



Fourth Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

29 Elizabeth II

*Published under the
authority of
The Honourable Harry E. Graham
Speaker*



VOL. XXVIII No. 129 - 10:00 a.m., MONDAY, 28 JULY, 1980

MANITOBA LEGISLATIVE ASSEMBLY**Thirty - First Legislature****Members, Constituencies and Political Affiliation**

Name	Constituency	Party
ADAM, A. R. (Pete)	Ste. Rose	NDP
ANDERSON, Bob	Springfield	PC
BANMAN, Hon. Robert (Bob)	La Verendrye	PC
BARROW, Tom	Flin Flon	NDP
BLAKE, David	Minnedosa	PC
BOSTROM, Harvey	Rupertsland	NDP
BOYCE, J. R. (Bud)	Winnipeg Centre	NDP
BROWN, Arnold	Rhineland	PC
CHERNIACK, Q.C., Saul	St. Johns	NDP
CORRIN, Brian	Wellington	NDP
COSENS, Hon. Keith A.	Gimli	PC
COWAN, Jay	Churchill	NDP
CRAIK, Hon. Donald W.	Riel	PC
DESJARDINS, Laurent L.	St. Boniface	NDP
DOERN, Russell	Elmwood	NDP
DOMINO, Len	St. Matthews	PC
DOWNEY, Hon. Jim	Arthur	PC
DRIEDGER, Albert	Emerson	PC
EINARSON, Henry J.	Rock Lake	PC
ENNS, Hon. Harry J.	Lakeside	PC
EVANS, Leonard S.	Brandon East	NDP
FERGUSON, James R.	Gladstone	PC
FILMON, Gary	River Heights	PC
FOX, Peter	Kildonan	NDP
GALBRAITH, Jim	Dauphin	PC
GOURLAY, Hon. Doug	Swan River	PC
GRAHAM, Hon. Harry E.	Birtle-Russell	PC
GREEN, Q.C., Sidney	Inkster	Ind
HANUSCHAK, Ben	Burrows	NDP
HYDE, Lloyd G.	Portage la Prairie	PC
JENKINS, William	Logan	NDP
JOHNSTON, Hon. J. Frank	Sturgeon Creek	PC
JORGENSEN, Hon. Warner H.	Morris	PC
KOVNATS, Abe	Radisson	PC
LYON, Hon. Sterling R.	Charleswood	PC
MacMASTER, Hon. Ken	Thompson	PC
MALINOWSKI, Donald	Point Douglas	NDP
McBRYDE, Ronald	The Pas	NDP
McGILL, Hon. Edward	Brandon West	PC
McGREGOR, Morris	Virden	PC
McKENZIE, J. Wally	Roblin	PC
MERCIER, Q.C., Hon. Gerald W. J.	Osborne	PC
MILLER, Saul A.	Seven Oaks	NDP
MINAKER, Hon. George	St. James	PC
ORCHARD, Hon. Donald	Pembina	PC
PARASIUK, Wilson	Transcona	NDP
PAWLEY, Q.C., Howard	Selkirk	NDP
PRICE, Hon. Norma	Assiniboia	PC
RANSOM, Hon. Brian	Souris-Killarney	PC
SCHROEDER, Vic	Rossmere	NDP
SHERMAN, Hon. L. R. (Bud)	Fort Garry	PC
STEEN, Warren	Crescentwood	PC
URUSKI, Billie	St. George	NDP
USKIW, Samuel	Lac du Bonnet	NDP
WALDING, D. James	St. Vital	NDP
WESTBURY, June	Fort Rouge	Lib
WILSON, Robert G.	Wolseley	PC

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 28 July 1980

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN: I beg to present the Eighth Report of the Standing Committee on Law Amendments.

MR. CLERK, Jack Reeves: Your committee met on July 26, 1980, and heard representations with respect to bills referred, as follows:

No. 56 — An Act to amend The Child Welfare Act.

Mrs. R. Krause — Legal Aid Society.

Mr. Abe Arnold — Manitoba Association for Rights and Liberties.

Mr. Norman Rosenbaum — Manitoba Association for Rights and Liberties.

Mr. Douglas Yard — Walsh, Prober and Company.

Laurie Mason — Parent Finders (Manitoba).

Roger Pyper — Private Citizen.

No. 103 — The Wildlife Act.

Mr. A.J. Church — General Manager, Manitoba Cattle Producers' Association.

Mr. Jim Nichol — Manitoba Environmental Council.

Mr. Keleher — Manitoba Environmental Council.

No. 107 — An Act to amend The Public Utilities Board Act and The Manitoba Telephone Act.

Mr. J.P. Patterson, P. Eng. Johnston Controls Ltd.

Mr. Gary T. Brazell — Greater Winnipeg Cable Television Ltd.

Winnipeg Videon Inc.

No. 114 — The Manitoba Energy Authority Act.

Mr. Abe Arnold — Manitoba Association for Rights and Liberties.

Mr. Grant Mitchell — Manitoba Association for Rights and Liberties.

Your committee has considered Bill No. 113 — The Manitoba Energy Council Act.

And has agreed to report the same without amendment.

Your committee has also considered bills:

No. 56 — An Act to amend The Child Welfare Act.

No. 72 — The Securities Act, 1980.

No. 103 — The Wildlife Act.

No. 105 — The Statute Law Amendment Act (1980).

No. 107 — An Act to amend The Public Utilities Board Act and The Manitoba Telephone Act.

No. 114 — The Manitoba Energy Authority Act.

And has agreed to report the same with certain amendments.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: I move, seconded by the Honourable Member for Crescentwood, that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to table the financials statements of boards, commissions and government agencies of the province of Manitoba for the year ending 31st of March, 1979. I would indicate, Mr. Speaker, that I think believed contained in this are two or three reports that are not called to be reported by legislation but have been included with the others.

NOTICES OF MOTION

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Mr. Speaker, this is on a matter of procedure. I'd like to indicate that the opposition is requesting that we have 24 hours' notice on report stage of all the bills that are at report stage. I should also like to indicate that if the exigencies of the House is procedure as such, that we may be able to complete our business this evening; we are prepared to waive that right at that time on each bill independently.

MR. SPEAKER: I thank the Honourable Member for Kildonan for that information.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to draw the honourable members' attention to the loge on my left where we have the Member for Daupin, Mr. Lewycky. On behalf of the honourable members, we welcome him here this morning.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the First Minister. In view of the fact that the negotiations involving Canada and Alberta pertaining to oil pricing and the distribution of the revenues therefrom appear to have broken down, and indications are that Alberta may indeed unilaterally increase its price of oil by this coming

Friday, can the First Minister advise as to whether or not Manitoba has a position vis-a-vis the breakdown in the negotiations and the future resumption of such negotiations if they indeed should occur?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, and I'm sure I speak for the members of the opposition as well when I say this, Manitoba regrets very much — the government does — that these negotiations between the First Minister of Alberta and the First Minister of Canada have broken down in the manner in which they have, for a number of reasons. Number one, because it imperils the extremely desirable national goal of obtaining self sufficiency of our own supplies in Canada. It seems to be a difficult and sometimes impossible message to get through to some people in this country, particularly in the federal government, that self sufficiency in this country is absolutely necessary in the national interest. One of the methods by which self sufficiency can be obtained is to have a kind of domestic price for the commodity in Canada which will encourage and ensure that that development of the existing resources that we have fortunately in Canada, can move ahead a pace.

Number two, it's unfortunate because it does bear upon the constitutional discussions that are currently under way in this country and will place an obvious flavour upon those discussions, which will be unfortunate I think, for the kind of consensus that we are attempting to reach in the matters of The British North America Act, its patriation and distribution of powers and so on.

Number three, it's also unfortunate from a regional standpoint, Mr. Speaker, because implicit in the negotiations was an extremely generous offer by the province of Alberta, to inject 2 billion into the national economy, particular the western Canadian economy, by way of improvements to western Canadian transportation, something that is very very much needed in western Canada and the importance of which seems to have been lost for a number of years on the Trudeau government.

I think that for all of these reasons and for a number of other reasons that each of us could think of, the breakdown in these negotiations is unfortunate for Canada and we do hope that cooler heads will prevail, particularly at the federal level, and that they will come to understand that what Manitoba has been advocating for some considerable time, mainly a self sufficiency price in Canada, is necessary if we are going to proceed to develop those resources for Canadians so that we will not be dependent on unsure offshore supplies of oil and gas, as is the case at the present time, and as will continue to be the case until such time as we get a rational and reasonable pricing policy going in this country.

MR. PAWLEY: Mr. Speaker, then a further question to the First Minister. The First Minister referred to a reasonable and rational pricing policy; is it the First Minister's position that the position advanced by Premier Lougheed in Alberta to the federal government is indeed a rational and reasonable

pricing policy that ought to be accepted by the federal government?

MR. LYON: Mr. Speaker, first of all, we should say — and we don't know the details of that position — that it is the policy being advanced by the Premier of Alberta and the Premier of Saskatchewan for oil pricing in this country.

Number two, we have said and it's in the documents that have been given to my honourable friend for his further edification, the opening statement that we made at the Energy Conference last November, that Canada must have a self-sufficiency price for oil. That means a price at which the oil reserves in Canada will be developed. It's not necessarily tied to a world price, an American price, or whatever, but it's a price at which the investors can see their way clear to put the billions of dollars in place that are necessarily in order to ensure self-sufficiency of oil in this country. That necessarily means an increased price in oil and anyone who would deny that we have to have an increased price in oil is either a fool or is living in cloud "cuckoo-land." We are going to have increased prices on oil in this country, notwithstanding the wrong-headed policies of the Trudeau government. That is an evident as is the existence of this microphone in front of me.

So, Mr. Speaker, our policy is, as has been stated on a number of occasions, to ensure self-sufficiency in Canada and to have a pricing system that is adequate to ensure that that desirable goal comes about.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I am tempted to engage in a debate with the First Minister, but I'll avoid doing that, except to say that we all agree with self-sufficiency but we don't agree with rip-offs, whether it be from Alberta or elsewhere.

Mr. Speaker, I expect Manitoba's government to represent Manitoba's interests; I expect the Saskatchewan Premier and government to represent Saskatchewan's interests.

Mr. Speaker, to the Minister of Finance. Last week the Minister of Finance accepted as notice a question from myself pertaining to whether or not any out-of-province firms or individuals were engaged in preparation of the rather famous, or infamous, political document known as the White Paper Reforms, which is now being widely distributed in the province of Manitoba.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: He did, Mr. Speaker, and I had an answer here waiting ready for him, but he was out of the House a lot of the time last week and I was unable to give it to him, but if he gives me a minute to dig in the desk drawer, I think I could probably find out some of the answers for him.

I believe the answer was the brochure was printed by Public Press; it was laid out by an organization, or assisted in the layout, by the name of McKim Advertising, both out of Winnipeg offices.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Mr. Speaker, my question also is to the Honourable Minister of Finance, and refers to the Progressive Conservative election document. Mr. Speaker, previous questions have gone to the Minister asking what the distribution was to be of this document and he didn't know. Now, I wonder if he could tell us to what list envelopes from his department were sent, personally and privately addressed to individuals, each at a cost of 23 cents for mailing? To what list were these sent, Mr. Speaker?

Also, secondly, this paper was sent in response to those who answered a rather expensive newspaper advertisement. How many of these were sent in response to the questionnaire that was mailed in from the newspaper advertisement?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, if the Member for Fort Rouge wants that kind of specific information, there is a standard way to ask for it in the House. I can indicate to the member — maybe I had better halt while the Member for St. Johns gives her some free advice and helps along. The Member for St. Johns has a great habit of offering free advice to everybody in this House, Mr. Speaker. Most of it is worth what we pay for it.

Mr. Speaker, in overall terms, I can advise the Member for Fort Rouge that there were about 30,000 of the brochures published. The printing cost was in the order of 5,600 for the printing of the brochure. If there are more than the 30,000 required, I can assure the Members of the House that we will not hesitate to duplicate that order over and over and over again in order to get the information out to the people that may desire it.

With regard to the source of the name, whether it came through the replies through the newspaper or through some other source that I am unaware of, Mr. Speaker, that there will be as broad a possible mailing of that brochure as possible. The member can be assured of that.

MRS. WESTBURY: I thank the Member for St. Johns for his advice, which I accept. Would the Minister accept my question verbally; in view of the lack of time to present an Order for Return, since it will be a matter of record, would he be kind enough to provide that information to me? Mr. Speaker, the envelope that I held up, the addressee assures me that he did not ask for this information to be sent to him and I'm wondering if it is being sent to every householder in the city or to what list, why this particular addressee, whose name is Peter Westbury, received this.

MR. SPEAKER: That question has already been answered.

The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, if the Member for Fort Rouge can give me the specific case — I don't know who Peter Westbury is, but I presume he is somehow

related to the Member for Fort Rouge — but if the member can provide me with the name and address, I may be able to advise what the source was. But I can add, in addition to that, that 30,000 publications — she hasn't got 30,000 members of her family, I guess, that I could mail to, there may be 30,000 members in other families — but 30,000 copies of the brochure are hardly going to saturate the province. But if it turns out to be as successful as it appears to be, from the point of view of getting information out, we may have to expand that mailing list.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to address a question to the Minister to whom Manitoba Hydro reports. I would like to ask whether the advertisement, Mr. Speaker, which appeared in last weekend's paper, in which the utility indicated that it needed somebody in the area of public affairs, I believe it's to — I'm not sure I have the correct designation, but I believe it is public affairs — in any event, it's the job that was formerly done by Earl Mills — whether that advertisement was placed through the administration of Manitoba Hydro or through the offices of the Minister of Finance and his Deputy Minister.

MR. CRAIK: Mr. Speaker, I can advise the member that it was not placed through the office of the Minister of Finance, the Minister reporting to the utility. It would not be unusual if the Deputy Minister were involved in it from the point of view of being the chairman of Manitoba Hydro, but, Mr. Speaker, I believe there has been public advertising for that position, inasmuch as it is vacant either now or shortly.

MR. GREEN: Mr. Speaker, when Hydro is advertising for a position, would it not normally be the case that the advertisement would be placed through the administration of Manitoba Hydro, and not through the administration of the Minister of Finance's office? I would like to know, Mr. Speaker, from the Minister why it would be the Minister of Finance's office that is using its administration to advertise for this position. I would also like to know whether it is true that the position is being offered to a one Fred Cleverly of the Winnipeg Free Press in recognition for past services rendered to the Progressive Conservative government in propagandizing their position with respect to Manitoba Hydro.

MR. CRAIK: Mr. Speaker, in regard to the first part of the member's question, I am not aware of the fact that this advertisement took place through the office of the Minister of Finance. I don't believe it was. I haven't seen the advertisement but I understand it has taken place. With regard to the second part of the question, that's a very good idea, I hope Mr. Cleverly does apply for that job.

MR. GREEN: Mr. Speaker, can the Minister also answer the question as to whether the longstanding holder of this position, a very faithful and competent

civil servant for many many years was pushed aside by the Minister because he wanted to tell the truth about Manitoba Hydro and disagreed with Mr. Justice Tritschler, and so stated, Mr. Speaker?

MR. CRAIK: Mr. Speaker, if I can go back to the question. I have a copy of the advertisement here and I see that the advertisement in question is through an agency and I see no reference to the Minister of Finance's office here, which I — the member says he never said it was. That's what he is trying to imply; in his usual machiavellian way, that's what he was trying to imply.

With regard to his latter question, Mr. Speaker, perhaps the member could repeat it. I didn't hear it.

MR. GREEN: Mr. Speaker, my friend did not only hear the last question, he didn't hear the first and second question. I asked a question, I did not suggest anything but I asked a question because, Mr. Speaker . . . Mr. Speaker, I asked a question because I want to know, I do not know, but I understand . . . Mr. Speaker, I asked the Minister of Finance whether this advertisement was placed through the administration of Manitoba Hydro or through the administration of the Minister of Finances. And I still want to know, Mr. Speaker. The Minister did not answer.

Mr. Speaker, my understanding is that the Minister said he would check to see where it was placed. Mr. Speaker, I ask whether it went through the Department of Finance either through the Minister or the Deputy Minister's office; whether the administration of the Minister of Finance's office was used, and I would like the Minister to answer.

With respect to the second question, Mr. Speaker, I asked the Minister whether it is not a fact that the present holder of this position was pushed aside by the Minister because he wanted to tell the truth about Manitoba Hydro and his position differed from that of the Tritschler Commission.

MR. CRAIK: Mr. Speaker, with regard to the member's last question, the answer is no. But there is no doubt about it that the person in question, the now retiring director of public affairs for the corporation was criticized by the Tritschler Commission, that's right.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, my question is directed to the Attorney-General. In view of the fact that the Session may end to day I am wondering if the Minister could, on behalf of the government, announce the formation of the Legislative Committee to look into the whole matter of freedom of information and citizen access to government information in view of the fact that this Legislature unanimously over a year ago agreed that the government should in fact establish such a committee.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, that matter is still under consideration. I

hope to receive a copy of the new federal bill very shortly to aid in consideration of that matter.

MR. PARASIUK: Mr. Speaker, I would like to ask the Minister then whether in fact he can give assurances to this Legislature that we will in fact have that committee called, and have the public make representation to that committee with respect to freedom of information before the next Session. Can he give us that assurance?

MR. MERCIER: Mr. Speaker, I can assure the member that this matter will receive continuing consideration.

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

MR. PARASIUK: Yes. This question is to the Minister responsible for Manitoba Hydro. In view of the fact that Mr. Mills was pushed aside for presenting the truth and disagreeing with the Conservative position with respect to Manitoba Hydro, can the Minister give us the assurances that Mr. Gunter who appeared before the Public Utilities Committee presenting the truth and was later chastised by the Minister publicly for presenting the truth, can he give us the assurances that the Minister will not use his influence as Minister responsible for Hydro to ensure that this person is pushed aside in the same manner that Mr. Mills was pushed aside by this government?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, on the first part of that question, my understanding is that Mr. Mills retires this year. He has reached normal retirement and is retiring. His position is being advertised, which I would think is a reasonable approach for the corporation to take in such a matter.

With regard to the second silly question regarding Mr. Gunter's presentation, the presence of Mr. Gunter at the committee was never in question, Mr. Speaker; Mr. Gunter understands that as well as anybody. But if the members across the way cannot adapt themselves to an open approach at committees it's understandable, it's understandable, Mr. Speaker, because if you go back to the days when they were in government and ran that committee —(Interjections)— Mr. Speaker, it's not difficult to understand their sensitivity.

MR. SPEAKER: Order please. Order please.
The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, with regard to the second part of the question, I hope that Mr. Gunter and others from Manitoba Hydro will continue to make their statements available to the committee, and when they are questioned, it will be on a straightforward basis and not by the method used by the former government, which was to deny the committee access to anybody except their paid hack.

MR. SPEAKER: The Honourable Member for Portage.

MR. LLOYD G. HYDE: Thank you, Mr. Speaker. I have a question responsible for Community Services and Corrections. —(Interjections)

MR. SPEAKER: Order please. Order please. If the Honourable First Minister and the Honourable Member for St. Boniface wish to carry on a private discussions, I would suggest they do it outside the Chambers.

The Honourable Member for Portage.

MR. HYDE: Thank you, Mr. Speaker. I have a question for the Minister responsible for Community Services. I wonder if the Minister at this time can assure this House that the citizens of Portage la Prairie, and more especially at this time, the residents of the Manitoba School, are they back safe in their shelters at home after the disastrous fire that hit Portage in the early hours of Saturday, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Mr. Speaker, I can comment with regard to the residents at the Manitoba School, however I would suggest that the question relating to the residents of the rest of Portage la Prairie be referred to the Honourable Minister of Government Services.

I can advise the House, Mr. Speaker, that all the residents of the school, some 785, who had to be evacuated twice over a period of some 12 hours, are safe and secure back in the residence, and were safe and secure at all times.

I might, if the Speaker might allow me, commend Mr. Upham and his staff for the efficient and dedicated service that they did for us during the emergency, and also thank Colonel Brennan and his staff at the Canadian Forces Base in Portage for allowing us to use the facilities and their staff during these times.

MR. HYDE: Mr. Speaker, then I wonder if the Minister responsible for EMO could give a report as to the state of the situation in Portage la Prairie as of this morning.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, the honourable member will appreciate that I have only been able to get some handwritten information on the situation in Portage this morning. I perhaps will have some more this afternoon, but I can indicate to the Honourable Member for Portage that the Emergency Measures Organization was able to provide the liaison service needed between the local officials, the RCMP and the Armed Forces. Let me also say, Mr. Speaker, that Portage la Prairie is one of those communities that had an emergency plan in effect and its value proved itself under these particular circumstances. The situation was such that several of the senior local officials were not immediately present, but it is obvious from the smooth functioning of the plan that the people in charge knew what they were doing.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker. A question to the Minister in charge of Parks: Can he advise as to whether negotiations are still ongoing with one Joe Jarmoc in regard to the acquisition by him of a piece of property known as Gransden Point on Lac du Bonnet?

HON. BRIAN RANSOM (Souris-Killarney): I'm not aware of any such negotiations, Mr. Speaker.

MR. SCHROEDER: Can the Minister undertake to check to see whether there are in fact such negotiations ongoing, in view of the fact that the last Minutes of the Rural Municipality of Lac du Bonnet Council indicate correspondence from Mr. Jarmoc, dealing with that property owned by Parks, and with respect to which Mr. Jarmoc is asking for permission to go ahead with a subdivision?

MR. RANSOM: Mr. Speaker, I would be happy to investigate that situation, but I can inform the honourable member, of course, that what Mr. Jarmoc does with respect to requesting permission from municipalities and promoting any given project does not necessarily mean that negotiations are under way with the government.

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

MR. SCHROEDER: Mr. Speaker, the last time that Mr. Jarmoc was involved in development and applications, there certainly was some connection with the government, and in this particular case, Mr. Jarmoc has asked specifically whether that particular council is in opposition to assignments made by Crown Lands and as to whether the non-involvement of the Parks Branch in that subdivision application would be acceptable to the municipality.

MR. RANSOM: I don't believe that the honourable member had a question in that statement that he made, but I can only reiterate for his benefit that to my knowledge, Mr. Jarmoc has been promoting in concept a number of different developments outside of park lands and perhaps he also has designs on acquiring some Crown land. All I can assure the House of, Mr. Speaker, is that to my knowledge, there are no negotiations taking place to that effect.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Speaker, I would like to ask the Minister of Resources if he is investigating the charges that have been made by four Conservation Officers and Parks Officers who have recently resigned, one of those charges being that the department's emphasis on enforcement and the removal of the Conservation Officers' and Parks Officers' role in parks management are causing very serious morale problems within the department.

MR. RANSOM: Mr. Speaker, I am not sure what the honourable member means by "charges." I think there have been some allegations made by people

who evidently were dissatisfied with their positions within the department and perhaps take exception to the policies of government. I think the House is aware that earlier on in the spring, for example, we did undertake to provide a higher level of enforcement in our parks and that some of the staff that traditionally have been known as the Conservation Officer staff, and for the past few years have not done much work for the Parks, have in fact been required to assist in that manner. I think that our efforts have been quite successful in that we have received comments from users of our parks indicating that we have substantially upgraded the quality of experience that people are able to obtain in our parks now, because we have managed to control the rowdiness problem which we have had in previous years. That certainly was one aspect, Mr. Speaker. If the honourable member considers that to be a charge then so be it.

MR. BOSTROM: Yes, Mr. Speaker, a further supplementary. I wonder if the Minister is undertaking any investigation into his department to determine the validity of the charges of the people that have resigned from his department, that the management style of the two new senior people that he has appointed to the department are causing serious morale problems within the department.

MR. RANSOM: Mr. Speaker, when the Honourable Member for Rupertsland was responsible for portions of this department, I think he was quite aware that there were a number of differences in the application of policy taking place among different regions in the province. I find that to be a rather undesirable thing, that one department should have different policies applied in different parts of the province. What we have done is simply move to provide some central direction by way of policy making and to disseminate the administrative decision making out to the field.

That is perhaps a new experience for some people and they might regard it as interference from Winnipeg and from head office. I find, Mr. Speaker, that I believe that the elected representatives of the people and their government have the right to determine what policy should be and not the people who are hired by government to carry out those policies.

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

MR. BOSTROM: Mr. Speaker, is one of the policies which this Minister has introduced which is supposed to be improving the quality of the department, the one which I believe to be most serious, made by the people who have resigned their positions, and that is of transferring experienced personnel from northern Manitoba at a time when their experience and abilities are most needed to battle the forest fire situation, which is the worst in this province's history. I wonder if the Minister can explain why his department makes these kinds of moves at this time, which is seriously hindering the department's ability to be able to handle effectively the forest fire situation in Manitoba.

MR. RANSOM: Mr. Speaker, I am afraid that the honourable member is engaging in a little nonsense when he makes that kind of statement. I find it interesting that in the questioning that was put to me before that article was written in the paper, that one of the allegations that was made by these people was that we were involving the army to too great an extent in fighting forest fires and not bringing the experienced personnel of the department to bear. Of course, it was the honourable members opposite that criticized this government for not calling in the army sooner, but it seems that in the questioning for the development of that article, that that sort of information did not fit with the tenor that was to be put forward.

Mr. Speaker, in our management of this department, we see the department and the staff in it as having application and opportunities across the province and we do not wish to see people confined to one area where they will get narrow experience and not be able to develop their own careers the way they should be able to, and not be able to be as useful to the department as they should be, and that is why some of the changes have been taking place. Some of these changes have been planned for some period of time and if they happen to coincide with an unfortunate set of circumstances as far as forest fires are concerned, then I think that efforts have been made to delay some of the moves. But they have been planned well in advance of that, and certainly the indications that the honourable member leaves that we are doing this in spite of the situation are simply not true, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Thank you, Mr. Speaker. I've been asked to raise this question of the Attorney-General. Would the Minister advise the House how many complaints, or if he receives any complaints against members of his staff and against the Law Society, and why does the Ombudsman not handle complaints against your department and Law Society activities?

MR. MERCIER: Mr. Speaker, I will have to take that question as notice, if the member is asking the number of complaints received by my office with respect to the Law Society.

MR. WILSON: I'd like to thank the Minister and other lawyers for supplying me with a partial breakdown of the annual grant to the Law Society.

My supplementary question is to the Minister of Education. Is the Minister of Education aware that this so-called educational grant is very very questionable and a spending of taxpayers' money, and would the educational grant not be the responsibility of the department of Education?

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I understand that the particular grant that the honourable member refers to is not handled through

my department, but through the Attorney-General's department.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of Health, and as I am aware that the Minister has received several complaints recently in regard to the operation of the northern patient transportation program in northern Manitoba, I would ask the Minister if he is prepared to conduct an official investigation of the workings of the northern patient transportation program and recent changes that have been implemented by the government in regard to tightening up on the provisions of that program and investigate them as to the effect they are having on patients who are forced to use that program for health reasons in northern Manitoba.

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN: Mr. Speaker, I have received no complaints on the operations of the northern patient transportation program.

MR. COWAN: Obviously the Minister hasn't been reading his mail, as I have received copies of complaints which were sent to the Minister, as Minister responsible. I would ask the Minister if he is prepared at any rate, having once perused that mail, to conduct an investigation into the workings of the northern patient transportation program in order to determine whether or not that program is living up to its original intentions, which I would suggest to him from my own personal experience, and from the experience of my constituents, it is not.

MR. SHERMAN: Mr. Speaker, no such mail has yet reached my desk, so anything I said would be in the realm of pure speculation. I want to assure the honourable member that I am concerned with maintaining all our programs, including the northern patient transportation program, at the highest possible level of quality. That is being done. That will be continued, mail notwithstanding.

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

MR. COWAN: Can the Minister confirm that under the program as it is being implemented now, that persons travelling from northern communities are being forced to travel overnight by train or overnight by bus in order to meet appointments, either in Thompson or Winnipeg, which are made for them purely for health reasons and that they are concerned that these long long train trips and long bus trips may in fact be placing further strain on their unhealthy condition.

MR. SHERMAN: No, Mr. Speaker, I cannot confirm that. As far as I know, the northern patient transportation program is operating the way it should operate. If I receive formal complaints, obviously I will investigate them.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Agriculture and ask him whether he supports the federal government's decision to end the grain embargo against the Soviet Union.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JIM DOWNEY (Arthur): Mr. Speaker, I haven't been fully informed by the federal government exactly what the decision was. I did read a newspaper article by a senator something to that effect, but I haven't had any official notification that that is their position.

MR. DOERN: Mr. Speaker, I then direct a question to the Minister of Fitness and ask him, in view of the apparent termination of the grain embargo and the fact that Canadian athletes have paid a price in being barred from the Olympic games, and the fact that the ordinary citizen is unable to watch T.V. coverage of the games, would he support a move to encourage the CBC, by contacting his federal counterpart, to carry either the remaining portion of the games now or to show the games in their fullest extent at a later point in time?

MR. SPEAKER: The Honourable Minister of Fitness and Amateur Sport.

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, I have indicated in the past and will indicate again that the decision was made by the federal government. Mr. Speaker, I am one that supported this decision to boycott the games. I think that the grain embargo — and we haven't got all the details with regard to that — is something that is another matter, but I think that the boycott of these games is having a definite effect on the propaganda that the Soviets are putting out. I think that the numbers, if you just look at the attendance figures and the other things that are happening out there, that like it or not it is having an effect and I think, unfortunately, some of the athletes that the member mentions will not have their opportunity in competing. But I can't see any benefit right now, because of one small decision, trying to revoke all the others that have been made.

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

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, I move, seconded by the Minister of Government Services that Mr. Speaker, do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of the bills referred for third reading.

MOTION presented and carried.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. Bill No. 48 is completed, except for Page 11, and I would direct the honourable members' attention to Page 11. It's Section 84. There was some discussion on it before the bill was completed.

**BILL NO. 48
AN ACT TO AMEND
THE LEGISLATIVE ASSEMBLY ACT**

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

MR. SAUL CHERNIACK: I'm not under the impression that we passed Page 13. I don't believe that we passed Section 9. I think it was during the discussion on 9 that we terminated the committee's meeting.

MR. CHAIRMAN: I'm sorry. I'm not receiving the sound . . .

MR. CHERNIACK: We're too far apart. Mr. Chairman, my impression is that we had not passed Section 9 on Page 13 at the time the committee ended its deliberations.

MR. CHAIRMAN: Section 9 on Page 13? I'm sorry, I have it marked as passed, but I could be wrong. If there is any further discussion on 9, because I do have it marked "passed", when we come to the title of the bill, there will be discussion on it at that point. (Interjection)— Pardon? Oh, I see, there is going to be an amendment on it. Okay.

The Honourable First Minister.

MR. LYON: Mr. Chairman, one of the items upon which there was some discussion before we had reached the stage at which your notes we indicate we are, was the discussion on Page 11 of Section 84, and I believe that we had passed Page 11 but held Section 84 for further consideration. I won't get into the discussion about whether we passed 13 or not. My recollection is that we had, but that's only recollection. With respect to Section 84, having had the opportunity to review the points made by the Member for Inkster, we're quite prepared on this side of the house to withdraw Section 84.

MR. CHAIRMAN: I would imagine that I will require a —(Interjection)— all right, then I will call Section 84.

MR. LYON: Call Section 84 and we'll just vote it out, that's all.

MR. CHAIRMAN: Section 84, is it the pleasure of the House to adopt the motion?

QUESTION put, MOTION defeated.

MR. CHAIRMAN: That will be Page 11 pass; Preamble pass; Title pass.
the Honourable Member for St. Johns.

MR. CHERNIACK: I am sorry, Mr. Chairman, you are saying that we had passed Page 13?

MR. CHAIRMAN: I have it marked as passed — to the honourable member, yes.

MR. CHERNIACK: My recollection, Mr. Chairman, and of course we don't have Hansard, is that someone was speaking on Section 9, that is on the whole principle of the change in remuneration at the time that you called the hour. That's my recollection. All I wanted, Mr. Chairman, for myself, is to have an opportunity to vote against Section 9. That's really all I want. I don't have a desire to speak but I do believe, Mr. Chairman, that if somebody else had not completed his remarks, he has a right so to do. I do think that's the case. For myself, I don't want to speak unless somebody else provokes me.

MR. CHAIRMAN: All right. Section 9 on Page 13. Is it the pleasure of the House to adopt Section 9? (Agreed) Nay? All those in favour . . .

MR. CHERNIACK: On division.

MR. CHAIRMAN: On division, fair enough. Section 9 pass. Page 13 — the Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Are we on Bill No. 48, Mr. Chairperson? I was speaking on Bill No. 48 when time ran out on me the other day. I had only spoken for about a minute and a half.

MR. CHAIRMAN: You will have an opportunity. I haven't passed Bill No. 48. I will pass — Preamble pass; Title pass — and it will be your opportunity, and your last opportunity at this time. The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Chairperson. The announcement was not made immediately as to which bill we were on, and I slipped out for a moment and apparently missed my chance to continue.

Mr. Chairperson, I was referring, when I was cut off by the clock, to the anti-hypocrisy amendment which had been promised by the Member for St. Matthews. There was one occasion in this session when I was three minutes late getting here one evening, and he referred to my absence from the Chamber. I find that quite interesting. I know that we are not allowed to refer to presence or absence, but on that occasion I was chastised for being three minutes late, and I would like the member to be able to hear my remarks.

Mr. Chairperson, I said the other day that I thought that the speech made by the Member for St. Matthews was sanctimonious. I think that was rather judgmental of me, and I would like to withdraw that remark and just say it was ill-considered perhaps. I think any reference to another member's charitable contributions, or any questions on any person, never mind whether they are a member or not, their charitable contributions is a real invasion of one's conscience and the entire privacy. I find questions and demands of this kind to be rather offensive, and for that reason I too, as well as apparently every member of the government party, declined to second that amendment. To demand that a member file a

list of charitable contributions is totally unacceptable and I am glad that amendment didn't come forward.

I am disappointed that in preparing this bill, the government didn't give any consideration to the suggestion by Mr. Justice Hall that increased effectiveness of an MLA could be assisted through provision of research or secretarial assistance. I think all we want is access to the same kind of information, the same kind of help that the government has as a matter of course. In fact, of the amount I have received since my election in October, I have I think paid out around 25 percent of my salary for that kind of assistance, Mr. Chairperson. Rather than having an increase in salary I would much rather have the assistance so that I can be a more effective MLA and represent the people of Fort Rouge to the very best of my ability. And because I think the priorities of the government have been wrong in the way that this has been presented, I will vote against the bill. Thank you, Mr. Chairperson.

MR. CHAIRMAN: Bill No. 48 pass. — (Interjection)— Not yet, I am just getting ready to do that now. Bill be Reported — prior to passing Bill be Reported, do I have authority of this committee to direct the legislative counsel to change the numbering of the bill? (Agreed) Bill be Reported pass. All those in favour of Bill being Reported, please say aye. All those contrary please say nay. I declare the motion passed.

MR. FOX: On division, Mr. Chairman.

MR. CHAIRMAN: On division.

BILL NO. 75 — THE APPROPRIATION ACT, 1980

MR. CHAIRMAN: Is it the pleasure of the House to pass Bill No. 75?

MR. CHERNIACK: What section are we on, Mr. Chairman?

MR. CHAIRMAN: The first page. Okay, page by page? The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, this gives me an opportunity to speak pertaining to the remarks by the First Minister during the question period this morning. We are all conscious of the fact that there have been continuous negotiations taking place involving both Alberta and Canada. We are also conscious of the fact that there has been a breakdown of those negotiations, and an indication that indeed as a result of a report in the Toronto Globe and Mail this morning, that Alberta may unilaterally be increasing its price of oil by this Friday.

Mr. Chairman, I thought it would be of interest this morning to ascertain whether or not the position that was being expressed by a First Minister would indeed represent a position in the interests of Manitoba, or rather it would be a position which would reflect the interests of the province of Alberta or indeed the province of Saskatchewan, and the First Minister in his response spoke at some length about the need for self-sufficiency, but it was

interesting to note that his criticism pertaining to the breakdown of negotiations were all directed towards the federal government. The First Minister suggested that indeed the federal government did not really have a good grasp of self-sufficiency.

Mr. Chairman, Canadians are not naive. Canadians know that that phraseology that is being used by the Premier of Alberta and also now by our First Minister in Manitoba, the phraseology of self-sufficiency, really means increasing the price of oil to a level near the world price. That's what it means, moving the price of oil up and up and up, further towards world price. What we are seeing, Mr. Chairman, is the continuation of the efforts that were underway in 1979 by the federal Conservatives under the leadership of Clark, being assisted by Lougheed in Alberta, to push . . . Mr. Chairman, honourable members keep referring to Blakeney in Saskatchewan. I am going to deal with the position of Blakeney as in contrast to the position of Lougheed, but I want to indicate to honourable members across the way that I expect Blakeney to represent Saskatchewan; I expect Lougheed to represent Alberta, but I expect Lyon to represent Manitoba, and neither Saskatchewan or Alberta.

Mr. Chairman, there is an attempt being made to mislead Canadians by way of a myth that is being perpetrated by the Tory Party in Canada. During the Clark government regime, measures were being undertaken to increase over a four-year period the price of oil to the extent of some further 90 billion — 90 billion would be transferred out of the consumer pockets in Canada. Where would that 90 billion go? 33 billion would be given to industry, and principally that means the multinational oil companies; 40 billion would go to the producing provinces, and that means principally the province of Alberta; and 17 to the federal government. 45 percent to Alberta, so far as the sale of oil from Alberta, 45 percent to the producing companies, 10 percent to the federal government.

I believe there was some slight change in that formula as a result of the negotiations that had taken place between Clark and Lougheed. But principally what was going to happen is that money was going to be transferred from the consumer, from Canadians the length and breadth of Canada, not in the interests of self-sufficiency, as being suggested by the First Minister here, and by the First Minister in Alberta, but in the interests, Mr. Chairman, of further profits to the already-have province of Alberta to further build up the Heritage Fund in the province of Alberta, and to further expand what is already excessive profits on the part of the multinational oil companies.

Mr. Chairman, I would have hoped that the First Minister would reflect a Manitoba concern in this regard. Self-sufficiency is not going to be introduced into Canada by way of price increases. It has not been the case in Italy. In fact, in Italy, Mr. Chairman, the price of gas is the highest in Western Europe. Has the consumption of gasoline in Italy been decreased? The answer, of course, Mr. Chairman, is no.

Other measures have to be developed if we are indeed speaking in terms of conservation, conservation in order to ensure that Canadians become self-sufficient pertaining to oil. Self-

sufficiency is not going to be introduced to Canada by way of further profits to the multinational oil companies, nor by way of additional moneys to the coffers of the province of Alberta.

Members make reference to the province of Saskatchewan. Mr. Chairman, I advise honourable members that there is a difference between the Blakeney and the Lougheed position, but I am not here to argue the position of Saskatchewan. I am here to argue the position of Manitoba. Saskatchewan does believe that the revenues, excess revenues pertaining to oil, should in the main be directed towards a fund, a fund that will not be utilized for the benefit of principally a few provinces or for the oil companies, but rather for funds in order to further explore and develop the existing oil resources of this company, energy resources of this country, to be used for the overall good of Canada as a whole and not for the interests of one or two oil-producing companies or for the interests of one or two oil-producing provinces.

I believe that we may very well have our differences with both Saskatchewan and with Alberta, but what I do know, Mr. Chairman, that the interests of Manitoba are not consistent with the interests of the province of Alberta as being espoused by Lougheed at the oil pricing negotiations that broke down last week. What we need, Mr. Chairman, is to ensure that more of the revenues from natural resources are fairly and equitably distributed across this country of ours. What we need is a stronger Canada, and not the division of Canada into 10 little bastion states. Mr. Chairman, that is the direction to which we are presently heading, if indeed we be influenced by the position of Alberta in these negotiations.

The revenues of Alberta are also Canadian revenues and, Mr. Chairman, I think that it's not right that the vast bulk of the revenues from oil in Alberta should end up not to the benefit of all Canadians, rather than the interests of one section of this country. There ought to be, Mr. Chairman, by way of continued negotiations, a better distribution of those revenues throughout the length and breadth of Canada. There are areas, Mr. Chairman, and the Minister of Economic Development should be the first to present arguments on behalf, there are areas in Manitoba as well as throughout Canada, that suffer from regional disparities, areas in which there are wide gulfs between the levels of education and health and standard of living in Manitoba and other areas in Canada.

Mr. Chairman, the natural resources of this country should be utilized in as fair a manner as is possible, reflecting, of course, the interests as well of the home province, but also basically directed towards removing the inequities that exist throughout Canada. And you are not going to do that on 10 or 15 or 17 percent of the take from oil in the province of Alberta.

Mr. Chairman, in listening to the First Minister this morning, he made reference to what great things Alberta was prepared to do with the moneys, if they could just obtain the moneys that they were seeking by way of the negotiations. 2 billion, said the Minister, in order to improve western transportation systems. I noted in the paper that Lougheed said that he hoped to provide some money towards the

western grid in other areas. But, Mr. Chairman, what is important is that the transportation system of this country, the other areas' infrastructure in this country, the other necessities in order to build a stronger Canada, be built by Canada as a whole and that other provinces and other parts of this country not become dependent upon one or two provinces.

We are all part of confederation together. We are all part of Canada. We are not Manitobans or Quebecois or residents of Saskatchewan only; we are residences of Canada and we believe in a stronger Canada. We believe in a Canada, indeed, in which we will ensure that there is greater equitability from east to west of health, education, economic opportunity and equality of life from one end of this country to the other end of this country that will be measurable from one end of this country to the other, not wide gulfs from one end of this country to the other.

Mr. Chairman, when I was in Saskatchewan about a month ago on a visit, I heard the representatives of the newly-found unionist party speaking. The former leader of the Conservative Party in Alberta, Dick Collver, a former Conservative member of the Saskatchewan Legislature by the name of Ham from Swift Current —(Interjection)— the Member for Emerson says "good man".

MR. DRIEDGER: Good Ham.

MR. PAWLEY: Oh, "good Ham," I thought he said "good man". Mr. Chairman, those members spoke for hour upon hour. They spoke, not in the interests of a stronger one Canada, but they were proposing, well, that western Canada should think in terms of being annexed to the United States. Mr. Chairman, I'm concerned about the spread of that type of thinking. It was a jar to hear elected representatives, one of whom was entrusted by the Conservative Party to lead them in the last election, the province of Saskatchewan now proclaiming the virtues of separation. So the spirit of separation not only exists in Quebec, it is now existing in parts of western Canada.

Mr. Chairman, the type of approach that says we want more to our province and to hell with other parts of this country, is what is breeding the selfishness and the separation that now exists in many parts of this country. If we are truly supportive of a stronger and more united Canada, then we will do all that we can in order to ensure that there is a fair and a more equitable distribution of the resources of this country so that we can remove the gulf that at present exists between "have" and "have not" provinces, between the "have" portions of this country and "have not" portions — amongst those that say, I have no job, I have no future, what does Canada offer to me and those that are living in situations of excessive wealth because they just happen to be located in a certain part of this country. Mr. Chairman, what is required is greater equitability, not less equitability. What is needed is a stronger Canada, not a fragmented Canada, and I hope later on when we have an opportunity to discuss constitutional reform, to deal at greater length insofar as the need for a — I don't know what position the Attorney-General is taking at the Constitutional Conferences, because the meetings

are being held in private. I believe we have indicated that we would like to have the position papers tabled. I believe the Attorney-General has committed himself to release those papers to us when the committee commences its meetings. I think it's somewhat belated, by the way, the meetings of that committee at this stage; decisions apparently have already been made.

Mr. Chairman, the other aspect of the pricing negotiations that I disagree with, is that some way or other, a gun is being impliedly held to Canada pertaining to the Constitutional discussions; that there better be agreement on oil pricing, or we are not going to get too far in respect to the constitutional discussions. I hope that is not the case, and I hope that Manitoba assumes a strong position pertaining to that — Manitoba is in a pivotal position, being a western province, but one whose interests are not necessarily consistent with the interests of the other three provinces — that Manitoba indeed will take a position which will be in the interests of Canada, not simply in the interests of part of western Canada.

Mr. Chairman, I wanted to have the opportunity to make those few comments on this aspect, probably the only area which would give me that sort of opportunity. The comments of the First Minister do concern me; comments which would lead towards, I think, a greater fragmentation rather than towards greater oneness in Canada; a position which would indeed lead towards greater gulfs within Canada; Alberta assuming responsibilities that ought rightly to be the responsibilities of a federal government within the federal context. Mr. Chairman, when the First Minister suggests that he is speaking for the entire House on oil pricing, he'd better count the opposition out, he'd better count the opposition out, because we see through the phrase "self sufficiency." Self sufficiency is a catch phrase for increase the price of oil to near world levels, a position which was rejected and rejected emphatically, by Canadians as well as by Manitobans, by Manitobans in the most recent federal election. So, with those few words, Mr. Chairman, I want to simply place our position on record.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CRAIK: Mr. Chairman, this argument being presented by the Leader of the Opposition is a continuation of a very shallow argument that he has consistently hammered away at in this session. Mr. Chairman, it's interesting to note that he sort of unwillingly has to acknowledge the fact that Saskatchewan is involved in the support of the move made by Alberta, but when he refers to Saskatchewan, he has to pick out a couple of MLAs in Saskatchewan who don't happen to be of his party's stripe. He conveniently ignores the fact that the person that does lead the party of his stripe has acknowledged that there is an undercurrent of strong public opinion in Saskatchewan that supports those positions of those MLAs and that, in fact, it may well be an undercurrent of public opinion that is through the west. Who knows, but that's not the argument. What I want to comment on is what I believe to be

the extremely shallow, shallow position being taken by the Leader of the Opposition on this question.

Mr. Chairman, 15 years from now, 10 years from now even, if we do not have an oil-pricing policy that brings into operation the non-conventional crude supplies in Canada, we are in a deep deep problem, but the Leader of the Opposition will not recognize this. He does not have a policy, period. All he's got is a political line like a stuck record; he repeats over and over again, and hopes that he can play on the emotions on an argument that has no basis in fact and will lead this whole country down the drain. Nine out of the ten provinces have recognized openly of the necessity that is being pursued in terms of a general direction, by not only the producing provinces, but by the federal government. What is the point of argument is the exact amount. The approach that has always been taken by the province of Manitoba is that it's unrealistic and opposed to the national interest of this country to try and convince the public as responsible elected people, to try and convince the public that there is any way out in the long term of our present position other than for us to reach a self sufficiency price. What that is becomes the matter of definition. We know what it is, some way down the line, it has to be tied to the costs of bringing onstream the non-conventional crudes in Canada. The present supply of crude oil from conventional sources has already flattened out. There isn't anybody who is knowledgeable in this field that will not admit that those supplies of conventional crude are going to decrease from now through until the year, 1990. It's going to decrease all through the Eighties and that the non-conventionals have to be brought onstream.

Mr. Chairman, that is what our basic position has been tied to. Even the people in the Maritime provinces who have no sources of oil at all — at least Manitoba has 20 percent self-sufficiency — even those people in the Maritimes who have no means of becoming self-sufficient as of yet, as of this date, unless of course Newfoundland gains rights to some off-shore sources, even they recognize that the national interest has to be served; even those people can. But no, not the Leader of the Opposition across the way. He's hung his lantern on the fact that he can somehow convince the people into believing that they can find a way out of the darkness by hanging onto a policy that the vast vast majority of people in Canada realize is not in their best interests in the long run.

When the Leader of the Opposition stands up, for goodness sakes, the least he can do is give the people that he is trying to talk to the benefit of having the need to have an alternative. He has presented no alternative. All he has done is hammered away at this whole business — I don't defend Saskatchewan's position; I don't like Alberta; I'm not defending Saskatchewan; I am defending Manitoba. My goodness, defending Manitoba — till about the next time there's an election, that's about as long as his foresight goes. There is no defence in Manitoba. Manitoba is being written off if it does not go along with the vast vast majorities of Canadians who have stated their position. Mr. Chairman, stated it, in nine out of the ten provinces, that at least a self-sufficiency price ought to be the goal.

We have stated that from square one. We've been consistent. I don't know what the policy is of the opposition. All I do is I hear them talking, we hear them talking, and they seem to be simply out for the goal of trying to bamboozle somebody into believing that there is an alternative to self-sufficiency. We don't believe there is.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I don't know who the honourable member is referring to when he says nine out of ten provinces, but I know that the province of Ontario certainly has not adopted the position that is now being taken by the Minister of Finance. The province of Ontario comprises roughly one-third of the people of Canada.

It is also the fact, Mr. Chairman, that the province of Manitoba, up until the change in administration, did not adopt the position that's being taken by the Conservative administration and the change in that occurred, Mr. Chairman, with the change in government.

I also, Mr. Chairman, wish to indicate that the Maritimes have spoken quite differently at different times. Mr. Buchanan the other day said that there should be no increase in oil prices to the province of Nova Scotia. I don't know what my friend is referring to when he is referring to the fact that nine out of ten provinces have taken the attitude that Canada should become self-sufficient. Even if they did, Mr. Chairman, even if the Leader of the Opposition says that Canada should become self-sufficient, what is there about Mr. Lougheed's program that ensures that the money that is obtained for increased prices now for crude oil, which was selling seven years ago at 2.75 per barrel, what is there to ensure that one cent of that amount will be spent in making Canada self-sufficient? There is nothing about Mr. Lougheed's policy that says that the increased money will be used to bring on new oil. The only ones who have promised that, Mr. Chairman, are the oil companies who say that if we get this oil now, we will develop further oil in Canada, but they are not bound to do that, and that's where Mr. Blakeney's proposal happens to be very different from Mr. Lougheed's proposal. Mr. Blakeney says that the entire increase in the price of oil, whatever it may be, and he has argued for going towards world prices, that that amount be used to bring on new sources of oil, but there is nothing about Mr. Lougheed's position that does that.

Mr. Chairman, I have heard Mr. Blakeney say it and I have heard him put it on the record and the fact is that he has said it continually and that is the position of the government of Saskatchewan. Now I happen, Mr. Chairman, not to agree with either of them because I think that the price of oil should be in some way related to its cost of production, which is by the way what Mr. Trudeau said during the election campaign, although may I indicate immediately that the policy of moving towards world prices was a creation of the Liberal Party of Canada, and for them now to appear to argue as if they are protecting Canada for a cost of production domestic price is two-facism, Mr. Chairman, in the extreme. I have sat at federal-provincial conferences where Mr.

Trudeau has said that we are going to move towards the world price and that was the position of the Liberal government. But there is nothing about the existing policy that's being advanced by Mr. Lougheed that brings about self-sufficiency in oil pricing.

Indeed, Mr. Chairman, Mr. Lougheed says he is going to use the money for other purposes. The First Minister got up today and said that Mr. Lougheed is going to be our benefactor. He is going to spend 2 billion or something on transportation in western Canada. Mr. Chairman, I say that I as a Canadian feel much more protected by my national government, of whatever stripe, even when it was Conservative, and even they, Mr. Chairman, had a confrontation with Mr. Lougheed, and it's only a question of degree as to how much that confrontation was. But I say to Mr. Lougheed, thank you, but no thanks. I do not seek the government of Alberta to be my protector. I see, Mr. Chairman, myself as a Canadian and I need the Canadian government to protect me from the likes of Mr. Lougheed.

If my friend, the First Minister, feels that the future of Canada lies in the generosity of Mr. Lougheed, then I tell the First Minister that the future is very bleak indeed, and if he is encouraging that, he is encouraging a false premise.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Chairman. I would like to add a few words to those who have already spoken on the question of energy policy, because I think certain members on the opposite side would like to suggest that we have no energy policy, and whatever ideas we do have on energy pricing and energy development are ideas that are foolish and would not lead to self-sufficiency.

Mr. Chairman, of course, in the first place, let's agree that to argue for self-sufficiency is to argue for motherhood. Everybody wants oil self-sufficiency and I won't talk about the other forms of energy, Mr. Chairman, because Canada is blessed with a surplus supply as a matter of fact, fortunately, in natural gas and in coal and indeed in many parts of the country, including Manitoba, with much potential hydro-electric supply. Whenever we talk about energy crisis, energy shortages, surely let's recognize we are talking about one form of energy, namely oil and petroleum products. But, Mr. Chairman, we reject the position of the government which favours the Alberta position, which favours the Lougheed position, because we do not believe that this is the way to achieve true self-sufficiency. Even though it is true that higher prices may stimulate exploration and development, there is a lot of evidence to suggest that those higher prices that Manitobans are paying are not going towards oil exploration and development.

As a matter of fact, a study that was released late last year by the Ontario government showed — this is the government of Ontario report — that of the 22 billion of incremental revenues that were generated by recent past price increases, that less than one-third went into increasing supplies through

exploration and development and synthetic oil investments. In other words, of every additional dollar that we pay in Manitoba or that Canadian consumers pay, less than one-third of it is going towards exploration and development; two-thirds is going into other purposes to other developments of whatever nature. I do believe, Mr. Chairman, that there are documents in the federal government, I've heard reference to them, that suggest that the oil companies in Canada are using the additional revenues received from higher prices for such things as acquisition of coal fields, real estate development and many other ancillary economic industrial developments that have little to do directly with providing Canadians with more oil.

I simply say therefore, Mr. Chairman, that we are facing as consumers a rip-off situation. Consumers will pay and gladly pay higher prices if they know they are going to obtain that self-sufficiency, that security of supply that we all want, but there is no evidence that just simply paying higher and higher prices, reaching ever forward and upward and onward to the international price, or some approximation thereof, will give us that self-sufficiency.

As a matter of fact, what it is giving us, Mr. Chairman, these higher prices, we know one thing for sure, it's giving us more inflation in Canada. Also, Mr. Chairman, it is causing economic growth to be inhibited, because as funds are accumulated in Alberta, and this again, Mr. Chairman, on this point I refer to government of Ontario studies, that as funds are accrued by Alberta into the Heritage Fund, there is a so-called deflationary effect. In other words, there is an inhibiting affect on economic growth, and as you take moneys from consumers and you place it in one spot, and unless those moneys — I am trying to make this as simple as possible — those funds are available for recycling in the economy, you have a dampening effect on economic growth. That's really what's happening by this huge Heritage Fund that's being built up by the Alberta government. It has an inhibiting effect on economic growth in Canada. You ask any economist and I think he or she will agree with you in that particular matter.

Mr. Chairman, we want self-sufficiency on this side. The New Democratic Party wants self-sufficiency, and as much as I hate to admit it, in a way, the position we have been espousing in the Legislature in the past few years, and at least the last few months, and the position that I have been putting forward, is the position of the government of Ontario. We say the government of Ontario has a good position, and it's the same position that the government of Manitoba should take. We, as a net consuming province, as a province that indeed wishes to achieve oil self-sufficiency, should pursue a policy which has been very well documented and outlined by the Premier of Ontario. Here is a document entitled, Oil Pricing As Security A Policy Framework For Canada, submitted by the Honourable William G. Davis, Premier of Ontario. This is in August of 1979, and since then there have been many other. I happened to be on the Minister of Energy mailing list and I have obtained various other releases and there is no change in their position. Basically, it's the same as has been outlined by them in this particular document and as we had referred to in the past. It

relates to paying the price that is required to bring forth new oil, new energy sources in the petroleum area, and we have always said that. Let us pay the price for bringing onstream synthetic materials, synthetic petroleum.

Let us pay the price for bringing onstream and developing new oil wells. Therefore, let us be prepared to have a two-price system, and this is the position that we advocate — through not against price rises per se, but we are saying that we are against rip-off prices; we are against an unintelligent, across-the-board zombie-like march towards higher prices, which guarantees two things; it guarantees inflation, number one, and number two, a lower rate in economic growth. It does not guarantee, Mr. Chairman, more oil for Canadians, more oil for Manitobans. Therefore, we say that it's unfortunate that the government of Manitoba sees fit to side with Alberta in this matter. We believe that the Ontario government's position is the position that should be adopted and supported by the Premier of this province and by the government of Manitoba.

I don't want to go into all the detail of the Ontario paper, the Ontario position, but I say that it is well documented and they do even provide estimates of the inhibitions to economic growth that arise from dollar per dollar rises, increases in the barrels of oil at the wellhead.

With procrastinating and outlining this position, I simply say that there is a policy position that we have talked of before that is well documented, and it is one that is worthy of consideration by this government. It is a position that involves a greater effort on conservation; it is a position which involves greater emphasis on switching to alternative forms of transportation, where possible; it is a position which urges development of national gas lines so that the people in eastern Canada, who are really the people of this country who are dependent on petroleum, can utilize natural gas from western Canada; and it is a position which says that PetroCan has a positive role to play and can indeed play a very activist role to ensure Canadian control over Canadian resource development in the interests of Canadians.

Mr. Chairman, I just want to comment very briefly on one or two other points, one of which is the fact that we are now going to proceed with an Energy Authority Bill, which is related to the topic that I have just been discussing, which clearly indicates, Mr. Chairman, to me, a rather socialistic thrust on the part of the government. Let's face it, in that bill, you are setting up a Crown corporation which will have the power to invest in commercial operations and indeed set up subsidiary corporations. I asked the question in committee, and I asked it, I guess, in debate, and I ask it again: Why cannot many of the functions of research, policy advice, supply decision making, be centred in a Department of Energy? Why yet another Crown corporation? Why yet another extension of the public sector?

I can agree — I would not vote against the bill as amended. We are not against it but I find it rather ludicrous — not ludicrous, but I find it rather ironical that the government opposite, who has criticized us on this side for so many years for getting involved in the private sector, that we now have a major bill before us which sets us a brand-new Crown corporation. I say all of the things that are left for

that Crown corporation to do can be done within the Department of Energy, even the reference to negotiations for Hydro. It might require some minor amendment of The Hydro Act, I'm not sure, but you do not have to, in my judgment at least and from all the information we have, you do not have to yet create another Crown agency.

Now, I know there is a matter of possible emergencies and you want to provide for all the events and occurrences that may appear in the future, and the Minister did explain that it's possible that the private sector may not be able to deliver oil, for examples, or petroleum products in northern Manitoba, and the government may wish to have some sort of commercial vehicle available so that it might do that. I believe, and I don't want to misrepresent him, that is, I'm not trying to put words in his mouth, but this was my understanding, that this was one example of how that Crown corporation may work. You could foresee a situation such as that which the Minister describes, but I want us to be clear and recognize what this government is doing, this government which has been very pro-private enterprise, which has been very anti-extension of the public sector, is now itself engaging in a major step forward in this respect.

As I said, we will not oppose this, and we may even welcome this, although at the moment I can't see, really, the need for it. I really can't see the need for it. I really think that the Minister's officials are overly-enthusiastic in this matter. As I said when I debated the bill in second reading, Mr. Chairman, this is a bill that only a bureaucrat or technocrat could conceive, not a legislator or a parliamentarian, particularly with regard to the emergency powers and all that was involved in that section of the Act, and we are very pleased that the government has withdrawn those parts; I commend the government for that. I think they have shown some wisdom; I'm afraid they still haven't thought through the other part of the bill, because I really think that they could do very well without it. At any rate, so be it. We recognize that this government now has taken a step forward in the field of public enterprise.

Mr. Chairman, just one other comment, and that is in the area of economic growth. Again, I want to make it clear that no government of Manitoba has total control. This is such a naive-sounding statement, but it has to be said because of the way answers, and even some questions that are asked in this House, as though a government of Manitoba, whatever political stripe, has full and total control over the economic destiny of this province. Maybe that would be a good thing and maybe it wouldn't; maybe it isn't a good thing. Maybe it's well that it is the way it is, but the fact is, the way we talk about employment, unemployment, the way we talk about changes in economic indicators as though the total responsibility rests with the government of Manitoba.

That type of attitude, Mr. Chairman, goes back to when the Conservative party was in opposition; it goes back to the period of the 1977 election when so much was made of lack of economic growth because of an NDP government. Mr. Chairman, while I was never satisfied with the rate of economic growth under our government, which lasted a little over eight years, I would say that there were some years that we indeed had very excellent rates of growth, rates

of growth that exceeded Canadian averages. So we have had some good years and we have had some poor years, but I recognized, as all of us should recognize, that we are subject to the national business cycle, we are subject to international economic events, and last but not least, we are subject to the weather, and the weather has, as we all know, a great bearing on agricultural output.

Mr. Chairman, while we can argue about rates of economic growth, I want to recognize that drought can have a negative impact on economic growth, but I can also recognize that there are some other important factors that have a bearing on economic growth, such as agricultural prices. Forgetting about a drought, if for one reason or other agricultural prices in North America or the world, the western world or whatever, tend to fall, it will cause a dampening of incomes of our farmers and that will have a negative impact on business in Manitoba, let's face it. Or if there is some federal policy pursued, it will have a bearing, or, for whatever reason, if the Canadian dollar should fall in value, it will have a bearing. The fall of the Canadian dollar has a double-edged sword as we know. As it drops, it causes more inflation in Canada because all the goods we wish to import are therefore more expensive, but a devalued dollar does have the advantage of stimulating Canadian production, domestic production. As a matter of fact, Mr. Chairman, all across Canada, manufacturing has been stimulated by a cheaper dollar, obviously because (a) it's cheaper for us to sell abroad, because when you buy Canadian goods, you buy them in Canadian dollars, and Canadian dollars are cheaper so, ipso facto Canadian goods are more competitive on international markets, including the United States; and secondly, Mr. Chairman, a devalued dollar stimulates production in Canada because it is more expensive for Canadian consumers to buy imported goods. So you have a double-edged positive impact on stimulating manufacturing, for example, in the country.

When the Minister of Economic Development gets up and crows about increasing manufacturing development, he gets up in such a way as though he himself, or this government, is responsible for that expansion. Indeed, there has been some significant expansion in manufacturing in the last year and a half, but I would attribute it to what has happened to the international value of our dollar, not to any particular policy of the government. Tax changes there have been, yes, but I can't see any relationship between those tax changes and what has happened to the health of the manufacturing industry in this province. The manufacturing in this province has been helped by the devalued Canadian dollar and we should recognize it.

So, Mr. Chairman, while I have lamented on the poor rate of economic growth, I am prepared to recognize that there are factors that go beyond this government. I am being very generous in that comment, because when members opposite were in opposition, it was always our fault, whatever happened, it was the fault of the government of Manitoba. As a matter of fact, I think even today he Minister of Highways, or the other day, was still maintaining that it was always our fault that we had

less economic growth than we did have at certain periods of time during the NDP administration.

Mr. Chairman, the fact is that our rate of economic growth is unsatisfactory and none of us are happy about that. It is not going to be the 2 percent that the Minister of Finance was very pleased to point out in his Budget address and which he reproduced in the printed version of the Budget address, where he relates to a 2 percent real economic growth, that is, when all the inflation is removed, and that this was higher than the national average. Now we have got new figures coming out from the Royal Bank of Canada and the Bank of Commerce, and I daresay when the next report of the Conference Board comes out, it, too, will show a reduced rate of economic growth. Some of it will be due to the agricultural situation; some of it will be due to the national economic recession that we are now experiencing as a result, primarily, of a very bad situation that seems to be worsening in the United States, and as goes the United States economy, so eventually will go the Canadian economy.

The point I want to make, Mr. Chairman, is that we have not had, in spite of the boasts and statements of the members opposite, the First Minister, that elected Conservative government, and all these great things will happen to the economy, these great things have not happened. There is no evidence that the policies of the Conservative government in Manitoba in any way have created economic growth. As a matter of fact, I would submit the opposite thesis, Mr. Chairman, that the policies of this government, by a cutback in spending, by a reduction in programming across-the-board, has tended to create unemployment, has tended to dampen the economy and has, therefore, made some contribution at least, not entirely, but it has made some contribution at least to the net population loss that we suffered. No one is proud of the fact that 15,500 Manitobans, approximately, were lost on inter-provincial migration last year. Fortunately we still have a natural rate of increase, and we did have some immigration, so that our total loss was more in the order of about 5,000 people. But this is not a satisfactory situation and, as I said, it does reflect to some extent the inadequacy of the economic policies of this government.

Mr. Chairman, I wanted to take this opportunity at the closing hours of the session to make the point again, that Conservative economic policies, such as they are, have not been productive of economic growth, of more jobs for our people, of that great economic heaven that was supposed to have come about because of the election of the Conservative government. I haven't occurred. As a matter of fact, I'm convinced that the people of Manitoba, including the business sector is very disillusioned and very very unhappy. I don't think they know where to turn now and I think possibly they don't know where to turn. They may not want to vote NDP next time, but they also may take another option and not vote at all. (Interjection)— Mr. Chairman, I may be wrong, someone said. That is true, I may be wrong. We will see next year or even the year after. Who knows? We will see, but I think in October maybe, October this year, we will see.

I think that one of the major issues in the next election will be the economic performance of this province and the role that this government has had

in that economic performance. As I said, the people of Manitoba are disillusioned. They are very saddened to see their brothers, sisters, cousins, uncles and so forth leaving the province in droves and they want a government that's going to do something to correct that outflow and a government that's going to stimulate the economy. A government that's going to go hopefully have some positive role to play in increasing the rate of economic growth.

Thank you.

MR. CHAIRMAN: The Honourable First Minister.

MR. LYON: Mr. Chairman, it's not my intention to prolong the debate on this item, except to make some response to the remarks made this morning by the Leader of the Opposition and now by the Member for Brandon East with respect to the energy pricing policy, and to ask a few questions, and to pose a few questions to my honourable friends opposite, to ascertain if they really know what they are saying. Because I just heard the Member, Mr. Chairman, for Brandon East stand up and adopt, in words that I would accept as being a complete endorsement, the energy policy of the province of Ontario. Now, the present Premier of Ontario is a man who has given excellent government to the people of Ontario during his term of office and I am sure he will continue to do so, after the next provincial general election, whenever that takes place. He is a person whose job with his government is to give governments to the people of Ontario in the best way that he can, and that he can see, and to preserve what Ontario has always had, namely, its industrial heartland, and to make sure that the people of Ontario get the best deal out of confederation that they can. That, indeed, is the job of every Premier of every province and Mr. Davis does it, I think, with a great deal of skill.

Having said that, Mr. Chairman, let me say this, that the province of Manitoba, the government of Manitoba, certainly does not adopt the energy policy of the government of Ontario, even though it is crafted with great skill, because the energy policy enunciated by the Member for Brandon East and adopted by him, presumably on behalf of the NDP in Manitoba, is a policy designed to better the conditions of the people of Ontario. It's not a policy that's designed to help the people of Manitoba, or of Saskatchewan, or of Alberta, or British Columbia. If my honourable friend cannot see what he is saying, then it's incumbent, I suppose, upon some of us to point out the error of his ways in terms of serving the people of Manitoba. The industrial heartland of this country is in the province of Ontario, but what is happening in this country today and my honourable friend is a former Minister of Economic Development and I'm sure knows this, is that the economic pendulum in this country is starting to swing west. The Ontario government is doing a very good job in trying to forestall that swing in order to protect jobs, in order to protect industries and so on in Ontario.

I congratulate them; I think that is the job of the government of Ontario and I make no criticism of Ontario for advocating that policy. But I find it passing strange, Mr. Chairman, that a former Minister of an NDP government in this province

would stand in his place this morning, on the 28th day of July, 1980, and apparently be abysmally unaware of what is happening in this country. Because as jobs and industry tend to devolve out of Ontario and follow the economic pendulum to the west, Manitoba will benefit.

Mr. Chairman, a number of us attended the Energy Conference called by Prime Minister Clark last November in Ottawa. Now, it was under the lights and everyone in Canada had an opportunity to see it. And what the Minister of Energy said this morning was precisely true, that the province of Ontario stood out — I won't say left field or right field — all by itself as advocating that peculiar policy that has been adopted and advocated this morning in this House by the Member for Brandon East on behalf of the New Democratic Party in this province. (Interjection)— Ontario has a reason for it. What is the reason that Member for Brandon East and his party have for supporting a policy which would maintain the status quo in Ontario, preserve the industrial heartland in Ontario, and keep people on the prairies as hewers of wood and haulers of water? Is that the policy of the New Democratic Party in this province? Because, if so, for a century the prairies have been primary producers and we've been exporting raw material and sending it down to factories in Ontario and in Quebec to return to us as manufactured goods — manufactured goods, Mr. Chairman, upon which the people of the prairies every since the early days of confederation have had to pay a price. We've had to pay a tariff in most cases to support those industries in Ontario and we've gone along with that.

That's the part of the price of confederation and I've been heard to say at federal-provincial conferences, Mr. Chairman, that you can't put a dollar value on confederation and certainly the people of Manitoba have never tried to. They have never tried to, because you could make a case, in a hypothetical sense you could make a case that the people of Manitoba and the people of the prairies generally could have been developing some of these industries at the source of supply, here on the prairies, rather than shipping all of their material to the east, paying the transportation costs to the east, then having to pay the transportation costs for everything from shoes to binders to cars, trucks, whatever manufactured goods, coming back here, then having to pay the tariff on top of that. We've paid that price over the years and now the pendulum is beginning to swing.

My honourable friend stands in his place this morning and tells us he doesn't want the pendulum to swing. He wants the status quo maintained. Let Ontario, says he, because that's the result of what he said this morning, let Ontario continue to be the manufacturing centre of Canada and let the prairies continue to be the hewers of wood and the haulers of water. Mr. Chairman, that is not a policy that is going to be endorsed by this government in any way, shape or form. My honourable friend also loses sight of the fact, Mr. Chairman, that we are paying today — when I say, we, the Canadian taxpayers, all of us in Manitoba — are paying today for that offshore oil that is coming in at 38 a barrel or whatever the spot price may be. When we're maintaining the hot-house price of 14.25 or 14.50, soon probably to go up, in

Canada, this is a form of charade that has been going on for some time.

Now, nobody wants to see an increase in the prices of oil, nobody. I don't know anyone in Canada who wants to see an increase in the price of oil or gas. But the hard facts of life are, Mr. Chairman, that until you do get an increased price in oil or gas, first of all you're not going to have the kind of conservation that you should have in this country. Secondly, and this is the most important, you are not going to be able to develop those God-given resources that we have in this country that other countries throughout the length and the breadth of the world would give their eye teeth to have. You talk to people, Mr. Chairman, from any other part of the world and they will say, in effect, what are you crazy Canadians doing? If we only had the resources that you have, we would know at least how to price them and how to maximize their benefit for the use of all of the people in Canada.

So my honourable friend stands up this morning and in effect says, and I would hope that he would reconsider his thoughts and that his leader might reconsider some of the rather shallow statements that we've been hearing from across the way, that we, of necessity, have to have an increase price of oil in Canada if we are going to develop those resources that, thank God, we have, and thereby try to achieve self-sufficiency by 1990. It's a very simple proposition, one that was subscribed to at the Energy Conference in November of 1979 by nine of the ten provincial governments and by the then federal government of this country.

But my honourable friend this morning places the New Democratic Party of Manitoba off in left field with the proposition of the government of Ontario. I just can't see how the best interests of Manitobans are going to be served by adopting Ontario's energy policy, which is what? To look after the people of Ontario first. That's what their policy should be. But how does that help the people in Manitoba? Mr. Chairman, my honourable friend, by implication, is saying that the present pricing policy, that the advocacy that was given by Mr. Trudeau to the maintenance of a low price in Canada for oil and for gas at the pumps, was the right policy. I don't know of any other world leader who agrees with that policy. I know, as the Minister of Energy said, that nine of the ten Premiers in Canada don't agree with that policy. I know that the Leader of the Opposition in Ottawa doesn't agree with that policy. So my honourable friend is also aligning himself with this rather quaint policy that Mr. Trudeau was advocating at the present time. What are the aspects of this policy that he should pay some attention to, he and the members of his party, before they adopt it and hold it to their breasts and say, this is for the benefit of the people of Manitoba?

First of all, Mr. Trudeau, whose energy pricing policy the Member for Brandon East, and apparently the Leader of the Opposition support, Mr. Trudeau wants to put an export tax on natural gas. I suppose my honourable friends opposite would say, well, that's fine, because we don't produce any natural gas in Manitoba and we may be potential beneficiaries of that gas that they'll take from greedy old Alberta or the price they'll take from greedy old Alberta and greedy old B.C. and greedy old

Saskatchewan. But, Mr. Chairman, that's a shallow view, that's a short-term view. Because if the federal government makes the determination to put an export tax on natural gas, you can bet that within a matter of months, if not a year, there will be an export tax on hydro-electric energy in this country as well, imposed by the same federal government whose policies the Member for Brandon East stands and holds to breast this morning.

I would like to ask the question right now, Mr. Chairman, where are my socialist friends opposite going to stand as and when Mr. Trudeau and Mr. Lalonde decide to impose an export tax on hydro-electric energy in this province? Are they going to stand with what province? Are they going to stand with Alberta then, because Alberta has nothing to lose by that? Who are they going to stand with, because Quebec, Ontario, Manitoba and B.C. are the principal hydro-exporting provinces in this country, my honourable friend knows that, and Newfoundland to a lesser extent. But, Mr. Chairman, you can't on the one hand say a natural gas export tax is fine, but don't you touch our hydro. You've got to be consistent.

My honourable friends may think that in their particular lexicon of demonology, which all socialists must have, that's it's okay — or should I call it the kind of institutionalized envy that they practice all of the time — but it's okay to be against Alberta and this morning we heard it's also okay in Manitoba quietly, don't say it too loudly, to be against Saskatchewan. But don't say it too loudly because Al Blakeney may hear it and there may be a hell of a ruckus at the next western cell meeting when they together. But, Mr. Chairman, in their particular lexicon of demonology they say, fine, an export gas tax seems to be fine, but where are they going to stand when the federal government put its long, clammy hand on hydro exports from Manitoba? Where are they going to stand? — (Interjection) — Mr. Chairman, the Member for St. Johns objects to the term, "long clammy hand." — (Interjection) — well, that's fine, you are coming to a greater wisdom in your old age. (Interjection) — well, looking at my honourable friend, the smile came to mind.

So I say, Mr. Chairman, that they had better think through their policy on energy. They had better think it through, because I think this province does face a serious threat of having its hydro-electric energy exports taxed by the federal government, and my honourable friends had better make up their minds pretty quickly as to where they are going to stand. We know where we stand on that. We have already told the federal government, "Hands off Manitoba Hydro." The ratepayers of Manitoba have paid for every nickel of development that has gone into Manitoba Hydro, the people of Manitoba, not the people of Alberta or anybody else. We paid for it in our rates in this province. Now hydro energy is becoming a scarce commodity and we are in negotiations with people to the west of us for a Western Power Grid, which will be a good thing for Canada and a good thing for Manitoba. We are in negotiations with people in the mid-central States for our hydro-electric energy and we are trying to negotiate prices that will be greater than the price it costs us to produce it, which is something that never

crossed my honourable friends' minds when they were in similar negotiations.

Also, Mr. Chairman, we know that we have the potential for another 6,000 to 7,000 megawatts of this hydro-electric energy in Manitoba, which can be a great boon to the people of this province. So I ask my honourable friends, before they embrace the policies of Pierre Elliott Trudeau with respect to energy pricing in this country, export taxes on gas, remember where this kind of policy is going to be taking.

Mr. Chairman, I started out to say that the pricing policy of the Trudeau government, I believe, is a charade, and the only reason we are into the kinds of negotiations we are at the present time is because foolish election promises were made by the Trudeau government in December, and January and February of this year. Why do I say, "foolish election promises"? Because they were made by Liberals? No, not at all. Because the federal government under Prime Minister Clark, and the Alberta government, under Premier Lougheed, had almost reached an agreement on the pricing regime for this country for the next number of years. It was a sensible pricing regime that they were attempting to get into. It reflected the market conditions and the pricing of energy in this world as they are today, not, Mr. Chairman, something that anyone desires. As I have said before, nobody on this side of the House and nobody on that side of the House wants to see gas go up at the pump, but it is going to go up just as inevitably as day follows night. So the thing to do is to stage it in such a way as not to hurt the economy as much as it would be hurt by one complete jump-up, but rather to stage it in, in the national interest, get that kind of indigestible glob through the national economy and have it digested out of the system so that the inflation blip that we are going to have to take, and the Americans are taking it right now, is into the system and then out of the system again and it's behind you.

The Brits, coming out of how many years of Labour government, eight or nine years of Labour government, and they are now almost self-sufficient in oil and gas, can they afford to charge anything much below the world price for that oil and gas in Britain? No, of course they can't, and they're not doing it. Name me any other jurisdiction on the face of the earth, other than Kuwait or some of the emirates in the Mideast, where you can afford to have a subsidized price of oil and gas. You can't have it for any long period of time. My honourable friends know that.

All we are saying — when I say "we," all the people of Canada, have to be aware of, and the kind of debate that we are engaged in here this morning does not really do too much in terms of educating people as to what the inevitable is — all we know for certain is that the price of oil and gas in this country is going to have to go up if we are going to achieve self-sufficiency. I mentioned before that, what was it, some five to seven years ago, this country was self-sufficient in oil in terms of its production, not in terms of its distribution. We have never been self-sufficient in distribution and that's something that has to be looked at, but in that history and in that chronology of development when Canada was self-sufficient in terms of its production, we should all

remember that when attempts were being made back in the Sixties for Alberta to sell its oil and natural gas east of the Ottawa River, what did we hear? We heard the people and the government of Quebec, and even the Maritimes say, "Look, we can buy it more cheaply off-shore, so don't bother building the pipeline." That was at a time when Alberta was looking for markets. Today, when that oil and gas is needed, we don't have the distribution system in Canada to meet that market. I suggest that that is something that all Canadians have to be concerned about, and that is part of a rational oil supply policy for this country as well, Mr. Chairman, to make sure that we have got a distribution infrastructure that meets the production quantities that we are capable of in this country, then we can become secure as a nation in terms of the supply of oil and gas in this country, something that any nation that commands the respect that Canada does throughout the world should want to do.

But the policy being advocated by the Leader of the Opposition and the Member for Brandon East is not one that conduces to that kind of a goal at all. It is one that retards that goal, and for what? For the short-term benefit, as the Minister of Energy said, of maybe making a quick political trick and saying, "We are the old saviour," trying to say to the people of the Manitoba, "We are trying to defend you against greedy old Alberta and greedy old Saskatchewan," as they said in muffled tones this morning, "against the increase in prices that will be brought about."

That is the kind of a quick trick, Mr. Chairman, that you may win a little bit of favor on for a few months, but the longer heads, who look at that situation a year or two or three down the road, will not thank anyone who retarded and delayed the achievement of self-sufficiency in oil supplies in this country by means of that kind of a short-sighted policy.

So I say to my honourable friends opposite, if you are going to endorse the policies of the government of Ontario, and they are policies that are obviously good for the people of Ontario, then you had better be prepared to explain to the people of Manitoba how we benefit in any way from having industry remain in Ontario that should be moving with the economic pendulum to the west. You better be prepared to explain how what is good for Ontario all of a sudden becomes good for Canada. You better be prepared to explain, because other subsidy policies in different times have arisen this way. The Crow rate, which everyone in this House supports, Mr. Chairman, as an indicator and a counter-balance against some of the price of confederation that westerners have had to pay in terms of the industrial produce that they consumed in the west, the Crow rate was put in to help the farmer move his primary product of wheat in those days, to the markets that were available. We want to see th farmers of western Canada continue to have the benefit of that Crow rate, but we need and we want at the same time efficient grain handling so we can meet the markets that are available for our farmers offshore.

But under that same policy, and the Member for Lac du Bonnet knows this as well as anyone, under the Crow rate, it is being used in a way whereby western Canadian feed grain gets into the eastern market to supply feeder operations, to supply

packing operations in Quebec and in Ontario which logically should be here where the product is grown. We have all known that for a long time and that's why, when you get into the subsidy operations, while you can quite easily point out the upside benefits of them, very often there are downside benefits to these kinds of subsidy operations that we have to be equally aware of. I know that the Member for Lac du Bonnet is well enough versed in agricultural economics to understand that that has worked a disservice to the processors and to the producers of livestock in western Canada for a long long time, and that is why, amongst other things, when we are reviewing the Crow rate and the benefits that flow from it and so on, we must look at the downside and see how we can stimulate more of that production being carried on in Manitoba, in Saskatchewan, and in Alberta, where the livestock product is grown.

So perhaps the Member for Lac du Bonnet should get together with the Member for Brandon East, but more particularly with his leader, and explain some of the economic facts of life that relate to, not only the long historic economic relationship that the west has borne to the east in this country, but to understand that a policy that is adopted for Ontario, and it's a good policy for the people of Ontario, is not necessarily going to be a good policy for the people of Manitoba, or indeed for the people of Canada.

Mr. Chairman, we heard some comments this morning about enrichment of the Heritage Fund in Alberta. I say to my honourable friend from Brandon East, Mr. Chairman, that Canadians today, all of us as taxpayers, are paying, and the figure is rising daily, between two and three, or is it 3.5 billion a year right now, for the offshore oil that is coming into this country. We are paying that price right now, and where is that money going? That money is going into the treasuries of Kuwait, Saudi-Arabia, Iran, Venezuela, Mexico, and so on.

Why should we be enriching the treasuries of foreign countries when we have within our own grasp, in this country, the means of producing our own oil? If we are going to redistribute the tax dollars of the people of Canada through a back-door subsidy to offshore oil and send it off to the emirates and to the Middle East and to Venezuela and Mexico, wouldn't it be a better plan to redistribute the tax dollars of the people of Canada to other Canadians, at least in part, to the federal government, to the provincial governments and, yes, even to the oil companies that go in and produce the material? Sure. But if your demonology is so strong that you have to find a multi-national hiding behind every corner, if you don't admit perhaps, as facts would indicate, that there are a number of private Canadian producers in this country who are doing very well, thanks very much, then you can't see that argument.

The moment my honourable friend, the Leader of the Opposition stands up, aided and abetted by Brandon East, and I'm sure by others who will rise on the other side of the House, and says, "Keep the price of oil the way it is," they are guaranteeing that the treasuries of a number of foreign countries are going to be enriched for years down the line. They are guaranteeing that Canada will not become self-sufficient, which we need to for our own security

purposes. And why? For two reasons: Number one, because they see some short-term political advantage in it, a quick trick type of an operation, which isn't going to see them through very much; and number two, because they don't like the Alberta Heritage Fund. Well, I would far sooner see 2 billion going into the Alberta Heritage Fund, Mr. Chairman, than I would see 2 billion going into the treasury of Kuwait or Iran or of Saudi-Arabia or Venezuela or Mexico.

My friend from Brandon East says that's not the option. I would like him to tell me today, then, that 2.5 billion, and that's an estimated figure, that is being paid today to import offshore oil into Canada, where is that money going? It sure as the dickens isn't going to Alberta; it isn't going to Saskatchewan. You can ask Alan Blakeney or Peter Lougheed, they'll tell you that. It isn't going there at all. It is going to buy the oil offshore and it's going precisely to where I said it's going, to Mexico, to Venezuela, to Iran, to the emirates, and so on.

Mr. Chairman, let me come back, because I honestly don't want to take excessive time, let me come back to the point that was made earlier when we were talking about Canada being self-sufficient in its production five to seven years ago, but we couldn't deliver. Today we are not even self-sufficient in our production. There is no stimulus in this country to cause people to conserve at all; no stimulus whatsoever.

I'm not one who is a great quoter of Time magazine as being an authority on anything except new left politics in the United States, but it just happens that this morning I was reading an article on Page 48 of Time magazine of July 28, 1980, and I'll read you the quotes from it. It's under the Economy and the Business. "Years of government exhortations to conserve precious gasoline by switching to public transit, doubling up in car pools and even simply not driving, did little to reduce fuel consumption, but expensive gas is having a stunning impact. The average national price for unleaded gasoline this summer is 1.26 per gallon, a 39 cent increase over last year. Total gas consumption fell 7 percent in the first six-and-a-half months of this year, while imports of foreign oil declined a strong 13.6 percent. Oil company reserves two weeks ago stood at an all time high for the season. Energy experts say that gas should remain plentiful through the summer and that there will be ample fuel this fall. The lower U.S. consumption of gasoline is even holding down prices a little, at least for the moment. According to some Department of Energy officials, only half of US gas stations are now charging the maximum legal price. Since late May, Mobil, Atlantic Richfield, Gulf and others have shaved it one cent to three cents off their prices. Though the 1960s style gas wars are unlikely, some price competition is occurring among stations in close proximity to one another."

Unless my honourable friends think that we should get into a great energy rationing system in Canada, let give me one further quote, further on in the article. "The Energy and Justice Departments last week released separate reports that concluded that there was no conspiracy last year by the oil companies to create shortages and drive up prices. The justice study determined that the service station lines were due more than anything else to the federal

government's allocation system which rationed scarce gasoline among dealers. The program was a bureaucratic nightmare that gave too much gas to some stations and too little to others."

Mr. Chairman, as I say I don't quote that as a fundamental authority like Blackstone on the common law, but I quote it to indicate what has been happening in the United States where they have been having a gradual price increase. They've had conservation. They've reduced their off-shore dependency by 13.6 percent, which is what we want to do in this country as well.

My honourable friends can't on the one hand advocate that we have a frozen price for gas in this country and on the other hand expect that off-shore dependency is going to do anything but go up; that self-sufficiency will become a very elusive a non-attainable goal. I ask them to think in something more than the short term, without even adopting the pricing policies advocated by the province of Alberta. We don't put a dollar and cents figure on the price of gas in Canada here in Manitoba when we are involved in these discussions; we don't. But we do know the principles that must underlie a rational energy policy in this country and that principle is that you must have the consumer paying sufficient for the product to enable the balance of the undeveloped resource to be brought onstream as quickly as possible. Whatever that price is we'll leave up to the federal and the provincial governments and the industry to work out. But I know, Mr. Chairman, I know in principle that that is the formula that you evade and avoid at the price of the national interest in this country.

Mr. Chairman, I have gone on a bit longer than I expected to on this, but I did want to bring some of those points to the attention of the members opposite because I really wonder if they have thought through the positions that are being stated this morning by the Leader of the Opposition, the Member for Brandon East, insofar as it affects first of all the interests of the people of Manitoba and even more importantly the interests of the people of Canada, because their policy is a bankrupt policy. We are operating on a bankrupt policy at the present time, a hot-house policy. It's a charade. We are paying the price for off-shore oil at the present time. The dependence on off-shore oil is going up rather than coming down as it should, and Mr. Trudeau and his colleagues have to come to an understanding that this is not in the national interest. They have got to forget their short-term election promise that they made December, January, and February of this year and get down to doing something that is in the national interest for all Canadians.

My honourable friends opposite have got to lose their fixation on the Alberta Heritage Fund. They have got to lose it on the Saskatchewan Heritage Fund as well, just in passing, because there is developing in western Canada an idea that the — and not only in western Canada, Mr. Chairman, but right across this country — an idea that resources should be managed by the provinces and priced by the provinces except in the face of some national emergency where the constitution presently provides that the federal government can move in.

No province in Canada, Mr. Chairman, objects to the federal government moving in in a national

emergency in order to do something in the national interest such as war or apprehension of war or things of that nature. But, Mr. Chairman, you can't continue in this country to straddle the fence, to be mugwumps and to say on the one hand we want to have the lowest price of energy in the world, but on the other hand we are going to have self-sufficiency, because you can't have both at the same time.

My honourable friend seems to be terribly preoccupied with whether the government is on Alberta's side — we're on Canada's side, Mr. Chairman. Yes, we are on Canada's side, and that includes the province of Saskatchewan. I suggest that he go, I suggest that he take the opportunity to speak to some of his socialist colleagues from Saskatchewan who are considerably much more level-headed in matters of this because they know something about it, and take a little bit of an instruction course and forget his demonology, forget all about multinationals and all of things that I know excite them, before they turn out their bedroom lights, forget about all of these things and get down to the hard market facts of what you have to do make this country self-sufficient in the 1980s.

Mr. Chairman, the point that was made this morning by the Member for Brandon East stimulated me to make that response, and the previous points made by the Leader of the Opposition, because I think it is time in Canada that a little bit of rationality was injected into the debate; a little bit less emotion; a little bit less of the obvious pandering to the electorate. Nobody wants to see the price go up in this country, but I suggest to my honourable friends opposite that just as much as we on this side of the House, they have an obligation to the people of Manitoba and the people of Canada to tell them the facts. And the facts are just what I have stated here this morning, that you can't have a low cost energy situation in Canada, a false one for which you are paying in any case, and have self-sufficiency down the road. The two won't work.

My honourable friend from Brandon East said there is no guarantee that the resources in Alberta will be developed. My God, I say to him, Mr. Chairman, the billions of dollars that are required for the heavy oil and the tar sands developments are sitting ready, waiting for commitment, as soon as we can get the federal government to come to its senses and forget its election promises and get on with a national energy policy which puts the interests of Canadians first, not the interests of the Liberal Party first. Mr. Chairman, I say this to you very frankly, I have told the Minister of Energy for Canada, Mr. Lalonde, precisely that. Forget your election promise because you can't carry it out and still be true to your oath, to be acting in the interests of the people of Canada.

Mr. Chairman, that's the best advice I could offer. Mr. Lalonde has been heard to say that the pricing of energy in Canada and a national energy price regime, a national energy policy, is as important as the constitutional discussions that are currently going on. To that statement, Mr. Chairman, I say amen, that is the case, and a lot will depend on the progress and on the developments that take place in these negotiations that unfortunately were terminated last weekend between the Prime Minister and the Premier of Alberta. It is a serious situation. It's a

serious situation upon which all Manitobans should reflect because it says something about the nature of our country and it says something about what will have to be done in this country if we are to keep it together and if we are to have constitutional and other economic discussions which bear upon reality; not bear upon the world as we would like to see it, but bear upon the realistic world as it is in Canada today.

I suggest to my honourable friend that what is of much more concern than whether you are with Alberta or even perhaps whether he's with Ontario — and I think after what I have said, maybe he'll reconsider his position and his party will reconsider their position — what's of more concern is to make sure that we have self-sufficiency, that we have a national energy policy that we can support, that we get in step with the rest of the free world in terms of energy pricing, that we make sure that we develop those resources that we have in Canada, that we recirculate the money of the people of Canada, not off-shore, but recirculate it here in Canada.

And one final comment. Somebody said this morning, I think it was the Member for Brandon East or the Leader of the Opposition, that he would far sooner leave the affairs of the country in the hands of the Prime Minister than the Premier of Alberta with respect to western transportation. Mr. Chairman, based on the track record of the Trudeau government, right from the Western Opportunities Economic Conference forward or back, I would say that the Premier of Alberta has a greater feeling and understanding for the economic requirements of western Canada than the Trudeau government has or is ever likely to have. I can also say, Mr. Chairman, that view is shared by a lot of other premiers in western Canada.

And so I say, Mr. Chairman, that rather than criticizing the Premier of Alberta for the negotiation that he carried on and for the suggestion that he was prepared, out of the government or out of the treasury of the Heritage Fund, to commit that kind of money to western Canadian transportation development — something that would benefit all of our farmers, all of our producers — my honourable friends better think twice before they cast that aside. And that was not something that was done to buy the favour of anybody in western Canada at all. It was something that was done to further the interests of western Canadian producers in a rail and transportation system which is outmoded and unable to meet the requirements of western Canadian producers at the present time, and on which, by and large, the federal government has stood still for years and years.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hour is 12:30. Committee rise. Call in the Speaker.

COMMITTEE REPORTS

MR. CHAIRMAN: The Committee of the Whole House has considered certain acts, directs me to report progress and asks leave to sit again.

IN SESSION

Monday, 28 July, 1980

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

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

MOTION presented and carried.

MR. SPEAKER: The hour being 12:30, the House is accordingly adjourned and stands adjourned until 2:00 o'clock.