

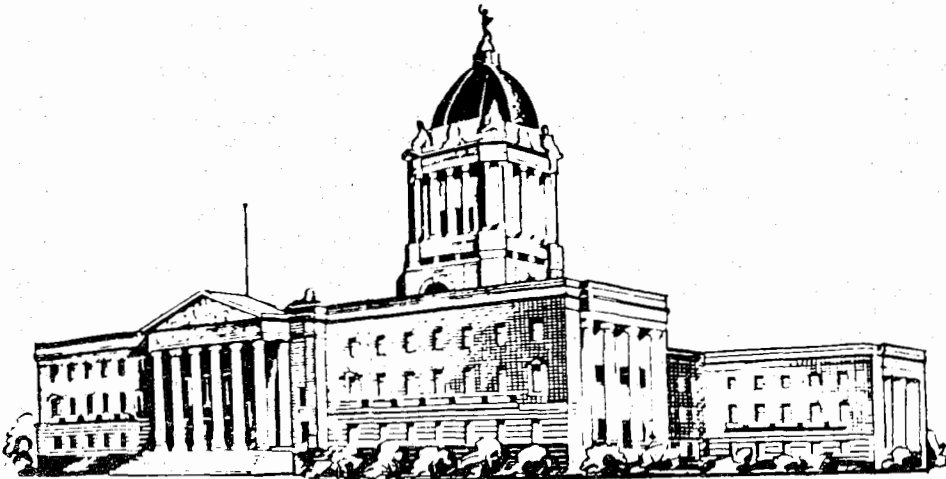


Legislative Assembly of Manitoba

DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XX No. 57 2:30 p.m., Tuesday, April 10th, 1973. Fifth Session, 29th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	R0M 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGILL	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	VACANT			
CRESCENTWOOD	Cy Gonick	NDP	1140 Grosvenor Ave., Winnipeg	R3M 0N8
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Gabriel Girard	P.C.	25 Lomond Blvd., Winnipeg	R2J 1Y1
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Mrs. Inez Trueman	P.C.	179 Oxford St., Winnipeg	R3M 3H8
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Leonard A. Barkman	Lib.	Box 130, Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Ian Turnbull	NDP	284 Wildwood Pk., Winnipeg	R3T 0E5
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	361 Burrows Ave., Winnipeg	R2W 1Z9
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	506 St. George Ave., Portage la Prairie, Man.	R1N 0T5
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Jacob M. Froese	S.C.	Box 40, Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	2 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Jean Allard	Ind.	Legislative Bldg., Winnipeg	R3C 0V8
ST. BONIFACE	Hon. Laurent L. Desjardins	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. GEORGE	Bill Uruski	NDP	Box 580, Arborg, Man.	R0C 0A0
ST. JAMES	Hon. A.H. Mackling, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. JOHNS	Saul Cherniack, Q.C.	NDP	333 St. John's Ave., Winnipeg	R2W 1H2
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	31 Lochinvar Ave., Winnipeg	R2J 1F3
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Joseph P. Borowski	Ind. NDP	La Salle, Man.	R0G 1B0
TRANSCONA	Hon. Russell Paultey	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	J.R. (Bud) Boyce	NDP	777 Winnipeg Ave., Winnipeg	R3E 0R5
WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, April 10, 1973

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 50 students of Grade 6 standing of the Florence Nightingale School. These students are under the direction of Mr. Kowalchuk. This school is located in the constituency of the Honourable Member for Inkster, the Minister of Mines, Resources and Environmental Management.

We also have 31 students of Grade 7 standing of the Queen Elizabeth School. These students are under the direction of Mrs. Elizabeth Beauchemin. This school is located in the constituency of the Honourable Member for St. Boniface, the Minister of Tourism, Recreation and Cultural Affairs.

And we have 35 students of Grades 7 and 8 standing of the Stevenson Junior High School. These students are under the direction of Mr. Norman and Mr. Gytoski. This school is located in the constituency of the Honourable Member for St. James, the Attorney-General.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Health.

TABLING OF REPORTS

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, I would like to table and have distributed an invitation to all members of the House to the opening of the Youth Centre in Tuxedo on the 18th of April, 1973 -- 7 o'clock.

MR. SPEAKER: Any other tabling of reports? The Honourable Minister of Colleges and Universities.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): Mr. Speaker, I want to file an Address for Papers No. 35 on the motion from the Honourable Member from Portage la Prairie. I have four copies here.

MR. SPEAKER: Any other Ministerial Statements or Reports? Notices of Motion; Introduction of Bills -- The Honourable Member for Osborne.

MR. IAN TURNBULL (Osborne): Mr. Speaker, may I have this matter stand?

MR. SPEAKER: The Honourable Leader of the Liberal Party, The Member for Wolseley. The Honourable Member for La Verendrye.

INTRODUCTION OF BILLS

MR. LEONARD A. BARKMAN (La Verendrye) in the absence of the Leader of the Liberal Party introduced Bill No. 37 an Act to amend an Act to incorporate Westminster United Church Foundation.

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MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier and Minister of Finance) (Rossmere): Mr. Speaker, I have for the table of the House, return to an order No. 19 on a motion by the Honourable Member for Roblin, the requisite number of copies. I'll keep one.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Yes, Mr. Speaker, my question is to the First Minister. I wonder if he could indicate whether the government has had discussions with Manitoba Hydro about the timing for the rate increase of Hydro in the Province of Manitoba?

MR. SCHREYER: Mr. Speaker, the frequency with which a utility goes for a rate increase I think is a matter of fairly consistent pattern and accordingly I expect that this will be taking place sometime in the course of the next year or two.

MR. SPIVAK: I wonder if the First Minister can indicate whether the rate increase will be determined as a policy decision of government or will be determined by the board

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(MR. SPIVAK cont'd) . . . . alone -- the Manitoba Hydro Board alone?

MR. SCHREYER: Mr. Speaker, any rate increase presumably will be made on the basis of considerations similar in nature to those which prevailed before.

MR. SPIVAK: I wonder if the First Minister can indicate whether the government will be giving any instructions to the Board as to the timing of when a rate increase is to take place, or has given instructions to either the Chairman or to the Board of when a rate increase should take place?

MR. SCHREYER: Mr. Speaker, I don't know whether it is a past practice which makes my honourable friend suspicious but I would assume that this matter will be determined on the basis of facts and financial statements.

A MEMBER: Right. He knows it too.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister or the Minister of Industry and Commerce, I gather he's not in his seat. This has to do with the information with respect to new freight subsidies to be provided to the Atlantic region. The announcements have been made I believe by one of the premiers of the four Maritime provinces and I wonder if the First Minister or the Minister of Industry and Commerce is in a position to indicate what the impact of those subsidies will have in connection with the competitive position of Manitoba manufacturers?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, inasmuch as I, too, had only heard the announcement this morning, it was a very brief news item, I'll have to take the matter as notice and look into it and just try to assess what the impact might be on our provincial economy.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable First Minister or perhaps to the Honourable Minister of Mines and Natural Resources, responsible for the MDC. Will the suit that has been filed by MDC against the Arthur D. Little Company Inc. in any way preclude the important examination of that firm's activity in the whole matter?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I assume that the action that has been taken has been taken on the best advice of counsel.

MR. ENNS: Mr. Speaker, I direct a further question. Does the government not agree, particularly in view of the statement in that suit, and I quote from today's press "that the Development Corporation feels that the consultant's firm was almost entirely responsible".

MR. SPEAKER: The question is argumentative in that form.

MR. ENNS: No, Mr. Speaker, I just want to --

MR. SPEAKER: The honourable member wish to rephrase his question?

MR. ENNS: Well my question is simply this -- and the question is that it seems to me of utmost importance that this firm's testimony be heard by the Commission of Inquiry. My question directly to the Minister is, does he not feel that in view of the statement that the Development Corporation itself in this suit has said that the consultant's firm was almost entirely responsible for everything that went on at that site that that testimony be now heard by a Commission of Inquiry . . . ?

MR. SPEAKER: The honourable member is debating the question again. The Honourable Minister of Mines and Resources.

MR. GREEN: I would like to reply to the question as follows, Mr. Speaker. That in a civil suit, when a civil suit is taken, that there is much less problem about other actions proceeding in parallel than when a criminal suit is involved; that in this case, Statutes of Limitations and other considerations would apply in determining whether the MDC would proceed.

I would remind the honourable member that about three weeks ago, or four weeks ago, we were being urged to take criminal proceedings which the Commission of Inquiry told us would affect their right to examine witnesses and appeared to be under heavy fire from honourable members opposite and from the media for doing something which the Commission of

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(MR. GREEN cont'd) . . . . Inquiry had told us not to do. We are now apparently being questioned as to proceeding -- (Interjection) -- well, Mr. Speaker, we are apparently being questioned, is that a provocative statement? -- we are apparently being questioned, in proceeding in a civil action where the considerations are far more probable of not involving an interference -- I say that on basis of my own knowledge as a solicitor -- and therefore I think that with the Statute of Limitations being involved, and which is not involved by the way in a criminal proceedings, except in summary conviction offences, that the action that is being taken is taken for the purpose of protecting the people of Manitoba according to the best advice of counsel; that the sensitivity of such action, I indicate to my honourable friend, that roughly three weeks ago when a Commission of Inquiry headed by a Chief Justice of the Province of Manitoba was telling us that to take such action would prejudice the Commission, because criminal proceedings allege the Commission of Criminal Acts, that we were being badgered by the Member for Riel, the Leader of the Liberal Party, for somehow copping out on these proceedings.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I wish to, with your permission, ask the simple direct question: Does the government not now particularly consider the testimony of the Arthur D. Little firm as being essential for the full and true story of the whole forestry complex coming out in its full and true manner, in view of the very suit that is now pending against Arthur D. Little? My question again directly to the Minister is, will the government or the Minister in its informal discussions with the Inquiry Commission not request that this firm's activities in this matter be fully investigated?

MR. GREEN: Mr. Speaker, my impression is that the Commission is dealing fully with those matters and that the civil suit is taken in consideration of all of the things that the honourable member has mentioned and the government's position vis-a-vis the commencement of a civil suit.

MR. ENNS: A final supplementary question. Can the Minister indicate on whose authority the law suit presently pending against the Arthur D. Little Corporation was instigated -- was it on the authority of the government or was it an action taken by the MDC solely on its own?

MR. GREEN: Mr. Speaker, as I have indicated to the honourable member, ultimately the government is responsible; that the actual instructions to proceed would have come in a variety of ways but that the government is in accordance with what is occurring.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, to the Minister of Mines and Natural Resources or to the First Minister. Can he indicate to the House whether there has been any discussion with any members of the commission or its staff as to whether Arthur D. Little would or would not be called as a witness before the commission?

MR. GREEN: Mr. Speaker, I can recall no such discussion, but I am aware that the commission is proceeding to try to get evidence from many, many sources, and Mr. Speaker on my -- and in this I am hazarding a legal opinion -- that I know of no case where civil proceedings taken against somebody give that person a right to refuse to testify before an inquiry under oath when a subpoena is properly issued.

MR. SPIVAK: A supplementary to the Minister of Mines and Natural Resources. Was any information passed to the government by the commission that it was not their intention to call Arthur D. Little as a witness?

MR. GREEN: Mr. Speaker, not that I'm aware of -- or not that I would recall. I cannot recall any such thing ever having been done.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I would like to address a question to the same Minister -- the Minister of Mines and Resources. Are there other suits or actions pending because of the Statute on Limitations under which such actions or suits would have to be filed?

MR. GREEN: May I tell the honourable members that for the past three years there have been numerous actions in which the Manitoba Development Corporation has been involved as defendant and as plaintiff because the receivership action are themselves actions and that those actions have not precluded the Commission from doing its job.

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MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. I. H. (Izzy) ASPER (Leader of the Liberal Party) (Wolseley): To the same Minister, Mr. Speaker. Has the Manitoba Development Corporation embarked on a public relations advertising plan using television advertising?

MR. GREEN: Mr. Speaker, I would have to take that as notice.

MR. ASPER: While the Minister is taking it as notice, I wonder if he'd also take as notice the question of how much are the current television advertisements costing, what is intended to be accomplished by this advertisement and is it not, because of the content of the advertisement, a use of public money to promote a political cause?

MR. GREEN: Not having seen the advertisement and having indicated to my honourable friend that I would take the question as notice, I don't see how he can expect an answer to that further question.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Premier. In view of council's decision to go ahead with full expropriation of homes of about 600 residents by the Arlington Street Bridge, I wonder if the Premier could indicate whether a decision was made by the government to proceed with the \$20 million Arlington Bridge?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I would have to take that as notice. I assume that the Minister of Urban Affairs would want to take that as notice as well. If he is in a position however to report, perhaps he can do so now.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. BEN HANUSCHAK (Minister of Education and Urban Affairs) (Burrows): Mr. Speaker, I'd have to take that matter as notice.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Premier. In view of the almost international shock and condemnation regarding the shooting down of that ICC helicopter in Vietnam, and in view of the Federal Government and other governments condemning the Viet Cong, and in view of the fact that the Premier signed a petition recently condemning the bombings and the war in Vietnam, I wonder if he will join the Federal Government now in condemning the Viet Cong for this cold-blooded murder of nine people, one of whom was a Canadian?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, assuming that there is some reasonable evidence to indicate that the act was one committed by the other side or the Viet Cong as they are sometimes called, I would have no hesitation whatsoever in joining in the protest by other Canadians. In this whole sad episode of ten years let no one pretend that guilt was not pretty obvious on both sides.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Thank you, Mr. Speaker. Mr. Speaker, I would like to direct a question to the Honourable the Attorney-General, and I apologize for giving him such short notice of this question. The question to the Minister: Has the honourable the Attorney-General directed the Chairman of the Manitoba Liquor Commission to order Legions who operate licenced premises in Manitoba to provide hard-surfaced parking space to accommodate up to 40 and 50 cars?

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General) (St. James): I appreciate the honourable member giving me notice and he should make no apology about it being short. I don't get notice from everyone and I appreciate his having given me notice of the question. I was able to confirm with the Commission that individual requirements of licencees are dealt with on an individual basis whether or not they are service clubs or any other organization that happens to have a licence. There are times when individual licencees are requested to improve their facilities, whether it be a parking lot or otherwise, but there has been no general direction given to service clubs in relation to the question or the matter that the honourable member brought to my attention.

MR. WATT: A supplementary question. Is the Minister then aware that there has been direct notice given to certain Legions throughout the province where it is physically impossible

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(MR. WATT cont'd) . . . . to provide such parking space?

MR. MACKLING: Mr. Speaker, my understanding is that there have been individual cases where requests have been made for changes; I don't know of any general application and if the honourable member has a specific that he wants to bring to my attention I can look into it.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): Mr. Speaker, I have a question for the Minister of Northern Affairs. Could he confirm or deny that the \$33,000 grant to the Northern Association of Community Councils has been cut?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, discussions are going on with the Department of Northern Affairs and the Northern Association of Community Councils and will be going on again in a few more days; and I don't think I'll make any further comment, Mr. Speaker.

MR. ALLARD: Well, I don't know whether the Minister's answer . . .

MR. SPEAKER: Question?

MR. ALLARD: . . . precludes my question, but I'd like to ask and see whether he wants to answer. Could he confirm that he intends to shift over the responsibilities carried under this grant to the IC program that has been operated out of five communities out of The Pas? I'm just wondering whether this is part of the . . .

MR. McBRYDE: The answer to that question is "no", Mr. Speaker.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, the other day the Honourable Member for Morris asked me a question in relationship to the hours of operation of liquor vendors I believe in Manitoba. I'm given to understand that the Commission recently advised vendors that they could adjust their hours to conform to the usual business practices in the communities in which the vendors operate; that is in instances where the usual business time is for operations to say 9:00 p.m. on a Friday or Saturday in a local community, then the Commission has indicated that it would be in order for them to conform to the hours of operation that is in being in the community.

In the last week, or perhaps it was sometime earlier than that, the Honourable Member from Thompson asked me a question as to whether or not the Crown would be considering an appeal in connection with what was reported as a very serious incident of a fire in a dwelling, where there was a fire started when there was someone in the bed. It was a very serious case and there was an apparent -- a considered light disposition of the matter by the lower court, it was a two-year suspended sentence. I wish to confirm that the Crown is appealing that sentence.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, yesterday the Leader of the Opposition asked me about the custom pre-clearance and this is the telegram that I sent on April 4th to Mr. Don Jamieson, Minister of Transport, the Honourable Robert Stanbury, National Revenue, and also the Honourable Mr. Gillespie, Industry -- and confirmation copy was later mailed. "My department is very concerned over reports in our daily newspaper regarding suggestions there may be withdrawal of U. S. Custom pre-clearance at Winnipeg International Airport. We have been handicapped in developing and expanding our travel by air to the south for a number of years because of limited air carriers. Only one airline operates out of Manitoba to the south and services northwestern Ontario, Manitoba and Saskatchewan. Customs pre-clearance is an absolute necessity and we must strongly protest any suggestion that these either be curtailed or eliminated. I would appreciate your support on any suggestion of further restrictions that Manitoba has to be . . . in developing and expanding our travel industry."

I would like to add, Mr. Speaker, also, that I believe that there are two separate points to be considered on this question: one is the convenience for our residents who must travel to the south for pleasure; and of course the important one for this department also is the tourist industry convenient for returning guests to Manitoba to have pre-custom clearance at Winnipeg International Airport. To have this eliminated would mean a large jet load of passengers would have to embark at Grand Forks and Fargo and have all their luggage unloaded and inspected by U. S. Customs and immigration officers. Eastern Canada, such as

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(MR. DESJARDINS cont'd) . . . . Toronto and Montreal and so on do not have the same problem and therefore are not so concerned. They would be flying their passengers to large destinations such as Cleveland, Detroit, New York and so on where there are ample custom facilities unlike those at Grand Forks and Fargo. Therefore, Mr. Speaker, our concern over any suggestion of bartering pre-custom clearance against additional air carriers, which we believe is a separate question and I think that this come out in the newspaper that the Federal Government were using that to bargain. Well, we're quite concerned about this because we have brought this to the attention of the Minister of Transport and also re-emphasize again that Manitoba is urgently in need of an additional carrier to the south to service not only Manitoba but Saskatchewan and western Ontario.

MR. SPEAKER: Order, please. I do believe the Honourable Minister's making almost a statement which would be more preferred under Ministerial Statements.

MR. DESJARDINS: Mr. Speaker, the only reason, I was asked this question yesterday and I'll abide by your decision. I have another sentence to -- I'll abide by your decision.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I thank the Minister for his statement, but I wonder if he can indicate whether there's been any reply at all from the Federal Government?

MR. DESJARDINS: Well the last sentence I was going to read, Mr. Speaker, is that we're afraid that again the western Canada, and I'm not suggesting that we separate from the rest of Canada, but Manitoba would lose out, that we'd lose out this pre-clearance and still not get another carrier and we're very concerned with that. Now, I might say that the Minister -- now that I sneaked that one through, I might say that the Minister of Transport, the office of the Minister of Transport has stated that they received that and they will be replying soon, and we haven't heard from the other Minister.

MR. SPIVAK: A supplementary question to the Minister of Culture and Tourism. Is he suggesting that the bartering arrangements with respect to a second carrier realistically are involved in the question of pre-clearance, or is this really a separate issue? I know newspaper reports have suggested this, but is it a fact that the government in its bartering for locations for the bilateral agreements are in fact using the pre-clearance as one of the factors for bartering, or is this really a separate issue?

MR. DESJARDINS: . . . separate issue . . . and it shouldn't be used for bartering but we want to be careful on this. We are telling the Federal Government that we don't believe in this bartering, it's a different issue and then we might end up losing the pre-clearance and still not get another carrier . . . state, Mr. Speaker, that I probably read the same newspaper article and this is why we're not sure and this is why we got in touch with Ottawa immediately.

MR. SPIVAK: Well, Mr. Speaker, my question is for the Minister of Industry and Commerce. With respect to the bilateral agreements that are now being renegotiated with the United States, is there any indication that a second carrier would in fact be made available to fly into Winnipeg from the United States?

MR. EVANS: I wonder if the honourable member could be more specific -- from the United States, from which point in the United States?

MR. SPIVAK: Mr. Speaker, I wonder if the Minister of Industry and Commerce can indicate whether in the bilateral agreements now being discussed between the Canadian government and the United States government there is consideration being given for a second carrier to either leave from Canada, from Winnipeg to the United States and service that part of the area of the United States that it may be allowed to, or in turn an American carrier to come in. Is there any possibility of a second carrier operating in competition with Northwest Airlines?

MR. EVANS: Well, Mr. Speaker, as I've indicated on a previous occasion in the House, I discussed the matter of bilateral negotiations with the Honourable Mr. Marchand, the Minister responsible for transportation matters and we have been assured that the question of additional air service between Winnipeg and some other American city was being given top priority in the negotiations. Now, I have nothing further to report.

MR. SPIVAK: Mr. Speaker, my question is for the First Minister. In view of the information supplied to the House by both the Minister of Culture and Tourism and the Minister of Industry and Commerce, and the rather vague information that realistically we now have in



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(MR. SPIVAK cont'd) . . . . connection with this, I wonder if the First Minister can indicate whether he could undertake to write or contact the Prime Minister to see to it that with respect to Manitoba's interests that we are fully protected and we (a) do not lose something that will in fact affect and decrease our tourist industry; and (b) that there would be an opportunity for something further than what we now have in terms of facilities and convenience for both pleasure and business by our people and for people coming into Manitoba in the years to come.

MR. SCHREYER: Mr. Speaker, there is no need for my honourable friend to assume that the Minister of Industry and Commerce and the Minister of Tourism and Recreation are not in a good position to make the necessary representation to their counterparts and other appropriate persons in Ottawa. My honourable friend knows that there is quite a long history to this. We of Manitoba, past and present governments, have made representation to the former chairman, Jack Pickersgill, to Edgar Benson now and it is a case of impressing whenever we can, and we do, impressing on them the need for more solicitude with respect to western Canadian regional air services.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question to the Honourable Minister of Industry and Commerce. Regarding the recently announced sale of Russian wheat, can the Honourable Minister indicate to the House what volume or increase in volume of grain we can anticipate through the Port of Churchill with this sale?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the same question was asked by the Honourable the Member for Rhineland, who is shaking his head in agreement, yesterday, and we gave some rough indication and certainly the Minister of Industry and Commerce is keeping abreast of matters there.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. To the Minister of Industry and Commerce. I wonder if the Minister can advise the House whether our chances for a bilateral arrangement that would provide a second carrier coming into Winnipeg possibly out of the Chicago area have deteriorated recently, or have they deteriorated since he advised this side in the House a few weeks ago that he expected and hoped for some kind of definitive action by late March or early April?

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

MR. EVANS: Well, Mr. Speaker, as all members should understand, this is fully in the jurisdiction of the Federal Government and the best we can do as a province is to continue to inform Ottawa of our concerns, and indeed as the First Minister has indicated, we do this on every occasion in writing, by telephone, by meeting and so on. I have no cause to think that the position has deteriorated but there are many many variables at work. It's not a matter of trading off Winnipeg for Chicago. When the Americans negotiate with Canadians there are other matters that they have to consider: the traffic between Los Angeles and Toronto, the traffic between Vancouver and Seattle and so on, and the entire picture is always being looked at by both sides. It's frankly, Mr. Speaker, a matter of a bit of horse trading and we only hope that the Federal Government will keep our interests at heart as we continually ask them to do so; and as we have been assured that they were doing so only a few weeks ago.

MR. SHERMAN: Mr. Speaker, can the Minister advise as to the approximate date of the last communications that he's had from the major horse traders that he's dealing with, namely the Federal Government in this respect?

MR. EVANS: Well, Mr. Speaker, I have personally not received any memos, or rather letters or wires recently from the Federal Minister responsible. My staff is in fairly constant communication with the Federal authorities. I might add, however, that I expect to meet with Mr. Marchand hopefully sometime within the next two or three weeks about various transportation matters along with other western Ministers of Transportation and I will undertake to remind him at that particular time personally of this particular question, of their negotiations and Winnipeg bilaterals.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. DESJARDINS: Mr. Speaker, on the same subject, maybe I should report that a few months ago the Ministers of Tourism across the Dominion met with Mr. Gillespie, the Minister responsible for Tourism, and I brought the subject quite forcefully to him at the time and I

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(MR. DESJARDINS cont'd) . . . . was backed by the Ministers especially from western Canada, and he assured us at the time that he understood, he knew the situation and would do everything he could to help us in achieving what we want.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Thank you, Mr. Speaker. I have a question for the First Minister. Could he advise the House whether the PEP grant that was granted, sent to Fort Sandy Bay Reserve and which was called back, that the matter has been straightened out in some sort of bureaucratic snafu of some nature, I believe.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the honourable member had given some previous indication of this problem. I have endeavoured to get a reply for him. I haven't got the specific information yet. When I do I will advise the honourable member and the House.

MR. ALLARD: Mr. Speaker, I have another question for the First Minister. In view of his statement to the House yesterday on compensation for assets for hydro in the north, would the royalties accruing to the north in perpetuity as he stated, would they be applied to subsidizing water -- road and air transportation in the north, would they be available for subsidies on services that are really much too high?

MR. SCHREYER: Mr. Speaker, the yield from the water rental royalties which has been referred to, would be there to deal not only with any possible damage to assets but also to deal with problems of adjustment to livelihood, with problems of adjusting to new livelihood pursuits, it would be there for that and really much more. Whether it ought to be also available and usable for purposes of providing basic infrastructure I would think rather not. By that I mean that the onus and responsibility for providing basic infrastructure, whether it be all-weather landing strips or whatever, docks and so on, ought to be regarded as a responsibility on the Crown in a very general and normal way rather than being provided or paid for by means of these designated revenues. However, that is something which in future dealings, those that are involved with economic development of their respective communities will be in a position to prioritize what their preferences are with respect to economic development.

MR. ALLARD: A supplementary question, Mr. Speaker. Am I to understand from the Premier's answer that the revenues from water royalties, that a proper use for them would be compensation for damages in the north, or would not compensation for an asset really be seen as an added amount rather than to take care of compensation for damages?

MR. SCHREYER: Mr. Speaker, when one considers the fact that the water rental royalty over a period of years in perpetuity either taken on an annual basis or when taken on a lump sum discounted to present value basis will provide a revenue that is in my opinion, Sir, far beyond any claim for physical asset damage; so that is subsumed therein and there is much more available for general economic development and social uplift.

MR. SPEAKER: The Honourable Member for Rhineland. The Honourable Member for Rupertsland.

MR. ALLARD: A supplementary, Mr. Speaker, and the last one I presume. Would the First Minister tell the House whether the formulas on which these royalties are paid could be re-examined in the light of changing conditions and times?

MR. SCHREYER: Yes, Mr. Speaker, certainly. Perhaps I should indicate at the same time that one of the difficulties that might be ensuing in the question and answer is that the precise indication of the magnitude of the amount is perhaps not precisely known to the honourable member, but it is and has been based for many years and the basis of .2 mills per kilowatt hour of energy produced by the said water. So then one multiplies that times the total of kilowatt hours of energy generated during the course of a year. It in the case of approximately 25 to 30,000 cfs would come to, in the case of the Kettle Plant alone approximately \$200,000. When a second plant is operating that amount would be doubled; third plant it would be to \$600,000, etc. Some further detail on this and more precision on this, Sir, can be provided either in the Utilities Committee or by way of a separate statement, and soon I hope.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have a question for the Honourable the Minister of Education. Does the government have any intention of passing legislation similar to what Alberta has in that it would restrict teachers from running for office or occupying the office of school trustee?

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MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, with respect to a teacher serving in the capacity of school trustee, generally speaking there's nothing prohibiting a teacher from doing so at the present time, but in his own division I find it difficult to comprehend how one could be his own master and servant.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Municipal Affairs. In view that the building permits have declined by some 50 percent in low rental and semi-detached housing, has the government changed policy in low rental housing or has it slowed down its program?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, there has been no slow down as such; in fact only about two or three weeks ago the entire program, or much of the program, was outlined to the City's Environment Committee and it involved the construction of many hundreds of units of public housing and senior citizens housing.

MR. PATRICK: Can the Minister explain why the great reduction in the building permits in that area, semi-detached and low rental, in the last three months?

MR. PAWLEY: There has been a lot of problems involved in obtaining zoning, etc., due to the exercise of the city in various respects and this has been a problem. I'm looking forward to the problem being resolved.

MR. PATRICK: Mr. Speaker, my question is for the First Minister. Does the government plan to introduce any legislation during this session to assist Manitoba citizens to meet the increasing cost of living -- and I'm referring to the basic necessities-- shelter, food and clothing.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that's what the \$76 million in the Budget tax cuts for people, particularly with the emphasis on middle and lower income was all about. That's what the message was. (Applause.)

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

MR. PATRICK: A supplementary, Mr. Speaker. Does the government assume any responsibility for continuing increasing in cost of living to meet these costs?

MR. SCHREYER: Well, Mr. Speaker, the answer is that one province by itself is hardly in a position to take definitive action although we can do our part by means of bringing in budgets that give the greatest benefit in the way of increase and augmented purchasing power to those in middle and lower income positions, and that's precisely what we have done. If my honourable friend on the other hand is suggesting more concrete and drastic action in Canada to deal with unwarranted price and income movements, then I would be pleased to hear argument from him because it's my personal opinion that this is overdue.

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

MR. A. R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Speaker. My question is to the First Minister with reference to the Pembina Dam. Could he advise if the government will be undertaking a feasibility study before proceeding with any project in this area?

MR. SCHREYER: Well, Mr. Speaker, as the honourable member is perhaps aware there has been for a period of years now some engineering study and survey carried out under the auspices of the International Joint Commission and more recently by the United States Army Corp of Engineers. My understanding is that the Minister of Mines and Resources has the matter under periodic review. One of the problems is that, it's only a small problem, Sir, the cost-benefit ratio is apparently very close to unity which makes the matter a very difficult economic proposition, perhaps doesn't discount it. I note we are getting advice from the Leader of the Liberal Party that we should not be stalling with more studies and public hearings but that there is time for action.

MR. SPEAKER: The Honourable Member for Ste. Rose, a supplementary?

MR. ADAM: No, to the Minister of Mines, I have a question. Could he advise us is there any changes planned for the level of Pelican Lake?

MR. SPEAKER: The Honourable Minister of Mines.

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MR. GREEN: Mr. Speaker, that is a matter which the Provincial Government used its good offices to assist the Pelican Lake Advisory Board on. I believe that definitive action awaits the jurisdiction in the area. If I'm wrong about that I'll give my honourable friend more explicit information when I get the same.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister of Industry and Commerce. With respect to the Regional Development Corporations, do the various Boards of Directors have the authority to hire their own personnel?

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

MR. EVANS: Mr. Chairman, yes the boards of the Regional Development Corporations have the responsibility of advertising and hiring personnel. However, the government reserves the right to agree or disagree with the choice; but the choice and the whole process of hiring is done by the Regional Development Corporation.

MR. G. JOHNSTON: Then what is the role of the Minister? Does he have the power to veto or does his staff have the power of veto or can they persuade the particular board to change the person they have chosen?

MR. SCHREYER: Mr. Speaker, perhaps the question is one more of parliamentary in nature but the Honourable Member for Portage is aware of the relationship, for example, between let us say the representative of the Crown and representative of government as such, the right to advise, the right to be advised and consulted, etc.

MR. G. JOHNSTON: Can the Minister advise the House if he has in the past year vetoed people who have been chosen by a particular development corporation?

MR. EVANS: Mr. Speaker, we have excellent relations with the Regional Development Corporations. I have met on many occasion with the President of all seven of the Development Corporations and we have agreed to procedure for hiring of managers, a procedure that the government is concerned with because we pay something like three-quarters of the entire budget, maybe a little more, of the Regional Development Corporations.

MR. G. JOHNSTON: I wonder if the Minister would answer the question. Has he vetoed any of the applicants that were going to be taken on by a particular corporation?

MR. EVANS: Mr. Speaker, my answer is that there is a process of advisement and consultation that goes on between the Development Corporation and the Minister.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I have a question for the Honourable the Minister of Northern Affairs. Due to the announcement today that the government no longer supports a certain community council, does the government support the concept of community councils?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Speaker, maybe the honourable member -- I'm not sure if he knows what he's talking about but if he does maybe he could explain it to the rest of us.

MR. McKENZIE: Mr. Speaker, with your permission I'll try and explain to the Minister what I'm talking about.

MR. SPEAKER: Questions? Order, please.

MR. McKENZIE: Mr. Speaker, again, through you to the Honourable the Minister. Does the Minister hopefully continue to support the community council concept financially or otherwise?

MR. McBRYDE: Mr. Speaker, the present government has done far more than was ever the case under the previous administration to ensure local self-government for northern remote communities.

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

MR. McKENZIE: Mr. Speaker, a supplementary question. Will the Honourable Minister answer, does the government support the community council concept -- yes or no?

MR. McBRYDE: Mr. Speaker, I think anyone who had any knowledge at all, the answer to that question would be very obvious.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the Minister responsible for Northern Affairs and Telephones -- the two Ministers, either can answer. In view of the government's frequently stated commitment to decreasing the cost of living for northern residents, has the government any intention of intervening in the plan approved to raise Manitoba Telephone System rates in Snow Lake, Manitoba?

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MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTONIAK (Minister of Highways and Minister responsible for Manitoba Telephone System) (Dauphin): Mr. Speaker, I would imagine that the Leader of the Liberal Party wasn't quite sure who he should direct his question to but I will attempt to answer. I can assure the honourable member that really there has been no intent of increasing any telephone rates anywhere in the Province of Manitoba. As a matter of fact I think that the Telephone System is trying to give better service in any respect all across the Province of Manitoba and if anything to reduce the rates.

MR. ASPER: To the Minister in charge of Telephones. Is the news report then untrue that states in today's papers that the telephone rates will be raised in Snow Lake?

MR. SPEAKER: Order, please. I'm sure the honourable member is well aware of Citation 171 where we do not ask whether statements in newspaper are true or not.

MR. ASPER: Is it not correct that the telephone rates in Snow Lake are about to be raised, that an approval has been given for the raising of those rates?

MR. BURTONIAK: Mr. Speaker, I am not aware of the news report that the honourable member is referring to, and furthermore whatever is in the newspaper I am not responsible for that kind of a comment.

MR. ASPER: Can we then have a clear commitment from the Minister that should the Utilities Board have approved such a rate increase that the government will prevent it?

MR. SCHREYER: Mr. Speaker, on a point of order.

POINT OF ORDER

MR. SPEAKER: The Honourable First Minister state his point of order.

MR. SCHREYER: Mr. Speaker, since it has not been established that the basis for my honourable friend's question exists in fact, it would be hypothetical to ask for an assurance on something that has not been established.

MR. ASPER: An announcement was made in Thompson by an official of the Manitoba Telephone System stating that this would occur . . .

MR. SPEAKER: Question, please.

MR. ASPER: I'm on the point of order, Mr. Speaker, I'm on the point of order.

MR. SPEAKER: What is your point of order?

MR. ASPER: The First Minister's point of order in which he said the question was improper. I'm saying that the question is proper because an official of the Manitoba Telephone System, for which that Minister is responsible, has made a statement and it is therefore quite proper for me to question the Minister on his official's statement. That's my point.

MR. SPEAKER: The Honourable Minister of Highways.

MR. BURTONIAK: Mr. Speaker, on the same point of order. I would just like to maybe clarify a little bit the situation. I think I can follow the honourable member's trend of thought, I hope, but I would like to, Mr. Speaker, invite the honourable member, the Leader of the Liberal Party to my office at his convenience and to show him the policy that has been established and has been followed through for many years as far as the Telephone System is concerned. Where there has been an increase in the number of telephone subscribers, the rates will go up to a certain degree.

MR. ASPER: Then, Mr. Speaker, is the Minister confirming that the rates of telephone charges in Snow Lake will in fact rise and the government has no plan to stop it?

MR. BURTONIAK: Mr. Speaker, if -- and here it is again -- it's "if", the thing is that as I said before a moment ago that at any time there has been an increase in the telephone subscribers in any given area (this has happened all across the province from time to time) there perhaps could be a slight increase. Now I am not aware exactly as to what the amount may be in Snow Lake or anywhere else but that is the policy of the Telephone System, to increase the rates very very slightly wherever there is an increase in subscribers.

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MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Thank you, Mr. Speaker. For the First Minister. In view of the tragedy to the ICC Canadian contingent in Vietnam, would the government recommend to Ottawa the termination of their presence to oversee a cease fire that really does not exist, as I

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(MR. ALLARD cont'd) . . . . recommended in the Throne Speech.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I don't know the extent to which it is even significant for me to comment on something which Canada is doing under Canadian Federal jurisdiction except to join in support of the course of action that has been followed by Canada in recent months relative to attempting to fulfill its role as a member of the international community in trying to help stabilize conditions in Vietnam. I have already indicated to the Member for Thompson that should the situation continue as it appears to be in recent weeks then it would be cause for deploring and condemning the actions by -- presumably by the North Vietnamese. But I don't have the full facts and therefore I hesitate to make any definitive statement.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): I would hope, Mr. Speaker, that the Leader from the Liberal Party would stay out of Snow Lake.

MR. SPEAKER: Question, please?

MR. BARROW: My question is to the Attorney-General. The steel people in Snow Lake are very perturbed, Mr. Attorney-General. They've been paying for 115 watts and they have been receiving 85. My question is this: Are you going to let this larceny go on with HB-M&S?

MR. SPEAKER: The Honourable Attorney-General. -- (Interjection) -- Order, please. The Honourable Member for Arthur state his point of order.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, my point of order. Do our rules now permit members of the Legislature to read newspapers in this Assembly while we're in session?

MR. SPEAKER: I should like to inform the Assembly that I try to adjudicate your rules as well as I can. I have sent a note to the honourable member and he still persists. Now that it's brought to my attention I must ask him to put it away.

MR. ENNS: Mr. Speaker, I'll of course abide by your ruling, but I would like to point out that the MacGregor Herald or the Portage Leader is hardly simply a newspaper. It's an important rural journal.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, now that the levity has subsided I would like to indicate that the honourable member did briefly give me notice of his question and it seems that it could well be a serious matter of consumer affairs. The allegation is that people weren't getting what was advertised and that they bargained for and I'll certainly look into the matter.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I'd like to direct a question to the Honourable the First Minister. I wonder if he could advise us whether or not the government will be introducing legislation to clarify whether or not the government requires permits for construction of Crown undertakings on city property?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I do believe that the question is not specific enough for me to reply to. If the honourable member wishes to be more specific I'll endeavour.

MR. GIRARD: I don't like, Mr. Speaker, to quote the examples which we've been quarrelling over for the last while, but that is the kind of case I'm referring to. It is Crown building on Crown land within the city limits.

MR. SCHREYER: Mr. Speaker, according to the legal opinions that I am aware of from law officers of the Crown, it would seem that the existing legislation is such that we have bound ourselves, not a matter of regret I don't think, that the Crown has bound itself to comply with zoning but has not bound itself to require the procedure of a building permit. I am advised further that administrators of the city concur in that view, however, that is something subject to some further discussion and clarification.

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

MR. JAMES WALDING (St. Vital): Mr. Speaker, I have a question for the Minister of Industry and Commerce. Has he received any recent communication from Ottawa regarding the closure of the Air Navigation School at CFB Winnipeg?

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

MR. EVANS: Mr. Speaker, several weeks ago it was drawn to my attention that a survey was being undertaken at the Air Navigation School here in Winnipeg and there was some rumor perhaps or some concern that the navigation school might be on its way to being closed

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(MR. EVANS cont'd) . . . down. I subsequently wrote to the Minister responsible, the Honourable James Richardson, Minister of National Defence and I have received assurances from him in writing a few days ago that the Squadron 429, the Navigation School at Winnipeg was not going to be closed down nor was there any plans to move it out of the City of Winnipeg.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Industry and Commerce. In view of the high profit shown by Transair in the last fiscal year and in view of the fact that our air rates up north are almost double the rest of Canada, will he meet, or does he plan on meeting with Transair officials to ask them to equalize the air rates with the rest of Canada?

MR. EVANS: Well, Mr. Speaker, that's a very interesting situation, or rather interesting suggestion and I'll certainly take the matter under advice. That plus a few other items that should be discussed with Transair.

MR. BOROWSKI: Mr. Speaker, I have this question for the First Minister. In view of his statements made to the Member for Rupertsland regarding water royalties, I wonder if the Premier would like to clarify the statement he made regarding the Crown giving away its right to water royalties to the residents surrounding that water. If that is the case then Thompson residents and Lake Winnipeg residents would be entitled to water royalties as well by virtue of the fact that they live next door . . .

MR. SPEAKER: The honourable member is arguing the point. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't believe I said that we were giving away or surrendering the right to the water rental revenues, that I indicated we would be dedicating the amount that would be generated in value in accordance with the existing formula of computing or calculating water rentals and that we would apply that same formula with respect to the volume of water that is being man-diverted from the Churchill River for the purpose of the general economic development and other adjustment purposes of those communities and peoples that are most directly affected by the engineering works in question.

MR. BOROWSKI: A supplementary, Mr. Speaker. Does that mean -- I'm still unclear Mr. Speaker, does that mean that the people of Thompson can expect water royalties on the 30,000 cubic feet of water that will be passing through Thompson and will be stored several miles away?

MR. SCHREYER: Well, Mr. Speaker, the obvious first claim on those dedicated revenues would be a claim that would arise as a result of any negative influence as a result of any diversion of water, and so if there is any damage to assets, or damage to livelihood, suffered by any community or person or persons in the area of the Nelson development, they would have first claim. I think that is logical enough, Sir.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I have a question for the Honourable the Minister of Health and Social Services. Is the government planning on restructuring hospital boards or heavy care institutions because or as a result of the increased financial support from Federal authorities under Medicare?

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, we are looking at closer co-ordination achieved between different boards that we have in the Province of Manitoba dealing with different levels of care, but not because of additional cost-sharing arrangements with the Federal Government but because we hope to attain a better efficiency in the delivery of health care.

MR. SPEAKER: The Honourable Member for Rhineland have a supplementary?

MR. FROESE: Yes, well I just wanted to make sure that the additional support from the Federal Government for Medicare has no influence or no bearing on the situation.

MR. TOUPIN: No, not at all, Mr. Speaker.

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

MR. G. JOHNSTON: Mr. Speaker, I direct my question to the Minister of Public Works. Is it his intention to go ahead with his washroom in Memorial Park?

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, I think it is clear that the issue has not been dealt with on its merits but has become a political

## ORAL QUESTION PERIOD

(MR. DOERN cont'd) . . . . football; and I might say in that regard there has already been one offside and one illegal interference.

MR. SPEAKER: Order, please. Order, please. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Would the Minister care to answer the question, is he going to . . .

MR. SPEAKER: Question has been answered. Orders of the Day. The Honourable First Minister. The Honourable House Leader.

ORDERS OF THE DAY - SECOND READINGS

MR. GREEN: Mr. Speaker, would you proceed with the second readings and the other bills on the Order Paper.

MR. SPEAKER: Thank you. Proposed motion of the Honourable Minister of Labour. The Honourable Member for Emerson. Bill No. 18.

GOVERNMENT BILLSBILL 18

MR. GIRARD: Thank you, Mr. Speaker. Bill No. 18 an Act to amend the Employment Safety Act is really an extension to the Workmen's Compensation Act, and consequently I think that we have to treat it as an extension to the Workmen's Compensation Act because it has the same kind of philosophy and the same kind of continuation. The Bill has as its main objective such as the Minister explained in introducing it, to provide authority for the Workmen's Compensation people to be able to stop work on a site all or in part, and the work-stoppage of course would be based on the argument that the work being done is in some way unsafe to the construction employees that are involved.

Now the Workmen's Compensation, Mr. Speaker, was a long-standing Bill passed by past administrations . . .

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, if I may, one a, I believe it would be a point of order.

MR. SPEAKER: The Honourable Minister of Labour state his point of order.

POINT OF ORDER

MR. PAULLEY: Yes, Mr. Speaker. The bill that we have before us is an amendment to the Employment Safety Act. This jurisdiction was previously under the jurisdiction of the Department of Labour and it is only operated -- or the Workmen's Compensation employees are utilized for fulfilling the provisions of the Employment Safety Act. It has no direct relation to general compensation.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: Mr. Speaker, I agree with the Minister's definition. It's probably that he misinterprets my suggestion that this is in fact an amendment extending an existing Act. I'm not suggesting this. I'm suggesting though that it is an extension of the authority now held by the people who administer the Workmen's Compensation Act; and I could elaborate that maybe by suggesting to you that the people who are authorized by the Workmen's Compensation Board are the people that will be empowered to impose a stop work order.

Now I want to suggest that it's got more similarity than that with the Workmen's Compensation Act, Mr. Speaker. It is as autocratic as that Act and I doubt very strongly that this kind of autocratic approach is as necessary as the Minister would like to take. I would suppose it would be fair to say that we would be better advised, Mr. Speaker, to look at possible alternatives to the kind of problem than to give some branch of government real autocratic kind of authority; unless of course, if you want to give them that kind of authority, you couple with that authority some responsibility. And for those of you who want to read this bill carefully you will find that what we are actually doing in this bill is empowering someone who is authorized by the Workmen's Compensation people to provide that duty and to stop work on a project, that they might do so without any kind of responsibility whatsoever. That is to say, that if an employee or a person made responsible for this kind of administration decides to stop work on a project, whether that work-stop order is justified or not, morally or legally, that work-stop order has the effect of a decision of the court and the contractor involved must



## POINT OF ORDER

(MR. GIRARD cont'd) . . . wait 24 hours and then he has a chance to appeal before the court to get that kind of thing changed. If the court decides not to change anything, that's where he sits until the one who empowered that work-stop order decides to withdraw it himself because of changes that have occurred and that he is satisfied.

I would like to suggest to the Minister that it might be a little beyond this Act in terms of specifics but nevertheless we are discussing principles when we discuss in second reading, that he would have been much better advised to look at not only this area with regard to Workmen's Compensation, and I say extending the Workmen's Compensation Act; that he would have been well advised to look at very much more specific problems that are arising, have arisen and will arise in that area of his administration. And I'm sorry to say that I had a great deal more confidence in the Minister being wide awake a few years ago than I have now in that regard.

Mr. Speaker, in the last few days I have been attempting to elicit from the government some kind of interpretation or some kind of decision as to whether or not, as to whether or not it is necessary for the government when building or constructing on Crown land within the City of Winnipeg to obtain a permit.

MR. PAULLEY: Mr. Speaker, on a point of order, I wonder . . .

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I wonder if the honourable member is dealing with the Bill that we have before us, which deals with employment safety in construction. It has nothing to do with Workmen's Compensation as such. It has nothing at all I suggest to you, Mr. Speaker, with whether or not a permit is issued for construction by a local authority. I would like to hear his remarks pertaining to the amendment of this particular Act.

MR. SPEAKER: The point is well taken. The honourable member will confine himself to the principle of the bill.

MR. GIRARD: Yes, Mr. Speaker. I would like with your permission and with leave of the House to clarify this matter and read the first section of this Bill, Mr. Speaker.

Section 18 (1) Report of municipal permits -- this is Bill 18, and it says: "Subject to subsection (2), where a municipality has a by-law in force requiring a permit to be obtained before commencing any work or construction or any class of work or construction within the whole of the municipality or any part thereof, the secretary-treasurer of the municipality or of the official of the municipality issuing the permit, shall advise the board once each week of any such permit issued in the municipality, giving the location and estimated cost of the work of the construction." Now surely, Mr. Speaker, if I have that kind of article in this kind of Bill it is reasonable to expect that we have a right to discuss the matter of permit that is brought in the Act, and I wonder if it is the Minister or I who hasn't read the Act lately. He presents a Bill and doesn't seem to know what's in it.

A MEMBER: The Minister is aware of the Act.

MR. GIRARD: Well maybe the Minister is aware of the Bill, Mr. Speaker, but he certainly fails to demonstrate that he's aware of the Bill. I would suggest if he were quiet and listened instead of harping a little bit off the topic, because he hasn't read it, or not lately anyway, that he would know what we're about to say. He might have even suspected, Mr. Speaker, if he had known this bill well, why I was asking the questions I was asking.

MR. PAULLEY: It has nothing to do with the Bill.

MR. GIRARD: That's right, it has nothing to do with the bill, says the Minister. This Bill, Mr. Speaker, empowers people of the employee of the government to perform a work-stop order, or to enforce a work-stop order, and it says that the municipality which has a by-law to permit construction by issuing a permit, shall at the end of each week give to the Workmen's Compensation Board the construction permits that have been applied for. Now we have a very curious case here then; we have washrooms being constructed by the government or at least one of them that is tentative and it is --(Interjection)-- well, I'm sorry, Mr. Speaker, the honourable gentleman doesn't know where but I think he could get a map from the Minister of Public Works. That kind of construction has been started . . .

A MEMBER: Legally.

MR. GIRARD: Possibly legally. We question whether it's legal or not. We would like a clear interpretation, we would like a clear interpretation of whether or not it is legal. If clarity can be brought about only by amending the City of Winnipeg Act then of course I suppose

## POINT OF ORDER

(MR. GIRARD cont'd) . . . . that would be the right procedure to follow, but in any case, Mr. Speaker, this bill says that where a permit is not necessitated that a report need not be issued on whether or not the construction is started or about to start. And therefore what this bill really says is that if it is a government construction that we're talking about this does not apply, this does not apply.

Now, the Minister of Mines and Resources says that is very good, and I thought with all due respect that if that was the intention it would seem to me that the Minister of Labour would have saw fit to bring this kind of point up in his introduction. But I rather suspect, Mr. Speaker, that our Honourable Minister of Labour didn't even know, he didn't even know that this was a possibility, he didn't realize that this kind of bill he is presenting is saying that only applies to the private sector. And maybe it's right, maybe it's wrong, that is not the issue. He didn't even know that it applied to that particular section of our society. And here we think we have a man who can administer the affairs of labour justly in this province. I am very surprised.

Mr. Speaker, I suppose that we will follow this kind of bill by its usual procedure through the Committee stage and so on. I suppose that one of us will have to admit along the way that our interpretation is wrong, and if I've been wrong, Mr. Speaker, in my suggestion I will gladly accept that I was misinformed. After all, I'm not supposed to know anything about these things, because to be a labour expert requires that you be a lawyer or carry a union card like my honourable friend across, and otherwise you don't even have the right to be interested in this area of government.

Now, Mr. Chairman, with this kind of bill before us, with this kind of sloppy approach in legislation, with this kind of lack of foresight and clarity, I have no choice, Mr. Speaker, than to advise the Minister that whether or not I like the principle behind the bill is immaterial, I have no choice, Mr. Speaker, to advise him that we're not going to support this kind of legislation here, and I would suggest he withdraw it and clarify it and bring it back.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Souris-Killarney that debate on this bill be adjourned.

MOTION presented and passed.

MR. SPEAKER: Proposed motion of the Honourable Attorney-General. The Honourable Member for Brandon West. Bill No. 25.

BILL 25

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I adjourned this debate on behalf of my colleague the Honourable Member for Sturgeon Creek.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. Mr. Speaker, this bill is very definitely a bit of a housekeeping bill to take care of an oversight as the Attorney-General mentioned. But you know, Mr. Speaker, one could get a law degree researching the amendments that are brought forward to correct legislation that is wrong because it was put through hurriedly in speed-up, etc., and without proper attention from the government as we have said so often. And of course we've just had another example of the same thing happening this year as has happened other years and we will all be having to spend much of our time on this side of the House going through, wasting time, and the time of the House to make corrections.

This correction is in order, Mr. Speaker, it was an oversight on the original bill and we have no objection to it. The only objection we have is the time we have to waste correcting their small idiosyncrasies.

MR. SPEAKER: Are you ready for the question? The Honourable Attorney-General will be closing debate.

MR. MACKLING: Mr. Speaker, when the ad hoc commentary has died down I would like to indicate to the Honourable Member from Sturgeon Creek that he is basically right in that this is a bit of housekeeping legislation -- and that he is a fine fellow, yes. The Honourable Member from Lakeside indicates that he is a fine fellow and I agree with that.

## BILL 25

(MR. MACKLING cont'd) . . . . But he suggests, he suggests that this bill was hurriedly prepared and mistakes, etc., etc.

Well I'd like the honourable member to know that a solicitor who'd been in the employ of the government for some years prior to our taking office prepared a very very intricate and involved bill and it was a complete redraft of the Mortgage Brokers and Mortgage Dealers Act; a very painstaking, thorough job was done. And the solicitor's name was Mr. Cantlie if you want the name of the solicitor. He is a very thorough lawyer and I can assure you of that. And then this bill, his draft, was referred to the Law Reform Commission chairman, because I felt that some of the provisions seemed to be unduly tough and restrictive and there were certain suggestions made for changes in the Act, and it was long time in the making, a very thorough job was done. But no matter how exacting your concern, there can be understandings reached that in practice are not practical and then you have to have housekeeping changes. So we can't wait for perfection, Mr. Speaker. I'd like the Honourable Member from Sturgeon Creek to know that I as well as he, and all members of this House strive for perfection, and we'll continue to strive for perfection but I doubt that we're every going to achieve that. I really doubt that. I would be the last one to say. look let's wait, let's hold off until we get the perfect piece of legislation, because we'll never get it.

So, Mr. Speaker, I have no reservations, it's not the slightest bit of embarrassment to me to introduce in this House, and I'll do it I hope next year and the year after and the year after that, pieces of legislation where there will be changes made to Acts that have been drawn by the most expert of draftsmen and counsel because errors can creep in. That's the simple explanation for these changes.

MOTION presented and passed.

MR. SPEAKER: The proposed motion of the Honourable Minister of Agriculture. The Honourable Member for Rock Lake. Bill No. 24. (Stand) The Honourable House Leader. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Mines and Natural Resources that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

MOTION presented and passed.

MR. SPEAKER: The Honourable Member for Logan.

#### SUPPLY - AGRICULTURE

MR. CHAIRMAN: Resolution 10(c)(2). The Honourable Member for Rhineland. The Honourable Minister of Agriculture or Labour.

MR. PAULLEY: I wonder, Mr. Chairman, if we could just hold for a second to table . . . the Honourable the Minister will be in in a moment. --(Interjection)-- Yes, I'll give you a speech in reply to your nonsense this afternoon in the proper time. If you're not concerned with the safety of the workers I am. --(Interjection)--

MR. CHAIRMAN: Order, please.

MR. ENNS: Mr. Chairman, could I make a speech at this time, I would be happy to accommodate . . .

MR. CHAIRMAN: If the honourable member has any comments on Resolution 10(c)(2), I would be delighted to hear it.

The Honourable Member for Rhineland.

MR. FROESE; Mr. Speaker, last night we heard from the Minister as to the various communities that would be entitled to grants and loans under the Water Resources Board, Water Services Board, for their particular communities. I find that there is no item for the Water Supply Board in the Estimates and I'm just wondering where do we discuss the Water Supply Board because I feel that we should have had a report from the department on the activities of this board. In past years we've had a report tabled and I think this information should be provided to the committee as to where we stand in connection with that particular board and its operations.

Is it running at a deficit? I certainly would appreciate knowing of the operations. When I first saw the Manitoba Water Services Board allocation here I was wondering whether this

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(MR. FROESE cont'd) . . . . was a duplication of the Water Supply Board but the Minister indicated that the Water Supply Board was left intact and that it was still operating. We are again -- will be asked to allocate capital funds for the Water Supply Board and I certainly would like to know about the operations of the board, whether it's operating in the red or not, and whether any additional communities were receiving services from this board during the last year.

And I would also like to know where the tie-in comes in between the Water Supply Board and the Water Services Board because of the new grants. Were there not also grants being made available under the Water Supply Board or was this strictly on the basis of calculations made by that board as to the cost of a certain project, and amortized over a certain period of years, and on that basis arrive at a rate for water supply to a given community. If that is the case I think I'd like to hear from the Minister because in past years we not only have had recommendations made from this side of the House but I think there were resolutions considered one time as to equalizing rates in the province up to a certain point and that a subsidy be paid to those that had higher water rates. I take it that the new Water Services Board comes into the picture because of this very request at that time, but I wonder if the Minister could not give us some idea as to the dovetailing of the two programs into one.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the Member for Rhineland would notice Item Resolution No. 10(c) and he will notice the Water Services Board at \$370,800.00. That is the item that we are discussing at the present time, and the Water Supply Board really is no longer in existence as such, it has been integrated into the Water Services Program.

I think what I said yesterday, Mr. Chairman, was the fact that we still have 37 communities in which case we are responsible pursuant to old arrangements under the Water Supply Board system and wherein subsidies have been provided at the level of the costs of water for those communities but the whole program is really part of the Water Services Program so that we will not have the traditional report of the Water Supply Board anymore in the future. This is the last -- the copy being distributed now is the last one in that form.

In my comments yesterday I didn't give the members the complete story on all of the communities that have been involved. I believe I stopped when I got to the community of Steinbach in my paper, Mr. Chairman. There are a number of other communities, one of which is fairly substantial. The community of Virden is also involved in this program, or will be, and there are grants amounting to somewhere in the order of \$250,000 according to the latest estimate; and then we have Grunthal, Mariapolis, East St. Paul, West St. Paul, Reston, Notre Dame, Grand Rapids and Seven Sisters Falls.

Now the Member for Arthur yesterday complained about the fact that the community of Reston had already built and paid for its system and therefore it might be considered unfair if they were to be levied for costs involving other communities, that they have paid for their own and therefore subsidy. . .

MR. WATT: . . . I don't think that I was complaining I was asking the Minister if consideration was going to be given to those areas that has already put in water and sewage at their own expense.

MR. USKIW: Well, Mr. Chairman, I was leading to that particular point. As the new program was introduced we did indicate that these services are ongoing all the time and that no community by and large passes by too many years without either additions, renovations, upgrading or whatever, and whenever that takes place then the new program comes into effect for those particular communities that have already had their systems installed. In this instance the community of Reston has applied for some assistance under the new program wherein they will be eligible for some grant dollars. And so is the case for all communities that will apply in the future, either requests for extension, or treatment plants, or sewage treatment or water treatment, whatever the case may be, so that eventually they can all be involved in the new program under the new formula. There is nothing lost from the point of view of those communities that have had their systems put in some time ago. It's an ongoing process, as indicated by the fact that we have so many communities already applying for these services many of which have had services for many many years but which require upgrading.

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(MR. USKIW cont'd)

There are about eight communities that received retroactive grants, Mr. Chairman. I don't know if I have the listing of those. I believe it's Beausejour, Roblin, Grunthal -- no, St. Adolphe, Dugald, Oakbank, I believe Niverville, and Leaf Rapids -- Dugald, yes, I think that covers them all -- and Arborg. Those communities did receive grants retroactive for 1972 on the premise that it was felt that it was unfair to exclude them having passed the legislation in the same year in which they undertook public works to upgrade their systems. So grants there totalled somewhere in the order of \$1.4 million and they range from \$7.00 to 1.2 million, somewhere thereabouts -- 7,000, I'm sorry, to 1.2 million. The community of Roblin, I believe, received something in the order of 30 some odd thousand dollars; the community of Beausejour about 36,000; some of the other ones are in the \$50-60,000 category, Niverville, what is the latest figure on Niverville? I have the preliminary figure here of 18,000 but there may have been some change upwards since that point in time. So that it does give you an indication, Mr. Chairman, how the program has affected so many towns and villages in the province already and will affect more so, many more communities during the current fiscal year. Certainly it is going to require a great deal of capital input. The total amount of capital for this year's program is somewhere around \$10.4 million which does involve loans and grants exclusive of the Trade Centre's agreement wherein we have federal dollars as well. I think, Mr. Chairman, that pretty well deals with those particular items.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I just wanted to check with the Minister as far as the commitments that were made under the Water Supply Board Act. Are they continued and are they the same as that under the Water Services Board?

MR. USKIW: Yes, the commitments that were made are going to be carried out. The only exception there is that government will be assisting those communities whose water rates are above \$3.00 by way of picking up the balance of the costs over \$3.00, so that if there's any change, it's a positive change in favour of the communities.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, it's not my intention to prolong the estimates at this particular time. I, particularly as an Interlake representative, do acknowledge and congratulate the Minister and the government for moving in this direction and helping to resolve problems of some long standing which he and I are both aware of, with respect to the delivery of these services to the communities, particularly in the Interlake and those other communities that have for some reason or other not been able to do so on their own. However, before the Minister covers himself with glory on this matter, and not respond more specifically to the question asked by the Member for Arthur, he indicates that this is the kind of situation that happens when a new program is announced, that you just take it from there. There are of course some very notable exceptions and previous administrations have shown considerably more compassion in that respect than this administration is apparently showing in this instance. I remind the House and the Honourable Minister that when in 1968 the Education Foundation Program decided to assume 100 percent responsibility for the capital costs with respect to construction of schools, that it proceeded from that point on to assume that 100 percent responsibility of capital costs for schools and indeed picked up the indebtedness of all school divisions whether that stretched back 18, 20 years. In other words, the government of that day, in order to treat all regions and all school divisions fairly inequitable, went back 15, 18, 20 years to pick up all outstanding debentures relating to capital school construction.

Well, Mr. Chairman, I think it's of some note to indicate that the previous administration in bringing forward these kind of programs where you had a significant portion of the province perhaps already having undertaken this kind of expenditure on their own and being indebted, as many communities who have in the last four or five years or six or seven years undertaken the construction of sewage and water treatment or water services in a community now face the payment for many years to come on their own mill rates, the payment of these services, another government at another time when faced with a similar situation in the expenditure of school construction, saw fit to equalize and treat the matter fairly by assuming all costs in this particular case. So, Mr. Chairman, while it's a bouquet I throw the Minister

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(MR. ENNS cont'd) . . . . for the program that he has announced --(Interjection)-- yes, surely, there's usually horns in it when I get up to speak --

A MEMBER: Thorns.

MR. ENNS: . . . or thorns -- but Mr. Chairman -- thorns -- that he should not be allowed, Mr. Speaker, to do so in such a cavalier manner, dismiss the fact that many many communities in the Province of Manitoba, who on their own and with the then existing programs, undertook the provision of water and sewer system, who are now still in debt in trying to pay for those water and sewer systems, will continue to do so obviously under the present plan, and that, Mr. Chairman, indicates some inequity in the manner and way in which the government is treating this matter. I raise only the point, I raise only the point that surely, surely the previous administration had a very similar opportunity when they decided in 1968 that henceforth capital schools construction would be 100 percent paid for by the provincial authorities, that they could have said that this will apply, as the Minister is now saying, from herewith forth. And that was not the case. We did concern ourselves with those school divisions who had undertaken this expense, and that expense was being borne at the local level, that that should in a consideration of fair treatment by the senior government should be picked up by the senior government. We did that, Sir, in 1968 with respect to school construction.

. . . . . continued on next page

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MR. USKIW: Mr. Chairman, may I say what a difference it makes to my honourable friend when he finds himself on the other side of the House. My honourable friend has finally realized that sometimes it does pay to listen to the demands of the people of this province, and it took a defeat of his government for him to recognize the importance of that particular exercise. I want to remind the Honourable Member for Lakeside that had he been in tune with what was really going on and the debate that we have had on this particular program last year, the year before and this year, that he would not have made the statement he just did, in that the government recognized the problems that he mentions with respect to all of the Water Supply Board districts that were built prior to a year ago, and wherein \$1.5 million of retroactive subsidies are involved, and wherein it results in reducing their water rate. My honourable friend doesn't want to recall that that is exactly what took place. This year's subsidy on that alone is \$147,000 for all those communities, retroactively, Mr. Chairman, so let not my friend appear to the people of Manitoba to be somewhat lily white on this kind of argument or this kind of position. He should know too well, Mr. Chairman, that it was he as Minister in charge of FRED that so often refused the communities of the Interlake the very programs that have been since introduced. The community of Teulon, the community of Stonewall, Lundar, they were the first communities in to see me in 1969 pleading for some form of government assistance, and proving beyond doubt, Mr. Chairman, that in no way were they capable of installing the basic services without provincial help, and they advised me that the previous administration had told them that it's questionable whether or not one should invest public moneys in those kinds of communities, who may even disappear and therefore why make the input. And they want to talk about government support to rural Manitoba, Mr. Chairman. I want to remind my honourable friend that there are many people with long memories in many parts of Manitoba who have been refused by the previous government on every request with respect to the development of sewer and water services for towns and villages, so I would suggest to the Member for Lakeside that he take full account of the major change of policy that took place over a year ago in this regard, and that if he hands out bouquets that they not contain the thorny edges which he attempts to thrust over this side, Mr. Chairman. We appreciate genuine bouquets, but not the kind that was just delivered a few moments ago.

So we do have a situation where we are recognizing the efforts of communities over the years and wherein retroactive subsidies are made, and wherever there is a community that has not involved itself with the Water Supply Board and has had a system of its own, to the extent that it wants to upgrade that system - and we have many communities that have been mentioned yesterday and today that are in that position - we do take into account their present debentures. Even if they're new debentures and have 19 more years to go, we take that into account in calculating the formula so that the 20 mills apply after all of that is taken into account, which in effect gives those communities complete retroactivity on their public works. So let not my honourable friend the Member for Lakeside try to suggest that the government is inhuman in this respect and wants to disregard the costs for those communities who have already put in their own services.

MR. ENNS: Well, Mr. Chairman, I did not want to prolong the debate. The Minister conveniently chose to disregard the very straightforward and simple point that I was making, but if the Minister wants a debate and if he thinks that the Progressive Conservative Party will apologize for putting the education of our children in this province ahead of sewer and water, I do not apologize.

If he thinks that I will apologize for building and providing the capital costs for building hospitals throughout this province ahead of sewer and water, I will not apologize. The fact of the matter is that now, after having picked up the capital indebtedness of most of the major schools construction, of most of the road construction, of most of the drainage projects, of most of the hospitals, in fact of most virtually everything that goes towards enhancing the quality of life in rural Manitoba, I am quite happy to have this government, quite happy to congratulate this government, that they are prepared to pick up those isolated communities where they have not yet been able to furnish themselves with the services of sewer and water. But, all I was trying to say to the Honourable Minister, is that when we introduced programs like that we recognized a degree of fairness, a degree of equity, and that when we introduced programs like that we picked up the outstanding indebtedness of those charges involved, which this Minister and this government is not doing. --(Interjection)-- Well then, answer the

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(MR. ENNS cont'd) . . . . Honourable Member for Arthur, I'm suggesting to you that there are 30, 40, 50, 100 communities in the Province of Manitoba who 5, 6, 8, 10, 15 or 20 years ago have undergone at considerable expense to their own area the installation of sewer and water. Now I did not read into the Minister's remarks that he is going to pick up all the outstanding debentures and outstanding indebtedness of those installations, which is what precisely the previous administration did when it came to the construction of schools.

MR. USKIW: Mr. Chairman, I did indicate to the Member for Lakeside and to the members opposite that all those communities are eligible for involvement in the current program, and should they participate, full consideration is given to their outstanding debentures. I would hazard a guess that outside of those that applied or are currently applying, that most of those communities not applying are in a category of having to pay less than 20 mills for the services and therefore would not qualify in any event - in any event. --(Interjection)--

MR. CHAIRMAN: Order please. Order please.

MR. USKIW: Mr. Chairman, the member has to appreciate that all communities are being treated equally. Wherein their costs are more than 20 mills on combined services, the province treats every community accordingly and picks up 50 percent of costs in excess of 20 mills whether they were communities that are involved in extending their services or whatever the project may be related to water supply or treatment plants, all the accounts are taken in and we apply the formula on that basis, so that there is no such a thing, but there is no question about the universality of the program for all communities in Manitoba, and the Member for Lakeside ought to appreciate that point.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: As the Member for Lakeside has pointed out, we don't want to prolong the debate on this particular item, but I just want to ask the Minister if the government are going to pick up the tab for the debenture issue in cases where - and I have used the example of Reston - are you going to pick up the tab for the debentures for the capital cost of the installation?

Now while I'm on my feet I want to point out to the Minister of Agriculture that, while he has pointed out the Member for Lakeside and myself when we were in charge of the FRED and ARDA programs in the Interlake region, that a meeting was held of the area boards, if the Minister would listen, in 1968, the annual meeting of the area boards at which that time the area boards voted not to allocate funds for rural economic development towards the capital cost of water and sewage, and particularly in the case of Teulon, and the group that were there from that particular area, that is the committee from that particular area involving Teulon, were at that meeting at that time and it was unanimously agreed that the funds for rural economic development would not be used for water and sewage.

While I'm on my feet also, I would like to ask the Minister under this new program now, which it appears that the Water Supply Board will be phased out, within the provisions of the new structure, where the water supply is being drawn from and in many cases the water supply has been drawn from wells on farm land, if this water supply will be made available to those farmers who are experiencing considerable inconvenience by having the water supply drawn from their land through the use of inspection wells and inspection holes in the pipeline leading from the well into the particular village where the water is being used, and I would like to know from the Minister if any consideration has been given as it was in Saskatchewan, I believe under the Liberal regime at that time, where water drawn from a farmer's land, the farmer had the right to tap the water supply from that particular well and for use on his particular farm.

MR. USKIW: The answer to that last point, Mr. Chairman, is that it's available. I want to remind members . . .

MR. WATT: . . . retroactive, will it apply to systems that have already been installed?

MR. USKIW: Mr. Chairman, I think I outlined our position on that on a number of occasions, and with respect to Reston they have applied for their program. They have asked to be included in our program and in which case they are eligible for a fifty percent grant, so that we anticipate that they will be involved this year.

Now, the only point not mentioned in the whole area of water supply has to do with the recent addition - and again it's retroactive to the first of January, 1972 - and that is where the province is providing subsidy for a well developed, municipal well developed of fifty percent of the total cost. We have had a number of requests, particularly from the R. M. of Stanley, in that particular part of the province. We've had one or two from other areas wherein the costs



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(MR. USKIW cont'd) . . . . are fairly high and wherein water supplies are hard to find. We have yielded to those requests, retroactively to January 1 of 1972 and we are treating municipalities in the same way as we are prepared to treat towns and villages, so we have a complete water services program for all of Manitoba, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Yes, Mr. Chairman. Having received a report of the Water Supply Board, the Twelfth Annual Report as of March 31, 1972, and I notice from the report that the Supply Board has been operating at a deficit of \$371,000; the year before at \$400,000; and I also note from the balance sheet that the assets are around \$7 1/2 million or close to that. I take it that these assets are being taken over by the Water Services Board. However, my question has to do with the matter of the charge dealing with the sale of water, and if I recall correctly that the rates for water under the Water Supply Board Act were calculated on a projected consumption basis, and I notice from the report here that on page 11 you have the amounts of water being used by the various towns and villages and also whether there is an increase or decrease. But on the following page I note the selling price is missing. I don't know whether this is deliberate or not. On sheet 11 you have the selling price, on the following sheet the selling price is missing. I would like to know from the Minister where your projections are not met, like in the case of Winkler, it has a minus of three points. This is not a very large one. I notice that there are other areas such as Shellmouth with a minus of 15; Winnipegosis 14; and Benito with 10 and Minitonas of 9. These are quite a bit larger, and I think the practice was that where you ran into a deficit position that these deficits were then covered from local taxes by way of mill rate. Now that the Water Services Board has taken over, is this practice still continued with those towns that came under the old act, or are these being picked up or are they dealt with in any other way? I certainly would be interested to know, because when the minister mentioned the other night the various towns and villages where they were entitled to large grants, I take it that these grants don't apply to existing facilities, that they only apply to any additional units being brought in or so on, or enlargement, and that this does not apply to the old units already existing.

I certainly would like the Minister to comment on that and correct me if I'm wrong, because I notice from previous years that the Village of Plum Coulee at one time tried to get a pipeline built for the purpose of water. I think they have a different supply now. At that time it wasn't feasible but maybe under the new program they would be entitled to grants and whether they are receiving grants or not, maybe the Minister can inform us on that too.

Nevertheless, could he also tell us who the present members are on the Water Services Board? I don't recall seeing or getting a list of them, and are they the same people that are on the Water Supply Board, the members, the Board Members on the Water Services Board. Perhaps the Minister could give us this information.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I really don't know why the selling price of water is omitted on page 2. I would imagine it's probably an error in the printing of the document because it's simply a continuation of the first page, so I will attempt to get that information for the members. I didn't have a chance to peruse this document up until this point as well, so I have no knowledge, but I will attempt to get the information. The deficits up to the \$3.00 water rate, or deficits in communities wherein the rates are below \$3.00, will have to be picked up or absorbed by the local community until they reach \$3.00. When they surpass \$3.00 the province picks up 100 percent of the surplus or the excess costs, so that we now have 21 communities of the 37 who are subsidized above the \$3.00 rate wherein the province picks up 100 percent of the difference.

Now the board members are as follows: The chairman of the Board is a member from my department; there's one member from Water Services, Water Resources; one from Environmental Management, and one from Municipal Affairs. That is the make-up of our Water Services Board. They are departmental people, yes.

MR. FROESE: I have just one further question before we leave this item. I take it, then, that the amount we have allocated in the estimates, the \$370,000, is just to pay the overhead of the departmental people and the cost of the board.

MR. USKIW: Yes, it's the administration and preliminary studies that are in that figure.

MR. SPEAKER: The Honourable Member for La Verendrye.

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MR. BARKMAN: Mr. Chairman, when the Minister announced some of these grants yesterday, I imagine that he was announcing perhaps the first phase of what may take place, or what is going to take place, in some of the . . .

MR. USKIW: . . . correct that. The member seems to be under the impression that I announced grants. I indicated the estimates for each of those communities based on the preliminary studies that had been done.

MR. BARKMAN: . . . referring to the first phase of this program as far as your estimates were concerned, is that correct? There could be other phases following.

MR. USKIW: Right.

MR. BARKMAN: Thank you.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Chairman, I'd just like to ask the Minister a question. Is this the proper place to ask questions on his grant for water and sewer at Leaf Rapids? I wonder if he could indicate on what basis this was done, since there was a previous commitment made originally between the Leaf Rapids Corporation and Sherritt-Gordon, and I think there has been a great deal of concern in Leaf Rapids because in order to get all the infrastructure in, the taxes were extremely high and it was understood, perhaps wrongly, by many, that Sherritt-Gordon would be responsible for this, and it seems that the Minister's grant of over \$1 million, I believe, really bailed out Sherritt-Gordon rather than the residents of Leaf Rapids. I wonder if the Minister could give us some information on that.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman the grant to Leaf Rapids applies the same as it does to any other community, based on the 20 mill formula, but it is not a windfall benefit to Sherritt-Gordon. It is applied to benefit the community itself and to reduce the tax load for the residents. It does not alleviate any responsibility on the part of Sherritt-Gordon.

MR. CHAIRMAN: Resolution 10 (c) (2) -- passed. Resolution 10, Resolved that there be granted to Her Majesty a sum not exceeding \$1, 609, 100 for Agriculture. Passed? (Passed).

Resolution 11 (a) (1) The Honourable Member for . . .

MR. FROESE: Could we just have an explanation what is meant under these particular items here?

MR. USKIW: Mr. Chairman, I would remind the Member for Rhineland and others that the Department regionalized its program all of a year ago, or at least a year ago, wherein we shifted certain responsibilities from the central area and in particular from Winnipeg to the five regions of agro Manitoba, and what you have here in your regional divisions are the estimates which were transferred accordingly. They are not new dollars spent, other than the normal incremental increases, but they are the same dollars that were spent by and large to the central mechanism. They are now reflected in a regional system and you will notice the regions mentioned are the amounts opposite each particular region, so that it is the delivery of the departmental services through the regional system that is reflected on this particular resolution, all of the on-going programs of the department. The regional directors are the men in charge and all of the staff in that region report to the regional directors rather than to the central system here in Winnipeg. The directors report to the center but not the field staff.

MR. CHAIRMAN: Resolution 11 (a) (1). The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, just one further question. Does this include the ag reps as well? And also, this new labour program - is that also included in these items or is that a separate . . . ?

MR. USKIW: It doesn't include the new manpower program, no, but it does include all the traditional field staff that are within the regions, the ag reps, the home economists, the specialists and so on - all the technical people related to all of the department's activities.

MR. CHAIRMAN: (Resolution 11 was read section by section and passed.) Resolution 11, Resolved that there be granted to Her Majesty a sum not exceeding \$1, 768, 300 for agriculture. (Passed.)

Resolution 12 -- passed? The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, could the Minister indicate whether this is an increase of the number of organizations or is this just an increase per organization?

MR. USKIW: This is a general increase, not taking into account, I believe, increases in organizations. It's an increase of some \$62, 000 over last year. An example would be in the

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(MR. USKIW cont'd) . . . . area of prize money grants. They are moving up by about \$21,000.00. There's about an additional \$10,000 for the Brandon A Fair, a special grant going to the Western Agrabition in Regina of \$5,500, and there I can suggest, Mr. Chairman, that that was a very successful venture for many of our Manitoba participants. They were very pleased that we gave recognition to that particular exhibition. The building grants are up by about \$39,000.00. It's anticipated that a good portion of that figure will be for the Keystone Centre complex, which in effect houses the exhibition, the Provincial Exhibition at Brandon. The Morris Stampede last year received about \$10,000, and I would think that they would be eligible for a fairly healthy sum again if they have a need. All of these reflect the increase in the budget for this year.

The C Fairs, the grant structures basically between \$800 to \$2,500 in capital grants. However, where there are special programs where it involves a multi-purpose use for facilities, we are prepared to go beyond that. The Austin Museum is also here with an annual grant of \$3,000 for maintenance plus a \$15,000 building grant. That pretty well allocates, that is the allocation per group, Mr. Chairman, and it does represent a \$60,000 increase.

MR. CHAIRMAN: Resolution 12, Resolved that there be granted to Her Majesty a sum not exceeding \$342,700 for agriculture. (Passed.) Resolution 13 - The Honourable Member for Morris.

MR. JORGENSON: The Minister has from time to time indicated that one of the purposes of the reinstallation of the Manitoba Agricultural Credit Corporation was to attempt to encourage the diversification of agricultural production within this province, and just the other night the Premier made some reference to that same thing by saying that it was only since the present government came to power that any effort was made to encourage the development of agricultural production within this province. Sir, I'd just like to put on the record some of the figures just to indicate how much this province has diversified its agricultural production, and has indeed continued on a program of diversification for many, many years. In 1954, for example, the production or the cash income from cattle and calves was something like \$30 million. That has now reached \$88 million and much of that increase took place during the period that Premier Roblin was premier of this province.

The increase in cereal crops has raised from \$84 million to \$126 million and much of that, that is in the 1971 crop year - it has been as high as \$173 million but increased significantly, as was pointed out the other night. There has been no increase in dairy production. That has remained fairly static. Indeed, it has decreased from 1958 when it was at its highest at \$25 million. The cash receipts from the sale of hogs increased from 1954 from \$16 million to a high of \$55 million in 1970, and so on; poultry products from \$20 million to 28. There hasn't been much of an increase but there has been a continuing increase in the production of livestock in this province for various reasons, mainly because most farmers recognize that production of livestock and poultry products in this province is ideally suited to the nature of production in this province. It's to a great extent a credit to the farmers themselves.

Now, one of the stated objectives that the Minister has so often declared in this House is that they want to increase livestock, and I suggest to him, Sir, that there is a responsibility as well on the part of the government to ensure that if they're going to increase livestock production, that they want to ensure that there's going to be sufficient water for that livestock and sufficient feed. There was a resolution introduced in this House last year by, I believe it was the Member for Virden, suggesting that the government give some consideration to the purchasing of some of these abandoned grain elevators which would be ideally suited for the storage of pelletized feed in cases of emergency. And, Sir, we just could have one of those emergencies this year. If the continued dry weather prevails throughout the summer, many farmers who have been encouraged to go into livestock are going to have to dispose of their herds because there is not going to be feed enough for them. The Minister hasn't indicated whether or not there are any plans or programs that might take care of that situation.

I recall in 1961, the last time we had such a drought, there were plans carried out between the Federal and Provincial Governments which would have been put into operation had the emergency reached crisis proportions, or had it reached the stage where some action had been necessary. There was a plan ready and I suggest to the Minister that maybe it would be a good time to get hold of the Minister of Agriculture in Ottawa and his colleagues from the western provinces to ensure that if such a situation arises that farmers are not going to have to liquidate their

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(MR. JORGENSON cont'd) . . . . herds because of drought or because of a shortage of feed.

Now, Sir, a review of the report of the Manitoba Agricultural Credit Corporation indicates that there have been three separate sets of loans approved for the purchasing of livestock. The first one, the approved loans, something in excess of a million dollars was loaned out to farmers which represented 11.4 percent of the total amount of the loans for the purchase of livestock. And under Part 4 of the Act some \$30 million; and under Part 3 loans for corporation and co-ops, something like \$741 million for the purchase of livestock. I commend the Minister for the program of encouraging the development of the livestock industry, but I want to repeat again that encouraging numbers alone does not necessarily mean a successful livestock industry. If the situation does arise this summer that there is a prolonged drought, there could be a serious problem and a serious liquidation of many of the herds that have been built up in the past two years.

Now the government have repeatedly given lip service to how important it is to finish livestock in this province, and I note that in the Guidelines for the Seventies report there is a chapter on Page 86 dealing with that particular subject, and it says that so much more could be done to finish livestock in this province. The estimate was that we were losing something like \$9 million a year because much of the livestock was sent outside of this province to be finished. And I'd like to say that one of the reasons why that is happening is simply because when feeders can find the feed cheaper in a different part of the country or in a different country, that's exactly where the livestock will move, and there is a great contradiction between that particular section of the report and the other section of the report which says that the Feed Grain Marketing Commission is doing such a great deal to assist farmers.

I mention that just in passing. We're not on that particular subject but I think the Minister should be consistent. If he wants to encourage the development and the finishing of livestock in this province, then one of the things that he can do is to encourage livestock feeders to continue to feed their livestock in this province, and the Feed Grain Marketing Commission, as was evidenced in a newspaper report of April 7, 1973, indicates that one feedlot operator closed down his operation because of the actions of the Feed Grain Marketing Commission. And I commend to him the policy of letting the livestock feed operators get their feed where they can get it. He took a great deal of credit for the movement of grain from the Swan Valley down to this part of the country last fall. It didn't turn out as well as he thought it would. Instead of half a million bushels it was nothing more than 50,000 bushels and those farmers who sold that 50,000 bushels of grain lost money on it. They could have got more money if they had sold it directly to the Wheat Board. So the Minister doesn't want to brag about that program too much.

But, Sir, my purpose in rising is to question the Minister on some of the policies that are being followed by the Manitoba Agricultural Credit Corporation. There seems to be a paranoiac tendency on the part of the Minister to reject any assistance to anybody that happens to be larger than half a section. The word "corporation", whether it be a family corporation or whatever, seems to bring up the hackles of this government and they reject any assistance to those people. Just the other night the First Minister was saying that he, you know, he is a great supporter of the free enterprise system. He says that as long as it's small, or as long as it resides here in Canada, or resides here in this province. Well, I give him a few examples.

I notice that in the report there were three applications for loans that were rejected, and I want to particularly draw attention to one of those loans. It was in the Swan River Valley. A farmer by the name of Jim Bowles who was operating a farm with his son - and I might add an excellent farmer - applied for a loan from the Farm Credit Corporation, a loan of \$125,000 to buy seven quarter-sections of land. The Manitoba Agricultural Credit Corporation approved that loan. What the intention was, to operate not only with his son but with his son-in-law as well which would have made a three-way family corporation and a viable operation that would enable the three of them to make a living from the farm. That loan was approved, much to the credit of the officials of the Agricultural Credit Corporation.

Just about that time then, Sir, or shortly thereafter, the board of directors of the Agricultural Credit Corporation changed hands and the report of this year's Agricultural Credit Corporation is signed by the present chairman. I ask you, Mr. Chairman, to take particular note of this name, M. G. Hofford, who is also very much involved in a number of other enterprises that the government have set up. Well, Sir, in November of 1971, Mr. Bowles had received approval for that particular loan. In December, Mr. Hofford was appointed as

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(MR. JORGENSON cont'd) . . . . Chairman of the Board. In January, 1972 the loan application was reversed as it was decided that Mr. Bowles was not eligible for that loan after all, and one can only conclude that the new Board of Directors under the direction of Mr. Hofford had something to say about that. I see that the Minister shakes his head in agreement so now we have that established. But then in a recent examination at the Land Titles Office and a recent examination of the municipal records in the Municipality of Swan River, we now discover that the person to whom that land was sold is the son of one M. G. Hofford. And this government, they're up to their old tricks. The loan application . . .

MR. CHAIRMAN: Order, please. Would the Honourable Member for Lakeside please . . .

MR. JORGENSON: The loan application to a farmer in the Swan River Valley, a farmer who had every reason to expect and indeed had a loan approved, find out that the loan is rejected because the Chairman of that Board wants to sell that particular farm to his own son. Sir, this has to be one of the worst examples of the kind of nepotism that we found in this government. Relatives of this government are everywhere; everywhere. And this same M. G. Hofford is the man now we find who is taking in millions of dollars through the Manitoba Hog Marketing Board, and one wonders where that money is going to go. Sir, the Minister laughs, the Minister laughs. The fact is that this kind of administration of a farm program, which smacks of the worst kind of favoritism and nepotism, is a reflection on the Minister and is a reflection on the government, and for this particular action alone this man Hofford should be fired. Because if the intention of the Manitoba Agricultural Credit Corporation is nothing more than to make sure that their relatives and friends get farms at the expense of other people, then we question very much the usefulness of the Agricultural Credit Corporation.

Sir, this is a great tendency on the part of the government, and the Minister has been shaking his head in the affirmative throughout my remarks so obviously he not only knows about the situation but he agrees with it. And I want him now to stand up and confirm, did Max Hofford's son Michael purchase that land that had originally been sold to Mr. Bowles in the Swan River Valley? We can only speculate as to how much more of this is going on. We can only speculate as to the extent to which the Minister is carrying out this kind of program, and it's no wonder, Sir, we're beginning to understand now why he was so determined to keep the Manitoba Agricultural Credit Corporation in existence just to ensure that relatives are going to have land at the expense of other farmers who are going to be put out of business as a result of the actions of the appointees of this government.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the member admits how slow he really is finding out what's going on, and I suspect that he is rather slow, Mr. Chairman, and I suspect that he also tries to not inform the House as to all of the relevant facts with respect to this kind of situation. I don't pretend to know the facts in this regard. I don't know whether I could suggest for a moment that I know the facts with respect to this particular case, but I have some knowledge, some overview knowledge. But first of all, Mr. Chairman, I want to deal with the point that the Member for Morris made earlier in his remarks having to do with a basic contradiction of government policy, one which suggested we should support a greater feeder program within the province, finish more cattle within the province so that we might get a larger spinoff benefit, which it is true we have been moving in that direction very aggressively and more so this year, as the estimates would reflect. But he suggested there is a contradiction by the fact that we have introduced the Feed Grain Marketing Commission and therefore that militates against the cattlemen and the expansion of the livestock industry.

One thing that the Member for Morris always forgets to mention, Mr. Chairman, is the word "equitable treatment" of our people in this province. He always dodges that important issue because surely he isn't suggesting here, Mr. Chairman, that in some way the grain producers should be always subsidizing the cattlemen, because that's really what he is saying if you analyze his statements. He is suggesting that if you want an expansion in livestock you must do it at somebody else's expense. And, Mr. Chairman, the government is not prepared to operate in that way. We believe that we have to recognize the importance of the cost of production to the livestock people, to the grain producer, to all of the sectors in the industry. No one should be enslaved by anyone else or one sector shouldn't be enslaved by another. And in our economic system it's so easy to have that kind of enslavement take place and it does take place every day. The fact that some people have less bargaining power than others allows

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(MR. USKIW cont'd) . . . . for that kind of enslavement. It's economic enslavement.

So when we set aside, or when we set up, rather, organizations that try to militate that kind of enslavement, my honourable friend suggested that is a contradiction of policy. Well it's a bunch of nonsense, Mr. Chairman, and my honourable friend knows it. Philosophically I have to appreciate the fact that he opposes any kind of orderly system in marketing. So there is no contradiction in that respect, but certainly there is a contradiction on his part when he talks about the need to stabilize agriculture, when he talks about the need to improve farm incomes, to improve the rural communities, and then on the other hand to suggest that we don't need some rules of the game to make sure that everyone is treated equitably within the system.

And with respect to the last point he made, let me point out that we have a Board of Directions, which I'm very proud of, the MACC. The man in question is one of the most knowledgeable men that one could find for that kind of job. Very successful in his own right as a private entrepreneur, Mr. Chairman, a very knowledgeable, very capable individual who has done a very magnificent job, not only here as Chairman of the Credit Corporation, but as Chairman of the Manitoba Hog Marketing Corporation. So I have no apologies in that respect and the fact that a loan decision was reversed by the Board, I would suggest to my honourable friends that I would hope that our boards are that cautious, that they do oversee the workings of our Crown corporations whether it's the Hydro board or whether it's the Credit Corporation. We would want board members that are alert to make sure that when policy is somewhat questioned or when there is a perhaps overstepping of policy guidelines, that the administration be brought into line to make sure that they keep themselves within those guidelines.

Now, it's obviously an area of discretion and I don't have the basic details. I simply want to make one comment here with respect to a point that the Member for Morris made, and that is that there was a son involved and a son-in-law involved and so on. Well, as I recall the incident, I believe that one of them, if not two of them, had only a nominal share in the whole enterprise, and that it appeared that the corporation was designed for the purpose of circumventing the 100,000-dollar limitation of capital for any one individual borrower. That's what it appeared to be. Now whether that is right or wrong is debatable, I suppose, but the corporation and the board of directors in the end has to make a judgmental decision, and I'm not about to be drawn into debate on their decisions at this point in time, with respect to one individual whose case I am not too familiar with. Now whether or not the son of the chairman subsequently purchased land that may have been purchased by the other group is not relevant, because obviously to purchase it the land must have been for sale. It's not relevant because if the land was for sale the highest bidder obviously got it. --(Interjection)-- And therefore it is within the freedom of our farming community to do as they please in this respect. There are no controls preventing people from buying things if they so wish. --(Interjection)-- So that, so that I have to reject, Mr. Chairman, the allegations made by the Member for Morris.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Dealing with the last subject last, the fact is, Sir, that the son of the Chairman of the Agricultural Credit Corporation got precisely the same amount of money as had been applied for by Mr. Bowles, \$125,000. Now then, the Minister says that this is a matter of discretion. You're doggone right it's a matter of discretion. And the Chairman of the Board, Mr. Hafford, used his discretion. Guess where his sympathies lie. The son was a little more deserving in his opinion and that, Sir, is the only criteria that was established in this case. The Minister can talk all he likes about shares being owned and shares being owned by one person, or the majority of the shares being owned by one person, the fact is they were setting up a family corporation and we know what this government thinks about corporations of any kind, whether they be family corporations, whether they live in this country or outside of it or whatever. We know that they have a paranoid hatred of anything that has the name "corporation" in front of it or behind it and it is for that reason that they -- and it wasn't before, it wasn't the Farm Credit Corporation that turned them down; it was the Board. It was Max Hafford that turned him down because he wanted that land to go to his son. Period. Let them make no mistake about that.

MR. ENNS: After the original board had approved it.

MR. JORGENSEN: Now in dealing with the -- that loan had been approved, and he'd received notification from the Farm Credit Corporation or the Manitoba Agricultural Credit Corporation that his loan had been approved in November of 1971 --(Interjection)--. Now then,

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(MR. JORGENSON cont'd) . . . . in dealing with the other subject, the Minister in his usual way tries to make out that I don't believe in equity. Well, I believe in equity a great deal more than he does, and the fact is - and he doesn't seem to realize this, Sir - that when feed prices are held up here at a price that is higher than what cattle can be fed in another part of the country or in another country such as the United States, those feeders will move to the United States. Either that or they'll bring corn in which will replace the grain grown by the farmers in this country, and maybe that's what he prefers; maybe he prefers those feeders to go down there.

I recall when the Canadian Wheat Board in 1967 attempted to hold up the price of wheat, they were ordered to by the Federal Government, to hold the price up to the initial price which was \$1.70 a bushel. We were the only country that lost 200 million bushels worth of sales. So why? For one half cent a bushel, half cent a bushel. All the Americans had to do was to underbid us by one half cent a bushel and they took away from us 200 million bushels worth of sales. Who benefitted from that? Certainly not the Canadian farmers; they've been sitting here with their full granaries ever since. That's the kind of stupidity that the Minister wants us to follow. That's the sort of thing the Minister cannot dictate the price at which grain will be sold unless he dictates the price that the feeders will be sold, unless he dictates all the way down the line. And I indicate to you, Sir, that this is exactly what this government has in mind, the complete takeover of the livestock, of the agricultural industry in this country right from the beginning of production to the retail outlets. That's what they have in mind and he knows full well that he can't dictate feed grain prices, and the Feed Grain Marketing Board is not attempting to do that; not at all. They're holding an initial price that is lower than what the initial price of the Wheat Board is. There's in effect no guarantee at all. All they're doing is creating paper work for the livestock feeders and collecting one percent for feed for their relatives, and that is the sum total of his Feed Grain Marketing Commission policy, creaming off a certain amount, as he's taking off a dollar a hog to go for what I don't know, under the Manitoba Hog Marketing Board. Sir, the policies of this government are getting to be pretty well known by the people of this province and particularly the farmers of this province, and the Minister is going to find out how much the farmers think of that kind of a policy, especially when it means that the only people that are going to be benefitting are the relatives and friends of this government.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, yesterday when I spoke I dwelt on a certain point in connection with loans for the purchase of land, and the Minister said that he would reply when we came to the matter of the Manitoba Agricultural Credit Corporation, and I find that in the annual report of the Manitoba Agricultural Credit Corporation we find statements to this effect, and I'm quoting from the report: "There has been a noticeable increase in the percentage of funds approved for the purchase of land in 1971-72 over 1970-71. A considerable part of this can be attributed to young farmers starting on their own or adding additional land for a more economical unit."

On another page we find, and I'm quoting again: "As will be seen from the above statement the percentage approved for the purchase of farm land was over twice that of the preceding year." This is what the report says. Then we go to this new Guidelines for the Seventies, and what do we find in here? Under this section dealing with credit and land policy they claim that there are sufficient organizations in the lending field so that they may as well discontinue the practice of making loans for the purchase of land, and they state in here: "Where existing credit institutions adequately meet the needs of farmers, the Manitoba Agricultural Credit Corporation must not duplicate their activities. Where existing credit institutions do not provide the type of programs required to meet the objectives of agricultural policy, the Manitoba Agricultural Credit Corporation must fill the gap. On the basis of these considerations there is no justification for the Manitoba Agricultural Credit Corporation to continue to provide credit to finance the purchase of land."

This is in direct conflict, Mr. Chairman. Here we have the board stating that the need is there, that actually the amount lent by the corporation for the purchase of farm land had doubled, and yet we find in the Guidelines for the Seventies the very opposite, that it's unnecessary, and therefore the government is now deciding not to continue making loans to young farmers for the purpose of purchasing farm land, and I take great and strong exception to this. That's the purpose of the act being set up originally. I can recall when the former Premier,

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(MR. FROESE cont'd) . . . . Duff Roblin, before he became Premier, I received a letter from him one day and was asked to come in to discuss certain matters, and when I came in to see him he asked me what the government should do for the farmer in Manitoba. I told him what I thought where the need was, and I mentioned in particular this matter of supplying credit so that farmers could dispose of their land and so that young people could buy the land so there would be a means by way of these transactions could be made, and that there was a very great need for that in my opinion.

We have, as members know, the Federal Farm Credit Corporation, but I feel that there should be more than one source and that we should not discontinue the function of providing loans to young farmers from our provincial organization. I feel we should not be subjected to one source only, and this is more or less what we are doing. The minister may argue that, well, we have credit unions, we have banks, we have other institutions. Well, maybe today there are other mortgage companies that provide mortgage money for farmers, but there was a time when this was not the case and we may have that same occasion again. After the Thirties when things went into bankruptcy left and right, mortgage companies would not finance farm mortgages and there was no money available, and now I don't think this is the time to go out of this type of business. I think the function of the Credit Corporation to provide money for the purchase of farm land by young farmers, by young boys in this province, should remain and that we do not discontinue this practice.

There may be arguments that we cannot provide this credit as economically as the Federal Government. I would like to hear from the Minister on this point, whether that is the case. I don't think it should necessarily be the case, whether the Federal Government has sources to funds less costly. I would like to hear from the Minister on this very matter if that is the case. At any rate I feel that we should stick with the program, and certainly I don't know whether my friends to the right here suggest this, that whether they go along with eliminating this part from the Credit Corporation, that it just be used for making loans for cattle, for livestock -- (Interjection)-- Pardon? Well, certainly, if they support my views on it I would like to hear from them because I feel that the government is embarking on the wrong program when they intend to discontinue this function, and at this time I certainly would like to hear from the Minister on this.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, we have pondered this particular question for, oh, quite some time, all of a year or more, and we based our consideration and our decisions on the experience that we have had in the MACC over the last three or four years, and it becomes quite evident that there is very little logic in having the MACC compete for business with the FCC, knowing that the FCC rate of interest is at least one and one half percent lower than ours because of the Federal Government's fiscal arrangements within their own system.

Now, I think the Member for Rhineland is referring to the fact that we did make a number of loans. I think I would remind him that the Federal rate of interest rate probably is much lower now than it was a couple of years ago or even a year ago. At one time the rates were fairly high as well, as I can recall it, and they have levelled off at somewhere in the order of seven percent as of last spring, which appears to be fairly reasonable at this point in time. But our Credit Corporation still has to charge somewhere in the order of 8 1/2 or 8 3/4, and therefore it's really not a good thing to encourage people to participate through our program for long term borrowings, imposing on them in effect these added charges which are fairly significant, and which by the way quite often mean the difference between a marginal loan and a pretty good venture.

I think that the other concern is that if there is going to be a dual lending policy in this province, one federal, one provincial, and where we have the higher interest rate, the result will be that the FCC will be screening their applicants much more carefully, and referring all of the marginal cases to the MACC, and in which case will result in the MACC picking up the disaster cases if you like. And we have to take full account of this kind of a situation. And it was very obvious to us, Mr. Chairman, that too many young people were rejected any credit whatsoever on the basis of not having enough equity on their own, and therefore we have had to make a decision whether we want to facilitate those young people into the industry through some sort of program that will provide a land base for them without having to mortgage them far beyond their means, but yet to allow entry, and this is where the decision had to take place.



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(MR. USKIW cont'd) . . . . If you want to maintain the old program with all of the staff requirements, and add a new program under the land lease arrangement, then you would have to beef up another huge bureaucracy in that area and we don't want to operate two programs. We think that we can very well dovetail with the Government of Canada wherein long term loans are required and where FCC has a better and cheaper facility to work through. It's a matter of having a fairly good arrangement in that respect. And that we'll concentrate our efforts on certain target areas, the young people that want to get back into the industry but can't finance their way in, the livestock programs, the dairy program. We will need to push a lot more hog production in the years ahead if we're going to meet the market demands within the province, within Canada and beyond Canada, and there will be further announcements in that regard fairly shortly. But nevertheless we want to concentrate on areas of diversification and less on land, and from that point of view it's a matter of trying to use our dollars in a most advantageous way.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I just have to comment briefly on the Minister's remarks just made. You know, if I closed my eyes I could have sworn that I heard myself speaking just a few years ago, because of course honourable members and the Honourable Minister himself, as will his staff, well remember that we came, we came to that conclusion in '68 and used precisely the same arguments that the Minister has now presented to us in the House. We recognize that essentially the job that had been done by the Manitoba Agricultural Credit Corporation was a good one but that it had reached a plateau where the two agencies were competing with each other, both using public funds. There had to be some re-examination, some rationalization of that approach. We did not suggest the dismantling of the Credit Corporation at that particular time. We were hoping to re-direct its efforts into a new phase, guaranteeing loans, of hopefully moving into much the same areas that the government has now moved into. But Mr. Chairman, the Minister and the government took such delight in condemning the move at that time. Indeed it even received honourable mention in the Throne Speech, I think in the first Throne Speech of this government, how the callous Conservative Government had cut off the long-term credit requirements from the farmers of Manitoba. And, Mr. Speaker, if this Minister wants to tell any farmer in Manitoba that the conditions have so changed or that the price of land has so dropped, or that the need for credit no longer exists, that he can now do precisely what I did four years ago and hail that as a courageous forward-stepping progressive act, well then, Mr. Speaker, the world is really turning around in circles much faster, much faster than I am able to keep up with and I think I'll go back to reading my book, Mr. Chairman.

But I wanted to indicate, Mr. Chairman, that you know it is amusing how in such a short span of time, you know, this government, admittedly it's taken them four years to come to the level of wisdom that we were at, you know, four years ago, but they're coming there slowly. It took them four years to recognize that they too have to flood South Indian Lake but they're going to flood South Indian Lake, you know, and eventually what worries me most, if they stay in too long they're going to become Conservatives, and Mr. Speaker, woe betide us, because that kind of infiltration the Conservative Party can't stand. We can't stand that kind of subversive activity on the part of the socialists in this province. So, Mr. Chairman, Mr. Chairman, let me simply say that the Minister's pious statements with respect to the new direction of the Credit Corporation is old hat. We were prepared and we did take that step four years ago. It was the correct step four years ago. This government couldn't resist a little bit of political schmaltz in between to say that that was a bad step. They after all, by and large receiving the same good advice that I or the Member for Arthur received when we were Ministers of Agriculture, have decided to accept that advice, that it is an area of duplication, and are now doing precisely what was already done four years ago by a Progressive Conservative administration.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I am really going to have fun with my honourable friend again. The Member for Lakeside has fallen into the same kind of trap the second time this afternoon. He sure has walked into this one. The Member for Lakeside delights in the fact that we have now announced the withdrawal from long term lending with respect to land purchases, and he tries to reflect on the decisions of his government some four years ago, which were very much in the same vein. But what he doesn't tell the House, Mr. Chairman, is that

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(MR. USKIW cont'd) . . . . the time that they withdrew from financing of agriculture in Manitoba, we had the highest interest rate or one of the highest periods of interest rates in this province's history and the tightest money supply in the province's history. The Government of Canada tightened up its money supply, the Federal Credit Corporation tightened up its money supply. There were no loans virtually being made anywhere. The banks were not making FIL loans because they wanted a higher interest rate and they lobbied the Government of Canada for a period of time to take the ceiling off the interest rate on FIL loans, which was then six per cent, so they refused to loan money for about a year or a year and a half until that ceiling was removed, and it's at that time, Mr. Chairman, that the members opposite decided to pull the rug from under agriculture simultaneous with all those pressures on the money market, and we were quite right, Mr. Chairman, in revitalizing that credit institution, in providing an avenue of escape for many farmers that were caught in that squeeze.

The Member for Lakeside doesn't like to be reminded, Mr. Chairman, of all the facts surrounding the withdrawal of the Credit Program in 1968, and doesn't want to recognize that their subsequent program was a complete failure, a complete failure --(Interjection)-- Mr. Chairman, the situation is exactly the reverse today.

MR. CHAIRMAN: Order please.

MR. USKIW: Here we have a federal Crown authority offering money at lower lending rates than we are, we are saying that's the direction we should recommend our farmers, and that is quite in order and quite businesslike, Mr. Chairman. If it becomes necessary to come back into it, I have no hesitation in the future, Mr. Chairman, to bring it back into the provincial scope, but there's no point in duplication in particular where there is assessed cost to the user.

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

MR. ADAM: Thank you, Mr. Chairman. I just wanted to ask a couple of questions of the Minister, whether there will be any funds available or any programs for seed programs, forage, this year, and also if in light of the fact that it appears that there will be a very dry season, I'm just wondering if we are going to look for supplies of feed in this province if there may be some areas where there is enough moisture to have an early growth. I'm just wondering if the Minister is doing anything in this respect. I believe the Member for Morris was mentioning a resolution that was proposed in the House last year to assist farmers, but what he said today was that he thought the government should buy up elevators to store pelletized feed in case of a shortage, but as I recall the resolution last year, and I believe I spoke on it, the resolution called for assistance to farmers to purchase abandoned elevators, and I find this funny, Mr. Chairman, that some people who feel so strongly about free enterprise have no qualms of coming to the public sector for finances.

I wish the Minister could answer me those two questions.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I'd like to come back to one or two statements once more. It's rather curious that the statement made by the Member for Lakeside I can't quite follow, because certainly we believe in competition, we don't believe in monopolies, that it should be a monopoly, and this is exactly what we are doing by eliminating this type of source of credit from the provincial Agricultural Credit Corporation, that we will only have the one source which is the Federal, and this is the same as having one monopoly on it. We believe that competition is the life blood of trade and that we believe in competition. Certainly this is the argument that was put forth when this government brought in Autopac, that the private insurance companies should remain in the field so that they could provide competition for the type of service.

A MEMBER: What about the credit union?

MR. FROESE: The banks and the credit unions are not in the same field, Mr. Chairman, because they don't cater to the long term loans that are required in this area, at least many credit unions do not, and up until now banks weren't but banks are now making loans for the purchase of land where they didn't used to. I don't know how long this will be happening, how long this type of service will be provided by the banks, because we know that when a tight money policy is put into effect, like the Minister mentioned in '68, and I know what the experience we had in the Credit Unions were. All of a sudden the people who had been dealing with banks could no longer get credit and they came to the credit unions for credit and we accepted them, almost

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(MR. FROESE cont'd) . . . . by the hordes. We had terrific increases in memberships and we provided them with the credit they needed at the time.

When the question was raised by the Minister that because of the Federal Government being in this field that the poorer loans because of the lower rates of interest that were charged by the Federal Corporation, the result was that the poorer loans came to the Manitoba Corporation. Well, it doesn't naturally follow or mean that we have to accept all the poorer loans. I think each application should be considered on its merits and therefore this wouldn't mean that the Manitoba Corporation would be sitting there with all the poor loans. However, while we're discussing the poor loans, I asked the Minister the other day about this government's policy in cases where the people that had loans outstanding went into receivership, into bankruptcy, what is their policy when this happens? I noticed a sale bill on the other day where the Credit Corporation was having an auction sale, advertising an auction sale of foreclosure, so what procedure is followed? Are they putting these people back as operators or is the land rented, leased to someone else, or is it sold? Do we sell those properties, advertise them? What policy is being followed in this respect?

I certainly would like to hear from the Minister on these very points because they are, I think it's essential that we do know and it's very important to me.

MR. CHAIRMAN: Order please. The hour being 5:30 I am leaving the Chair to return at 8:00 p. m. this evening.