

LEGISLATIVE ASSEMBLY OF MANITOBA
Wednesday, 4 February, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

**MINISTERIAL STATEMENTS
AND TABLING OF REPORTS**

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I have a statement for distribution which I would like, with leave, to make to the House.

Mr. Speaker, as members are aware I returned last night from a two-week trip to financial centres in the United States and Europe. The main purpose of the trip was to undertake a review of the capital markets available to the province and to try to assess the attitude of the markets to long-term investment in Canada and, in particular, to investment of capital in Manitoba. It was especially helpful to talk with economists, bankers and investment dealers in the countries visited and to discuss firsthand the projections of capital markets which may be available to the province in the next few years when our anticipated Hydro and other projects are under way.

I'm pleased to be able to say that Canada and Manitoba are considered to be a prime investment market and that there would not appear to be any major concern in raising capital for our long-term development needs. That is not to say, however, that there are no concerns. Many economists and bankers were frank in indicating that they did not understand the federal government's energy policy, that they did not understand the inability of Canada to work toward a world price for oil and to work towards self-sufficiency. The general view is that Canada is a country with a long-term resource base which will enable it to grow and to prosper. There was concern for the short-term federal policies as perceived abroad but our long-term future is attractive.

Economists in the major markets have indicated the importance of the economic policies of government. The need to reduce inflation is considered to be of major importance. It is clear that capital markets are changing, long-term capital is becoming less available. With high rates of inflation and uncertainty in interest levels investors are more inclined to invest in much shorter maturities.

Mr. Speaker, while in London last week on my visit to the financial houses and this week as well, I had opportunity on Monday, February 2nd of speaking to a meeting of the Royal Institute of International Affairs at Chatham House, to explain why the Manitoba Government and some other provincial governments were opposed to the current Federal Government proposals to change our present Constitution. I should like to table a copy of my

remarks or the notes that were used for that address, Mr. Speaker, for the benefit of Members of the House.

I spoke also to a luncheon meeting on January 29. That luncheon was attended by a number of British Members of Parliament of all parties and by people from the business community in London. Although the main theme of my remarks dealt with the development of Manitoba's economy and our future prospects, I found that there was very great interest in our constitutional problems. I made the point that those problems ought to be resolved in Canada by the 11 governments concerned, not by the United Kingdom Parliament in the absence of proper agreement in Canada. I believe the British parliamentarians are beginning to have a good understanding of how our Constitution works and how far, Mr. Speaker, the Federal Government proposals transgress our constitutional practice over 113 years.

On my return last night, Mr. Speaker, I found that the Manitoba Court of Appeal had delivered a 3-2 split decision with strong dissenting judgments on the merits of the provincial position. The government has now determined that it will appeal the Court of Appeal ruling to the Supreme Court of Canada. I am pleased to have been given the opportunity to make these brief remarks.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, first and we welcome the return of the First Minister from his trip to Europe and to Westminster. I'd like to just offer a few comments pertaining to the credit rating.

The credit rating was determined as one that AA I believe, dating back to 1974-1975, so it comes as no surprise to the Opposition that Manitoba's credit rating is sound — we trust it will continue to be so — and it is sound because of the work and effort and investment which took place in ensuring that Manitoba would have indeed one of the best infrastructures — hydro electricity — that could be possible. It dates back, Mr. Speaker, and let there be no question, let there be no uncertainty about this, to the imagination and to the investment which took place which, Mr. Speaker, by the way, was so soundly criticized and condemned during the early '70s and the mid-'70s. So when the First Minister boasts about the credit rating in the Province of Manitoba, it has been such for a number of years dating back to a AA rating established in the mid-70s because, and not despite, the effort and investment that took place in relation to hydro infrastructure.

Now, Mr. Speaker, I would like to offer a comment or two as well at this stage in respect to the Minister's announcement pertaining to his representations at Westminster. Mr. Speaker, we concur the matter pertaining to the Constitution is one that ought to be resolved in Canada, by Canadians, through the political process. Mr. Speaker, I want to indicate to the First Minister it is

for that reason that the Opposition does not share, and cannot support, efforts that are taking place at the present time to transfer that discussion which should be taking place at the political level, to make the courts a political forum for what should be dealt with at the political level, not only in Manitoba but throughout the whole of Canada by the Federal Government.

Mr. Speaker, the concern that we have, as an Opposition, is that the development and proposals that have been made by this government, this Conservative Government in Manitoba, pertaining to constitutional proposals do not identify a Manitoba position, do not relate to a Manitoba position but relate to an Alberta position, a Peter Lougheed position. Mr. Speaker, the First Minister has been holding the coat of Peter Lougheed for too long. Mr. Speaker, what is required in Manitoba is not a government that will hold the coat of Pierre Elliott Trudeau, nor a government that will hold the coat of Peter Lougheed, but a government that will ensure — I don't think there's any point in my urging the First Minister to do this because he is too hung up on the particular journey that he has started out on — but to develop and to adapt a position in Manitoba that is truly a Manitoba position that will reflect the interests of Manitobans within the federal context and not be subject to partisan interests outside the Province of Manitoba.

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

INTRODUCTION OF GUESTS

Order please. Before we proceed I should like to direct the honourable members attention to the gallery on my right where we have seven students of high school standing from Prince Charles School under the direction of Mr. Walmsley. This school is located in the constituency of Wellington.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is addressed to the Deputy Premier. We've received reports that Mr. James Armit, who I understand is responsible for government propaganda, has forwarded a letter to the CBC complaining about the contents of an interview which took place between points west interviewers and the Deputy Premier this past Tuesday evening.

The contents of this letter apparently, Mr. Speaker, and I ask the Deputy Premier to confirm, objected to the nature of the interview and requested a re-interview. Specifically to the Deputy Minister, can he advise the House as to just what was so offensive about the interview that would cause the First Minister's propaganda chief to communicate with the CBC pertaining to that particular interview.

MR. SPEAKER: The Honourable Minister of Energy.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I would ask you, I guess first of all, whether in fact if

there was an exchange of correspondence, if this is a matter of business that should preoccupy the House?

MR. SPEAKER: Order, order please. The questions that have arisen in this Chamber from time to time have had an extremely wide variety of subjects. At this particular time if the Minister chooses to ignore the question, that's his prerogative. I cannot rule the question out of order. I believe that most questions, if they are seeking information, we have a fair degree of latitude existing in this Chamber.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, then my question is to the First Minister, in view of the non-response from the Deputy Premier. Can the First Minister advise whether or not Mr. Armit or any of the other directors of propaganda that have been hired by the Provincial Government have at any time, since their employment, attempted to influence directly media management within the Province of Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, certainly not to my knowledge. I know that from time to time the Leader — a Freudian slip, I'm sorry — the Member for Inkster, Mr. Speaker, points out a truism that if this government, or any of the people who are working on its behalf, had been managing the news of Manitoba, the people who've been in charge of that management should all be fired.

MR. PAWLEY: Mr. Speaker, we don't appear to be very successful in obtaining answers to questions this afternoon from either the First Minister or the Deputy Premier. Mr. Speaker, I would like to inquire of the Minister of Economic Development whether he denies or confirms the statistic which was released by the Deputy Premier to the effect that the decline in output, real output in Manitoba, was only .75 percent and not 1.6 percent as indicated by the Conference Board of Canada.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, the figure of minus .75 percent is a figure that is estimated by the Department of Finance of the Province of Manitoba and the Conference Board just happens to be minus 1.6. That does not agree with the figures of the Finance Department of the Province of Manitoba and we'd be quite willing to sit down and discuss them with the Conference Board any time at all, I'm sure they're available.

MR. PAWLEY: Mr. Speaker, then further to the Minister of Economic Development. Would the Minister be prepared to table a report indicating upon what basis his department has arrived at a figure of minus .75 percent, I'm sorry the Department of Finance, how they have arrived at that calculation when the Conference Board of Canada, which I believe is the generally accepted forum for determining such calculations, has arrived at a figure of -1.6 percent?

MR. SPEAKER: The Honourable Minister of Energy.

MR. CRAIK: Mr. Speaker, perhaps I should deal with the question that the Leader of the Opposition has raised since he's raising figures that were contributed or used by me in an interview.

First of all, Mr. Speaker, the Leader of the Opposition is not quite correct when he refers to the Conference Board as being the authority on these figures. Out of all of the rating companies or all of the rating organizations, the banks, the institutions, the Howe Institute, federal finance and all the rest of them, if you take the last three years of track record of these firms in accuracy, in predictions and actuals, the Conference Board came No. 20. They are 20 places down the line in their forecasts. Furthermore, Mr. Speaker, I would like to reply to that. If in general terms we have used the Conference Board as a reference point it has been in isolation, it has not been the general rule, whether their figures have been good or bad. As a matter of fact, the reason for it is that generally their track record has been dismal and we have found in fact that federal finance is usually the better yardstick to go by.

MR. PAWLEY: Mr. Speaker, one final question to the Deputy Premier. If indeed there are other sources that are more reflective and would be better used, is more reliable as implied by the Deputy Premier then, Mr. Speaker, my question to the Deputy Premier is, why indeed then has the Conference Board figures been used by the Minister himself, as Minister of Finance, in the Budget which was tabled in 1980 within this Chamber?

MR. CRAIK: Mr. Speaker, I said that in general it hasn't been the practice to use the Conference Board. They have from time to time been used. They are not usually used, Mr. Speaker, out of context with the other prognostications that come forth from time to time. Probably one of the main problems, Mr. Speaker, in all of this is, that when I say the Conference Board in the last — I think it's three years — have a track record where they came in 20th in actual facts compared to their predictions. It's entirely possible that if the research-oriented mind of the Leader of the Opposition wanted to look further, he may well find that the predictions that were made last spring were also verified by the likes of federal finance.

I want to point out to you in this, Mr. Speaker, they were made in approximately April. The revisions, as a result of the drought in Manitoba, cost the same group of people to downward revise Manitoba by some 2 percent. I would point out that at the same time the Province of Saskatchewan who, last April, had a figure — and I can't quote the exact number — were downward revised over the same period of time because of the impact of a drought in that province as well, by some close to 3 percent, I believe. That occurred, Mr. Speaker, over a period of about four to five months. So I think we perhaps should get this thing down to reality. If the members opposite think that they can forecast to the nearest 0.75 percent in a province that has an agricultural based economy or any other economy that is subject to those kinds of variations, then more power to them. They are doing a better job than a great number of other prognosticators that are in the field.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Honourable the First Minister relating to Constitutional Reform. In view of the fact that some groups in Northern Manitoba say that they are going to stop hydro development, is it not a problem constitutionally, with regard to the so-called entrenchment of so-called aboriginal and Native rights in the constitution, that this could be interpreted to give some people in Manitoba a veto power, something which the New Democratic Party fought desperately against between 1973 and 1977 over future hydro development and does it not have, the present clause, the more likely and much more nefarious possibility of being a cruel hoax to the people concerned.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I am at a disadvantage in that I am not as up-to-date as I am sure the Member for Inkster is with respect to this flurry of amendments that I understand have been made at the Joint Committee in Ottawa in response to different pressure groups requests, one of which I understand had to do with the Native groups and their concern about treaty rights.

MR. GREEN: Aboriginal rights.

MR. LYON: Aboriginal rights, however the law may define aboriginal rights. Mr. Speaker, I can only say in general terms, because I don't have the detailed information with me, that the concern that is expressed by the Member for Inkster is a concern that I share and that the government shares, that the minute you try to entrench and to put beyond the reach of Legislatures rights of individuals or of groups in society, you do cause a very vexed situation to occur. In our jurisdiction, in our monarchical, parliamentary, common-law system we have learned over the years, and with that inheritance which has come to us from the United Kingdom as well, how to handle these in a way that is handled, that marks our society I should say, Sir, as having one of the best systems for the preservation of the enjoyment of human rights on the face of the earth. Our system is not perfect, Heaven knows our system is not perfect. But I do share with my honourable friend the concern that those who would tinker with that functioning system today and try to emulate certain of the practices that we see going in in the United States and in other Republican presidential jurisdictions where this kind of tinkering has taken place, that we, Mr. Speaker, would be well advised to remain with our present system and to enhance the institutions which support that system in order that our citizens can continue to enjoy the full measure of individual community rights which has been the heritage of all Canadians.

MR. GREEN: Well, Mr. Speaker, I wonder if the First Minister would convey his concerns to the Progressive Conservative Party of Canada and, in particular, to the members representing the Province of Manitoba, all of whom voted in favour of such an amendment. I wonder, Mr. Speaker, whether the First Minister would also confirm that it's his view that the present proposal for so-called entrenchment of rights in the Constitution would leave open to the

courts — and we have seen a split decision yesterday on a complicated question — the opportunity to say that all therapeutic abortions are a violation of the provisions entrenched of a right to life and that once a court ruled that way, by virtue of any amending formula known or presently proposed, it would be virtually impossible for the people of Canada to change that law.

MR. LYON: Mr. Speaker, with respect to the first portion of my honourable friend's question, I need not say to him that provincial parties, provincial governments have long been known to disagree on matters of policy with the federal branch of their parties and in no party, Mr. Speaker, is that more manifest than in that rump group, the NDP in Ottawa, which has only one government in Canada with which it has to agree and can't even find time to do that; we know that to be the case. I do not agree, Mr. Speaker, with the position that has been taken by Mr. Clark and the federal Conservative caucus on the Bill of Rights and have made that amply clear so I see no need to reiterate that point.

With respect to the second general question I could say, Sir, that it's perhaps an attempt to ask for a legal opinion, the answer to which could as well be given by the Member for Inkster but I do say to him, Sir, that I share his concern on precisely the points that he has mentioned but, even more so, Sir, on the larger point that we would be getting in, with an entrenched Bill of Rights, we would be getting into a jurisdictional and a litigious situation in this country, the likes of which most Canadians I'm sure can't imagine at this time. That is why I have said, and I'm sure that is what has motivated the Member for Inkster to say, that I would not at any time want to have my name or the name of any members of this government associated with those who would force an entrenched Bill of Rights onto the Canadian Constitution because if, Sir, we were unfortunate enough as a nation to see that come about we will live to rue that day as a nation.

MR. SPEAKER: Order, order please. While I appreciate the comments that are being made this is the question period in which we are attempting to seek information.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I do have a question and I believe it's one of the most important questions facing Canadians today. Mr. Speaker, if it were to be compared to the earlier questions asked today the difference would be momentous.

Mr. Speaker, would the First Minister undertake to attempt to convince his colleagues in Ottawa, with respect to what he has just said, would he also agree, Mr. Speaker, that the present proposal of the Federal Government, if assented to, and if it takes away the right of parliaments to change the laws, could leave, in accordance with the present wording of the right to life, liberty and the security of the person and freedom of expression and freedom of religion, could leave it open to the courts to make a decision that compulsory payment of union dues is contrary to these provisions and by no amending formula, that has yet been proposed, could this be changed by Legislatures in Canada?

MR. LYON: Well, Mr. Speaker, without as I mentioned wanting to infringe the rule about legal

opinions, I can say that I share my honourable friend's concern as deeply as he has expressed it about the Pandora's box of the inequities and prejudices that can, and very likely will, result if Canada is unfortunate enough to have impressed upon it an entrenched Bill of Rights, as is the present proposal of the Prime Minister of Canada and his colleagues. I say to him equally, Sir, that I have spoken to some of my colleagues in the federal caucus from time to time with respect to their position on the Bill of Rights and I've certainly made it clear what the position of our government is and that our position will remain as firm as it has in the past on that matter. And I would hope, Sir, that all of us, if I may say so, as Canadians, could be successful in persuading — never mind the New Democratic Party members or the Conservative members in the House of Commons — but in persuading the Prime Minister of Canada to abandon the reckless course upon which he has placed this nation with respect to his proposals, which will lead, if they are passed, Sir, to the prejudice of all future generations of this country.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Speaker. My question is to the Honourable Minister of Community Services. My party was delighted with the announcement that licensing of guest homes is to proceed at last but the announcement did give rise to a couple of questions which I'd like to proceed with.

The news release stated, Mr. Speaker, if I may just explain, that the regulations provide for licensing of residential care facilities for adults suffering from disorders but do not apply to houses where any board and room are provided. My question is, Mr. Speaker, how will the Minister insure that those privately operated guest homes, which claim to be offering board and room only, are not in fact dispensing medicine and providing health care of one kind or another?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE C. MINAKER (St. James): Mr. Speaker, I can't assure the Honourable Member for Fort Rouge that all guest homes that provide the service that she refers to will in fact be initially licensed. What will happen, I would presume, is that someone who is being cared for in those particular facilities — and it is not just board and room — will make a complaint if things are not proper and the complaint will be followed up.

MRS. WESTBURY: Thank you, Mr. Speaker. Will the Minister please advise the House how many inspectors will be reassigned to this particular responsibility or will be hired for the purpose of enforcing the regulations?

MR. MINAKER: Mr. Speaker, as the honourable member will recall, during our Estimates last spring when we discussed this matter, the City of Winnipeg public health inspectors and the fire department for the City of Winnipeg, their inspectors will look after

fire and health inspection in the same way that they presently do with regard to foster homes for children that we presently license. In similar fashion, in the rural areas, the Provincial Fire Commissioner's office, along with the health inspectors, will carry out those inspections for guest homes that are located in the rural areas.

I cannot, at this time, advise the honourable member the numbers of inspectors that are involved and I question whether I could get an accurate figure for that.

MRS. WESTBURY: Mr. Speaker, I wonder if the Minister would be prepared, at the time his Estimates are presented, to answer this question in view of the fact that many people who are working in the field of care for the elderly are concerned about the fact that there don't seem to be any teeth in the regulations. They're concerned about the fact that actually where people want not to be licensed, or feel that they would not qualify to be licensed, they will be continuing to dispense medicine. Perhaps the Minister can be ready to answer that at the time his Estimates come forward because I would like to go further into the matter.

MR. MINAKER: Mr. Speaker, I will make attempts to try and have that information for the honourable member but I indicated earlier that I don't believe it will be possible to give a complete accurate numbers of inspectors that will be involved in providing this type of service to Manitoba.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: Yes, Mr. Speaker, my question is for the Honourable Attorney-General. I would like to ask, Mr. Speaker, what action the government contemplates taking, or is taking, with respect to the recently published report of the Canadian Civil Liberties Association detailing the fact that four out of five Winnipeg employment agencies polled by that organization indicated a willingness to screen out non-white prospective employees on the request of an employer so desiring that situation? Is the government taking any action to look into this? What are they doing?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, I believe that matter has being under consideration by the Manitoba Human Rights Commission.

MR. CORRIN: Yes, Mr. Speaker, I would ask the honourable member whether he can advise the House whether the government will bring in legislation that will require employment agencies to keep itemized indexes of all their clients, prospective employers, in order that the work of the Human Rights Commission can be facilitated insofar as they can have access to those records and investigate both employees and employers in this regard? Will the government take initiative in order to facilitate the work of the Human Rights Commission?

MR. MERCIER: Mr. Speaker, before answering that question I would advise the member that I will

undertake to obtain, from the Human Rights Commission, a status report with respect to that matter and will advise him as soon as I have received that information from the Commission.

MR. CORRIN: Mr. Speaker, I would also ask the Honourable Attorney-General whether, in view of the decision in the McIntyre case, the case involving the Human Rights Commission in the courts, which indicated that employees have a right to work beyond 65 years of age, will the government be bringing forward legislation that will revise and amend The Human Rights Act in order to accord it primacy status vis-a-vis all provincial legislation, and most particularly and especially The Civil Service Superannuation Act?

MR. MERCIER: Mr. Speaker, as I am sure the Member for Wellington is aware, the Court of Adjudication decision, under the Human Rights Commission in the Newport case, is under appeal to the Court of Queen's Bench at the present time.

I can only indicate, Mr. Speaker, on this issue to the member, that I did have an opportunity on Monday of this week at a meeting of Ministers responsible for Human Rights Commissions to discuss with them informally their views from the various provinces on this very important issue. Mr. Speaker, I regard it as very important. It's under active consideration. I hope within a very short period of time I'm able to indicate to the Member for Wellington, and to the House, the direction that our government wishes to take on this important issue.

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

MR. A.R. (Pete) ADAM: Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources and I would ask the Minister if he has received reports whereby approximately 4,000 gill nets will have to be removed on Lake Manitoba because of being undersize.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I can assure the honourable member that I am very much aware of the situation inasmuch as I have a number of my own constituents involved in the fisheries on Lake Manitoba. A meeting of the fishermen in question has been called for February 11th with departmental officials. It results from a change of supply from the manufacturer by a distributor of nets that has brought about a discrepancy in the net size, in the legal net size. It would be my hope that the issue will be resolved at February 11th at this meeting that I refer to.

MR. ADAM: Thank you, Mr. Speaker, a supplementary to the same Minister. I'm wondering if the Minister has any plans to assist the fishermen in order that they not be obliged to take the full loss, whatever the reason is. These nets, they were bought in good faith by the fishermen and bought in good faith that they were legal size, and I am wondering if the Minister is prepared to assist the fishermen in recouping these losses, that they not be obliged to absorb those losses.

MR. SPEAKER: The Honourable Minister.

MR. ENNS: Mr. Speaker, I am certainly more than prepared to take that advice and look very hard at the question of the possible liability. It would appear that the fishermen bought what they believed to be legal sized nets in good faith and I could not, at this time, indicate precisely where the liability should lie, whether it is with the manufacturer or with the distributor, but these are the kind of matters that I have asked the departmental officials to look into at this present time.

MR. ADAM: Mr. Speaker, my last supplementary would be to ask the Minister if The Federal Weights and Measures Act would come into effect, which is administered by the province I believe, whether or not this kind of problem would come under The Weights and Measures Act.

MR. ENNS: Well, Mr. Speaker, I can't respond to that question but I want to assure the honourable member that certainly I am apprised of the difficulty on Lake Manitoba and I am doing what I can to resolve it.

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

MR. BILLIE URUSKI: Mr. Speaker, I direct this question also to the Minister of Natural Resources, and ask him whether he has considered the request by the trappers of the Gympsumville Fur Block and other areas just south of the 53rd Parallel about extending, or leaving the lynx trapping season until February 28th, a date which was changed this year for the first time in the history of trapping.

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. ENNS: Mr. Speaker, I am sure that the honourable member would want me to accept the advice, in terms of what would constitute a good practice from a harvest of the resource point of view, and I will undertake to discuss with the biologist whether or not that suggestion is feasible.

MR. URUSKI: Yes, Mr. Speaker, could the Minister indicate whether he would be prepared to table the recommendations that were given to him by staff, as I am advised that field staff in the area along with the Trappers Association were not — first of all the Trappers Association — were not consulted about this change. I think the trappers would be amenable to a decrease in season but from the beginning of the season rather than at this point in time, when the furs are of the better quality. Would he be prepared to table those recommendations in light of the statements and comments that have been made by the trappers of this area?

MR. ENNS: Mr. Speaker, I am sure the honourable members opposite would want to have it made a practice that all inter-department memos be tabled at this House. But I think the honourable member, having been a Minister of the Crown, realizes that that request is really not one that can be dealt with seriously. The practice would go far beyond even the

requests that some proponents have for The Freedom of Information Act.

MR. URUSKI: Thank you, Mr. Speaker. In view of the fact that the Minister is not wishing to divulge the recommendations that he has received, would he then be prepared and amenable to receiving a delegation of trappers from the northern area to discuss this very matter with him directly?

MR. ENNS: Mr. Speaker, it has been suggested that as long as they leave their traps at home I would be more than happy to receive them in my office at any time. As the honourable member is well aware, my door has always been a very open door to the people of Manitoba who have problems from time to time and I'd be more than happy to entertain a delegation that he speaks of.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Attorney-General. Has the Minister received a report, under The Fatal Inquiries Investigation Act, into the accidental death of a Claude Wynoski who was killed last November when a live armed forces shell exploded in a scrapyard of Alpha Metals on Day Street in Transcona?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: I have not received it, Mr. Speaker.

MR. PARASIUK: Yes, Mr. Speaker, in view of the fact that this rather unusual accident occurred last November, can the Minister indicate whether in fact the Government of Manitoba looked into this matter to determine what caused that accident; to determine whether in fact there are more live shells not only there, but in other localities where there might be scrapyards?

I might recount to the Minister that two years ago another person was killed on the Reclaim Yard of the CNR yards when a live shell accidentally exploded. Could the Minister indicate whether the government is investigating this whole matter of live shells, which supposedly are duds, finding their way into the general population and having resulted in two deaths now within two years?

MR. MERCIER: Of course, Mr. Speaker, the Member for Transcona is describing what is actually the function of a fatality inquiry. Certainly, Mr. Speaker, because I know some activity has been going on in searching for other shells that may possibly be around, I will undertake to review with him the up-to-date status of those searches and the inquiry and advise him within a matter of a few days.

MR. PARASIUK: Yes, a final supplementary. I'd ask the Minister, when he is looking into the accident that occurred on Day Street, if he would also pull the file relating to the accident that occurred on the Reclaim Yards where again a live shell exploded, to determine whether in fact, what was thought to be just an unusual unique case two and a half years ago, indeed has reoccurred and, if so, what are the

provisions that are being used by the armed forces to ensure that live shells do not get out into the general population?

MR. MERCIER: Certainly, Mr. Speaker, I will look into that matter.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Government Services, the new Minister, concerning the deplorable state of the construction industry in Manitoba, in view of high unemployment, tradesmen leaving, headlines in the Free Press about Housing Starts Hit 20-year Low in City, and Manitoba Builders Cautious; and in view of the particular article in yesterday's paper which indicated a drop in City of Winnipeg building permits down some \$42 million over 1979, my question is, will the Minister be attempting to counter this doom and gloom in the construction industry with a series of Cheerful Charlie ads similar to those of the Minister of Economic Development?

MR. SPEAKER: The Honourable Minister.

HON. WARNER H. JORGENSON (Morris): If my honourable friend is suggesting that we should start on a garage building spree in order to revive the construction industry I can tell him, no, we don't intend to do that. But there are some significant projects that are going to be going forward this year. We will do as much as a government can do in putting up buildings that are necessary and required but beyond that I can't say that we are going to be able to revive the construction industry to the levels that my honourable friend would like us to.

MR. DOERN: Mr. Speaker, in view of the fact that there was only one increase in activity in Winnipeg, 1981 over the past year, namely, an increase in demolitions, that's the only so-called positive area, can the Minister give any indication of the projected size of projects that he may have planned? Does he have a series of capital projects in his department that might give some encouragement to tradesmen, architects, engineers, general contractors and the like, because there is doom and gloom in the construction industry in Manitoba?

MR. SPEAKER: The Honourable Minister.

MR. JORGENSON: Mr. Speaker, the majority of the doom and gloom exists in the minds of my honourable friends. When the Estimates of my department are before the House, we will be happy to outline in detail the projects that this government is proposing for this year.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of Transportation and follows upon a statement that the Minister made yesterday in a rather lengthy answer to a question concerning air ambulance services in Northern Manitoba. At that time the Minister indicated, or implied, that there

was no need for improvement in our air ambulance services for Northern Manitoba because the Hall Report had said that we had one of the best systems in Canada. I'd ask the Minister if he can expand upon that statement as with my reading of the report I am unable to find any reference at all to air ambulance services in Northern Manitoba.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. DONALD ORCHARD (Pembina): Mr. Speaker, I'd be more than pleased to elaborate to the Member for Churchill. First of all, I did not indicate that today's level of air northern patient evacuation did not need improvement. The Aztecs are the standby units which we are currently using and we are diligently, conscientiously and quickly trying to find a superior aircraft to replace the loss of the MU-2. The indication that I gave to the honourable member about the quality of health service in Manitoba is well documented in the Hall Report, indicating that Manitoba has the best delivery system for health care, including under health care, northern air patient transportation.

MR. COWAN: Thank you, Mr. Speaker. Well, I'm afraid the Minister has attempted to weasel out from his incorrect statement of yesterday. However, the plain fact is that there is no such statement. As well, yesterday the Minister indicated that he was adverse to locating a plane in The Pas because that would take a plane out of Winnipeg and that would negate service to many communities on the east side of Lake Winnipeg. I would ask the Minister if he has taken the time to calculate the air distance between Thompson and the majority of the communities on the east side of Lake Winnipeg, as compared to the difference between those communities and Winnipeg and, if he has, I would ask him if he has not found out that it is quicker to fly to the majority of those communities from Thompson than it is from Winnipeg.

MR. ORCHARD: Mr. Speaker, the honourable member draws to the attention of all here a very important fact and that is why we have a plane in Thompson. Mr. Speaker, that is why that plane in Thompson is used for medical evacuation for communities in Northern Manitoba because of the distance to Thompson. When we try to provide total patient transportation for all Manitoba a plane in both localities is indeed the best system.

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

MR. COWAN: Thank you, Mr. Speaker. I'm not certain that the Minister understood the question. I am certain that he doesn't understand the problem, however, and I would ask the Minister that given new information, which he was obviously unaware of, is he now prepared to review the situation and to look towards locating both Aztecs in Northern Manitoba because the need is obviously greatest for those Aztecs to be located in Northern Manitoba? Is he also prepared to sit down and in a comprehensive way review the entire problems that we are facing, notwithstanding one airplane's inability to fly, but the

entire problems that we are experiencing in the area of air ambulance services for Northern Manitoba?

MR. ORCHARD: Mr. Speaker, the air ambulance service to Northern Manitoba is a program which has been developed and has very successfully operated over the past number of years. I might add, Mr. Speaker, that the air ambulance service to Winnipeg from communities in Northern Manitoba is vastly superior to what is available to many many members of the rural community in Southern Manitoba, from Pineys in Manitoba, from the Melitas of Manitoba and from other communities of Manitoba. We are providing that service to northern Manitobans as a service to compensate for the remoteness and that service is excellent. It is temporarily, Mr. Speaker, impaired due to the lack of the MU-2, something which was by no means something you can rely on and calculate for. We are making every effort, as I have indicated to the Member for Churchill, to replace the MU-2 with a craft of equal or superior capabilities for medical evacuation.

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

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

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

It is proposed, Mr. Speaker, just by way of explanation, that the Estimates outside the House start in Room 255 and see how the members like that room compared to Room 254. It can be changed later on.

MOTION presented and carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for Agriculture; and the Honourable Member for Virden in the Chair for Economic Development and Tourism.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

MR. CHAIRMAN, Morris McGregor (Virden): Page 42, Economic Development, and it has been the rule in past that we hear from the Minister and really the rule it says we go on to B, but it has been traditional we allow one member to reply from the opposition — either the critic or — and that really isn't the rule but it's something we follow and the Chairman intends to follow that rule.

The Honourable Minister.

MR. JOHNSTON: Thank you, Mr. Chairman. I'll just proceed with my Estimates by making the following comments.

1980 was a challenging year for Manitoba, Mr. Chairman, and a challenging year for this

department. I propose to proceed this afternoon with a brief review of the sort of term and long-term trends affecting our economy, outline the response of my department and conclude with a short summary of the performance of the economy of our prospects in 1981. In strictly economic terms events seem to coincidentally bring to bear several short-term negative forces.

The designation of trends as short term or long term is, I recognize, somewhat arbitrary and also can require some insight into the future. Nevertheless there are four trends which are worth noting for their current negative impact on the economy of Manitoba. The effects generally of the slowdown in the economy, the wasting effect of high inflation, the penalizing high interest rates, all national problems with an effect on the provincial economies and in Manitoba the effect of the drought of 1980 and '81 farm economy.

Dealing first with the drought, which severely impacted on Manitoba and I hardly need to remind the honourable members that this drought followed the floods of 1979, the drought threatened herd and crops reducing output by an estimated 10 percent. Crop insurance and drought relief programs supported farm incomes as did the selling from farm stocks stored on the farms.

The impact of drought reaches far beyond the farm incomes. Of course retail sales outside of Winnipeg show a 4.5 growth, well below the rate of the increase in prices. As well, the drought impacts upon other sectors of the economy outside of agriculture. The effects of the drought coincided with an amplified, those of the more general slowdown being experienced in the industrial sectors of the economy. The industrial centres of Eastern Canada have been experiencing a reduction in growth since 1974 or earlier and I understand analysts date the onset of a U.S. recession earlier still.

As a significant portion of our manufactured products are exported outside the prairies, Mr. Chairman, some 35 percent in the latest statistics, our economy is vulnerable to those outside currents. At the same time, the rate of inflation reached and crossed the double-digit threshold in the spring. This was the first return to such levels since 1975 and inflation erodes the spending power of consumers in ways with which we are all familiar and the impact on industries, which produce large ticket items such as appliances, furniture, vehicles and houses, are well publicized as are the impacts on our overall saving power.

Finally, as if to enforce the short-term negative impacts, Mr. Chairman, 1980 saw interest rates rise over a period of a few weeks to record levels and while they did settle a bit they have remained, at what are expected for the awesome peak of last spring, at record levels. The reasons for this are many and varied. In short the point is for Manitoba, that the interest rate phenomena enforces the impact of the drought on the agricultural sector and the impact of the recession on the consumers in the industrial Canada and United States, the impact of inflation on consumer spending in the saving and on the capacity of our business sector to build our future.

Less well noted but of significance, Mr. Chairman, is the impact on small business, which in Manitoba

means most businesses, as 76 percent of all businesses here have fewer than 50 employees. Small business savings are investment, Mr. Chairman. The investment produces tomorrow's goods, services and jobs. It gives in the economy the resiliency and flexibility, the capability to respond to changing economic circumstances that is lacking in large bureaucratized businesses and economies and although investment data, for manufacturing only, showed a 1980 increase of 29.8 percent, only a half a point below the increase of Canada as a whole, small business in Manitoba must contend with high interest rates in their investment and expansion plans.

Turning now to the long run, Mr. Chairman, I would like to review three trends which continue to determine the evolution of our traditional markets, emerging industrial strength in Third World countries, energy price increases and resource development. Emerging industrial strength, especially in light manufacturers in low-cost countries, continue to erode markets in North America, markets in which Manitoba firms compete directly or in which we participate as suppliers. Examples range from non-ferrous metals to electronics. Many of the emerging competitors are branch plants of multinational companies who locate in these countries who are attracted by low wages and other costs. These competitors are often also using advanced technology in their products, production or both. Improved access to markets of the industrialized west as a result of the recent GATT negotiations and the rapid growth of trade among the Third World countries themselves, have contributed to this trend as well.

Energy price increases have contributed substantially to the general recession in North America and indeed the so-called western world. While the impact is uneven so far, as different industries are concerned, it occurs in three ways. First, in reduced growth in sales of discretionary items as customers divert an increasing share of spending to energy. Second, the adjustment of industry location to rising transportation costs. At times smaller plants for the geographical smaller markets, may be feasible. In most cases, local production is threatened as production becomes centred on resource or market centres. This important factor has been recognized in our policy of developing higher value or technological products. Third, in radical change in some markets like urban housing, pattern and urban transportation arrangements.

The adjustments required are still evolving and no doubt depend on a complex of many variables. The present impact is to create uncertainty, especially among smaller firms, and so to slow down investment. Retarded investment results in some cases all too quickly and in steady erosion of our productivity and our competitiveness.

A third major trend is resource development and for the most part this development is in fossil fuel, oil and gas; development and transport projects outside the province. This trend is one of long standing, going back to a decade or more but quickening since the formation of OPEC. It has created a major market for many of our manufactured goods and our businesses and commercial services. For example, in

1980 investment in the primary sector in the four western provinces accounted for 69 percent of the total for Canada, 43 percent was in Alberta alone. The four western provinces accounted for 51 percent of investment in goods-producing sector and 44 percent of the total investment in Canada.

Our participation in this resource boom is contributing a great deal to the sound, healthy development of Manitoba economy. Our manufacturing and finance and commercial services recently have compared favourably with the Canadian average in investment, but unfortunately goods and services are not the only Manitoba resources drawn into the resource frontier. Throughout the '70s our outmigration was 35,000 to 40,000 persons a year, in and out. Much of this was offset by immigration from other provinces and foreign immigrants. With our natural rate of population increase these produced a modest by steady population growth. In the late '70s the activities on the resources frontier increased. For the first three quarters of 1980 eight of the ten provinces had negative inter-provincial outmigration. Manitoba's immigrants, too, were increasingly drawn beyond the province. Our population growth slowed showing small decreases in some quarters and small increases in others.

Since personal consumption spending accounts for 60 percent of the total spending import sectors of the economy were also faced with slow growth, housing, consumer durables like furniture and retail sales generally. Unfortunately the contraction in the consumer sector has been judged more newsworthy than the steady growth of the private sector. As a consequence this growth has gone largely unnoticed and unnoted.

Mr. Chairman, my remarks thus far underline that the economic development of Manitoba takes place in a context vastly larger than itself. While developments here may have a minimal impact elsewhere Manitoba is very much effected by the economic trends that encompass our region, Canada and North America but the immediacy of the contemporary events makes them loom large, out of all proportion to their significance to our long-run development. They can create pressures to abandon sound long-run programs in futile efforts to delay or alter the impact of them here.

The Manitoba Government has no illusions about its capacity to alter the impact of such trends. However, the programs of this department are flexible and dynamic and the department pressures pursues programs suitable to the economic conditions in the world around us.

This government has urged and carefully considered, prepared and presented reservations, appropriate responses by the Government of Canada on a number of issues. We have repeatedly urged a restoration of a workable, public, private balance. We have repeatedly urged a return to fiscal responsibility. We have sought a resolution to the differences between the provinces and the Federal Government on resource taxation. As recently as last December my colleague, the Minister of Finance, urged a relaxation of the use of interest rate policy to control inflation.

In response to the difficulties experienced by small business, our technical support programs to small

business are as available to those coping with the inventory control and cash control problems epidemic under the present circumstances as to businesses considering openings or expansions. Our enterprise development centres — and I will go into more detail when each component of our development strategy is reviewed — offer advance factory space to small manufacturers. This can be an inevitable assistance to a new business at the present interest rates.

The impact of development in the Third World countries on Manitoba can be seen as an opportunity as well as a challenge. We see it that way. We have established an office and the closest one, Mexico. Others who have representatives in Canada are encouraged to arrange visits to Manitoba. The market development branch maintains liaison with Manitoba firms noting export opportunities and arranging export seminars, which it co-sponsors with the Export Development Corporation. Our advantage in the new Third World markets is in technical services, high technology products and machinery. The department works to develop our advantages in these areas through several programs which I will review shortly.

A further component in our response to changing world trade patterns is to seek world scale, or where appropriate, national scale, manufacturing investments for Manitoba. Where this involves rationalizing existing Canadian capacity, my department works with the appropriate federal departments to ensure that Manitobans benefit. Our response to the opportunities afforded by the energy development involves more than this department, Mr. Chairman. Other departments are focusing on conservation, the development of hydro-electricity and the development of alternative sources of energy. For example, the gasohol plant in Minnedosa. We, this department, are emphasizing the aggressive development of the local market on a year-round basis for tourism and recreation. For manufacturing and other services we are emphasizing the development of markets in Western Canada and the prairie states.

In the area of resource development, we have rationalized our own royalty and licensing arrangements. Recently we have witnessed the announcement of a major five-year \$100 million development program by Hudson Bay Mining and Smelting. We have held successful auction of oil leases and potash deposits have been found and are being proved out. To ensure the maximum participation of Manitoba businesses in the resource development projects to the west, we have organized a capital project team in the market development group. The approach of this group is twofold, Mr. Chairman. It is determined to develop the awareness of Manitobans as a source of supply with the major contractors and sub-contractors on the resource development projects, projects totalling hundreds of billions of dollars. In Manitoba the team will develop an awareness of the opportunities these projects embody for literally hundreds of goods and services far removed from the caterpillar tractors and pipe.

These trends which I have reviewed, Mr. Chairman, include the major economic challenges facing Manitobans today. To address these challenges we have carefully conceived and well co-ordinated and

articulated a set of responses. These are the elaboration of the policy, the economic development policy this government promised in 1977 and that I, with my department, have worked to develop, to articulate in programs. Simply put, Mr. Chairman, it rests on the positive view that the market is a set of opportunities that the economic development is the perceiving and fulfillment of these opportunities by businessmen working and working hard with a minimum of regulations imposed by governments.

This government started by removing restrictions that discouraged private initiatives and sapped private resources. The estate tax, the capital tax on small business, the restrictive regulations on mineral exploration and development. We moved on to negotiate support from DREE for the kinds of development program which is required to develop the economy of Manitoba. We structured a Department of Economic Development and later of Economic Development and Tourism. Today we have a department that is a team of professionals working under the organization of programs that aggressively support the initiatives of private businessmen working to build Manitoba's future.

Manitoba is on the offensive, fully on the offensive, Mr. Chairman. Some of our campaign was noted in the Throne Speech last December. Our Manitobans theme was established last spring and reinforced through spot commercials beginning in the last week of January. It will be expanded in a series of advertisements in business and trade publications.

Our economic development strategy has four components, small business, market development, major investments and technical development. At this point, Mr. Chairman, I would like to review the department's performance and the relation to each of these component parts of our strategy.

Small business support is delivered primarily through three sets of programming offering consulting assistance, material support and technical assistance, and each of the programs is especially tailored to the circumstances and problems faced by small business.

Consulting assistant covers all aspects of financial distribution and marketing and the inventory management. It is delivered under the Small Enterprise Development and Travel Manitoba programs. The Small Enterprise Development programs are delivered through enterprise development centres in Winnipeg, Brandon and Dauphin. The centres in Winnipeg and Brandon were opened in the spring and the summer and the Parkland Centre was expanded. In 1981 we expect to respond to some 5,000 information requests to provide consulting service to some 600 firms and hold 30 seminars and training sessions.

Material support is provided through investment incentives under Enterprise Manitoba. These incentives support new ventures and expansion outside of Winnipeg. We expect to support 65 projects under the Small Enterprise Incentive Program over the next year.

Support for the Key Tourist Development Projects will be found under Destination Manitoba. Small manufacturers are supported through the provision of advance factory space at the development centres in Winnipeg, Brandon and Dauphin. In total, 24 modules are available of which 19 are now occupied.

Full occupancy is projected for October. Technical support for manufacturers is provided through the Industrial Technology Centre in Winnipeg and the Canadian Food Products Development Centre in Portage la Prairie. The food centre was expanded this year. The technology centre was opened in late spring and is fully operational. It offers the most advanced equipment for product and process testing in analysis as well as professional expertise of the highest calibre.

In 1981, we expected to respond to 1,100 requests, information, provided consulting services to 170 projects and presented 16 seminars. The second component of our strategy market development is delivered primarily through Travel Manitoba, Destination Manitoba and the market development group.

Travel Manitoba and Destination Manitoba provides attractions and market development support to local and provincewide associations, whose interests are to develop tourism in Manitoba. Twenty grants were offered under Destination Manitoba in 1980-81. Examples of attractions supported are Canada's National Ukrainian Festival in Dauphin; the Great Western Harness Racing Circuit. The circuit includes tracks in a dozen Manitoba communities. We expect to offer 30 attractions grants to local groups during 1981. Expenditures on tourism promotion and advertising were \$1,200,000 in the current fiscal year.

The results in the industry are an increase in visitors to Manitoba from 2.7 million in 1978 to 3 million in 1980. A reduction in the level of Manitobans travel to U.S. and abroad from 1.3 million in 1978 to 1.1 million in 1980. The impact on travel spending in Manitoba was increased from \$341 million in 1978 to 425 million in 1980. Furthermore, our market effects are not restricted to specific market products or attractions. The Community Commercial Development Program supports local business groups to improve their local commercial sector. The program assists in designing and executing a comprehensive trading area survey. The results are analyzed and the report presented to the local group to assist in identifying business opportunities and needs. Qualifying communities can receive further assistance in planning future commercial development.

In addition to this support for regional commercial development, we are working on the kind of overall image we project. The Manitobans Campaign and our Good to See You Campaign have two objectives. One, is to counter with the myth in Manitoba that our natural and human resources are somehow second rate or inadequate. Other objectives are, to bring our capabilities in industry and tourism to the attention of potential customers and investors, especially outside Manitoba. Targeted market development efforts include the development of Manitoba Business Sourcing System to support the staff assigned to develop opportunities arising from the resource development projects in Western Canada. Trade development officers have been designated to pursue opportunities in U.S. prairies and as far south as Texas in the growth areas like Chicago and Denver, the development of major investments in Manitoba's centres on the priority sectors designated under Enterprise Manitoba and the interest in our

natural advantages. The support available includes assistance with site location, transportation, labour supply and feasibility studies. As an indicator of performance the growth of investment in the priority sectors was 49 percent in 1980, nearly twice the 30 percent in manufacturing as a whole.

As part of our strategy other substantial technical support is provided outside of programs mounted through the Canadian Food Products Development Centre and the Industrial Technology Centre which I discussed briefly earlier. Support for design and human resource management is provided through programs of the department.

The Manitoba Design Institute to the end of December had assisted in winning \$780,000 in support of eight projects advanced through federal enterprise development programs. This compares to the \$460,000 for the entire 1979-80 fiscal year. We assisted in 31 projects advanced under the federal design assistance for small projects. The support won was \$44,000.00. This compares to 23 projects and \$34,000 in all of 1979-80. In addition consulting services were provided to 170 Manitoba firms.

Design is an especially significant factor not only in the function but also in the customer acceptance. Through the efforts of the Design Institute this import . . . increasingly within the reach of our smaller firms, Mr. Chairman. I would note also that the public awareness of the design capabilities of Manitoba designers is increased through the Premier's awards for design excellence.

The Human Resource Management Branch works primarily with companies in small to medium size range, say up to 250 employees, to identify training needs and develop training programs. Effective human resource development not only anticipates skilled bottlenecks but improves productivity and morale and reduces staff turnover. The branch provides initial consulting services to 65 companies and worked with 40 to establish comprehensive human resource management projects. The branch also works with other departments to improve the training mix in our schools and colleges in terms of upcoming requirements of employers. We have worked effectively with employers and other departments to identify critical skills, shortages and to develop accelerating training. The branch is involved with the Department of Education and Labour and Manpower to streamline critical apprenticeship programs. It is working with the Canadian Manufacturers Association on co-operative education as an effective combination of general education and specialized work experience. Our objective is to increase the initial productivity of the new employee, advance her or his entry into the work force and increase the attractiveness of hiring a new employee relative to the ultimate futile practice of rating.

But our technical development is not restricted to our own departmental know-how. Three major non-government initiatives in the technical development areas receive direct support from government. Each of these represents a unique prospect for the commercial success in its product technology or in the case of engineering, Engineering Faculty of the University of Manitoba in ensuring a well-trained people the province will need to attract and to hold and especially to develop the progressive and daring

companies upon which our full participation in the growing electronic industries.

To further our objectives with industry the Engineering Faculty will receive \$2 million for a three-year period in 1980 to 1982. The Rh Negative Institute has received \$150,000 to move the commercial stage of the unique technology in blood fractionation, and the industrial application of Micro Electronic Centre will receive \$900,000 for a three-year period, 1980 to 1982. This Centre in particular is working to develop the micro electronics as process controls as well as the . . . products themselves.

I said Manitoba is on the offensive, Mr. Chairman, and I have every reason to believe 1981 will be a buoyant year. Manitobans will make it so. Manitobans have been working hard, working hard and quietly as is our way. While the adjustments in the massive consumer-related sectors have preoccupied the Opposition and the media, and while this government has been working to establish the role of the government the people demanded in 1977, Manitobans have been doing their part, their proper part, to build a strong and resilient economy and I'll review the statistics on that in due course — they bear telling, Mr. Chairman, they deserve reporting.

But first, Mr. Chairman, I would like to call to the members' attention that the underlying strength I intend to review shortly will have reinforcement in 1981. Yes, there are signs that the adjustments to the economic and demographic changes that have beset those sectors related to the consumer sector is nearing completion.

Housing starts are expected to increase in 1981, moving closer to their previous levels. This is just a signal that other sectors will show increases too. Houses require not only furniture but hundreds of other simple items. As these are provided they will reflect in other sector statistics such as the services and the retail trade.

As further proof of these positive trends I would like to conclude, Mr. Chairman, with a review of our recent economic experiences for two reasons. First, because of the preoccupation with the sectors of the economy that have been hard hit by the development I outlined earlier has given the mistaken impression that our overall performance has been also bad. And second, because there are underlying strengths that have gone unnoted and which must be reviewed if one is to have anything approaching an operative perception of our economic situation.

First, the overall situation and I stress, Mr. Chairman, that I'm not totally satisfied with it, but as I outlined in my opening remarks we have been working under strong negative influences. Nevertheless our position is not so bad as it is presented to be. Consider the overall real growth of our gross for domestic product in 1980. The Manitoba Department of Finance estimates the real value of the province's total output declined by about three-quarters of a percent. I'll use that because it is the estimate accepted by the Government of Manitoba. Now the Opposition likes to compare this unfavourably to the average for Canada and cite it as evidence that we here have reached our final hour. However, Mr. Chairman, the fact is this. The

average is distorted by the extremes in Alberta and British Columbia. These two provinces show growth rates of 4.8 and 2.5 respectively. The next highest rate is Saskatchewan with 0.2. Mr. Chairman, eight provinces show growth rates at or below the so-called Canadian average. Retail trade is another example of this casual partial analysis that serves not to increase the understanding but to discourage. Some parties insist that the drought had no significant impact and that the record so-called is one more sign of the end of times. The facts are these: For the first 11 months of 1980, Canada showed an 8.5 increase over the same period of 1979. Manitoba's figure was 6.8. We are not told that this average includes Alberta at 16 percent and B.C. at 13.7. We are not told that all the eight remaining provinces are below the Canadian average. We are not told, Mr. Chairman, that four provinces show smaller increases than Manitoba. We are not told that when Winnipeg's retail sales increased 8.3 percent, 8.3; these are the data releases by Statistics Canada.

Personal income is another example, Mr. Chairman. It has been suggested that Manitoba's personal disposable income has dropped as a share of Canada's. This, of course, is attributed to the policies of the government and noted as yet another sure sign of impending economic collapse. It turns out however, that these figures used were total figures, Mr. Chairman, rather than per capita. The apparent deterioration is because of the faster population growth rate of Canada and not a symptom of economic collapse. With the source of data we have, we find 1980 estimates of \$7,677 for Manitoba and \$8,050 for Canada. Our figure, Mr. Chairman, is 95.4 of the figure for Canada and we have seen how misleading a comparison Canada figures can make. Nevertheless, this figure fluctuates depending on the business cycles. During the 1970 to 1977 period it ranged from a low of 94 percent to a high of 99.9 of the Canadian figure. The average was 96.9; the average over '78 to the 1980-period was 96.3, virtually the same as the average in 1970 to 1977 records.

Enough of correcting shoddy analysis, Mr. Chairman. I think it has been shown that the overall, Mr. Chairman, so far as to the major broad economic indicators are concerned, the Manitoba economy is well up on the competition. I stated earlier, Mr. Chairman, that Manitoba is on the offensive and that 1981 will be a buoyant year. I base this on the majority underlying strength in the sectors of our economy that have shown constantly good performance during the last few years. They have gone largely unnoticed or restricted to the business sections of the newspaper, cover stories focused on the contracting sectors or the partial analysis of the overall economy, but that doesn't change the facts.

The fact is that Manitoba can continue to count on a strong primary sector. Our agricultural sector is a cornerstone of our economy. Our mining sector is expanding once again and is close to entering a new field in development of potash deposits. These are well known and no one is challenging Manitoba's confidence in our basic resource. But what about the other sectors? Well, the annual employment growth in Manitoba averaged 10,000 jobs over the 1978-80

period. This compared to 7,300 jobs over the period 1970 to '77. That's 2.3 growth for 1978 to 1980, and 1.9 for 1970 to '77. Most of the 10,000 per year were private sector jobs. They are distributed throughout the service sector which has been doing well outside the sectors related to personal services, but the leading sector has been manufacturing. Employment in manufacturing in Manitoba has consistently been nearly double the rate of Canada. It averaged 8.1 a year for the 1978 and '79 compared to 4.7 for Canada. Even in 1980 the average was 1.6 percent for Manitoba and 1.7 for Canada. It accounted for one-third of the employment growth over the 1978-1980 period.

Investments in manufacturing in 1980 is 76.5 percent above the 1977 level. This increase is some 20 percentage points above the figure for Canada. Even in this so-called Dark Ages 1980, our manufacturing investment shows a 29.8 increase over 1979. As I mentioned before, only half a percentage point below the increase for Canada as a whole.

We can do better, Mr. Chairman. In the October 1980 Business Conditions Survey conducted by Statistics Canada, 37 percent of Manitoba manufacturers who responded, reported their production restrained by lack of skilled labour. Manufacturing shipments overall have exceeded the growth of Canada as a whole each and every year during the 1978 to 1980 period. The records of six industry groups especially stand out. The key are knitting mills, clothing, furniture and fixtures, printing and publishing, machinery and transportation equipment. Each of these exceeded the Canadian industries performance. Mr. Chairman, the solid underlying strength in these sectors of our economy ranging from a production of basic goods and services to the very latest in their fields support my confidence in the economy and my expectation that 1981 will set a high standard for the decades of the '80s. Our long-run growth, our future, depends on continuous dedicated efforts of our No. 1 resource; Manitobans. I believe the future is sincerely and firmly in demonstrable capable hands. Thank you.

MR. CHAIRMAN: The Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Chairman. We have heard a very lengthy and a very detailed enumeration by the Minister of Economic Development which doesn't encourage me, Mr. Chairman, to think that we are on the verge of some sort of magical economic expansion as he would like us to think. Hard as he may try, the fact is, the last three years the Manitoba economy has stagnated and we have done relatively worse in the Canadian scene. He stated that 1980 was a challenging year. I agree; 1980 was a challenging year, Mr. Chairman, but the fact is the government did not meet the challenge. The facts are, and it's clear as daylight is today, and that is that our economic base is virtually being eroded, virtually being eroded. We see in front of us our industrial structure being threatened by — if you don't want to believe the statistics or examine the data — you can look at the stories that appear in the newspapers almost daily. Mr. Chairman, I have not seen the likes of it. I don't think anyone in this room has probably seen the likes of the stories of industries that are folding left, right and centre, almost on a daily basis.

As one can expect, the Minister of course gave various reasons for the economic decline that he was prepared to recognize and of course it's everything outside of the purview of his department and his government. He related to national problems. I'm not sure whether he related to international forces but he should have as well. He related to the drought and there is no question that the drought had a negative impact on the agricultural industry in Manitoba as it did in Saskatchewan and Alberta. He relates to high interest rates being unfavourable for the growth of business and this indeed is true. But, Mr. Chairman, while we're prepared to recognize that there are forces beyond the influence of the Government of Manitoba we also have to recognize that there have been some factors at work that are favourable or should have been favourable to economic growth and we should also recognize that the Government of Manitoba must play at least some role and therefore must take at least some responsibility for the economic situation we are confronting today and have been for the last while.

I don't wish however, for the members of the committee and others to get the impression that the reason we had a very poor economy in 1980, the reason we had a decline of 1.6 percent in our real domestic product is essentially because of the drought. Mr. Chairman, an examination of the real domestic product, that is the estimate of goods and services produced inside the provincial boundaries removing inflation, shows that other areas, other sectors of the economy were also down, including manufacturing. As a matter of fact, Mr. Chairman, manufacturing was down in 1980 by minus 2.1.

MR. JOHNSTON: Wrong.

MR. EVANS: The real output, again, Mr. Chairman, I must admit that my source is the Conference Board and the year 1980 has not been fully tabulated by Stats Canada because there is always a time lag, but the information that they have published that we've been able to obtain and that's available to all of the public is that indeed there was in terms of value added, which is the basis of estimating real domestic product in any industry including manufacturing, that there was a decline of minus 2.1 percent. Now I'm not suggesting there haven't been declines elsewhere in Canada but for the Minister to try to sit before us and pretend that we've expanded in 1980 is simply not a good exercise, Mr. Chairman, because the figures put the lie to his particular assertion. As a matter of fact, Mr. Chairman, the data that we have indicate that we have declined within the Canadian field, within the Canadian structure, our rate of growth of manufacturing output has been only 83 percent of the national average in the years 1978, 1979 and 1980, whereas in the years that we had the privilege of being in government the output of the manufacturing industry was well above the national average. Indeed, according again to the statistics provided to us by the Conference Board in Canada, Manitoba was 168.6 percent of the national average. We're well above the national average in the real output of the manufacturing sector. This has not been the situation the past three years. We've been way below the average, something like four-fifths of the Canadian performance.

So we should recognize that there were other features to our decline in 1980, the first year I

believe that we've had a decline in real economic output since probably the dirty '30s. Now there may have been one other year, I'm not sure, but I look back to the year 1961 and this again is provided by the Conference Board, their historical figures which ultimately are based on Stats Canada data. There were no years in which there was a decline of the real output of Manitoba's economy until the year 1980 and I suspect there hasn't been any decline since the Great Depression of the 1930s.

But, Mr. Chairman, we've not only suffered in agriculture, we've suffered in manufacturing. Our construction industry output was certainly way down, and the output of the retail wholesale sector was also down. These are other important components of the economy and they contributed to this negative performance in 1980.

Now as I said, it is very easy to blame all that's happening in Manitoba, all the bad things that are happening, on factors and events outside of the control of the Manitoba government.

I couldn't help but notice, Mr. Chairman, that the Minister forgot to relate however, to a factor which is beyond the control of the government but which has been a great help to the economy of this province and indeed to the national economy, and that is the devaluation of the Canadian dollar. While the devaluation of the Canadian dollar gives us some problems in our economy, nevertheless, it's been a major feature in stimulating growth of employment right across Canada, including Manitoba and it has been a feature that has stimulated the manufacturing sector in general. I would dare say that if it weren't for a relatively cheap Canadian dollar, our manufacturers in Canada and Manitoba would be in a far worse state than they are today and we certainly would not have had the phenomenal employment growth that we've experienced in the past few years.

If anything characterizes the Canadian and Manitoba economies, the last few years has been the phenomenal growth in jobs, so that has been a rather pleasant feature, it's been a rather positive thing, but let's recognize that the devaluation of the dollar has indeed assisted our own producers because as we should understand a devalued dollar means that it's easier for us to compete in export markets as has been the case and at the same time it's been more difficult for foreign suppliers to compete with our Canadian and our Manitoba producers within the domestic Canadian market, so there is a double edge benefit from a devalued dollar. I would say more of a benefit than simply a rise of the tariff wall because a rise of the tariff wall may keep out imports but it doesn't help you at all in the export field.

I can't help but notice, Mr. Chairman, that while employment has grown in Manitoba, that the rate of employment growth has been rather unsatisfactory in relation to the Canadian situation. The average employment growth in Canada in 1980 is estimated to be roughly 2.8 percent. This is based again on the Conference Board figures that were published just last week. The figure for Manitoba was 1.4, only half of the Canadian average, and I believe the estimate of the past two or three years if you take them as a total and compare them with what's gone on in Canada, reveals that while there has been an

increase in the number of jobs created per year, our share of the national employment pie has diminished slightly, but diminished nevertheless.

If we look at overall real economic growth, Mr. Chairman, which I think is the bottom line, we can talk about retail sales, we can talk about manufacturing, construction, wholesale, mining output et cetera, but the bottom line has got to be the total output of goods and services and that is our real domestic product figure. The bottom line indicates a very very serious situation and it is the bottom line that makes us in the Opposition provide comments to the effect that our economy is indeed stagnating.

The average annual performance, the average annual rate of output, real domestic product in Manitoba in the period 1970-77, which is substantially the period that the NDP was in office, our rate of growth was 4 percent. Today our rate of growth has dropped to one-fifth of one percent on average. That is the average of the years 1978-79-80. We have gone from 4 percent down to one-fifth of one percent. You can quickly dismiss this and say that's a product of the business cycle. We are on a down swing and therefore what do you expect.

I can accept that to a certain extent, Mr. Chairman, but when I compare it to what's been happening in the rest of the country, I get very perturbed because if you compare our rate of economic growth in the period 1970 to 1977, you will find that our rate was approximately four-fifths of the Canadian average. Now I am not satisfied that we were only four-fifths of the Canadian average in our growth rate but, Mr. Chairman, today, that is, the average of the last three years, 1978, 1979 and 1980, we are less than 10 percent, precisely 9.1 percent. In other words, we have gone from four-fifths of the Canadian average performance to less than one-tenth of the Canadian average performance, and that is a subject that should concern us all. This is a point that we should dwell on. It's not good enough to fudge the issue by dragging in many other figures that are using current dollars instead of non-inflated dollars and really muddy the water. I think your best reference, your overall reference to see what has been happening to the economy is indeed to look at the growth rate. In fact, international economic publications, statistical publications, indeed do that by and large to compare the rates and performance of Canada with other countries and, indeed, I think it is fair game for us to do likewise.

So no matter how you want to cut the cake, no matter how many figures you want to drag across this table, Mr. Chairman, we cannot escape the fact that we have deteriorated, in a relative sense, to the national scene and there has got to be a realization and a recognition of this on the part of the government. I am afraid that there isn't a recognition. The Minister refuses to recognize that we have some very major and very threatening structural changes going on.

Mr. Chairman, I think the other thing the Minister doesn't wish to recognize is that this government in its particular overall policy approach, its policy of restraint, its policy of cut-backs, its policy of trying to minimize government in the provincial economy, has indeed enhanced and contributed toward the

economic difficulty that we have been experiencing for many fundamental reasons. While I am prepared to recognize that we are affected by national and international trends, we are affected by mother nature, we also have to be honest with ourselves and have to recognize, as this government does not seem to want to recognize, it seems to me, that government indeed has a very positive role to play. I am not suggesting it can turn the tide back. I'm not suggesting that and I don't know whether any party or any government of a province can totally reverse some fundamental industrial trend that may be occurring. But I say we can at least try. We have to recognize that there is a problem and then we have to recognize that we can use the government as an instrument for some positive development if we use it wisely.

So I suggest, Mr. Chairman, that perhaps therefore we are talking about the basic difference in philosophy between the present government and the New Democratic Party Opposition, that while we are prepared to see government act in an interventionist way, in an activist way, in an aggressive way to help develop the economy, it is the philosophy of this government that we should rely on the market more or less holus-bolus and that the best government is the least government and that, Mr. Chairman, in a nutshell I think is the difference in approach between the two parties, between the government now and members of the Opposition.

I think, while it is not recognized and acknowledged, that the government is coming around to an interventionist position. I think the fact that they are prepared to take at least partial equity in some industrial developments, in mining developments, is a recognition, perhaps belatedly and not sufficiently, that maybe there is some merit in having government involvement in the economy for the welfare of the people of Manitoba, not for the welfare of some bureaucrats or for some particular group, but for the better welfare and the general welfare of the people of the Province of Manitoba.

Mr. Chairman, we could go on at some length quoting statistics and parrying back and forth with data and revisions to tabulations and so on. But I say that you don't have to be satisfied with the statistics that are coming out of the government and out of the research organizations, all you have to do is look around you to see what is happening, seeing people leaving the province, young people in particular with good training and above average education.

I have with me only a few clippings. This is only a very small part of a file that I have been trying to keep on the economy and there is very little that is good in it. About all I can see are statements of companies closing down, going out of business, or being forced out of business, and no matter what sector you look at. You can look at the personal service business, excluding restaurant services. In Old Market Square, there is a small restaurant — some people would say not so small because he had 40 employees, full and part-time — the Knickers Restaurant closes January 8th, in the Winnipeg Free Press. They only opened a couple of years ago and now it is closed. Then, of course, there is the story of Eaton's continuing to lay people off. They seem to be coming in dribs and drabs, but there is some

evidence that we haven't seen the end of it because a former employee, a Mr. Chalmers, a former management employee, said that the reorganization will mean further layoffs in the advertising department. I think this is to be regretted, but it is symptomatic of the times.

An electronics firm forced to shut down. This was supposed to be, Mr. Chairman, a major thrust of the department. This was supposed to be one of our growth areas, the electronics industry, and here is a company that has been established for 16 years, it employed 30 people earlier last year, and now has been forced to shut down, for different reasons. Incidentally, I might observe, Mr. Chairman, that among other things, Mr. Peter Johnson, the company vice-president, stated that he might have benefited from more government assistance so he was rather critical of the lack of assistance from government. He doesn't say which government but he nevertheless makes that observation. I say that's not a very good sign, if that is supposed to be a growth industry.

Then of course you look at the construction industry and this too is a very very alarming state of affairs. Headline: "Bleak Future for Tradesmen, 4,000 of 29,000 construction workers jobless, official states." "Housing starts in Manitoba worst in yeas", and so on.

I know the Minister will rush and perhaps say in defence of that, well, there's high interest rates that have had a dampening influence. True enough, high interest rates do have a dampening influence but I can't help but notice that it doesn't seem to have much of a dampening influence in British Columbia and Alberta and indeed, other parts of the country where housing starts are continuing to hold up.

In the farming sector, even farm bankruptcies, there's just a few, but nevertheless they are up over the previous year and that I find very disturbing as well.

Mr. Chairman, we could go on and refer to other specific instances. Perhaps one of the more disturbing news items that came out very recently was only a couple of days ago when the President and General Manager of Kane Equipment Limited stated that after many years of service in Manitoba with Winnipeg being its headquarters, I believe the company was founded in 1938, that's about 42, 43 years ago by Mr. Walter J. Kane, Kane Equipment, the President, Mr. Peter MacDonald says that the firm will now be wound down. He tried to sell it but to no avail. They employ 40 people in Manitoba, another 40 in Saskatchewan in sales, parts, service and clerical jobs. He says, and I'm quoting Mr. MacDonald, this isn't Len Evans' statistics, it's Mr. MacDonald, a very respected, experienced businessman. "Our economy is getting worse and worse and the company can no longer stay in business. It is very sad. I've tried for three years and gone every route to try to keep it afloat but you cannot keep going on pride. I see other businesses and I wonder how they keep going. It's just a matter of time for some of them in Manitoba. It's just a matter of time. That's the part that scares me."

Mr. Chairman, that's the part that should scare all the members of the Legislature, because here is a person who just didn't start up yesterday, a company that just didn't start up yesterday, it's a respected name, it's in the construction equipment sales

business and he says that he has had consultants, that he has done his very best to see how he could work out the continued operation of the company, but apparently that is not to be.

I say, Mr. Chairman, this is the situation, and for the Minister to go over 28, 32 pages, whatever it was of material and ending up that really it's not all that bad and that we are somehow or other working the figures to make it look worse than it really is, I think will not wash. It won't wash with the people of Manitoba. I don't think the Opposition has to convince the people of Manitoba that we have experienced virtual industrial and commercial decline in this province, so I don't intend to go on and belabour this.

I would like to hear from the government just what it's prepared to do in some effective way. Try as the department may try, and I give tribute to the very excellent staff that the Minister has, try as he may try with various programs, to me they don't seem to be effective. To me they seem to be virtually scratching the surface at this point in our history and we haven't been able, for instance, to help one major firm that was supposed to be, Indus Electronics Limited, which was supposed to be in a growth area. This was supposed to be a growth area. Why is it that a major 16-year-old firm is forced to shut down.

So I think, Mr. Chairman, we would all do well if the Minister recognized that we had a problem, and was, along with his colleagues, prepared to take a more interventionist, more aggressive approach. I think that we've heard of the mega projects, I think it's very questionable whether any or all of them will proceed. Some of them may be very good for the provincial economy, but we are not so sure as to exactly what the terms will be, particularly if you're talking about the sale of electricity to industry, and I really wonder whether the possible sale of hydro-electricity to Alberta can ever become a possibility, because the information we have is that the Province of Alberta in the Edmonton area is now experiencing the construction of two and perhaps three very large thermal electrical generating plants. They're being built right at the mine mouth so that there is no transportation cost involved in transporting coal. These are huge projects, Mr. Chairman, I haven't got the figures on their size but they're very, very large, some of them are equivalent to the plants that we can put up on the Nelson. I understand that the estimate of the power that they can generate, the estimate of the cost of that power is considerably below the cost of the Nelson River power that we can produce here in Manitoba by hydro means, and that does not include the transmission costs. So I really question, Mr. Chairman, whether this will ever come about because it seems to me that the Province of Alberta will not be interested in buying high cost power if it can produce its own low cost power from coal.

As I understand, this was actually looked into some years back by the Manitoba Hydro and at that time it was totally rejected as an almost insane idea to try to sell Manitoba Hydro power to Alberta. That was the expression used by a senior management person in Manitoba Hydro, that it was insane to try to think of selling Manitoba Nelson River power to Alberta. (Interjection)— Well, it was in the 70s, late 70s. I don't think they're there at the moment.

At any rate I'm not going to belabour the introductory remark, we'll have other comments to make later and I believe some of my colleagues may wish to comment as well, Mr. Chairman.

Thank you.

MR. CHAIRMAN: We will be returning to the Minister's Salary at the last so we'll go on to 1.(b)(1).

The Member for Transcona.

The Member for Inkster.

MR. GREEN: Is there a rule that there is only one response to the Minister?

MR. CHAIRMAN: In answer to that, I believe the rule is that no one responds to it, but it's something we've done for several years that we have one critic from the Opposition to speak and then we go on to 1.(b)(1). I believe the rule book will show that you, sir, and the Member for Morris agreed.

MR. GREEN: No, sir.

MR. CHAIRMAN: Well then I'm misinformed.
The Member for Brandon East.

MR. EVANS: Just on a point of order, Mr. Chairman, yesterday as you recall the Opposition attempted to have an emergency debate on this topic and it was ruled out of order, but the House Leader at that time stated that we would have ample opportunity to debate the state of the economy in general in this departmental review, so I would think therefore maybe there should be an easing of the rules to have a more general discussion at the beginning, certainly on the Deputy Minister's salary, which is all encompassing, and give members — I don't intend to make any other speech at this point, but I mean other members may wish to make some general comments, and in view of the House Leader's statement that the Opposition would have ample opportunity to discuss the economy in this department, it would seem that it would be in order to be flexible.

MR. GREEN: Mr. Chairman, if I am prevented by the rules I'm not asking for the right to speak but

MR. CHAIRMAN: If the Member for Inkster would allow me, can I read from Page 92, Monday, April 7, 1980, "Your committee also recommends that the current practice whereby a Minister, introducing the estimates of a department is permitted to make his introductory remarks on the item, the Minister's compensation, and that discussion on this item is deferred until debate on all other items of the departmental estimates is conducted." It's to be continued.

MR. GREEN: I agree with that, Mr. Chairman, but I believe that their Opposition critics were permitted to make one speech, the practice was one speech by Opposition critics, vis-a-vis this particular remark. And since I'm not a member of the Official Opposition I reserve the right to make my remarks with respect to this item and then go on to the next item. I've done it in other committees, Mr. Chairman, I have been permitted to speak to the Minister's remarks and then it goes item by item.

MR. CHAIRMAN: Well then to the Member for Inkster, I just say in this discussion on this item is deferred, and that really is what I said in the opening remarks. As I understood the rules, no one was to reply to the Minister but we have been fairly flexible and allowed one to speak.

MR. GREEN: Mr. Chairman, I disagree with the suggestion that there would only be one speech; that the Opposition was permitted to reply and it's true that the Official Opposition has now replied and I wish to make some remarks with regard to the Minister, in which case I then know we move to the next item. I agree with that.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, on the point of order, I am afraid that I don't agree with the Honourable Member for Inkster, who is arguing in effect that he should have the right to make a statement as a member of the Legislature on a general basis. There is nothing to prevent any of us from making a general comment in terms of the next line in the estimates that would be, I think, fairly wide ranging or far ranging, and so it would seem to me there is a speaking order. People have indicated their desire to speak and I think we should proceed with that list and nobody, including the Member for Inkster, will be prevented from making a general comment. But I simply question the prospect of a reply from the Official Opposition and then a reply from the Member for Inkster and then back to the speaking order. I think there is a speaking order. I think no one is precluded from making general comments under administration under the Deputy Minister and we should just proceed as is our normal custom.

MR. CHAIRMAN: If I could comment, Committee, 1.(b) and 1.(c) really does cover the whole waterfront, but I think if there is a fault it's with the Chair and maybe in the future the Chair should not allow anyone to reply to the Minister — that's the way the rule, and as I said earlier, we did allow one, the critic. If I am wrong I'll admit it and it won't happen again, but we will not, as these rules go — anyone comment if that's — but it's not my chairmanship, others have allowed it to go that way.

The Member for Inkster.

MR. GREEN: I can tell you, Mr. Chairman, that I have been permitted in other committees to comment on the Minister's opening remarks. I did it in the labour estimates last year in the House and I am sure that you will find it there. The Minister of Labour introduced his estimates. Mr. Cowan, the Member for Churchill, spoke, I spoke, and then we went into 1.(d).

MR. CHAIRMAN: Well then, both the Deputy Speaker and the Deputy Chairman should get together and rule accordingly, according to this rule if that is what is there, this committee is . . .

MR. GREEN: Mr. Chairman, there is nothing in the rule that says that you have only one comment. It says that we go to the Minister's salary. The Minister introduces it. Then we are dealing with that item and

after that item is dealt with it goes to 1.(b). So we are still on the Minister's Salary and one of the things that was hoped for was that we wouldn't be dealing with detailed subjects when we got to the Deputy Minister because that made debate on the Minister's Salary superfluous at the end of the estimates.

So I tell the Honourable Chairman that I am just as entitled as any other member of the Legislature to speak to the Minister's Salary. I am not precluded from speaking by the fact that another member of the Legislative Assembly has spoke. That is what I am basing it on.

MR. CHAIRMAN: I need some assistance. The Member for Transcona.

MR. PARASIUK: On following the logic of the Member for Inkster then, I am the next person on the speaking order and I should be the person speaking.

MR. GREEN: If you wish to do that, Mr. Chairman, if you wish to hear from everybody on the Minister's Salary . . .

MR. CHAIRMAN: The rule doesn't allow the Member for Inkster, as I understand these rules. 1.(b)(1). The Member for Transcona.

MR. PARASIUK: Thank you, Mr. Chairperson. The major issue facing the people is surely the economy. We have been talking about the economy now for two to three years. The performance of the economy has been atrocious. The present state is one that leaves everyone terribly pessimistic and the future prospects are even worse over the course of the next year.

The interesting thing is that over the course of the last year the Conservatives have admitted a terrible mistake. They have said that what they projected in 1977-78 has been a complete and utter failure. They said that government wouldn't be involved in economic development, that this department was going to be a facilitator, develop a climate and that the spontaneous developments would take place in their own right leading to this great bounty for the people of Manitoba.

The people of Manitoba know what's happened. Many of them have in fact had to opt out of the province, unwillingly I suggest, and over the course of the last few months, the Conservatives have turned around and are trying to change the attitude in the province by adopting a sort of somewhat — I don't want to use the word hypocritical but faint-hearted attempted interventionism. They are announcing a whole set of mega projects. If you look at the mega projects that they are announcing, each one of them can only proceed because of the government. Each one is dependent upon government, not dependent on the private sector per se, but the necessary condition for each project proceeding is the government. If you took away the government involvement the project wouldn't proceed. You could have a potash mine without a multinational company. You could have it with the government doing it itself, but you couldn't have a potash development as they are announcing it unless the government . . .

MR. CHAIRMAN: The Minister of Natural Resources on a point of order.

MR. ENNS: Mr. Chairman, I take it now that we are debating in general terms the Minister's opening remarks and the Minister's Salaries.

MR. CHAIRMAN: The line is Honourable Minister's 1.(b)(1).

MR. ENNS: On the Deputy Minister's?

MR. CHAIRMAN: Yes.

MR. ENNS: Mr. Chairman, I think if hypocrisy is being exercised then perhaps we are all being guilty of it right now. We are obviously going to have several, because I take it Mr. Green from Inkster is going to be speaking in the same vein thereafter, and I see no particular objection to that other than the fact that to expedite the workings of the committee, then why not simply say that we will debate the Minister's Salary at this time and have your go at him, and I would recommend that to the Chair, but to do what we are obviously embarked upon doing now is really subjecting to the rules to quite an extent because we are obviously going to have the kind of general far reaching debate on the overall policies of economic development which are generally reserved for under the Minister's Salary and I say, Mr. Chairman, there is nothing wrong with that, but I would then ask you, Mr. Chairman, to keep the remarks by the Honourable Member for Transcona to that of the Deputy Minister's, the Deputy Minister's Salary, the Deputy Minister's activities.

MR. CHAIRMAN: The Member for Elmwood on the same point of order.

MR. DOERN: Mr. Chairman, it's six of one and half a dozen of the other. We are talking about the administration of the Department of Economic Development. That is not in isolation to the Minister. It's in relation to a reflection of government policy. I believe that the member is speaking on the line and I don't see any problem in his remarks.

MR. CHAIRMAN: The Member for Transcona on the same point of order.

MR. PARASIUK: Yes, we are talking about the Department. It's called 1.(a) Executive, executive function of the Department of Economic Development dealing with the whole issue of economic development. Given that, I can proceed to talk about the economic development policy of this government. It is a Department of Economic Development, so I would like to proceed, Mr. Chairperson.

MR. CHAIRMAN: I don't think that the Honourable Minister of Natural Resources had a point of order.

MR. PARASIUK: Fine, thank you.

MR. CHAIRMAN: Just to bring the committee to 1.(b)(1) Executive: Provides for the operations of the offices of the Minister and the Deputy Minister. So I think everybody is in order if we are back on track. Who was the last speaker?

The Member for Transcona.

MR. PARASIUK: I have pointed out that this government has admitted the terrible failure that it perpetrated upon us from 1977 on and has tried to turn its direction in a very faint-hearted manner and is doing so out of desperation, out of panic, without any commitment, and the interesting thing is that when I come to this particular item I find that we have a department that is rudderless in the extreme. We have had a Deputy Minister who left before the last session ended. We were told that he resigned. He had served notice to the Minister that he was leaving. We have an associate Deputy Minister who left some time ago and we are told yesterday by the House Leader that this is your key department, if you want to debate the economy and the direction of the economy, discuss the estimates of the Department of Economic Development. That's the priority department.

If this is the lynch bin of the economic development strategy of this government, we are going downwards very very quickly. They place so great a priority on this department that they couldn't replace a Deputy through almost one year. They can't get an associate Deputy in place. I believe those people were leaving a sinking ship and I believe that there aren't people coming forward wanting to serve in this department because they know that this government is a sinking ship, they know that there is no direction being provided, and so when we go through all this fluff, Mr. Chairperson, when we go through all this fluff we find that this government doesn't pay this department any type of seriousness, what they're doing is going out and hiring some ad companies. Don't manage the department, don't administer it, don't have a chief administration officer, but tender things out or call in PR companies to provide the type of management. So instead of providing direction to this department, instead of this department providing some type of direction to the overall government effort with respect to economic development — and let me point out that this department is not involved in any of these mega projects, it's not this department, it's not this Minister, it's not this staff that are involved in these other mega projects, it's other people.

So what we have is this shell game and this facade. No direction. No sense of direction, after three and one half years. After three and one half years we have a government that can't appoint a Deputy Minister of Economic Development. After what, nine months, ten months of his absence? This was supposed to be a super star, a Gordie Howe from the private enterprise? Nothing happened. Nothing happened. What kind of priority is this government giving this department? What kind of priority, apart from using this as a slush fund for advertising, does this government place on this department?

We have \$62,000, \$67,000 for ad campaigns. Is this placed by the Deputy or is it placed by the Minister? If it's placed by the Minister I think we should change the name of this department from the Department of Economic Development and Tourism to the Department of Economic Development and Toryism because that's exactly what this department's becoming.

Where is the policy development from this department? How is the administration being

organized? Key questions, Mr. Chairperson, that haven't been raised at all in these introductory comments.

You know, you don't have a chief administration officer. You don't attempt to get one. We're coming into an election very soon, or you'll probably try and stall it because I don't know where you're going. You don't know where you're going.

Mr. Chairperson, maybe you don't need chief administration officers. Maybe you don't need lines of command if you're running a peanut stand. But when you're running a government, when you're running a department, you need a bit more confidence, a bit more effort than that which is required to run a peanut stand which seems to be the Peter principle applied to this particular government. They've reached the level of their competence with peanut stands and they haven't been able to make that leap which is a quantum leap into running a department, into running a government.

You take away, and you talk about policy development because that's what we are dealing with in terms of economic development, if you took away DREE inputs, because this department talks about DREE, if you took away DREE you'd have virtually nothing left in this department in terms of any type of Manitoba Progressive Conservative government thrust, and the irony of this whole thing is that on the one hand, this Minister and this government is on bended knees waiting for DREE handouts in order to promote some type of economic development in this province, so on the one hand they take handouts and with the other hand, they're clubbing the federal government for massive deficits. Well, you can't have it both ways. It shows the lack of direction. And where have handouts ever led to economic development? Because if you look through all of these, all of these, so many of these are in terms of promotion, information services, supports here, there and everywhere, no general direction, no initiatives taken by this government. It's like a desperate group waiting there, waiting to have various treasures which are our national provincial people's heritage plucked by outside companies coming along and saying, gee, maybe we can pick off a good deal on pulp and paper development. Maybe we can pick off a good deal on potash development. Maybe we can pick up a good deal on possibly a big aluminum development. We're bargaining with some other provinces, Quebec and B.C. with respect to aluminum, but maybe we can get a long term 50-year contract for ultra-cheap electricity for 50 years, and that's a good deal for us.

No one on this side of the House is against big projects. What we're concerned about is this government isn't undertaking any initiative, any activity, isn't doing its homework, so that it can deal effectively with these big multinationals when they come trying to pluck our resources away from us with 50, 60, 80 year contracts.

And when I look at a department that after a year can't appoint its chief executive, chief administrative officers, I know that we're in trouble with respect to this department. When I determine, after hearing for the last three years that this department is going to be the great leader with respect to economic development, that none of the staff here is involved

with the mega projects, that you have other people involved, other departments, that it isn't part of an overall industrial strategy despite what's being put out here, then I know that we're in serious straits, Mr. Chairperson, that's why I find it unfathomable that a Minister would come here and not explain that his department is in total disarray, that despite the fluff of these speaking notes and despite the fluff of the advertising campaign, there is no organization, there is no administration, there is no lines of direction, there is no line of authority and responsibility and accountability, Mr. Chairman, this is after three and a half years.

MR. CHAIRMAN: The hour of 4:30 having arrived, I now move that committee rise for Private Members' Hour.

Committee rise.

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to Page 9 of the Main Estimates, Department of Agriculture, Item 1. General Administration, (a) Minister's Salary.

The Honourable Minister.

HON. JAMES E. DOWNEY (Arthur): Mr. Chairman, in introducing the Estimates of the Department of Agriculture I would like to, first of all, say it is a pleasure to start off this year and to have the opportunity to debate the Estimates of the Department of Agriculture in this great debating arena. I think it's been quite some time since we've had the opportunity of having the surroundings that we have here and I think it is definitely worth noting.

I'm pleased to have the opportunity to present to the members of the Assembly my department's proposed spending Estimates for the 1981-82 fiscal year. The Department of Agriculture's current expenditures for the coming year will amount to \$37.1 million. This sum will cover the operating expenses as well as Acquisition and Construction of Physical Assets.

I can present copies of the opening statement at this time if the page girls would provide them.

Our spending will continue to reflect the policies and programs that will support and encourage a healthy and growing agricultural industry. Our Estimates for the coming year reflect our ongoing commitment to building our support and assistance on the foundation of the family farm concept. It is our firm belief that by providing the basis for which family farms may flourish, we will have a solid agricultural sector.

However, I feel it would be remiss for us to talk about the future without first of all reflecting on where we have come from the past year. So before I highlight our directives for the coming year, I would like to make several comments about Manitoba's agriculture performance over the past year.

Generally speaking, Manitoba farmers encountered one of their most challenging seasons ever last growing season. The greatest constraint producers faced last year was of a climatic nature, moving as we did from an extreme drought in the spring to a situation where excessive moisture became a serious problem in several parts of the province by the fall.

To help producers get through this very difficult time we instituted a number of temporary support programs. I began as early as last April to remind producers to take out crop insurance coverage. I believe the figures are in the neighbourhood of some 14,000, almost 15,000 producers that took on that program.

We opened a Feed Co-ordinating Office in Brandon and began identifying available feed stocks in the province. When it appeared that the local supplies would be insufficient, we announced a Transportation Assistance Program and began moving in feed and hay from other parts of Canada, which I would like to say helped to alleviate both the minds of the producers to know there were feed stocks available in other parts of Canada, as well as helped them through a difficult period.

Our Grain Feed Program, which was designed to encourage the production of more feed, saw over 8,000 producers register nearly 700,000 acres of land for that particular program.

Our Water Services Division helped to provide water to 10 communities, fill some 600 dugouts, and initiate two major water diversion projects and I may say, at that particular time, the introduction of those programs, the cost of filling of dugouts was waived by the Province of Manitoba.

With the co-operation of the Department of Natural Resources — I am pleased to have the new Minister, who has just been appointed, also very familiar with the farm community, as was the last Minister. I am sure that the two departments can work well in helping the total farm community as well as the people within the Natural Resources Department. With their co-operation last year, our Crown Lands people issued an additional 900 hay and grazing permits. I would like to add, however, that despite the difficult year behind us, the performance of our agriculture sector turned out to be better than had been anticipated, given the climatic vagaries.

Worth noting is the fact that our grain production figures continue to be revised upwards, which leaves us in a better position in terms of supply than had been earlier forecast.

I would like to turn now to my department's Estimates for the coming year. As stated earlier, the proposed expenditures for the 1981-82 fiscal year are some \$37.1 million. In the area of staffing, we are proposing a level of 735-1/3 staff man years, up only four staff man years from the 1980-81 level of 731-1/3.

The agriculture sector has always found itself to be dependent upon many factors beyond its control. Climatic changes, transportation, or marketing constraints continue to hinder agricultural expansion in Manitoba. These are the areas we will address in the coming year. To help offset the adverse effects of the climate, we are prepared to act immediately if similar conditions were to develop as last year. Producers may also temper losses with ongoing programs like the Manitoba Crop Insurance Program.

A review of the Manitoba Crop Insurance policies has already begun. The review will help us to ensure that the Corporation's programs realistically meet producers' needs for the future. I wish to stress that Manitoba farmers have been and will be a part of this review. In addition, we will be continuing to add to the list new crops which can be insured, thereby

encouraging producers to diversify while assuring them that they are protected. I may also add that I think that the Agriculture critic for the Opposition also received an invitation to have his thoughts put forward to the review committee.

My other concern, one of the main concerns, relates to farm credit. I have made it known that I welcome any recommendations as to how we might adjust credit policies and programs under the Manitoba Agriculture Credit Corporation. Our objection, through MACC, will be to continue to assist young and beginning farmers. I will have further to state and more to talk about on that as we go through the debate on the Manitoba Credit Corporation.

In the area of marketing, we are prepared to develop a Manitoba Agricultural Products Market Institute whose main thrust will be to strengthen marketing opportunities for all agricultural commodities. Once again, we will be seeking producers' input so that they may have more to say in the marketing of their products. I believe that to strengthen the agricultural community in total, marketing efforts should incorporate more input and control by producers and provincial jurisdictions if we are to continue to enjoy economic growth and expansion in our agriculture sector. I almost am prepared to provide, for the Members of the House and the public, a study which has been done recently by Dr. Gilson on some of the work that could be done with a market development institute and although the report has not been totally adopted or accepted that we will follow along the guidelines, it is a basic working document which will have consideration given to it.

In the area of transportation, we will continue to press for open and honest dialogue between all participants, with an aim to supporting a system that will benefit all producers in Manitoba.

There are also other key areas where we plan to focus our attention. Another prime target for our continued support will be in the area of farm management. Particularly in the light of current credit squeeze, farmers must have the necessary information at hand to enable them to produce the commodities that will net them the greatest returns. To this end, we plan to sponsor a number of farm business seminars, offer extension courses, and continue to relay up-to-date marketing and production information to producers.

Our Water Services Division will continue with its efforts to extend and upgrade sewage and water service to rural Manitoba communities. As well, we will continue to look at utilizing technology such as irrigation systems to help us deal with the shortfalls in precipitation when they occur. I may also add at this particular time that we are pleased with the developments in the Roblin area with the effluent irrigation system. We hope to see it in full operation this coming year. I think it is an opportunity to demonstrate and to show how a waste product can be turned into a valuable resource for production of agricultural goods. I think it is a positive step as far as the working together of urban communities and the farm community. We also intend to strengthen our support for the Extension Service Division, which is being developed to respond to producers' needs. In the coming year, we will

increase our financial support to municipalities so that they may continue to improve their weed control programs and level of veterinary medical care through the Medical Veterinary Services districts.

We have also placed, and will continue to place, more emphasis on our agriculture representatives. In fact, since becoming Agriculture Minister, I have added seven new assistant ag rep positions to the system. As for the future, I am optimistic, although somewhat cautiously optimistic for 1981, since we have yet to fully determine the effects of last year's drought conditions and adverse weather conditions. However, beyond 1981 and for the remainder of the decade, the future of agriculture I think, looks very bright indeed. There are always signs of confidence amongst those, there are already signs I should say, of confidence amongst those in the agri business sector.

One recent development that will auger well for the agriculture and Manitoba economy as a whole is the construction of a new oil seed crushing plant at Harrowby, Manitoba, to be undertaken by CSP Foods and I'm sure that most of us are aware that the CSP Foods plant has been basically a Manitoba plant starting in Altona, Manitoba. The principals of that corporation are the Manitoba Wheat Pool and Saskatchewan Wheat Pool. The economic benefits of this plant will be measured in an increased demand for specialty crops, a greater number of jobs in construction sector while the 40 million dollar plant is being built, plus continuing employment opportunities for over 80 people once the plant is in operation. This development is consistent with our policy of encouraging further processing of agriculture production within Manitoba.

Another processing breakthrough will result when Canada's first gasohol plant opens in Minnedosa this year and I may also add that I'm pleased that the results of an agriculture and energy meeting last fall in Brandon resulted in the federal government giving the agriculture community top priority, top priority when it comes to the allocation of fuel, of our non-renewable resources. However it is unfortunate, as I explained to the federal Minister, it is unfortunate that this country has to find itself in that kind of a situation, when in fact we could become self-sufficient.

Along the same line, I am pleased to report that the continuation of an 18.5 million dollar AgroMan agreement with the Federal Government over the next four years will provide substantial stimulus for producers to expand their production of value and crops. I might also add that one of those crops that are showing good promise for production in Manitoba is of course the soy beans which I think will also be a step forward as far as the processing of other crops in this province and adding to the proteins that are available to the livestock industry.

I would like to take this opportunity to recognize the Faculty of Agriculture at the University of Manitoba which will be celebrating its 75th anniversary this year, and I think it's worth noting that they have provided us with — we have considered them as an essential research arm of the Department of Agriculture and has never failed to offer support to the department to further advancement of agriculture in Manitoba.

I think we can be very proud indeed as a Department of Agriculture in an agriculture

community that we've seen a tremendous job in the plant breeding. We have had modern and updating of the varieties of rapeseed by Dr. Stefansson, the work done by Len Shebeski in improving of the seed varieties in the triticales, work that takes many many years and hours of long and hard effort and I think that they have to be mentioned at this time.

In closing I would like to say I am confident through the active co-operation with farmers, producer organization, agri-business and all other participants in the agriculture sector, my department will continue to endeavour to develop policies and provide programs that will help meet the challenges of agriculture today and tomorrow.

Mr. Chairman, I would be pleased to enter into debate on the estimates over the next few days and will be providing some of the annual reports to be made available to this Chamber.

Thank you.

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

MR. URUSKI: Thank you, Mr. Chairman. I thank the Minister for his opening statement in presenting his estimates to the House and I am pleased to note that he will be forwarding on his department's annual report. I would take the opportunity to thank him for sending me the copies of the agricultural machinery institute, our Prairie Machinery Institute report within the last number of days and we'll certainly be looking forward to receiving the department's report and the Faculty of Agriculture reports when he can table them.

Mr. Chairman, in examining the Department of Agriculture and the Minister's estimates this year and looking at where his thrusts are in the coming year, one should examine the performance of the Minister and his department and the objectives that have been set by him and the goals of himself and his department. He has this year indicated that the thrust of his department's policy and his government's policy is to provide support and assistance on the foundation of the family farm concept, however one can adequately describe the family farm concept, in any event he has been using it.

He has also used the same thrust in his remarks last year that that would be the thrust of the Department of Agriculture in the support of the family farm concept.

Well, Mr. Chairman, let's look at the results of his commitments, let's analyze how his government has operated the Department of Agriculture and its commitment to the family farm. Mr. Chairman, the Minister last year made a prediction as he has this year that there would be a buoyant agricultural sector in the Province of Manitoba and he was being very optimistic as to the results that farmers would have in terms of last year. He is also doing the same this year although much more cautiously in terms of his optimism.

Mr. Chairman, let's look at some of the jobs or the work that he has done within his department and let's evaluate some of the programs that he has instituted within the department. He instituted, Mr. Chairman, the program of the rapeseed home study course. Has that provided anything for the farmers other than knowing what the market potential is?

Now when you evaluate, Mr. Chairman, the programs that the Minister and his department have instituted, what you want to see is where and how will they benefit the family farm and strengthen it, Mr. Chairman. Will the program strengthen the incomes of the family farm, you know, provide good economic help for the farmers of Manitoba, and will his government's programs improve the quality of life in rural Manitoba? You know, those are two criteria that one could use in terms of determining how effective this government's policies have been in rural Manitoba.

Now, Mr. Chairman, how have the Conservatives tackled today's problems on which they have some influence in the last year and how will they be tackling them in the future? Mr. Chairman, how have they dealt with the income situation? When one looks at the incomes of the agricultural sector in Manitoba over the last three years, we look at it — and how do we look at it — we can only look at it in comparison to other provinces. How did Manitoba farmers fare under the Conservative administration in the last three and a half years? When you look at the statistics, and by the way, Mr. Chairman, I want to use statistics and I'll be coming to the statistics that the Minister earlier used in the fall. We look at the statistics from 1978 on through 1980 and, Mr. Chairman, Manitoba is the province, not only does Manitoba have the worst decline in comparison of the 1981 forecast with 1978 actual income, Manitoba is the only province where realized net income is expected to be lower than in 1978 in each of the succeeding three years, Mr. Chairman. This is how one can measure how effective the Conservative policies have been on the farmers in Manitoba.

Mr. Chairman, it's not predictions, these are actual facts, Mr. Chairman. These are facts and I will use — the Minister has used the statements of the Department, the Federal Statistics Bureau Department in Ottawa in looking at the farm incomes, at least that's what he said last fall when we came into the session in December.

All other provinces, Mr. Chairman, have exceeded their 1978 income at least once. Many have exceeded in each of the next three years according to the December 1980 outlook, Mr. Chairman, but Manitoba has the sheer and dubious distinction of having net declines in income to a rural economy, Mr. Chairman, and in every year going back to 1978.

Mr. Chairman, when we look at the incomes policy and the direction and the cash in the pocket of farmers, we know that they have been going down every year in actual dollar terms. Mr. Chairman, you will recall last October, the Minister made predictions that despite the national trend that Manitoba farm incomes were going to go up. Mr. Chairman, there were news articles supporting his statements, in fact a long article which says old grain sales keep farmers' incomes high, Mr. Chairman, and the Minister was quoted as saying, or the articles were talking about Jim Downey indicating that even though things do look bad the incomes are going to increase. Mr. Chairman, on October 16th, 1980, Mr. Downey made a farm cash income prediction and he indicated that the 1980 estimate is going to be \$348 million compared to \$341 million in 1979. Those were the predictions made by this Minister.

Mr. Chairman, when I questioned him in December about those figures he said he received those figures

from Stats Canada, from their predictions, those were Stats Canada figures, and then he went on to indicate that the gross farm income was up at \$1.430 billion as compared to \$1.317 billion in 1979. All those figures when one analysed them, they were taken out directly from the Stats Canada report with one exception, Mr. Chairman, with one exception; every figure that he used was from the Stats Canada report with only one exception. The exception was the estimate of gross income. Mr. Chairman, those statistics when you look at them, projected that Manitoba farm incomes would decline from \$341 million to \$257 million, the reverse of what the Minister was saying, and yet the Minister used an increase of \$30 million to show how the net farm incomes would rise. But to top that off, Mr. Chairman, two weeks later he had the audacity to revise his own figures and go on and go from \$348 million, if that wasn't enough of a blunder and a misstatement, a deliberate misstatement I maintain, Mr. Chairman, to raise the net farm incomes beyond that point to \$410 million.

Where did he get those figures, Mr. Chairman? An additional \$90 million where he indicated an \$90 million of realized net income in farm income, and yet he used all the figures for expenses and the like from Stats Canada, and he maintained last December, Mr. Chairman, that he received those figures from Stats Canada. Mr. Chairman, I contacted Stats Canada and I received the same brochures as his department shows. Not only, Mr. Chairman, was the Minister misleading the agricultural, the rural sector of this province, he did it not only once, he did it twice, Mr. Chairman. One could forgive the Minister of making one blunder and maybe not knowing what he was reading and speaking about, but two weeks later, Mr. Chairman, he did it again and increased, he doubled and tripled his earlier estimates in terms of the actual amount of increase. He went from an increase of \$30 million on October 16th to an increase of \$90 million, when the projection, Mr. Chairman, that his department received was an income of \$279 million for the year, a net income, down from the earlier projected of \$341 million.

Mr. Chairman, what did those statements have in terms of what kind of an impact did it have on rural Manitoba? I will tell you, Mr. Chairman. That did give a shot of optimism throughout rural Manitoba, throughout the machine company industry throughout rural Manitoba for a couple of months. In fact, Mr. Chairman, there were statements that some machine companies when they heard the statement of higher than average projected incomes they started recalling their staff and started producing more farm machinery because they could see, at least from those figures, from his figures, that in December that they would rehire more staff and they would start the ball rolling on machinery.

Mr. Chairman, at the end of December when they realized that those figures were full of baloney, were totally wrong and misleading, they began again laying off their staff in realization that those figures were misleading to the rural population.

Mr. Chairman, one could have forgiven the Minister for making a mistake once but, Mr. Chairman, I can only accuse him of deliberate concealment or deliberate distortion of the facts. A

distortion, Mr. Chairman, that can only lead to the already low credibility that the Minister and his government has in rural Manitoba. To make such a statement when knowing that it was not factual, Mr. Chairman, is inexcusable. This Minister, Mr. Chairman, has already low credibility and he has done it twice.

Mr. Chairman, we know that the incomes in rural Manitoba have been less. They have been dropping every year since 1978. We know that the Conservative policies have really had no impact in terms of some income stability, some cash in the farmers' pockets.

Now let's look at another policy that the Minister indicated last year that he would be implementing and he was setting his goals on — that there would be some stabilization plan in terms of our meat industry, Mr. Chairman. He was looking forward to signing agreements with the national government for stabilization plans to effect some stability to farmers. A very noble act, Mr. Chairman, and I would say an act in the right direction. But, Mr. Chairman, this Minister while he has indicated that he wants the Federal Government to participate in national stabilization plans, and we don't argue with that, we believe that income stability in the agricultural sector really should be of a national nature, but just look at what the Minister's actions have been in order to gain him some credibility. While he is going to Ottawa cap in hand to prod them to have some stabilization plan put into effect for hogs and cattle and beef, Mr. Chairman, he went out in Manitoba and he wrecked probably one of the most progressive stabilization plans in this country. He literally set up the demise of a stabilization plan. Can you imagine Eugene Whelan in Ottawa saying and listening to this Minister from Manitoba? He will say why are you coming to me for assistance and to put into a stabilization plan when you have already wrecked one in the Province of Manitoba; you've already torn it apart; how do you expect me, the Federal Government to listen to your proposals for income stability, Mr. Chairman; how do you expect the Federal Government to listen to anything that Manitoba says on the statements that the Minister is making. He is asking for something that he doesn't believe in because he has already wrecked one in the Province of Manitoba.

His credibility was totally shot and it's obvious, Mr. Chairman, there's been no movement, there's absolutely been very little movement towards any agreement for stabilization of a national nature, Mr. Chairman.

When we get to the area of hogs, Mr. Chairman, the Minister's staff and himself, I am told by farmers in rural Manitoba, that they in the springtime were promising some support. At least many producers were led to believe that this government would assist the hog producers who had been in trouble for the entire — it's now, Mr. Chairman, approximately over a year in terms of low depressed prices. This government indicated that it would assist them. They have had below average incomes for over a year. Many of them have had to close their doors and, Mr. Chairman, what have we seen from this government? Mr. Chairman, they say, well really stabilization should be national, and we haven't seen any assistance to hog producers.

Mr. Chairman, the fact of the matter is, our neighbouring provinces all around us with the exception of Manitoba, were the odd man out, Mr. Chairman. Every other province has provided some income stability to the hog sector. We really should be very careful, Mr. Chairman, as to how delicate the industry is in Manitoba. We have already, Mr. Chairman, lost one plant in the Province of Manitoba. We have already lost a processing plant and so now we have both the cattlemen and the hog producers, where the Minister says there should be and goes about talking there should be a national stabilization plan, but no move forward. How has that improved the incomes and the quality of life for farmers in Manitoba? It hasn't done a damn thing to put incomes in their pockets, Mr. Chairman, not a darn thing.

Mr. Chairman, what about the interest rate policy, the credit policy of this government in terms of how this government is going to assist in the incomes of producers and the quality of life in Manitoba? This government has moved away from providing credit for operating capital, Mr. Chairman, primarily gone away from it and has instituted a policy of providing capital to purchase land. They want to be able to get rid of all the Crown land that was purchased under the former land lease program.

Mr. Chairman, here's the irony of the whole thing. Because of the precarious position that agriculture and farmers faced in the last year, and the outlook certainly isn't any brighter in the next year, what this government has done, and I will show you, Mr. Chairman, because we have had farmers call us. This government has said, look, those of you who are leasing land from us under the land lease program, your five years are up so we are going to renegotiate the lease. We are not going to force you to buy that land if you don't want to buy that land, but we will renegotiate the lease terms because it is time to renegotiate the lease. We will renegotiate the lease and here are your new terms.

Mr. Chairman, I will give you an example of how they are operating it. Two half sections of land were purchased in the spring of 1975 for an amount — let's say \$40,000.00. That would be pretty close to what the actual amount is, within \$500.00. The new lease now is going up from 5 percent of the original market value which was \$40,000 to 6 percent as the new rate, a relatively reasonable rate, but of which value, Mr. Chairman? Not of \$40,000 but today's value of roughly in excess of \$100,000, Mr. Chairman, because the lease rate the farmer paid was approximately \$3,000 a year and now his lease rate is going to about \$6,000 a year, virtual doubling of lease rates.

Now, the farmer says, well, look, Mr. Chairman, if I am going to be doubling my lease rate, it makes economic sense now not for me to continue leasing but even though I don't have the money to buy, my interest payments to borrow the money and pay back what subsidies I have received and buy the land, which was evaluated at 40,000; I am forced to buy even though I don't want to purchase. So, Mr. Chairman, what this government is doing is really intimidating producers and really forcing them to purchase the land, to make sure that they can go out on the hustings and say, see, we have sold all this land and producers have wanted to purchase this land, Mr. Chairman.

But what will happen? Let's say that the economy worsens somewhat. Who is going to pick up this land, because it is the province that is loaning the money. Who ends up as being the big landlord, Mr. Chairman? If those farmers are pressed into a difficult financial situation in the way that the new lease arrangements are being made, you're going to see the province with all this land back again, Mr. Chairman. The very policy that they have fought so desperately to undo, Mr. Chairman, they have fallen into the same trap and they will end up with all that land because they will end up repossessing a lot of it, unless they intend to leave well enough alone, to be able to assist those producers who are in a desperate situation in terms of credit, and heaven only knows, Sir, the agricultural sector, this spring will really tell the story.

I hope that the weather situation will improve, because there will be many producers that will go under, Sir. We have enough evidence of that already in terms of the bankruptcies that have occurred in the Province of Manitoba to this day. We have farm failures, articles, "Farm failures up." In numbers they aren't that many but we, I think, Mr. Chairman, have just seen the tip of the iceberg in terms of what will happen.

What kind of a policy do we have from this government? The Minister has said, and he spoke that in July: "Mr. Chairman, we have had discussions with the banking community and have been assured by them that there would be no farmers put into a difficult position because of the drought conditions and, in fact, we have had full assurance from the bankers that they would in fact fully co-operate, as we have indicated, that the Manitoba Agricultural Credit Corporation would fully co-operate."

Mr. Chairman, that prediction will really come through in the next few months as to what really happens in the farming community. That will really come through, although we have already had indications that many farmers have actually walked away from their operations. They have just gone the limit, some of whom have been cattle producers, and we have had the bankruptcies, the actual bankruptcies in the Province of Manitoba.

So, Mr. Chairman, while this government talked about and said, "No, we will have full co-operation from the banking institutions. We will not provide legislation dealing, in cases of emergency, with moratorium of debt legislation." Many provinces have put it in; this government is reluctant. Will we be called into a special session should conditions worsen, Mr. Chairman, to bring in the type of legislation to prevent people from being forced off their farms, or will we just let the marketplace rule? Has the government got any plans in this area? We have not heard any and certainly the Minister in his opening remarks has not given us any indication as to what his policies are.

Mr. Chairman, then we deal with the question of land prices and the question of the present government's legislation dealing with foreign land ownership. It is very clear as to what has happened in the last number of years in terms of land prices in Manitoba and one just has to look at the recent articles in the paper, in *The Co-Operator*, as to how land prices have sky-rocketed in Manitoba.

Mr. Chairman, the legislation that they brought in to amend the former Farmlands Protection Act was a loophole enough to drive a 10-ton truck through, Mr. Chairman. What has happened in the last three years? We have the legislation that has been amended to allow Canadian corporations to purchase farm land, although we have said we have restrictions on foreign land ownership. So what has happened, Mr. Chairman? We have had Canadian corporations being formed, shares being sold to foreign investors who put up the money for the purchase of land. The Canadian corporation loans the money from the foreign investor at high interest rates. Before you know it, you have the corporation over-extended and the loan goes into default. So what happens, Mr. Chairman? The loan goes into default, the investor picks up the loan and is the effective owner of the land that originally was purchased. It is enough not only to drive a truck through, it's enough to drive a train through, Mr. Chairman?

What has happened to land prices in Manitoba partly as a result of that situation? We have statements in the paper where land prices have risen up to \$1,500 an acre in and around the areas of Portage la Prairie, Carman, and around the Winnipeg area, Mr. Chairman. That's how land prices have risen within the Province of Manitoba. What does this government do? "We will look at the legislation." Mr. Chairman, how can that kind of a situation be allowed to continue, to at least give some hint by the government that they are interested in young and starting farmers who wish to start. That kind of a policy flies in the face of reality, Mr. Chairman. How can young farmers in Manitoba believe that their government, the now Tory Government, is there to assist them when they are allowing land prices to sky-rocket to the place they are.

Mr. Chairman, they don't want to, and I can't say that I totally blame them, they don't want to hurt the people who are making the fortunes selling the land. That certainly could create a bit of a problem in terms of some support. Mr. Chairman, if they are really inclined to assist the farm community, then they have to reverse their policies; there is no alternative.

Mr. Chairman, I have so much more to discuss and I gather I have only two minutes. It is certainly clear that this Minister has no credibility with his colleagues throughout this country or in rural Manitoba, none whatsoever. With respect to the statements that he has made with respect to agricultural incomes and income stability, Mr. Chairman, he has had his chance. If he doesn't know the issues, one can maybe forgive him, but I would urge the First Minister, if he doesn't know the issues, then he should replace the Minister of Agriculture, but I believe it is probably too late in terms of the Tories' stay in the Legislature. There are probably much more knowledgeable colleagues on his side who could do a much better job. But, Mr. Chairman, if he does know and has made these statements, that is even worse yet.

What Manitoba needs is a government that is prepared to act and to assist the farmers of Manitoba, in co-operation, not in dealing with allowing speculators to come into the farmland area, speculators in the marketplace, which have affected

farm incomes over the last number of years. We need a more positive move in terms of orderly marketing, rather than the hypocritical statements that are being made by the Conservatives. We really need, Mr. Chairman, to a degree, an interventionist government to deal with some of the serious situations that the farmers in Manitoba are faced with.

Mr. Chairman, I suggest that this Minister of Agriculture, while he is preaching the same statements, has certainly lost the confidence of Manitoba farmers.

MR. CHAIRMAN: We will proceed line-by-line. (Interjection)— Page-by-page has been suggested. Is page-by-page accepted? (Not agreed.) Line-by-line.

Item under discussion is 1.(b) Planning and Management. Item 1. Salaries pass. The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Chairman, I assumed we were still on the first item.

MR. CHAIRMAN: No, the first item is just Minister's Opening Statement and Reply, and then we move line-by-line.

MR. USKIW: You mean we can't discuss the Minister's opening statement?

MR. CHAIRMAN: Not at this point. You will have time under Minister's Salary, when we get back to it. I think that is the regular routine. By the same token, the Minister cannot reply to the Reply to the Opening Statements.

MR. USKIW: Mr. Chairman, are we limited to one speech on an opening statement?

MR. CHAIRMAN: I believe that that is the routine. It's not that we are limiting the debate, because you will have a chance under Minister's Salary.

Item (b) Planning and Management (1) Salaries pass. The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would like to say to the Minister that I had expected a greater degree of input on his part into new thrusts in response to what I consider to be very serious problems within the industry and somewhat disappointed that there is truly nothing indicated in his opening speech as to how he intends to deal with those problem areas. The introductory comments are so general in nature that one can't truly pinpoint any particular direction that the Department of Agriculture has undertaken, other than one or two items, Mr. Chairman, which have to deal with readiness to respond to climatic conditions, etc. etc.

In the area of marketing, there is only a vague reference, Mr. Chairman, as to Manitoba playing any role in developing a marketing strategy for agricultural products and so on. In the area of transportation, a one-liner that doesn't say anything, Mr. Chairman, you know, "We will continue to press for an open and honest dialogue between all participants." Well, that's Motherhood. Everybody wants a dialogue but at some stage there has to be a position taken on key issues that are affecting the

transportation of agricultural commodities across Canada, Mr. Chairman, and it is an issue that is coming to a head, I believe, perhaps this year. Yet the Minister has not enunciated any policy on the part of his department or this government with respect to that question.

The references to continued support for existing departmental institutions and programs is hardly a major policy statement, Mr. Chairman. The construction of a new oilseed plant is hardly a policy statement since, Mr. Chairman, it is a plant that is to be constructed as part of an expansion of the private sector which was underway for some period of time.

Mr. Chairman, it's the very company that we yielded to when they had suggested to us that we not promote new entries into the industry in that they were looking at expansion at that period of time. And of course their amalgamation with Saskatchewan took place since then and now they are in a much stronger position in terms of their ability to expand their processing as well as their marketing. And this is a natural growth aspect of an existing industry that should take place and we welcome it, Mr. Chairman, but it's nothing that can be highlighted as a thrust of the Department of Agriculture or the government.

Mr. Chairman, it seems to me that the question of transportation of agricultural commodities from Western Canada, to Eastern Canada, or from central Canada into the coast area, in particular with respect to movement of grain, is going to be settled hopefully this year, and that it is our hope that it be settled on a basis that is advantageous to our part of Canada and it would be of some interest I am sure to Manitobans to learn what the Minister's position is going to be. I notice that the Minister in charge of the Canadian Wheat Board is cautioning very much against abandoning the existing arrangement with respect to freight rates on the movement of grain. So there is obviously an openness there that ought to be exploited by this government on behalf of our producers so that we end up with a policy that protects those interests, Mr. Chairman.

There is not a word mentioned here with respect to where we are with the compensation that we were expecting to receive, that is our farmers were expecting to receive, as a result of the grain embargo which was introduced by a Conservative government Mr. Chairman, continued by the Liberal government for a period of time, abandoned by the Liberal government, but there was some indication that the costs of that program to agriculture were to be assessed and that agriculture would be compensated in that in recognition of the fact that it is the nation that was at war on that issue and not the farmers of this country, and that therefore the burden of that cost should not fall solely on primary production or primary producers in Canada of grain, namely in the three prairie provinces, Mr. Chairman.

So it seems to me that's a very important area because the agricultural community have gone through a very tough period due to climatic conditions, they have sold off a tremendous amount of inventory to keep up their income level, Mr. Chairman, they have come through a period of hardship, but it may be even tougher in 1981 and to the extent that there is something owing to them on the part of the Canadian government, then it would

seem to me that we ought to pursue that course and assure the producers that they will indeed receive compensation for losses in revenue; not only in losses in revenue due to loss of sales but loss in revenue due to depressed market prices as a result of that policy. These are very important parts that have been totally ignored by the Minister in his comments.

I assume by that that he has lost interest in that issue for whatever reason and is not pursuing it. I would certainly be pleased to know otherwise, Mr. Chairman.

There is another area, Mr. Chairman, that I believe should be apparent to the Minister and to all of us and that is the area of the viability of the processing industry in Manitoba, processing of agricultural products and in particular the meat packing plants come into question in that respect, Mr. Chairman.

The Province of Saskatchewan recognized some years ago that there was going to be a reduction in processing capacity, in processing involvement in the Province of Saskatchewan and in recognition of those facts, Mr. Chairman, they moved to try to protect their industry in Saskatchewan through the acquisition of some of the processing plants in order to maintain a balance between primary production and processing within their province in order to ensure the continued continuation of the arrangement where the products produced in Saskatchewan would also be processed in Saskatchewan, giving greater value added to those products as far as the Saskatchewan economy is concerned.

In Manitoba we have seen the closure of one of the major meat processing plants, manufacturing plants, and it appears to me that we may face a second such situation unless we can somehow stabilize the production of primary products for those plants in order to ensure their continuation and their operation into the future.

It's my understanding, Mr. Chairman, and the Minister is closer to it than I am, that there are not many cattle being fed to a finishing point in Manitoba at this point in our time. It is my understanding that the plant capacity is being supported through fairly substantial imports of beef from the United States and, you know, I suppose that can be endured for a period of time but if that becomes a continuing situation then you can see that there is no way in which we can maintain even the remaining manufacturing plants or food processing plants that we have here in Winnipeg in the area of meat production in particular.

The fact that some provinces have introduced a guaranteed price component for their primary producers has ensured to a great extent, at least to some extent, that they will have stability in production and in fact even expanding production, and therefore if you have that kind of expectancy then you have assurances that are sufficient to maintain existing plant operations and even expanding into new ones. Manitoba does not have that assurance and is to date not competing with those provinces with the view of at least protecting its own particular interest and the numbers game that we are involved in to ensure that we don't transfer our production from Manitoba to other regions of Canada and thereby transfer the value-

added part of the economy with it, the spinoff benefits from our primary production in this province.

I think it would be tragic, Mr. Chairman, if, in Manitoba, we shrunk back to a grain producing province, that we diminished our food processing capacity in any way, and to that extent it seems to me the least the Minister should have announced in his opening remarks is some direct involvement on the part of the government in ensuring that this would not take place and that in some way through some mechanism set up by the department, that we would provide the insurance necessary to protect the interests of Manitobans and in particular the interests of our primary producers, that we don't gradually shift our production away into Ontario and Quebec and elsewhere in Canada because of our lack of competitiveness at the production end and indeed at the processing end as well.

So it has to be, in my opinion, a policy of at least intervention in the sense of being aware, in the sense of perhaps doing a departmental, if you like, in-depth study to know where we are going and to see where the directions might be made in order to protect our relative position in the production and marketing of those commodities as far as our part of Canada is concerned.

So, Mr. Chairman, those are the major long term areas that are of concern to us on this side and I would hope that the Minister is in a position to give us some idea as to what planning is underway within the department to assure us that we don't shrink our industry, that in fact we are going to remain competitive in terms of maintaining our share of Canada's production, our processing, our job opportunities that relate thereto and that we have a growth pattern at work as opposed to facing further shutdown and further reduction in economic activity as it relates to agriculture in Manitoba.

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

MR. ADAM: Thank you, Mr. Chairman, I'd like to respond briefly to the Minister's opening statements and I'd like to comment that there are many areas that have been brought to our attention that are causing a lot of problems to our farm sector, our producer sector, Mr. Chairman. I note on page 2, for instance, in the Minister's opening remarks on the second page, "It is our belief that by providing basis for which family farms may flourish . . ." I believe that the policies that this government has followed to a large extent is just going to accomplish the opposite of what has been happening.

We have a solid agriculture sector. I believe we do have a very hardy and strong group of people in agriculture but, Mr. Chairman, these people are not magicians. They can only stand so much.

A MEMBER: Actually they're farmers, Pete, not magicians.

MR. ADAM: But I mean, they're farmers, but you know, this government and the policies that it has followed want them to become magicians in order to survive and they have been supporting the continuation of instability. They talk about expanding markets but they never talk about stable markets. They always talk about markets that are volatile, up

and down. We've recently witnessed, just today, I believe it was this morning, we hear that there is more beef being imported from the United States and that beef prices in the stores may go down as much as 30 cents a pound on some counts.

Now, Mr. Chairman, where is the government policy on this kind of a situation? What happens to our own beef industry if they are going to be subjected to that kind of a free market system that comes in from time to time and takes a number of our producers out of business. Every year we see a diminishing number of producers that have to leave, primarily because of the market system. It seems to me that farmers can only do so much in order to stay in business in our particular time because of the horrendous high costs of inputs, the high cost of borrowing that we have brought to the attention of this government in the last two, three years, the high cost of farm machinery, the high cost of chemicals and seed.

We see that the government supports many policies that would add costs on to the farmers, such as support for the world price of energy. Those are the people who are going to get hit first, because they are the primary producers. They are on the front line. They are on the firing line. They are the ones that have to produce the food to feed the people of this province, the people of this country, and the people of the world.

Mr. Chairman, that is where it is going to hit. That's where the crunch comes. Now we find that the government supports as soon as possible further increases of the costs of energy that the farmer cannot do without and the fact that they have I believe supported specialization of agriculture, we find that the farmers have to become larger and larger, and larger machinery is being imported and this leads to further expansion. I am not sure whether the net benefit ends up in the farmer's pocket or whose pocket it ends up in. I tend to believe, in my opinion, it ends up more in the non-farm sector than in the farm sector. I would say that perhaps 11 percent or 10 percent or even less, Mr. Chairman, of the food dollar ends up in the farmer's pocket and 90 percent ends up in somebody else's pocket.

We hear nothing from the Minister of his concern in this regard, absolutely nothing. We hear the general rhetoric about what a good farming community we have. Sure, we all agree with that. It's the same as what a good province we have. There is nothing wrong with the province, sure, it's fine, it's the government that's wrong, that's what wrong. Manitoba is terrific. It will always be here. It's just the government that's wrong and their policies are wrong. Maybe the individuals as themselves there is nothing wrong with them, it's their policies. That's what wrong.

We see where the government supports, as I mentioned, high costs of fuels, plant breeders' rights, which will add some more costs onto the farmer and confuse him. There will be umpteen varieties of grain, none of them that they will be able to analyse or judge. The basic production of food will end up in the hands of perhaps companies who are based in other countries and this is frightening as far as I'm concerned.

We know very well that the costs of grains will escalate, seed grain. Farmers will be, in other words,

slaves to these corporations — say, well, we would like to sell you the seed but unless you buy our fertilizer and our chemicals, no dice, you don't get our seeds. They will be intimidated in that fashion, Mr. Chairman, and we think that this is very very dangerous legislation, and I would hope — it's federal legislation, but I would hope that this government would take a closer look at that particular legislation and perhaps discuss it more openly with farmers and bring to the attention of the government what's happening. There is a mounting opposition to this type of legislation now sweeping across Canada from church groups and from farm groups and from many areas and we hear nothing from the Minister in this respect. We believe that he supports this wholeheartedly. We certainly do not go along with him. We want to go on record now that there will be dire consequences if that legislation ever comes in. We know that already in other areas where they have this type of legislation that the farmers are really concerned about what's happening. They are demanding that — there is now pressure for that legislation to be changed in some countries.

It's beyond me why we would want to support such a fundamental thing as basic seeds and allow that to fall into some foreign corporation's hands where they would have the control. We think it's dangerous and we think that we should be very careful before we head into this area. These kinds of things will add more costs onto the farmer and in turn either farmers go out of business or else the cost of food has to go up in the long run.

The position on transportation is another one, and very crucial. I am not sure where the Minister stands on this any more because he has been changing his position from time to time on it and I know that he was unequivocally in favour of abandoning the Crowsnest Pass rates, but I know now that he's perhaps had some very strong messages brought to him and maybe he is changing his position somewhat. Now he wants the farmers to receive the full benefits of the Crow rate. Now I am not sure whether he's being sincere or whether he is just doing that for political expediency.

Mr. Chairman, he wants to work it from both ends. He wants to appease the farmers. We know what's going to happen, Mr. Chairman. What's going to happen is that each farmer is going to be saddled on an average with about \$6,000 or \$7,000 in the final analysis. That's what will happen. That will be money transferred from the farm sector to the corporate sector.

Mr. Chairman, when the agreement was first made with the railway company, the CPR, to transport grain, they wanted 46 cents a bushel, over 46 cents a bushel to transport grain to the coast. The price of oats at that time was 40 cents a bushel. That's what they wanted. We will see those days again. I know what's behind the Minister's idea. Once the costs are greater than the value of the product they will be dumped on the local market. The feed mills will be able to buy the product for nothing, but that's not what's going to happen, Mr. Chairman, the producer won't produce it and there isn't going to be any oats or barley because it will not be worth growing. It will have to be sold at the local level or that's it and that's what's going to happen.

We don't agree with those policies and we go on record here now, since I think I can speak for my colleagues in our party, that we are opposed to the plant breeders' rights and we are opposed to any changes in the transportation agreement that was signed, and I am sure the farmers of this country have lived up to their bargain in Confederation. They have lived up to every commitment that was made, that was imposed on the farmers. They have lived up to their end of the bargain.

I noticed just last spring in the last session when I looked into some of the Orders-in-Council I ran into a document where the Minister, now the Minister of Finance, had given, signed over a half section of land in the Morden area to the CPR. This was October of 1979, and there is nothing wrong with that. I am not arguing, I am just pointing out that the agreement is still being honoured to the CPR. There are a lot of people in Manitoba who think that was a one shot deal. We gave lots of land to the CPR and we gave them all kinds of mineral rights. If you want the — (Interjection)— are you asking me for number of the Order-in-Council document? I'll give it to you if you want. You signed it, you should know what it is. Most of the people think that the land that was given to the CPR was a one shot deal. It's still going on, even in October of 1979 the Minister handed over to CPR a half section of land, honouring the Crowsnest Pass agreement and I don't argue with that. The agreement is there. We live up to our bargain and the CPR has nothing to lose but the taxpayers money.

Mr. Chairman, I have recently obtained information in regard to the CPR and there has been in-depth studies made. I think there should be another one and again I am talking about transportation and the Minister mentions it in his opening remarks, but very little. I believe there should be an investigation in the CPR at the particular time and there was an in-depth analysis made in 1917 and it was found that if you take those benefits that were handed to the railways then, and bring that up to today's figures and what those benefits accumulated over the years, you will find that today those identifiable benefits — there have been benefits that we can't identify, we can't put an amount on, but those that we can identify would amount to \$10.34 billion of public assistance to the CPR, without taking into consideration the unidentifiable benefits.

Mr. Chairman, last year's financial statement, the book value statement of the CPR or CP Investments, I believe it is now called, was \$11 billion. That's their total assets and of that the public has put up \$10.34 billion. It's been bought entirely by the public, and they owe on top of that, we have given them the benefit of deferring \$900 million of income tax, deferred income tax in addition to that. That is what is happening to date and it is time that we do have a full investigation of the CPR. There are records there and we can bring them to the Minister's attention.

I find that the Minister talks about hay and grazing permits. We have raised some questions last year in regard to this and again I want to bring to the Minister's attention that the rental rates for the leases in 1980 was unrealistic in regard to the drought situation that these farmers had to face. I have written to the Minister to bring to his attention some particular situation of an individual but, Mr.

Chairman, we find where some individuals or some producers had to pay as much \$700 rent on one quarter section of land and harvest 35 bales of hay, after paying that kind of money for those leases, having to turn around and having to buy feed to winter their livestock. We think that the Minister should have been looking at that particular situation. I am sure he is getting some complaints. We have received a number of complaints of how the rental rates have gone up. When you get an increase in rates and then you have a drought, you are in trouble, and in serious trouble. These are the kinds of situations that the Minister should be addressing himself to.

I don't want to be repetitive and go over the problems of the escalating price of farm land but in my opinion if you want to have some kind of restriction, if you want to restrict in a free market system, and I am not totally sold on a free market system, I think that there are a lot of things that can be corrected in a free market system, but if you want to live with that, bringing in legislation that would restrict buyers, also restricts sellers as well. It's a double-edged sword.

The Minister here is trying to sell land as much as he can. He wants them to buy their own land; he wants them to own it. Then he says, "You can't sell it. I don't want this foreign buyer to come in and buy it." That's what he is saying. He has given some big loopholes so you can drive a boxcar through, but he gives the illusion, because it is popular to do that, it's popular to be nationalistic, it's popular to be nationalistic and say this is mine, nobody is going to get it, so he wants to restrict the number of buyers. Fine, you want to help young farmers to get into buying farm land; I'm all for it. But what about the farmer that wants to sell out? He can't find a buyer. He can't find a buyer at the price land is today. You can find renters. So there has to be an alternative there and that is why you have to have some kind — where a person can't sell his land, because we have said to a prospective buyer, you can't buy that land — well, then, you have to have another alternative. You have to have a land lease program, a land lease/purchase program, whatever you want, sure. —(Interjection)— I am going to be very honest with you. Not state farming. Well, that's your idea. You are so hung up on state ownership that you can't see straight anymore. Your eyes should be in the back of your head. But anyway, you have to provide somewhere for this individual that wants to sell his land, you have to provide a place for him to sell it.

Land has gone up about 15 percent in the last five years, every year. Every year land goes up about 15 percent in value. Now what young farmer can get into farming today at those escalated prices? How much money is the Minister going to lend these young farmers to get into farming? It's just unbelievable.

So you have to give the guy an option. You have to give young farmers every option. Two options aren't even enough; maybe you should have three or four different options. But, no, the Minister has restricted; he has taken away certain freedoms from the young people who want to get into farming and says, "No, you shall not get into farming this way; you shall get in the way we want you to get in, and there is only one way, and that's you buy it or you can't have it."

We think that this is unrealistic as well, especially in this day and age when land has gone up. Now you are talking about \$1,000 an acre for some land. Well, what young farmer is going to buy that land?

We say that the government has failed in this area and we have to come up with innovative programs.

The Minister used every trick in the book to intimidate farmers to get out of the Beef Stabilization Program, every trick in the book. He has intimidated the farmers; he has coerced them; he has done everything to get them out. Along the way a lot of them has been shafted; a lot of them have been shafted on the way, because of his manipulations and his intimidations. He changed the rules of the game during the program. He changed the rules. He said, "I want to change the rules. You and I have signed an agreement that this is the way the program is going to work but I have decided to change the game." That's what the Minister said, and he has been intimidating farmers for the last two or three years to get them out of the program.

The Drought Program has been a disaster. Well, I wouldn't say a disaster, that's perhaps too strong, but I would say so confusing to the farmers that they didn't know where they were at. We are getting letters, and I have written to the Minister on some individual cases, which I don't want to refer to here, but there has been confusion with the two programs, the federal and the provincial, and we know that the taxpayer of this province is paying to move hay from the east side of the province to the west side of the province, and we know that the taxpayer is paying transportation charges from the west side of the province to the east side of the province. We know that that has happened. You know, double freight, because nothing was co-ordinated; nothing was co-ordinated, Mr. Chairman. The Minister, first of all, jumped the gun. He couldn't talk to the government in Ottawa to find out whether they could co-ordinate a program; he didn't do that. We are still going to ask the Minister where the money went. We will go into that when we get into the departments.

We know that — at least we think that there has been some favoritism in allocating leases and we will be talking more about that when we go into the Estimates.

There is nothing said in the overview about what we are doing about promoting agriculture in northern Manitoba. There is nothing there and that is important because their transportation costs are high and if we are able to promote some production in the north for consumption in the north, we are going to be helping northern Manitoba to bring their cost of food down.

Research, Mr. Chairman, the one area that concerns me and concerns me greatly is how much research are we doing into the practice of farming as we are doing it today? We do some research for development of new seed varieties and so on and we do research on machines and we do a lot of research in other areas, but how much research are we doing about farming practice today, the use of chemical fertilizers, the use of chemicals, the use of pesticides, what is this doing to our soil? What is it doing? We are using inorganic fertilizers. Have there been any moneys to any extent provided to find out what is happening to our soil? This is the area that I think we are going to have to look at very very

seriously, because I believe that the Province of Saskatchewan, the productivity of the soil of Saskatchewan has gone down about 50 percent of its original productivity, in Saskatchewan, because of the farming practices at the present time.

What we are doing is our land, our soil, is completely tired out and what we are doing is pouring in more fertilizer and pouring in more chemicals and pouring in more in order to make up that loss of productivity in the soil. Unless we come to grips with that, we are going to be in serious, dire trouble in the not too distant future.

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

MR. URUSKI: Thank you, Mr. Chairman.

The Honourable Member for Ste. Rose and the Honourable Member for Lac du Bonnet raised a number of issues that the Minister just briefly touched upon in his opening statement. We would hope that the Minister would respond in these areas, dealing with what type of special projects the Minister has in terms of his department.

We know that the Minister has made statements in the area of transportation. He made a very bland statement indicating that he wants co-operation and of course everybody wants co-operation. He also has made and backed off an earlier statement dealing with the main issue in Canada today, and that is the matter of the Crow Rate, in terms of who should pay the costs. Several years ago, he made the statement that it should be done away with and that farmers should be expected to pay more for their transportation and farmers would pay more, were prepared to pay more, Mr. Chairman, because they wanted better service.

Now, Mr. Chairman, he has moved away from this. He has indicated that there should be a Crow benefit to be paid — well, he speaks of this and he says it should be paid through an agency. He suggests a new agency to pay the Crow benefit to all producers in Western Canada, not the ones who ship their grain, but to every producer. He believes and I am assuming — and he can correct me if I am wrong — that if all producers receive it, the benefits then would flow to everyone in the industry, including those producers who do not ship grain.

Mr. Chairman, it appears that he doesn't even listen to his own studies that he has paid for, because over a year ago, and I know the province has given research grants to the University of Manitoba, a year ago a study was done on the very issue of the Crow benefit by the University of Manitoba. What were the brief results of that kind of a study? I quote from that . . .

MR. DOWNEY: Mr. Chairman, on a point of order.

MR. CHAIRMAN: The Honourable Minister, on a point of order.

MR. DOWNEY: I believe we are discussing Salaries, Planning and Management, which has nothing to do with the transportation issues, which are totally a federal concern. I think it is not in the best interests of the committee's time to proceed on the line of questioning. I would think if he wants a response, as far as I am concerned, with the opening statements

from the three Agriculture critics, at the conclusion of my Estimates debate, I would be prepared to respond to them.

MR. CHAIRMAN: I am inclined to agree with the Minister of Agriculture to the point where some of it has gone a little bit further than under Planning and Management, but I have allowed the latitude so that I could see the connection between Transportation and Planning with the provincial government, and I would say that the Honourable Minister doesn't have a point of order. He has got a good suggestion and I would —(Interjection)— I beg your pardon? The Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, there is no doubt that the debate likely will be fairly wide-ranging and your comments, and then when the discussions are concluded, then we move on.

MR. CHAIRMAN: The hour is 4:30. Time for Private Members' Hour.

Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the The Honourable Member for Portage la Prairie, report of committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I believe there is a disposition not to proceed with Private Members' Hour today and I would therefore move, seconded by the Honourable Minister of Finance, that this House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Thursday).