taxpayers of Manitoba.

Mr. Speaker, I want to just refer today to one piece which somebody has drawn to my attention dealing with the former Minister in charge of McKenzie Seeds. He gets up here and in self-indignation says how he has always wanted the company to stay within the confines of the government; it should always be run by the province. He has never at no time - and I quote from a press release which he made

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the other day on March 7: "At no time did I, as the Minister responsible for McKenzie Seeds, 1970-77, solicit or cause to be solicited a potential buyer for McKenzie Seeds". I say to you, Mr. Speaker, that's false. And I say to you, Mr. Speaker, that the record shows that that is false.

Mr. Speaker, let's just look at some of the statements of a then new Minister back in 1970 dealing with some of the newspaper people and dealing with the Ferry-Morse people, what he said. Mr. Speaker, I believe it's a certain Roger Newman from the Tribune, a business editor, April 10, 1970. He goes on to talk about the problems that the government is having with McKenzie and the future development and what should happen to it. Here we have the member who is now also the Minister in charge of the Manitoba Development Corporation and it goes on to talk about dealings that they had with Ferry-Morse and the Minister. According to the article, the Minister, Len Evans told a visitor this week that the deal fell through because Ferry-Morse was unwilling to guarantee that the Brandon Plant would be operated for more than two years in Brandon. The 64-year-old McKenzie company has about 80 permanent employees and the government felt that any future closing of the operation would be too severe an economic blow for the small city like Brandon.

Now, Mr. Speaker, here's the quote: "If the U.S. company had agreed to remain in Brandon we would have approved the sale and possibly assisted them in putting up a new plant, Mr. Evans said, but we could not obtain any commitment", Mr. Speaker.

Now, Mr. Speaker, the interesting thing is that any different than this government has done? We have been dealing with a number of people, Mr. Speaker. We have been talking to a number of people. And, Mr. Speaker, to this date we have not been assured of precisely the same thing referred to in this particular article. We are as concerned as anybody in the province of Manitoba to keep this company here and keep it viable and operating.

Mr. Speaker, I want to go on a little further in this article. There's some interesting stuff in here. Mr. Speaker, there's one difference, that my position from the outset . . . --(Interjection)-- Mr. Speaker, I say to you from the outset, that all the statements that I have made with regard to McKenzie Seeds hold today and hold in the future, and that is that we are trying to strengthen the operations out in that. We have never indicated to anybody, and never even hinted that we would not be standing by that company and trying to close its doors. Mr. Speaker, it's been one of trying to strengthen that operation rather than try and weaken it.

Mr. Speaker, he goes on to say in this article - Mr. Newman, Tribune Business Editor, April 10, 1970 - "Nevertheless he indicates that the Minister, that the government is still prepared to sell if the right offer comes along". This has nothing to do, Mr. Speaker, with this Ferry-Morse. If he's talking that he wasn't happy with that deal, good; if he thought it was in the best interests of the people of Manitoba that it would not be beneficial to the company to sell it, then he shouldn't have sold it. I agree with him, I agree with that statement, Mr. Speaker.

But what does he say: "Nevertheless he indicates that the government is still prepared to sell it if the right offer comes along. An attempt has been made to interest several prospective purchasers but there have been no takers as yet".

March 7, 1980, the following statement is issued by Len Evans, MLA for Brandon East: "Mr. Banman's statements in the Legislature yesterday as reported in the attached news report in the Winnipeg Free Press of March 7, are both misleading and mischievous".

I want to make it clear and categorically that, at no time did I, as a Minister responsible for McKenzie Seeds from 1970 to 1977, solicit or cause to be solicited a potential buyer for McKenzie Seeds. --(Interjection)-- 1970, ten years ago, Mr. Speaker, he's had a change of heart . . .

A MEMBER: What a difference 10 years makes.

MR. BANMAN: "Nevertheless he indicates that the government is still prepared to sell if the right offer comes along. An attempt has been made to interest several prospective purchasers but there have been no takers as yet".

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Now here comes the clincher, Mr. Speaker, and this is a quote: "Frankly the seed business is the last industry that we want to be in, comments Mr. Evans". Again, Mr. Speaker, "Frankly the seed business is the last industry that we want to be in, comments Mr. Evans". --(Interjection)-- That's a quotable quote.

MR. MINAKER: He also said but for the NDP government that Quebec would have had Saunders too.

MR. BANMAN: Mr. Speaker, I believe and I think the record will show, that in the dealings, and as Minister responsible for McKenzie Seeds, over the last number of years, that I have tried to do precisely what the member over here has indicated, that he said in 1970, and that is to try and strengthen the operations out in Brandon at McKenzie Seeds. And that is what this government has been trying to do. But, Mr. Speaker, the member opposite has been very mischievous in this particular instance. --(Interjection)--

And, Mr. Speaker, the record shows and there's much more documentation that we can refer to with regard to this, to show that the Member for Brandon East followed very much the same course that we are. In other words, in their first several years tried to find a way of strengthening the company so that it was not a drain on the Manitoba taxpayer and still remain a viable business out there, and that's what this whole exercise that we have been trying to do, is all about.

And anybody that says contrary is really doing themselves or the particular company a disservice because I believe, Mr. Speaker, that we do have an asset out there which if handled right and put on the right track, incorporated with some other programs or some other marketing techniques, that we can make this thing go. We have seen in our attempt to find somebody out in the private sector, through the tender process, that has not worked. And I tell the member opposite there were a couple of people who were really interested, but for the same reasons that he didn't sell to Ferry-Morse, this particular government didn't sell to anybody else, because we could not receive and were not assured what we thought was the right conditions to maintain that operation in Brandon.

But, Mr. Speaker, I want the people in Brandon to realize that these two resolutions have been trumped up by the Member for Brandon East. Mr. Speaker, the issues have been trumped up by the Member for Brandon East to try and strengthen his political strength in the Brandon area.

Now, Mr. Speaker, let me tell you this is one of the problems we have faced with government-owned companies and the Member for Inkster will be the first one to recognize it; that the problem is - and this goes across all political boundaries except I have to give credit to the Member for Inkster because he said when he would be in the opposition he would not get up and ask questions which would embarrass government-owned companies unless there was something grossly wrong, he has repeated that several times in the House that he wants to give them the benefit of not . . .

MR. SPEAKER: Order please. The honourble member has five minutes.

MR. BANMAN: Thank you. Well, Mr. Speaker, I think one of the problems that we've had with regard to this and other companies is that there is the great temptation on all politicians - and I'm not talking about any partisan politics - to try and maximize their particular political benefits from attacking and trying to make the government of the day look foolish in running of Crown corporations or in running any particular program. And that's what makes, unlike a program, a corporation such as McKenzie, is much more vulnerable to this kind of public harassment, than people that are directly responsible like a Minister that's directly responsible for some program. That's the opposition's job and it's the government's job.

And listen, Mr. Speaker, I will be the first to admit that is one of the biggest problems that the Crown corporations have and I am not pointing a finger at any particular political party with regard to that because the temptation is there and I say to you that was one of the biggest problems the former administration had with regard to MDC and the Crown corps that were owned and is something that we're still hastling with.

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Here we are debating resolutions which really in the final analysis do nothing to strengthen the operations out in Brandon and really I would say - and I would agree with the Member for Inkster - that these public outcries rather hurt the company than do anything else. Because, Mr. Speaker, No. 1, that company will not close; the government has given that commitment; we will try and strengthen that company.

But let the Member for Brandon East not get up, not make press releases saying, "At no time did I, as Minister responsible for McKenzie Seeds from 1970 to 1977, solicit or cause to be solicited a potential buyer. If the U.S. company had agreed to remain in Brandon we would have approved the sale and possibly assisted them in putting up a new plant. Nevertheless he indicates that the government is still prepared to sell if the right offer comes along. An attempt has been made to interest several prospective purchasers but there have been no takers as yet". --(Interjection)-- Mr. Speaker, that I guess is one of the nemesis of many of us politicians who put things on the record and then later it comes home to haunt you.

But I tell the former Minister who was in charge of this particular Crown corporation that he did cause to be solicit, that he had people within his department that were looking for a buyer. Mr. Speaker, he even admitted that he was looking for a buyer. And, Mr. Speaker, I guess frankly what sums it all up: "The seed business is the last industry that we want to be in, comments Mr. Evans". Mr. Speaker, that is a quote from an article back, I guess almost 10 years ago, April 10, 1970.

And, Mr. Speaker, we are wrestling with the problems that are out there. We think that there is a market for that particular product as evidenced by our sales. We think that company should be strengthened and we're trying to accomplish that end and we're committed to that end. And for anybody to get up and say it's otherwise is not doing the people of Brandon justice, nor that particular company. And I say to you again that the member did cause to be solicit. He had people, Mr. Speaker, and I have documentation showing that he did cause people to go out and look for a company.

MR. SPEAKER: Order please. The honourable member's time has expired.
The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, Mr. Speaker, we've had a very interesting exercise of stretching the truth, twisting the facts, twisting the facts to suit the Honourable Minister's purpose. The Honourable Minister, who has been embarrassed by his Premier, by his Leader, who clearly broke a promise and who has been embarrassed by the Member for Brandon West, the Minister without Portfolio, by statements he's made.

Mr. Speaker, I wanted to be on the record and it's very categorical, that when we became government in 1969 and when I became Minister of Industry after Christmas of '69, early '70, that we inherited a situation, and I've said this several times but the honourable members don't want to listen to me or have never wanted to listen to me in the past of where this present government hired the consulting firm - and I'll give you the name of the consulting firm, A.R. Swanson Limited, Corporate Financing - to endeavour to sell McKenzie Seeds or, indeed, to liquidate it. And that firm was still active when we became government in 1969-70, carrying out the instructions of the former Minister of Industry and Commerce, Mr. Sidney Spivak, and carrying out the instructions of the Conservative government of the day. And, indeed, and I cannot account for the accuracy of every word in that article that the Minister is quoting, but if we said that we were seeking, it was in connection with A.R. Swanson Limited who was hired by the Conservative government to dispose of the company.

Mr. Speaker, and I'll table this if the members like. I have here a Cabinet memorandum, not a newspaper report which may or may not be true, a Cabinet memorandum dated November 3, 1967 from D.R.C. Bedson, Clerk of the Executive Council to the Honourable Gurney Evans, Provincial Treasurer. "Subject: Decisions of the Cabinet of November 1, 1967. Recommendation: A prospectus be prepared pursuant to the possible disposition of McKenzie Seeds Limited, Brandon, by the Provincial Treasurer." And here is the substantive part. "It was agreed that the McKenzie Seeds Limited, Brandon, should be sold or liquidated within 90 days, with the consent of Brandon University. Signed, Derek Bedson, Clerk of the Executive

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Council." There's a Cabinet Minute, right there. There it is, there it is. Well, Mr. Speaker, they tried, they tried.

And then on November 27, I have the copy of the memorandum from the Honourable George Johnson, the Minister of Education to the Honourable Sidney Spivak, Minister of Industry and Commerce. "Subject: Disposal of McKenzie Seeds Limited," and I'll read this into the record, Mr. Speaker. "Pursuant to the Cabinet decision of November 3 that McKenzie Seeds Limited be sold or liquidated, I should like to ask if you will assume full and complete responsibility to take whatever steps you deem necessary to achieve this end. As you probably know, the Minister of Education is the government's chief officer with respect to this operation, but it does not seem reasonable to me that I should be involved, except to consult with you when you deem it necessary and when final arrangements are to be made. There are certain requirements to the legislation regarding consultations with the management of the company and Brandon University. In order to avoid confusion, I would ask that you include these and everything else in your procedures. Signed, the Honourable George Johnson."

Well, Mr. Speaker, after that, there's evidence on file that the government retained the firm of A.R. Swanson Limited, Corporate Financing, located in Winnipeg to oversee the disposition, or the sale, or liquidation of McKenzie Seeds Limited. And here is a letter from Mr. Swanson dated May 9, 1968 to the Honourable Gurney Evans, Provincial Treasurer. "Dear Mr. Evans: Re: A.E. McKenzie," they hired Erwood Currie in this, "The progress report of Erwood Currie has been made available to me. I've also had an opportunity to study this company at some depth over the past four months. It is my recommendation," and this is the recommendation of the consultant, "It is my recommendation that the company be sold."

A MEMBER: What date was that?

MR. EVANS: May 9, 1968. "Negotiations with selected prospective buyers should begin immediately. I have already had preliminary conversations with some prospects. The sale may be difficult to accomplish." And this is important, Mr. Speaker, "It should be appreciated that the sale could cause the eventual removal of the company's operations for Manitoba. And it is also possible that the company could be sold to an American buyer." Well, Mr. Speaker, the letter goes on describe the financial problems and the management problems that the company is having at that time. But among other things, the letter notes that other prospects might include Ferry-Morse Incorporated of Mountain View, California, a fully integrated seed company.

Well, Mr. Speaker, it was the Conservative government in the late '60s who had hired Mr. Swanson, who was still on the job when we became government doing his damndest to look for buyers and to sell McKenzie Seeds. So what the Minister is talking about is nicely twisting a story and leaving the impression that we're the villains, we're out here charging away, having hired people to sell them, when in reality, that is garbage for my honourable friend, the Member of Public Works, that is garbage - your remarks. The fact is, Mr. Speaker, we inherited a situation, a corporate firm who was well paid, I might add, in a contract that was signed with the previous government to dispose. And it was the New Democratic Party government that made the decision. I recall a very late meeting that was held in the spring of '70, where we decided that it would be in the best interests of Manitoba that we should retain McKenzie's as a public-owned and publicly-operated enterprise, and do everything we possibly could to make it a success.

And, Mr. Speaker, the company that we inherited at that time is not the McKenzie Seeds of today, and the honourable members across should know that. Maybe they don't realize it, but there's a vast difference between the McKenzie Seeds of 1968-69 and the McKenzie Seeds of 1980. The difference is, Mr. Speaker, that today it is without question - in fact, it's really the only national package seed company in Canada, having 75 percent or thereabouts of the national market. In 1969, it had - I'm just going to guess here - something like 25 to 30 percent. It had a very difficult time in surviving, and there's no question that it had a very bleak history. It had a history of a lot of financial difficulties, particularly from the time that the late Dr. McKenzie died.

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And the other fact, Mr. Speaker, is that in the interval, the company has grown from having a peak of 90 employees in 1968-69 to having a peak of probably around 250 at the peak of the season today. The payroll has grown, as far as I'm concerned, it has an excellent board, it has excellent management, it has a good staff, and it is the No. 1 package seed company in Canada that we're talking about. So, we're not talking about the tiny, weak company that it was in 1968-69; we're talking about Canada's No. 1 package seed company. And, Mr. Speaker, I will say again, that once we had made the decision to cast aside the recommendations of Mr. Swanson - and I'll never forget when I told Swanson that the NDP government would not sell McKenzie's, we were going to try to make a go of it, although it had had some pretty financial times, I think the gentleman if I recall, he went out of that office very very sad indeed. --(Interjection)-- After the Cabinet decision of early 1970 - and I'm going by memory, I'm going by memory and I'd like to be able to check the files if I could. And, Mr. Speaker, from that time on it was upward, onward and forward to build that company; and I want to say this, that it is in much stronger position today. I agree with the Member for Inkster, we are dealing with a very viable company. It's a company that has substance; it is a company that has paid its way; it is a company that is, yes, it has had assistance from the MDC, but it's made the MDC look pretty good over the years. Hundreds of thousands of dollars worth of interest, and there hasn't been a nickel paid by the taxpayers of Manitoba. I say that again, in spite of the Minister of Fitness and Amateur Sport not getting it through his head, they have not paid a nickel to that company; there's been no subsidies, no right-offs, no giveaways. They paid every penny of interest owing to the MDC and they're still doing it today.

And well, Mr. Speaker, on the amendment - I agree with the amendment, I agree with the amendment; I agree with the Member for Inkster, when he said at one time, "The road that leaves from Toronto to Winnipeg is the same road that goes from Winnipeg to Toronto," and I say the road from Ontario to Brandon, Manitoba, is the same road that goes from Brandon, Manitoba to Southern Ontario or wherever the hell these prospective buyers are.

Mr. Speaker, not only has this government broken its promise once, but its broken its promise a second time. I want to say, Mr. Speaker, that what we're talking about here is a major statement, major declaration, made by the now Premier in the last days of the 1977 election campaign. It was on the front page of the Brandon Sun that we would not sell, that the Conservatives would not sell. And here is another article, September 22, 1977, "McKenzie jobs are safe, says McGill." And it says here and I'm quoting from the Brandon Sun of September 22, "A provincial Progressive Conservative government would not interfere in the management and operation of McKenzie Seeds in Brandon, nor would a Conservative win jeopardize the jobs of the company or employees, according to Ed McGill, Conservative MLA for Brandon West. McGill said it was not a policy of his party to answer rumours, but he felt it was necessary in this case in view of McKenzie Seeds importance as a major employer and a key position in the industrial economy of the area. Asked if the rumour might have arisen from a statement made by Conservative Party Leader, Sterling Lyon, that his government would sell government-owned businesses, Mr. McGill replied that it was unlikely, adding that because of its historic relationship to the government, the Conservatives did not include McKenzie Seeds among the government businesses to be sold." So here is another declaration that this government would not sell McKenzie Seeds and he said, "Lyon," he said, "was referring to recently acquired business adventure." Well, so much for what the Honourable Member for Brandon West thought was in Mr. Lyon's head because the fact is, of course, the reverse happened and we know that the government of the day picked up, picked up where they left off in 1968-69. They picked up from the activities of corporate Swanson, Financing Consultants, that we inherited, who presented reports to me and looked around for buyers and now we've got the Minister of Portfolio saying that I initiated some great search. Well, I say again, I did not initiate any great search, or solicit, or cause to be solicited any great hunt for buyers of McKenzie Seeds. --(Interjection)-- Well, I'm going from memory, but I do know I'm not going from memory when I read these Cabinet memorandums and this letter from the consultant hired by the Conservatives to the then Minister of Finance, known as the Provincial Treasurer of the day.

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And, Mr. Speaker, after all these great promises and so on, then on June 30, 1979, here's the ad, not just in one paper but right across Canada, I believe, all the large papers. "Offers are invited for the purchase of A.E. McKenzie Company Limited." You know, send so many dollars, \$2,500 with a cheque --(Interjection)-- that's June 30, 1979. --(Interjection)-- No that's June 30, 1979. At any rate, Mr. Speaker, then you have the Minister of Fitness and Sport running around looking at bids, getting bids and then finally saying, "Well, in the fall, November 30th, he issues a news release saying that the bids were unacceptable and he'd say that the government would explore a recommendation from the board to secure the operations financial stability.

MR. SPEAKER: Order please. The honourable member has five minutes.

MR. EVANS: Thanks. And then we get the impression that, well maybe, that's it. As a matter of fact, on August 3rd, according to the Government News Services again, the Premier is quoted as saying that if not, that is, if they don't find a buyer that meets conditions, it will not be sold. He declared, the Premier declared. If no offers are received containing assurances and meeting the objectives of the government, it will not be sold. So they looked at the five bids and, for one reason or other, apparently rejected them, and therefore, we're left with the impression that's it; that it will not be sold. And then within a matter of weeks thereafter, the news hits the papers again, that the Minister is at it again, he's talking to, lo and behold, one of the five companies that bid; one of the five companies that bid and was rejected in September, October, November of 1979, and who is now, all of a sudden, all of sudden this particular company can be talked to, can be negotiated with, and perhaps we'll make a deal.

I'm just wondering where in the hell is the business ethics of this? I'd like to know what the other bidders thought who were also rejected, among those five that were rejected. I wonder what they think that now the Minister is turning around, dealing with the company in southern Ontario, whose activity is nowhere related to that of the seed package business that I can see. And then all of a sudden, it looks like a deal is going to be made, and then on February 8th in the Free Press, the Winnipeg Free Press, Al Besant, president of Bohmer Box said that he came to Winnipeg on January 28th and expected to conclude an agreement for the Brandon operation the next day. In fact, an agreement, in principle, had certainly been reached. He says, but on January 29th, Besant said the government represented that Martin Freedman told him that this time they would like to ask for an extension to re-think it. Besant said he didn't know why the government asked for the extension. He added that all his negotiations were with provincial officials, and so forth and so on.

Well, Mr. Speaker, that's the second time around. And I am just wondering what next we're going to hear. But you know, when the Member for Brandon West says as he did in the Brandon Sun, as he is quoted as saying in the Brandon Sun of March 12th, that "It was a preposterous assumption that any government of Manitoba would allow one of the major Brandon industries to move out of the province." I remind the Honourable Minister to look up - in fact I can table it if he wants - look up the decision of the Conservative government in 1968 1969, that they would either sell or liquidate; that was their view.

And, Mr. Speaker, I am proud of what I have done with McKenzie Seeds over the years and how it's been developed and how it is a bloody embarrassment to the members opposite. It's an embarrassment to them because it is a successfully operated publicly owned enterprise. And that's what they don't like and I agree with the Member for Inkster, that's why they want to sell it, because it's successful. Because it's successful, that's why they want to sell it. And I say I have no hesitation in agreeing with my colleague, the Member for Inkster in his amendment, that we have no problem whatsoever in that amendment. And I'd like Mr. Besant or whoever else is in Ontario, or wherever, to note that amendment, because there is no question that within the next year or so we will be on that side, and we will carry out the intent of that amendment.

MR. SPEAKER: Order, order please. Order please, order please. Thank you. The Honourable Minister of Natural Resources.

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HON. BRIAN RANSON (Souris-Killarney): Thank you, Mr. Speaker. The Honourable Member for Inkster seems to be showing considerable enthusiasm for the positions of the NDP, his former NDP colleagues now, a sort of enthusiasm that he didn't seem to share not too many months ago, Mr. Speaker.

Mr. Speaker, we have witnessed this afternoon the Member for Brandon East completely destroy his credibility, completely destroy his credibility, and then stand at the closing of his remarks and say he's proud of what he's done. Mr. Speaker, you know, I have stood back more or less on the edge of this issue for some time, being a relative newcomer to the Legislature, and have watched the machinations of the Member for Brandon East as he tried to change his position from that which seemed appropriate when he was in government to that which seemed appropriate when he was in opposition. And he was being reasonably successful in carrying out that switch, Mr. Speaker. He was being reasonably successful, until he put some statements clearly on the record - actually these were the second statements he put clearly on the record because he's overlooked those he put on the record ten years ago, he thinks perhaps there's a statute of limitations on one's responsibility for their background. Well, Mr. Speaker, I suggest that the Member for Brandon East is going to have to be responsible for the statements that he made in the past. And when he released one of his famous news releases on March 7th, and my colleague, the Minister responsible for MDC, he quoted from this before, but I must quote from it again because it is in fact such a damaging document to the credibility of the member opposite and it was an attack, an unwarranted attack, on my colleague, the Minister responsible for MDC. And he refers to Mr. Banman's statements in the Legislature as being misleading and mischievous. And then he says in his press release, Mr. Speaker, "I want to make it clear and categorical that at no time did I, as Minister responsible for McKenzie Seeds from 1970 to 1977, solicit or cause to be solicited a potential buyer for McKenzie Seeds."

Now today, faced with some of the statements that he made ten years ago, we then see him rise in his place and say, "I didn't solicit any great effort, any great search", that's the qualification that he's trying to put on it now. Well, we can understand, Mr. Speaker, that it wasn't a great search, because I think the public were quite aware that the Honourable Member for Brandon East wasn't given to doing great things when he was in government. But he is now trying to weasel his way out of making that statement. And, Mr. Speaker, the evidence is clear. He did in fact, he did in fact look for buyers. Perhaps it wasn't a great search but at least he was searching and he was prepared to consider seriously any offers that he had because he said, "If the US company," and this is a quotation from Mr. Roger Newman's article of April 10th, 1970, and within the article it's quoting, "If the US company had agreed to remain in Brandon, we would have approved the sale and possibly assisted them to put up a new plant, Mr. Evans said, but we could not obtain any commitment."

Well, Mr. Speaker, that is the kind of double-tracked position that the honourable member was taking, that when he came in to government he was prepared to sell. Just let the honourable member deny the quotations that were made in that article. If he wishes to stand up and say that he was misquoted by Roger Newman ten years ago and that he never said he was prepared to consider to sell the company, fine. We would have to consider that if the honourable member said that that was the case, that he'd never said these things that Roger Newman quotes him as saying, well, we would have to accept that. But apparently he was not prepared to do that, Mr. Speaker, because he spoke for 20 minutes. He never once, he never once denied that he had not said as he is quoted here. And then. . .

MR. SPEAKER: Order, order please. Has the honourable member a question?

MR. EVANS: Well, I have been invited to make a statement, and. . .

MR. SPEAKER: Order, order please. The honourable member has already spoken. The Honourable Minister of Natural Resources.

MR. RANSOM: And then to support this amendment that has been moved by the Honourable Member for Inkster, to be able to support that, Mr. Speaker, and we will look forward to dealing further with this at a further opportunity, but for

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the Honourable Member for Brandon East to support that resolution, well, at the same time, he's saying that if this thing should ever be sold he's going to support this resolution. But, he said ten years ago, almost to the week, ten years ago he said, "Frankly, the seed business is the last industry that we want to be in." That's the quotation of ten years ago; ten years ago that was the last business. You know, they could be in the Saunders Aircraft business, or Flyer, they could make buses, they could make Chinese food, but they didn't want to be in the seed. . .

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

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