

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 14 July, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

I wish to table the Department of Finance annual publication of the Financial Statements of Boards, Commissions and Government Agencies in the Province of Manitoba for the year ended March 31, 1986.

This is a consolidation of all annual reports of the various Crown corporations put into one volume.

MADAM SPEAKER: The Honourable Minister of Business Development and Tourism.

HON. M. HEMPHILL: Thank you, Madam Speaker.

Madam Speaker, I have a statement. I am delighted to announce that in the month of May, this year, Manitoba led all of Canada in the percentage increase of American travellers entering Canada through U.S. border points.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. M. HEMPHILL: Indeed, Madam Speaker, Manitoba's May increase of 24.69 percent was better than double that of Quebec which had the next biggest May increase at 11.9 percent.

What is particularly exciting, Madam Speaker, is that the increase in visitors who spent at least one night in the province was up 25.22 percent. This means money and business for our hotels, restaurants and the hundreds of other visitor-related suppliers of goods and services.

I am even more pleased to tell you that the increase in U.S. visitors in May was large enough to overcome the minor decreases we experienced in the first four months of the year to the point that 1987 U.S. visitor traffic to May 31 exceeded 1986 traffic for the same five months by 5.09 percent for overnight visitors. In fact, we undoubtedly had even more U.S. visitors than the Statistics Canada numbers show because those numbers do not include Americans entering via Ontario or Saskatchewan.

For a bonus, May provided us with an increase of 7 percent in visitors from countries other than U.S. and 6.5 percent on the first five months as compared to 1986.

Preliminary observations indicate that Canadians both in Manitoba and from other provinces are travelling

more than ever this year. Communities throughout the province are reporting more Canadian visitors. I won't have definite numbers for another week or so, but we're very optimistic that our in-province and trips from other Canadian provinces will increase even beyond the substantial increases of 1986.

All the tourism accommodation and service suppliers I've spoken to in the last couple of months report that inquiries, bookings and expectations for this season exceed 1986. The fishing lodge operators are particularly optimistic that this will be a banner year.

The tourism industry, along with myself and the Department of Tourism, are most optimistic that this will be a successful year for tourism.

The importance of our tourism industry is reflected in the fact that it represents the province's third largest earner of export dollars and provides employment for thousands of Manitobans.

I hope all members of this Chamber join me in welcoming our visitors.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: The Honourable Member for Portage La Prairie.

MR. E. CONNERY: Madam Speaker, I'm delighted that we finally have after, I think, some 14 months . . . I'm very delighted for the Minister who has had to suffer all the indignation of those poor tourism stats and not just the Minister has had to suffer, it's been the tourism industry in Manitoba that has suffered for the last year under this Minister and, hopefully, now that something has happened - and I don't think she knows what's happened to bring tourism around because it has to be by design and not just by accident.

Madam Speaker, I also wonder what percentage of the increase was because the . . . (inaudible)- I haven't had the opportunity to see these figures. Obviously, the Minister gets these figures very early because we haven't had access to them and I'll likely get them in a day or two prior to when the Minister announces it. And so she should.

Madam Speaker, the Minister on other occasions when they've had the . . . said: "One month does not a season make." Well, I hope that this year, this month, does a season make because we need to have in Manitoba - right now, we need to have a good season. Some indications are, in some areas, up; in other areas, it's not. So, Madam Speaker, we'll watch very carefully.

On behalf of the tourism industry, we hope that this government is going to see that this province is going to see an upswing in tourism. We hope that they are spending more money in advertising in this province because this province has an awful lot to give to tourism.

Thank you.

MADAM SPEAKER: The Honourable Minister of Urban Affairs.

HON. G. DOER: Yes, Madam Speaker, thank you.

I am pleased to table the First Annual Report of the Department of Urban Affairs for the fiscal year '85-86.

MADAM SPEAKER: Also under Tabling of Reports, in accordance with section 42 of The Ombudsman Act, I would like to table the 1986 Annual Report of the Ombudsman.

Notices of Motion . . . Introduction of Bills . . .

May I just clarify, before we go to Oral Questions, if the difficulty with the sound has been overcome? Is it okay now? I've had a request from our technician to wait for 90 seconds before we go to Oral Questions so that he can turn it off and repair whatever - if you want to count to 90.

ORAL QUESTIONS

Yellow Thunder Holdings - CEDF loan

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: A question for the Premier of the province.

At committee this morning, it was disclosed at the committee that a loan of taxpayers' money, some \$150,000 was made through the Communities Economic Development Fund, and I thank the Minister for providing me with the minutes, which are somewhat there, but somewhat blacked out as well, Madam Speaker.

But, Madam Speaker, the question to the First Minister is: In view of the fact that the Communities Economic Development Fund, on December 12, unanimously declined a loan application by Mr. Ken Dillen, former MLA for Thompson, NDP MLA, under Yellow Thunder Holdings, for \$150,000, of which was board authority - it didn't have to go to Cabinet - however, following the next day, on December 13, after Cabinet confidentiality is blacked out, and confirmed this morning, that Mr. Jones, the general manager, had been contacted by the then Minister, Mr. Harry Harapiak, the board changed their decision the next day to support the loan application for \$150,000, will he provide the public with a private auditor to investigate the activities of the former Minister of Communities Economic Development Fund and the loan to Yellow Thunder Holdings that hasn't been repaid?

MADAM SPEAKER: The Honourable Minister of Northern Affairs.

HON. E. HARPER: Madam Speaker, the member was certainly provided with the minutes. Some of the information was blacked out for confidentiality.

Also, his request for a private auditor, the auditor provides that service and has access to the board minutes to review all aspects of the board decisions.

In respect to the Honourable Minister's involvement, he provided additional information to the board members, as was confirmed in this morning's meeting with Mr. Jones, that he had discussions with the Minister and the Minister provided some additional information for the board's consideration.

But the area that he mentions, that Cabinet confidentiality is not really, as I indicated in this

morning's meeting, it is a little bit misleading to say that Cabinet confidentiality, as mentioned this morning, a little bit misleading.

MR. J. DOWNEY: Madam Speaker, in view of the fact that Mr. Jones confirmed this morning that following the meeting of December 12, he was called, phoned by the Minister responsible, Mr. Harry Harapiak, contacted directly, my question to the First Minister is . . .

MADAM SPEAKER: Order please.

May I remind the honourable member that we only refer to honourable members by their proper title.

Yellow Thunder Holdings - Auditor to investigate approval of loan

MR. J. DOWNEY: Madam Speaker, my apologies.

Madam Speaker, my question is to the First Minister.

In view of the fact that at committee this morning, Mr. Jones indicated that he was directly called by the Member for The Pas, who was responsible for a \$150,000 loan going to a former member of the Legislature, New Democratic Member for Thompson, Madam Speaker, will the First Minister of this province, on behalf of the taxpayers, have an audit and an investigation of the activities of that Minister who had political influence in the provision of a \$150,000 loan?

HON. E. HARPER: As indicated this morning, the Auditor has provided that service. We have every faith in the Auditor to provide that service. The audits are done routinely and, if there are any inconsistencies, the CEDF staff, the management, work closely with the Auditor. In terms of the involvement of the Minister, he provided additional information that was discussed with Mr. Jones.

CEDF - Min. of Government Services - resignation of

MR. J. DOWNEY: Madam Speaker, in view of the fact that the Minister responsible for the Communities Economic Development Fund, through his political influence, in a jurisdiction in which he really didn't even have any responsibility, cost the taxpayers \$150,000.00. He has mishandled the Workers Compensation Board . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. J. DOWNEY: . . . will the First Minister screw up his courage on behalf of the taxpayers and ask for the resignation of the Minister responsible for Workers Compensation?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: It amazes me to hear the self-righteous comments by the Member for Arthur when throughout the Session we've had calls after calls for intervention and interference on one particular issue

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after another on behalf of various constituents represented by honourable members across the way.

Insofar as the Minister responsible for the Workers Compensation, the former Minister of Northern Affairs, Madam Speaker, Manitobans as a whole are well satisfied if, indeed, the Opposition is not. And, of course, who could expect to satisfy the Opposition in the contribution and service of this Minister to the people of the Province of Manitoba?

CEDF - discussion in Cabinet of Ken Dillen loan

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Yes, Madam Speaker.

My question to the Premier is: Was the Cabinet involved in the decision to award a \$150,000 loan to a former NDP colleague, Ken Dillen, for a project that had been previously turned down by the Communities Economic Development Fund?

MADAM SPEAKER: The Honourable Minister of Northern Affairs.

HON. E. HARPER: This loan wasn't brought before the Cabinet; \$150,000 is the maximum authority the board can make a decision on, so it didn't go to the Cabinet for Cabinet consideration.

I might remind the Opposition members in terms of when they were in power, the incompetence that they had. We had a former member responsible for CEDF and also a Minister responsible for Economic Development who authorized a guarantee for which he had no authority at all, and this was done during the PC administration.

MPIC - Auto Insurance Division - financial status of

MR. G. FILMON: As well, at committee this morning, the Minister responsible for MPIC indicated that he had made major changes to strengthen the operation of the corporation. He, as well, told us that the corporation's board receives monthly financial reports on the status of the operation.

My question to the Minister responsible for MPIC is: Can he indicate what is the financial status of the first six months of operation of the Automobile Insurance Division of MPIC for this year?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: As I indicated this morning in committee, the Manitoba Public Insurance Corporation, unlike private insurance corporations, does report to the public each year.

We will have an annual report at the end of October. That report will be presented to the Assembly and we will have ample opportunity to review it in committee next year. But as to providing a report at this time as to what the losses may or may not be, knowing the

way the Opposition operates, that regardless what figure is given, 20 seconds later it is twisted and misinterpreted and whatever else, I think that it would not serve any purpose at this time to speculate. I'd prefer to provide to this House the figures when they are accurately available for all to . . .

MR. G. FILMON: Madam Speaker, that's precisely why I am asking the question. I don't want to have to speculate; I don't want the public to have to speculate; I want the Minister to be able to clear the air.

MPIC - losses in Autopac despite rate increases

MR. G. FILMON: Given that we had massive increases in Autopac rates this year - massive increases between 9 percent and 30 percent - can the Minister indicate whether or not the experience of the first six months has been that there have still been major losses in the corporation's Auto Insurance Division despite those massive increases in the rates?

HON. J. BUCKLASCHUK: Madam Speaker, I'm sure the Member for Tuxedo is joshing. We talk about massive increases. I suggest that he look at Ontario - 20 percent for each of the past two years. The fact is, in Manitoba, the rate increases have been something in the neighbourhood of about less than 25 percent in total for the past six or seven years, the lowest increases in Canada. To provide information at this time as to what may have occurred during the past six months will in no way indicate what we can expect by the end of October.

Therefore, as I say, it would be totally irresponsible for me at this time to bandy around figures of a \$12 million profit or \$6 million loss when our year-end goes to the end of October. Our annual report will be provided after that period.

MR. G. FILMON: Madam Speaker, given that other Ministers responsible for Crown corporations have been so irresponsible at committee hearings during the past few months - the Minister responsible for Manfor, the Minister responsible for the Telephone System - indicating the current financial status of the corporation, why will this Minister not give Manitobans an indication of how the corporation's Auto Insurance Division is operating and whether or not it has been experiencing major losses during the first six months of this fiscal year?

HON. J. BUCKLASCHUK: Madam Speaker, it is clear that the Leader of the Opposition has lost face on the reinsurance issue. Now he's onto an entirely different tactic. The fact is that the committee this morning was reviewing the annual report up until October 31, 1986. There is ample information to respond to any questions the member may have with respect to the previous year. At this time, it is not possible to predict what the year-end will be for October 31. That information will be available after we have the facts. We're not going to speculate; we're going to deal with the realities, and those will be provided to this House in due course.

Rate increases - approved by Cabinet

MR. G. FILMON: A further question to the Premier. The Minister responsible for MPIC this morning indicated that for the past five years Cabinet has set the rate increases for MPIC.

I wonder if he can indicate, as well, if Cabinet sets the rates for other Crown corporations. In other words, does the MTS rate increase application to the PUB require Cabinet approval prior to going to the PUB?

HON. J. BUCKLASCHUK: Again, in the interest of responding to all questions that are raised by the Opposition in matters of reinsurance and any other aspect of the corporation, I was very open and above board, and indicated that the management does prepare proposals for the board to consider. The board then recommends rate increases or rate decreases, as the case may be - rate decreases, which is really unusual for the Canadian insurance industry, but we can do it in Manitoba, have done it in the past. Cabinet does then consider those recommendations and an announcement is made in due course.

Crown agencies - rate increases for services approved by Cabinet

MR. G. FILMON: Will the Premier indicate whether or not, given that Cabinet makes the decisions on MPIC rate increases, Cabinet makes the decisions on rate increases, for instance, of the Manitoba Telephone System that are to be applied for at the Public Utilities Board?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, all that I can do indeed is reflect back to the time when the Leader of the Opposition in fact was, I believe, a member of the Treasury Bench at the time when Hydro rates were frozen. Politically, just before a federal election, I believe it was four weeks before a federal election, the announcement - I can recall very well - was made in this Chamber by the then Minister responsible for Hydro, following a Cabinet meeting. So, Madam Speaker, I'm not very impressed by the line of questions from the Leader of the Opposition.

Deficit - status of

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. Madam Speaker, I want to say on the record that I appreciate the candour of the Minister of Finance yesterday, who admitted publicly - albeit not within this House - that he had failed to control the province's spending in the last fiscal year.

Madam Speaker, given the fact that revenue estimates for the last fiscal year were more or less right on line and the government's deficit increased some \$76 million over the forecast, being three-and-one-half months into this new fiscal year, can the Minister give us some indication how we are proceeding along the course to yet another \$400 million-plus deficit?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

Let me first deal with the incorrect assumptions in the question. The member refers to a report in Winnipeg's version of the National Enquirer, the Winnipeg Free Press, that puts an incorrect headline on an incorrect lead to a story that, in itself, was not incorrect, Madam Speaker, but they somehow manufactured a lead paragraph to that and also put a title onto the article that is totally incorrect. It's unfortunate that the professionalism in the Winnipeg Free Press has deteriorated over the last number of years to the extent that it has.

But let me deal with the question that the member raised. The member again takes out of context the fact that our spending did increase, Madam Speaker. Our spending increased last year, over what was estimated, by 1.96 percent. That is what the Winnipeg Free Press refers to as "spending out of control," that our Budget was out by 1.96 percent.

If the member wants other comparisons, why doesn't he compare the difference in Manitoba to the fourfold difference in Saskatchewan? -(Interjection)- Madam Speaker, I'm confused. The Member for Morris says don't refer to Saskatchewan, as members on the far back bench always want to refer to Saskatchewan. Which way do they want it, Madam Speaker? You have to look at what is happening in other provinces. Those provinces were out on their projections, not by 1.96 percent, but 300 percent or 400 percent, Madam Speaker.

In terms of what's taking place this year, we have just obviously concluded the first quarter. The figures, the facts are not in on the first quarter, and as soon as that information is available, I'll be tabling it in this House, if the Session is continuing at that point in time. If not, I'll be providing it to members as quickly as it is ready.

Deficit - responsibility of

MR. C. MANNES: Madam Speaker, given the Minister's ramblings, where he seems to indicate that he does not want to take responsibility for that 1.9 percent which, by the way, Madam Speaker, translates into a \$76 million additional deficit, would the Minister then tell me who should take the responsibility for that overrun?

HON. E. KOSTYRA: Madam Speaker . . .

MADAM SPEAKER: Order please.

I presume the Honourable Member from Morris wants to hear the answer to his question.

Order please, order please.

The Honourable Member for Pembina is on my speaking list. He will get his opportunity to ask his question. The Honourable Member for Morris wants to hear the answer to his.

The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

We hear the Member for Pembina talk about his idols - the President of the United States and Ollie North.

I would rather look at the situation in Canada, Madam Speaker, because Canadians want to maintain the kind of life that we have in our country and our province. They want to maintain the kind of social services that we have in this country, not in the United States, like the member opposite would like us to have.

MADAM SPEAKER: Order please, order please.

May I remind the Honourable Minister that answers to questions should be as brief as possible, deal with the matter raised, and not provoke debate.

HON. E. KOSTYRA: I apologize, Madam Speaker, but I was provoked by the Member for Pembina dealing with his references to the country to the south of us where he wants us to change our system to look like the United States.

Members on this side take responsibility for the fact that we did have overspending last year, Madam Speaker. We take responsibility for the fact that that overspending was looking at areas of continuing social services and human services in our province.

We take responsibility for that, Madam Speaker. It's members opposite that want us to continue to spend even more money. They continuously say that we're not spending enough money in a variety of areas, so they are suggesting that we even overspend more than what we budget, Madam Speaker. We want to ensure that we work to maintain our fiscal balance in this province, the balance between the needed revenues and the expenditures, and decrease the deficit, at the same time understanding and taking care of the real needs of Manitoba - the human needs of Manitobans - Madam Speaker.

Corporate income tax - assurance no shortfall

MR. C. MANNES: Madam Speaker, I think the Minister's answer, which is out of control, gives clear evidence why our spending is out of control in this province.

Madam Speaker, given the fact that last year the corporate income taxes were \$27 million under budget, can the Minister indicate why this happened, and what assurance he can give Manitobans that indeed we will reach the forecasted figure which is supposedly some \$22 million higher than last year? What assurance can he give Manitobans that there will not again be a shortfall in corporate tax?

HON. E. KOSTYRA: In areas of corporate income tax, personal income tax, equalization and EPF transfer payments, we rely solely on the information that's provided to us by the Federal Government in terms of the forecast.

The reasons for the changes last year were not so much a change in actual revenues in that particular year, but adjustments for previous years that were made by the Federal Government. We expect to the extent that the Federal Government is secure in its projections; then we are secure in the projections that we have for our revenue sources that we receive from the Federal Government.

Manitoba Mental Health Research Foundation - funding reduction

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Health.

Madam Speaker, mental illness constitutes the greatest burden upon our Canadian hospitals with 4.2 million hospital days being used each year for the treatment of mental illness, and research is most necessary in this area.

Will the Minister of Health explain why the Manitoba Mental Health Research Foundation had its funding this year reduced from \$50,000 to zero?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Yes, Madam Speaker, I'm very pleased to be able to explain.

A few years ago, Manitoba brought in a net, setting up the Manitoba Research Foundation with the intent that any money that the government and the taxpayers, through the government, had to go to its research should go through the Manitoba Research Foundation.

We're told many times that the members of the Cabinet and the politicians are not the experts. There is a committee that does exactly that. At the time, there was approximately \$200,000 in that fund. There is now in excess of \$1.5 million. The recommendation that we had from the medical profession, and so on, suggested yes, that we should go through the foundation.

The members of the foundation are representative at the request of the mental health community people providing or those who are interested in that. We then made sure that they were represented on this committee also. It was felt that they would have to present a quality presentation. That would be the only way to deal with research.

I met with them on a number of occasions. They also met with the Research Foundation and other groups, and we increased their funds for research with the understanding that it would be going on a sliding scale and eventually give them a chance to be able to deal and prepare and compete with the other groups, and also to make sure that they had people interested and knowledgeable about mental health on the committee with the understanding that they would do like any other groups in health, then go to the committee that is set up for that, that there's no accusation then of patronage or anything like that. It would be done through that committee, and that is the way it's being done, Madam Speaker.

Reserves - Mental Health Services

MRS. S. CARSTAIRS: Madam Speaker, with a new question to the Minister of Health.

Would the Minister explain when the Province of Manitoba will begin to offer services for the mentally ill on the reserves of this province, because they have a suicide rate, for example, which is three times the rate of the average in this province and yet they receive no mental health services at all?

HON. L. DESJARDINS: We wouldn't be looking for that now if my friend's party in Ottawa had dealt properly

with the provinces. You remember the White Paper from Mr. Chretien years ago, who then suggested that the province should deliver these services in the province. The succeeding government agreed with that, but with some of the funds. So far, the Federal Government, especially under Mr. Chretien, the former government, has always refused to come to grips with that, to discuss with the provinces services on the reserve.

It's like everything else; it's always left to the province. The Federal Government will either pull the rug and so on. It's left with the province to deliver because we're closer.

MPIC - tabling of report provided to ERIC committee

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker.

Madam Speaker, my question is for the Minister responsible for the Manitoba Public Insurance Corporation.

Madam Speaker, given that in July of 1984, the Ministers of the ERIC committee of Cabinet requested that a financial picture be developed on the Crown corporation, MPIC, including projections on the likely profitability of the corporation, the near and to medium term, which presumably by the time it was reported in February 1985, would have included a report to the ERIC committee of Cabinet on the massive reinsurance losses.

Will the Minister responsible for MPIC, given his openness and his desire for truth, provide that financial report from MPIC to the ERIC committee for perusal at tonight's committee hearing?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: The short answer to that is no. I had indicated before that it is a document for consideration by a Cabinet subcommittee.

Madam Speaker, the Member for Pembina is a very frustrated individual looking for smoking guns all over the place. We've been very open. We have provided all the board minutes to the Opposition - no smoking guns there. We have provided submissions requested - no smoking guns there. We've had the Auditor review the reinsurance branch; the reports have been provided to this House - no smoking guns there. Now the Member for Pembina feels he's found a smoking gun.

Madam Speaker, this is a document that has been submitted to a subcommittee of Cabinet. I believe I had located the document in question. It has already been forwarded to the Provincial Auditor for his review. And if the member has any questions, he can ask the Provincial Auditor this evening. I don't think you'll find a smoking gun there either.

MR. D. ORCHARD: Madam Speaker, the only smoking gun is the one that the Minister consistently shoots himself in the foot with.

MADAM SPEAKER: Does the honourable member have a question?

MR. D. ORCHARD: Given that this Minister has consistently changed his story, his answers and his presentation, and to his horror, his records were shredded, Madam Speaker - the Minister has indicated that this report, presumably in its entirety, has been sent to the Provincial Auditor and presumably the Provincial Auditor will be in attendance tonight to review that report with us - is that what the Minister is answering this afternoon?

HON. J. BUCKLASCHUK: Madam Speaker, I clearly indicated that, in the interests of dealing with this issue in a responsible manner, I have provided the report to the Provincial Auditor. He'll be reviewing it and be prepared to respond to any questions in the area of reinsurance that the Opposition members may have.

And I can assure the members - there is no additional information there than has already been provided to you umpteen times.

Epileptic - issued valid driver's licence

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: My question is to the Minister responsible for Transportation.

An epileptic had recently died while in custody, while waiting for a hearing because of a failure to show on an impaired driving charge.

I wonder if he could inform this House how it was that the epileptic was able to achieve a valid driver's licence.

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Well, I'm not certain, Madam Speaker, of the details of this particular case, but there are medical restrictions for driver's licences. If the particular ailment is under control, which many people have at the present time, in many instances when they have their ailment under control they are able to get a driver's licence. In this particular instance it could have been the case. I would have to look into that particular case to get details on the situation, Madam Speaker.

Inter-City Gas - tabling of information re funds for mailer to purchase

MR. G. CUMMINGS: Madam Speaker, I have a question for the Minister responsible for Government Services.

During Estimates, he agreed to table the information regarding the origin of the funds and the cost of mailing that went out to promote the purchase of ICG, a mailer that went out from the Premier's office. I wonder if he would agree to now table that information.

MADAM SPEAKER: The Honourable Minister of Government Services.

HON. H. HARAPIAK: When we inquired into it, Madam Speaker, we found it could be identified and I'll bring that information into the House tomorrow.

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Farm School Tax Assistance Program - reconsider policy re landowners

MADAM SPEAKER: The Honourable Member for Gladstone.

MRS. C. OLESON: Thank you, Madam Speaker.

My question is to the Premier, and it's in regard to the school tax assistance that the Minister of Finance announced in the Budget in, I believe it was March.

Many landowners have complained that they are ineligible to receive this assistance, and in many cases the rent that they receive for their farm is the only income of the particular landowner, and it is almost, in essence, his or her pension plan. Since these owners are responsible for paying the school tax, I wonder if the Premier could reconsider the policy and allow the landowners to receive benefits under the program.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, there must be some misunderstanding on the part of the Honourable Member for Gladstone because the Minister of Finance, from the very beginning, from Budget night, and subsequent statements by the Minister of Agriculture, have made it clear, I thought, on all occasions that the grant in question was one that was aimed toward the assistance of farmers in the Province of Manitoba; that it was a farm assistance program and was not intended to be a program that would siphon funds off to any other group within the Manitoba community, but was purely targeted to farmers; not per se to landowners but to farmers.

Farm School Tax Assistance Program - re change in policy

MRS. C. OLESON: Madam Speaker, to the First Minister.

These people that I'm talking about in this instance are retired farmers who are renting out their land, still paying some of the expenses of that land, and also paying the school tax. They have no way of collecting it from the renter.

Could the Premier make himself more aware of the program with an intent to changing the policy?

HON. H. PAWLEY: Madam Speaker, though it may be indeed the fact that the landlord must pay taxes and certain other expenses involved in the land, it is the farmer who occupies and operates farm production on that land that has to deal with continued low grain prices, continued cost price squeeze. Insofar as agricultural economy is concerned, it is the farm population of this province that requires assistance. It has been the farm population of this province that has received assistance as a result of the initiative of our Minister of Finance and our Minister of Agriculture in the Province of Manitoba.

Farm School Tax Assistance Program - discrimination against owners

MRS. C. OLESON: Since this is a problem that has been raised to me many times and is truly a

discrimination to people who own land and are required to rent it out for one reason or another, would the Premier tell us if it is the policy of this government to discriminate against people because they own land?

HON. H. PAWLEY: Madam Speaker, this program, as announced by the Minister of Finance in the Budget, discriminates in favour of the farmers of this province to provide the farmers of this province with some additional assistance to deal with a very difficult situation as a result of low grain prices and the cost-price squeeze the farm population of Manitoba has now been afflicted with.

Business program - details of

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker. My question is to the Minister of Business Development.

Madam Speaker, this Minister has been telling us how wonderful the private sector has been doing in Manitoba, that there is a tremendous number of business starts and that business people are happy and we're really doing great, but when we look at the fourth quarter, Madam Speaker, we see that the taxes collected from the corporation income tax are down \$7 million from last year. That is an indication, Madam Speaker, that the private sector in Manitoba is not doing well. We've been telling the Minister the payroll tax, labour legislation, all of these other things, are detrimental to business.

The Minister has \$50 million that she's been sitting on since the last election for programs for the business community. Is she prepared to announce the details of that program?

MADAM SPEAKER: The Honourable Minister of Business Development and Tourism.

HON. M. HEMPHILL: Thank you, Madam Speaker.

I just wanted to let the Member for Portage la Prairie know that June looks good, too, for tourism. I'm sure he's going to be glad to hear that.

I think I just answered that question just about a week ago, Madam Speaker. We're taking the time that we believe we need to do the consulting and to develop the program so that we get the best bang for the buck, so that it is the most useful to the business community, so that it suits their needs. As soon as we have completed that and have the program that we believe will do that job, I will announce it.

MR. E. CONNERY: Well, Madam Speaker, we sure encourage this Minister to hurry with the programs that she's got, because if you look at that Fourth Quarter Report, you will see that this government has had to collect an additional \$110 million off the backs of the individual to pay for the costs of their programs and their misspent programs where the corporation tax is down. Now, if this province had a viable . . .

MADAM SPEAKER: Order please.

Does the honourable member have a question? Question period is not the time for speeches.

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Business programs re viable private sector in Manitoba

MR. E. CONNERY: I'm glad, Madam Speaker, that June is looking good also. She might have maybe two months in a row where she has a good statement.

Will this Minister react to the other departments that reflect upon the business community and try to make some changes? Instead of us having the Chamber of Commerce, the spokespeople for the business community up in arms, will she work with the other departments to also now bring back to Manitoba a viable private sector?

HON. M. HEMPHILL: Madam Speaker, we're always prepared to work with the business community and a very good example of that is a meeting that I had with the Chamber of Commerce just a couple of weeks ago where we were talking about exploring a cooperative program that will be worked out between the Chamber and ourselves where we cooperate and work together to the benefit of the business community. So I think we're on record as always having been willing to do that.

I think that the record of business starts in this province is an indication that the economy in Manitoba is one of the most stable economies, that the confidence of the business community is one of the most confident business communities in the country, and the records and the statistics will show that.

Community Services - Ombudsman's Report re problems in department

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

Madam Speaker, the 1986 Annual Report of the Ombudsman could very well be called the Minister of Community Services' Annual Report for 1986, because virtually every page involves her and her department.

Madam Speaker, there is one case cited on page 33 with respect to a lack of follow-up regarding investigation into child abuse, and the Ombudsman expresses his serious concern about the process and procedure for closing out high-risk files.

Could the Minister identify the agency involved in that case and indicate what steps she has taken to overcome the problem?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: I'll take that as notice, Madam Speaker.

Community Services - actions as a result of Ombudsman's Report

MR. G. MERCIER: Madam Speaker, I believe that this matter would have been processed some time ago directly with the Minister, and I wonder why she takes it as notice.

On page 35, Madam Speaker, there is another case cited in regard to the actions of a Native child caring agency and foster parents looking after a Native child.

Could the Minister indicate what steps she's taken with respect to that matter?

HON. M. SMITH: Madam Speaker, I haven't been privy to the Ombudsman's Report before it's tabled. I will go through it, as I do each year, and review the cases there for any relevance to follow-up by the department.

MR. G. MERCIER: Madam Speaker, is the Minister of Community Services telling this House that matters raised by the Ombudsman with her department are not brought to her attention?

HON. M. SMITH: Madam Speaker, whenever the Ombudsman is in contact with the department, we cooperate very fully and follow through, but the member opposite has raised one issue from a report that I haven't seen. Customarily, there are a lot of Ombudsman's issues that do affect people in Community Services because of the great number of people served. I think it's only fair to give me the opportunity to go through the Ombudsman's Report and find the appropriate information. I've undertaken to do that, Madam Speaker, and I will do it.

MADAM SPEAKER: The time for Oral Questions has expired.

COMMITTEE CHANGES

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I have some committee changes. Under Statutory Regulations and Orders: Mitchelson for Birt; Roch for Enns; Oleson for Orchard.

Under Municipal Affairs: Downey for Cummings.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.

I move, seconded by the Member for Ellice, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Hon. E. Kostyra for the Hon. J. Storie.

I further move, seconded by the Member for Ellice, that the composition of the Standing Committee on Statutory Regulations and Orders be amended as follows: the Hon. L. Desjardins for M. Dolin; the Hon. J. Cowan for J. Maloway; the Hon. J. Storie for D. Scott.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, on a matter of House Business, I want to indicate that there appears

to be an inclination, by leave, not to proceed in the Private Members' Hour, but I will be calling under government business today, according to Rule 20, I believe, Bill No. 73.

So I want to indicate that we'll probably be calling that later in the day. The Opposition House Leader and I will be working out a specific time, but we will not be going into Private Members' Hour if there is leave not to do so.

MADAM SPEAKER: Is that agreed?

Agreed and so ordered.

HON. J. COWAN: Madam Speaker, would you please call Bill No. 68, then?

ADJOURNED DEBATE ON SECOND READING

BILL NO. 68 - AN ACT TO GOVERN THE SUPPLY OF NATURAL GAS IN MANITOBA AND TO AMEND THE PUBLIC UTILITIES BOARD ACT

MADAM SPEAKER: Debate on Second Reading on the proposed motion of the Honourable Minister of Energy and Mines, Bill No. 68, the Honourable Minister of Agriculture has 35 minutes remaining.

The bill is standing in the name of the Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, I have always looked forward to contributing and speaking on any measures that come before this Chamber over the period of time that I've been privileged to serve this Chamber. The particular speech that I feel I have to make this afternoon will not be an easy one for me.

I wish to begin my comments with respect to Bill 68, a bill that calls for the acquisition of the assets of Inter-City Gas to bring the distribution and the sale of natural gas in the Province of Manitoba under public ownership

MADAM SPEAKER: Order please, order please.

We continue with the business of the House in an orderly fashion and those who want private conversations can do so elsewhere.

The Honourable Member for Lakeside has the floor.

MR. H. ENNS: Thank you, Madam Speaker.

Madam Speaker, I think it's appropriate because I recognize in Bill 68 the government is moving forward in a very major way - an economic measure. And I prefer to call it, as well, or it could be called a social measure, in terms of providing a service to, hopefully, as many Manitobans as possible.

Madam Speaker, the evolution or the development of how Crown corporations come into being has a very understandable pattern. A service is developed or introduced, usually - in fact, in most instances, by private initiative. That service begins to become extremely important to a growing number of the citizens within our province. In due course a government believes that that service ought to be made available to all, if possible, or as many as possible of the citizens that it has jurisdiction for.

So governments embrace the concept of a service that is being delivered initially by the private sector, initially enjoyed by a minority of its citizens, and comes to the conclusion and says that this benefit, this service ought to be enjoyed by all of its citizens.

Madam Speaker, enough has been said about how, in the past, Crown corporations, public services, public utilities of this nature have been developed by governments of different political stripes. I honestly believe that one can and ought to be able to look at this concept of when it becomes in the interest of all to provide a service without ideological blinkers, without just looking at it from an NDP, a Conservative or a Liberal perspective.

Madam Speaker, usually in a jurisdiction such as Manitoba, now that calls for some sacrifice, some contribution by all for the common good. It certainly meant, for instance, some 60 years ago, that telephone users, when that service became important, and it was felt by the Government of that Day back in 1932, that all Manitobans ought to have that service, that it meant a sharing of the costs because it also meant of course a participation of the benefits by all. Madam Speaker, that same principle by and large held true shortly after the Second World War in Manitoba in the development of our Hydro system that now embraces the province.

Madam Speaker, I have come to the conclusion - not easily - but I have come to the conclusion that the benefits of the supply and distribution of natural gas, which is the cheapest form of energy that we have, I'm satisfied that although it is but an alternative source of energy, not quite the same as one could say for the supply of the vital communications link such as telephones, but nonetheless, we evolve our situations and our positions that that has become an extremely important and valuable benefit that ought to be extended to as many Manitobans as possible.

I have further come to the conclusion that from what I've read - I don't pretend to be an expert - that of all our non-renewable natural resources, natural gas happens to be available in an abundant supply. That is, long after other non-renewable resources have in fact run their course, natural gas will likely outlive them all. I glean that information from publications that I've read, from forecasts that I've read, and from the knowledge that for many years, as a matter of fact, in the development of the petroleum industry, we simply squandered the gas, we burnt it off. You could drive through the fields of Alberta and Texas and a familiar sight was natural gas burning in the night sky because it was considered a nuisance. You didn't know what to do with it, so you burnt it.

Madam Speaker, I don't take issue with those who suggest that there are other ways to bring about the benefits of deregulation, the benefits of lower prices that now seem to be available, and in fact are being enjoyed by fellow Canadians in our sister provinces, more importantly, being enjoyed, whether short term or long term; but the truth of the matter is, being enjoyed by our cousins to the south, the Americans, that there are other ways to achieve the stated goals of the administration.

My leader indicated that in his comments. He said that our efforts ought to be directed in a similar manner

to what Alberta does in terms of wholesaling the gas, in terms of determining that regulatory or other factors don't interfere with us achieving the full benefits of the Western Accord that was signed October of '85.

I'm not particularly comfortable with the fact that I feel that in 1987, for different reasons, I happened to acknowledge that equation of a Crown corporation in accomplishing the stated objectives of the administration is one way of achieving those objectives - one way.

Madam Speaker, why did I arrive at this position? Why do I feel as strongly about it as I do? Very simply, I want to see the widest possible distribution of natural gas to all Manitobans. Madam Speaker, I want to see as many Manitobans as possible benefit from what we know to be a fact, that gas is available at considerably lower prices than those that we are currently under contract for.

I don't think, Madam Speaker, it is politically acceptable, and I have difficulty with my party and my leader in this sense, that we can expect Manitobans to pay \$3 per thousand cubic feet for gas when our fellow citizens in Saskatchewan are paying \$1.80, \$2, and Alberta is paying that price. So I understand and I support the initiatives of the government to try and do something about it that were commenced last fall. The vehicle that they used was the hearings at the Public Utilities Board.

Madam Speaker, I have personal regrets that my differences with my party and my leader in any way contribute to any unnecessary difficulties that we all face in the political arena, but I want to go on to explain to you and to the House my understanding of what Second Reading of a bill is all about.

Madam Speaker, many of us abuse Second Readings of bills. Second Reading of a bill has and focuses on nothing else but the principle of the bill. In fact, Madam Speaker, our rules, our own Rules and Beauchesne and other rules tell us that we are out of order if we make specific references to sections of the bill.

I am indicating to you, Madam Speaker, and to the House, that I support what I believe is the intent of the bill, that natural gas ought to be distributed in its widest possible form. I wanted to believe that the statements made by the government, the First Minister, when he talked about an integrated energy policy that could marry those two great resources that we have, Manitoba Hydro, hydro-generated energy, along with the now to be acquired natural gas resources, into an integrated system that would provide at least, or at least attempt to provide, a fair energy price for all Manitobans, regardless of where they lived.

Madam Speaker, it's that principle that I have found myself in agreement with. It's that principle that I have expressed not just today or not just yesterday, but have expressed as early as last October, that I find myself supporting on this occasion.

Madam Speaker, I want it to be noted by you and for the public record that it is that principle that I am supporting. I take a bit of time to discuss the fact that we sometimes forget the processes that are put in place in our parliamentary system that are extremely important. Madam Speaker, I'll divert for just a moment just to explain how easily we forget the practices of Parliament and just practices of little services in this House when we don't pay attention to tradition and to parliamentary practice.

Madam Speaker, last evening I wished to pass onto some of my colleagues on the other side of the House, and indeed to your replacement, the Deputy Deputy Speaker, a particular brochure having to do with an issue that's currently before the House as well. It happened to be the brochure by the Catholic Church with respect to the granting of special rights to the homosexual community. The Page in this Chamber did not want to deliver that. In fact, the Page went up to the Sergeant-at-Arms and asked whether she had to deliver it. Now that's a very serious breach of practice and tradition in this House. We, from time to time, send all kinds of material back and forth to each other - jokes, Madam Speaker, comments, little notes.

I can recall the days that it was tradition that we would send over a note to a freshman speaker to let him know that when he was up to make his first speech that something was amiss, you know. But it's not for the Pages of this Chamber to censor the material that we send to each other from time to time, but that happened last night in this Chamber. A Page of this Legislative Assembly questioned my right to send the Minister of Health, the Minister of the Environment and the Deputy Speaker a public brochure. She delivered it only after she went to the Sergeant-at-Arms and said: Do I have to deliver this? But Madam Speaker, I do not dwell on the issue; I'm just simply reminding members opposite that there are reasons for traditions, there are reasons for parliamentary practice.

I come back to the fact that that is the position about Second Readings of bills. We are dealing with the principle. We are dealing with the principle of whether or not it is a good idea that natural gas, now in the hands of a private monopoly that is centered in Toronto with only about 10 percent of its interests in Manitoba, that is having difficulty, in my judgment, in making the best deal for Manitobans through a somewhat complicated system that only we in Canada have, where the major pipeline, the TransCanada Pipelines, is also the biggest gas producer in the country and indeed has its own marketing arm. Madam Speaker, I do not wish to impugn any motives on any organization, but I recognize, politically, that a government has the right to intercede. The government has the right to intervene when they feel uncomfortable with the situation, when they feel that Manitobans aren't being fairly dealt with and I share that feeling. I think it's their responsibility. Madam Speaker, that's the principle that I will support on Bill 68 at Second Reading and will be voting with the government.

Now, Madam Speaker, unfortunately - before you applaud - this bill, Bill 68, in my judgment does not embrace that principle. I have heard nothing from the government, from the Minister, from the First Minister, that encourages me to believe that that is in fact the case. Madam Speaker, I need go no further than the statement that the First Minister made in introducing this measure in this House.

On Tuesday, the 9th of June, the First Minister, in a ministerial statement, referred back to the Throne Speech, and this is where I start to become disappointed in the political will of this government. "In the Throne Speech," quoting the First Minister in his statement to the House on Tuesday, June 9, 1987, "that opened this Session, we reaffirmed our commitment to those priorities and among the initiatives we outlined was a

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commitment to defend the interests of Manitoba natural gas consumers." Madam Speaker, that says it all for me. That was a commitment to defend the interests of Manitobans. That was not a commitment to extend a benefit that was being enjoyed by about a third or less of Manitoba energy users. All what Bill 68 is doing is going to enhance the benefits of those who now already enjoy the lowest energy costs with respect to heating their homes or running their businesses.

Madam Speaker, I look forward - you know, when a government is about to announce a major initiative that is going to involve the Public Treasury, that is going to ask for all Manitobans, and interestingly enough, in that same ministerial statement the First Minister, when he then gets further into his statement in the first instance, this major economic initiative as described by the government is a commitment to defend the interests of the Manitoba natural gas consumers. We're talking about a third.

Now, when he talks about it further on then - "Manitobans are not second-class citizens. The policy I'm announcing will ensure fair and natural gas prices to all Manitobans." Madam Speaker, see now, he's talking about encouraging all Manitobans to dig into their pockets to put up the credit resources to make the \$200 million acquisition; then it is all Manitobans, but the initial statement of intent is to serve the interests of the present natural gas users.

Madam Speaker, I acknowledge that the Minister did - I take it as some compliment to myself, perhaps - include a reference to further extension. But that is the little sop that he handed out to, I suspect, myself, perhaps.

What I am concerned about is I can't detect the political will to treat the expansion of natural gas, to treat natural gas, as a public utility. Madam Speaker, I don't detect it on that side and I don't detect it on this side and perhaps for good reason.

Madam Speaker, the statements made by the government, the way they are selling this is the immediate and full savings of whatever price differential they can negotiate to the present natural gas users. They have talked about \$150 per household, \$50 million annually. Well, that is not encouraging to anybody to provide expansion of the service.

If you begin with the principle that this is a service worthwhile, that as many Manitobans as possible should have it, then you wouldn't be talking about passing on the whole savings of \$3 gas to \$1.80 or \$2 to the present users. You would have maybe stopped at \$2.50 and said we will use the other 50 cents to expand it to those Manitobans now not enjoying that most favourable energy price as the Conservative Government did with telephones in the Thirties, when they asked the then more-populated urban centres to share the costs of bringing that service into the more isolated and distant regions of this province, as it was asked of the same hydro users, to share the costs, because we, as a government, have the political will.

We believe that all Manitobans in this important area should be treated fairly, but I'm not hearing that from the First Minister, Madam Speaker. I'm not hearing that from the Minister. I am hearing callous, political statements coming from them that they will use it in such a way.

Madam Speaker, I don't like the form of the bill, because it doesn't fit into the principle; nor does it fit

into the statements that the First Minister used when he introduced it, when he talked about an integrated energy program that would secure Manitobans decades of secure energy service.

Madam Speaker, we are particularly fortunate if we're going to make this move that we have Manitoba Hydro, and if we're going to acquire a major alternative source such as natural gas, and I have made the case that one of my . . . In fact, what puts me alone within my own group to some extent is because I made the case for wanting that benefit extended to as many Manitobans, possibly, particularly my rural constituents, who are going to be asked to pay for that.

Madam Speaker, in a truly integrated system, it may not make any sense at all to ever send natural gas up to The Pas, but it may make a great deal of sense to have Manitoba Hydro agree to a formula and have The Pas citizens achieve the same benefits that natural gas users have now that we are all publicly owned. It may not make any sense for this government making this acquisition and not acquire the propane assets of Inter-City Gas, because there could be many cases were it makes no sense to put in a natural gas pipeline, but it could make a great deal of sense to provide them with the alternative of propane under certain circumstances.

But that calls for the political will to embrace a program of cross-subsidization as is practised in telephones, as is practised in hydro; that calls for the political will to stop trying just to make the immediate short-term political gains of offering present users of natural gas a 30 percent or 40 percent decrease.

Madam Speaker, it hasn't escaped anybody's attention, least of all mine, that a preponderant number of them are currently held by NDP seats. What I'm saying, Madam Speaker, is that in the great kind of tradition of when governments make fundamental and major moves of this kind, I find this government sadly lacking, and I will repeat the words that I used earlier, in the vision and in the sincere desire to make this a lasting and complete major step in the improvement of the quality of life in Manitoba for as many Manitobans as possible, and using the most innovative ways of achieving that, always bearing in mind that they be as fair as possible to all Manitobans. That becomes the responsibility of government if they move into this field.

As long as it's in private hands, the profit motive is and has to be the bottom line, and one cannot chastise the private owners of Inter-City Gas for not moving into those areas where it was not economical for them to do so. But, Madam Speaker, if we are about to change that, if you're going to take it out of private hands and put it into public hands, then there is a different responsibility placed on all of us. That responsibility says that we, without abandoning all sense of economics, but certainly putting into equal weight the question of fairness of treatment of all Manitobans. And you might do it differently.

Madam Speaker, we do it in so many ways, imperfectly as we tried. We do it in our school foundation programs. We try to bring, as best we can, reasonable, comparable levels of service whether it is in a small rural community or in the larger urban centres. We try to do it in our health services. We try to do it even in our ambulance services by footing the bill for an expensive air ambulance service to the far northern

regions of this province. But we do it, because we say if we're doing it for a Manitoban in Winnipeg or in Brandon or in Portage, then we at least have to attempt to do or come close to doing it for the Manitoban that lives in Pukatawagan or that lives in Woodlands or that lives in Balmoral.

Madam Speaker, I don't see that approach to this bill at all. The government on the one hand is simply saying to the present natural gas users, we will save you lots of money, \$150 per household, \$1,600 per business. Madam Speaker, that's not the way Premier D.L. Campbell approached rural electrification. He had the curves. He told the urban residents that it was going to cost them somewhat more so that their fellow citizens in rural Manitoba could enjoy the benefits of electric power. I haven't heard that said once in this Chamber, by anybody, that taking over Inter-City Gas was going to cost the present users a little bit more so that all Manitobans could enjoy it.

Madam Speaker, they are in a fortunate position because they didn't even have to say that. They could have at least said: We will not bring the savings down quite as much as you expect. You know, instead of you paying \$3, you'll only pay \$2.40 or \$2.50, and we'll use the other 40 or 60 cents to help spread that benefit that you now have, and you are very favourite people in terms of energy. You are now paying 18 to 20 percent less than anybody else.

Madam Speaker, what is happening in Manitoba is that gulf between those of us who were encouraged to use electrical energy, and many of us were at government expense, with government advertising, not many years ago - those of us who still heat traditionally with oil - and we know oil is at its low price, and it's going to go up, it's slowly inching up - we were going to create such a gulf. The ones who are now enjoying energy costs 18 to 20 percent lower than all other Manitobans are going to have their price further reduced, whereas our prices, we have experienced a 9 percent increase, Mr. First Minister, on hydro.

We are passing legislation in this Legislature just now with respect to the Rate Stabilization Fund that could well add an additional 70 or 80 or 40 - hard to say - million dollars directly onto the ratepayers of hydro that could ensure 10, 12 or 15 percent increases in the coming years.

I can't live with that, Mr. Premier. I don't think that's fair that when one public utility is on the rise in energy prices and the other public utility which I am asking my constituents to pay for, or at least to sign their John Henry's to, to raise the money, is going down. You are offering the present natural gas users a 30 percent reduction in their energy prices, whereas those of us on electric or on oil are looking at increased prices in the immediate short term.

Well, Madam Speaker, I'm not at all happy that Bill No. 68 accomplishes the principles that I'm prepared to vote for and will indeed vote for. I'm not at all happy, Madam Speaker, that the vehicle that the government has chosen is appropriate. I, quite frankly, Madam Speaker, don't understand - we are so accustomed to this particular government reaching into Saskatchewan from time to time to take a lead hand or take some advice - why they would not have simply created, not a new Crown corporation, but place, if they intend on doing this as they are, a new division under Manitoba Hydro. Then you could talk about an integrated system.

You see, I have a great deal of difficulty seeing two Crown corporations, two publicly-owned operations, all of a sudden in competition with each other. Instead of operating under one Board of Directors, operating under one management, that will make the appropriate economic and political decisions with respect to when is it appropriate to offer to our citizens a form of energy that we, as politicians, we, as the government, decide we want to see as being fair to as many Manitobans as possible.

The moment you create two bureaucracies, you will at least have to concede it makes it that much more difficult. I'm not saying it can't be done, but it makes it more difficult. All of a sudden, you begin to compete with each other.

I'm not so sure, Madam Speaker, whether or not we have to be extremely careful in this province, committed as we are, in a most major way, to the development of hydro power, to the extent that we want to look at natural gas as always and only in a supplemental role, except for one thing, the attractiveness of natural gas prices.

Madam Speaker, without a truly integrated approach to natural gas and its distribution in this Province of Manitoba, there will be other serious distortions taking place in our province. If, indeed, the government is successful in bringing about very substantial savings, particularly to industrial users of this major energy source, those communities that are serviced with it will be favoured; those communities that aren't serviced with it will be at a disadvantage.

Madam Speaker, I believe that what is called for is a very serious economic feasibility study that will, at least, set out very basic planners of where extension of natural gas makes sense.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

Unfortunately, Mr. Deputy Speaker, left the way it is in the bill, this government will not be able to convince Manitobans that they view this bill as much as a political tool as an economic tool. And, Mr. Deputy Speaker, I recognize, for one, the politics of this bill, as well. Yes I do. But I've given you the reasons why I'm disappointed in the bill and in the approach.

Now I could speak for another 40 minutes, for another 40 hours, why this government and this particular Cabinet ought not to be given the responsibility of taking over an important service like natural gas. Mr. Deputy Speaker, I have every empathy and every understanding for what I believe to be a very significant majority of Manitobans that simply do not trust this government with the handling of, particularly, Crown corporations.

The track record has been so woeful, you have been so inept and you have so grossly politically interfered in the management of Crown corporations that for that reason alone, for that reason alone, Manitobans can be forgiven their reluctance in having doubts about this government's capability and this government's true intentions with respect to Inter-City Gas.

Mr. Deputy Speaker, earlier on I can recall, perhaps in my contribution to the Throne Speech, saying that it is my belief that at a different time and under different circumstances, prior to this government and particularly this First Minister having so severely jeopardized the financial situation of this province, that I might have

been more successful in encouraging some of my colleagues, my leader perhaps, in looking at this matter in a different light.

I think if this was in the 1960's or even in the mid-Seventies, when our provincial debt was miniscule compared to what it is today, when we did not have the track record of MTX, of MPIC and all the rest of it, then, Mr. Deputy Speaker, perhaps the conditions could have prevailed what, in my judgment, are prime requisites for this venture to succeed. There has to be a joint will, a political will to make this happen. I don't see that happening. For that reason it's my intention - it may not be understood by all but it'll be understood by a few experienced parliamentary watchers - I will support the principle of this bill, but will vote against it at Third Reading.

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I'd like to just say a few words at this point in regard to the legislation that's before us, and I appreciate the comments just offered by the Member for Lakeside.

I wonder, Mr. Deputy Speaker, how the words though, just uttered by the Member for Lakeside, jive with the words that members of this Chamber heard last Friday morning by the Leader of the Opposition, the Member for Tuxedo, who, in his speech on page 3782, following through to 3783, waxed eloquent in his opposition to this legislation; and in the process of waxing eloquent in this legislation, expressed fear that we might do, as a government, by way of extension of service to the rural areas of this province, precisely what the Member for Lakeside has just now expressed as his top priority.

I find this to be a very peculiar position on the part of the Leader of the Opposition, who has indicated to this Chamber and to the people of the Province of Manitoba, "I worry about this legislation because the Winnipeg taxpayers might be required to contribute to extending natural gas service to the Manitobans who live in the Town of Teulon."

Mr. Deputy Speaker, that is what the Leader of the Opposition said just this last Friday, that he feared that this New Democratic Party Government might utilize the tax dollars of the users of natural gas within the City of Winnipeg and other areas that are fortunate enough to be able to consume natural gas, to subsidize or to assist in the extension of service to those rural communities that are not now served by natural gas in the Province of Manitoba.

Mr. Deputy Speaker, I say to you, say to members of this Legislature and to all Manitobans that this government is of the view that all Manitobans are entitled, by way of principle, to have equal access to the opportunities that exist for some and must be made available to others. That's why, Mr. Deputy Speaker, I have no hesitation in saying, as I did on June 9, that one of the principal objectives in respect to the introducing of this legislation was to provide Manitobans with increased access to natural gas through the extension of service, where feasible.

Now, Mr. Deputy Speaker, the Member for Lakeside referred to Saskatchewan. I wish I had in front of me two maps at the present time, not just for the Member

for Lakeside. I want to commend the Member for Lakeside, who has done his homework in respect to this particular issue. He has not responded in a knee jerk, ideological fashion. I would prefer to have it to demonstrate to the Member for Arthur, for instance, the Member for Minnesoda - not the Member for Portage because his area already has natural gas - but to other members in this Chamber how the principle of the public ownership of the natural gas distribution system in the Province of Saskatchewan is first launched by a former Premier of that province, the same Premier that launched Medicare, has resulted in ensuring that the villages, towns and cities of the Province of Saskatchewan are fully serviced, so that in Saskatchewan there is not a minority of the residents of Saskatchewan that benefit from natural gas and the majority that do not. I'm sure, Mr. Deputy Speaker, that was not done overnight. I assume, Mr. Deputy Speaker, that it took a number of years in order to achieve that for the people of Saskatchewan.

If I had the opportunity I would like to, and I will I'm sure, later on in the debate, have a chance to show to honourable members the map of Manitoba disclosing natural gas connections to various centres in this province. I don't believe there has been much change in the past 20-25 years. I remember when I practised law in the constituency of the Member for Lakeside, clients from Teulon complaining then in the mid-Sixties that Teulon was not serviced by natural gas, and I know by the way that the Member for Lakeside is not all alone as he suggested within the Conservative Party in this issue.

I was surprised a couple of weeks ago - and the Member for Minnedosa would know the two individuals in question; I won't mention their names here - but two key Conservatives came to me, constituents within the constituency of Selkirk, key Conservatives, and said, we want you to know, Mr. Premier, that we side with the Member for Lakeside and with the present government in respect to the public ownership of the natural gas distribution system in the Province of Manitoba.

I believe the Member for Lakeside's view is shared by a large chunk of Conservative supporters and key workers within the Province of Manitoba. I say this to the Member for Lakeside, that the issue of whether this government or some other government would extend natural gas is a legitimate area of discussion.

Mr. Deputy Speaker, we would not be able to debate the extension of the distribution of natural gas within the Province of Manitoba unless there is a public distribution system in the Province of Manitoba. Those discussions would be launched behind closed doors, in board rooms. They would not be available to the people of the Province of Manitoba. There would be no Hansard with words on record as to the position of the individual party leaders or members of the Legislature. There would be no published reports within the news media of this province as to the position of a private utility in regard to extension of service to those areas not now provided with service in the Province of Manitoba.

I am convinced, Mr. Deputy Speaker, that the distribution of natural gas to ensure greater access to all people of the Province of Manitoba is going to be a key political issue in the future as it ought to be,

and the issue of whether Manitobans ought to have reasonable access to natural gas should be just as much an issue to the people of this province as the distribution of telephone service was at the turn of the century to all Manitobans, as was the issue of the extension of hydro to all Manitobans. In fact, I believe the Member for Rupertsland could tell us that it is even an issue still politically, insofar as hydro, in a few small communities within his constituency that haven't been able to be provided with the same kind of hydro service as other parts of this province.

But the only way I say to the Member for Roblin-Russell that we can ensure there is a public debate and the public interest, is to ensure that it is placed in the public agenda so that people in the Province of Manitoba can debate whether or not the service by way of natural gas should be provided to all Manitobans and by what degree. That kind of issue is not going to be settled within the closed doors of the board officers of a private utility in the Province of Manitoba.

And, Mr. Deputy Speaker, I make no apologies to the Member for Minnedosa if I share with others a strong conviction in regard to the ensuring that public services are extended on a fair and reasonable basis to all Manitobans. I accept the fact that there may, indeed, have to be bearing of some of that cost by those of us now that enjoy the benefit of natural gas in our own homes and for our own use.

Now, Mr. Deputy Speaker, let me say to the honourable members across the way, I believe that we have been able to do both. We've been able to provide more reasonable costs to Manitobans for hydro and for telephone. At the same time, we've been able to extend the service of hydro and telephone to all Manitobans.

Are honourable members suggesting to me that we have not been able to ensure the lowest telephone rates, the lowest hydro rates, in Canada by way of a public utility in this province at the same time with a heritage in this province of having provided the service to all Manitobans North, rural and urban?

Mr. Deputy Speaker, we hear, again, the jealous concerns of honourable members across the way, "Who is going to take credit?" It has been Manitobans, both past and present - those Manitobans with vision, both past and present - that can take credit for this. And those that cannot take credit, Mr. Deputy Speaker, are those that opposed the public ownership of the telephone system and the hydro system in the past. They were those that opposed the extension of telephone and hydro service through the public utility in the past when those Crown corporations were established. Their place in history is written as not being those political leaders within the Province of Manitoba that had a vision as to the kind of province that we could construct by working together cooperatively in the interests of all Manitobans.

Mr. Deputy Speaker, I want to ensure that this government - and I would hope, in the final analysis, the Member for Lakeside, I would hope that he would be joined by some of the other members on the Opposition - would also share that preferred place in the pages of history when it is written that there were those with vision to ensure that the natural gas distribution in the Province of Manitoba would be placed within public ownership first to ensure that there be,

as it was pointed out on June 9, fair natural gas prices for all - and I emphasize "all" - Manitobans. It didn't say some Manitobans; it said all Manitobans. That was the basic objective that was stated to this Chamber on June 9: "to ensure that all Manitobans have long-term security of a natural gas supply at fair prices; to ensure fair natural gas distribution costs within Manitoba"; - and fourth - "to provide Manitobans with increased access to natural gas through the extension of service where feasible." That's the vision. That was the vision that was enunciated on this side of the Chamber by honourable members on this side of the Chamber. I believe it is one that is shared by other members.

The Leader of the Opposition surprised me the other day in question period when he pleaded with this government to negotiate some more. "Do whatever you can," said the Leader of the Opposition to this government, "but don't take the natural gas system under public ownership."

He wanted us to reduce prices for consumers, so he said. But he wanted us, through endless negotiation, to continue to rely upon a regulatory system whether it worked or did not work.

Mr. Deputy Speaker, at least we are saying to Manitobans, we tried the process of negotiation. We'll continue to negotiate. But you can only carry negotiations so far and unless you have success or progress, you must utilize other options that are available to you if indeed you remain committed to the principle that you enunciate.

Secondly, the Leader of the Opposition referred to the regulation process. I do not want to quarrel with our Public Utilities Board, but clearly, Mr. Deputy Speaker, high-priced lawyers, high-priced accountants, I believe by the dozens, appeared before that board to make the case for lower consumer prices for the people of the Province of Manitoba.

The Utility Board, as I understand it, said this: "We don't have all the jurisdiction, all the authority that is necessary in order to ensure that Manitoba consumers receive lower prices." They certainly didn't have the authority to ensure that there be an extension of service of natural gas to others that are not the consumers of natural gas presently in the Province of Manitoba.

So, Mr. Deputy Speaker, I ask you: Is it realistic, is it reasonable to think that continued negotiations through continued dependence upon the regulatory system within the Province of Manitoba is going to achieve the results that we are attempting to obtain for Manitobans? Maybe. It may be if we have continued patience, but more likely not to be the case.

So, Mr. Deputy Speaker, I know that this indeed has been a major issue. I understand very well the concerns that some honourable members across the way might have from an ideological point of view - honourable members that have a latent fear of the publicly-owned system.

I believe that this is not a question of public-versus-private enterprise. It is not a matter that is ideological or philosophical. It is simply a question of what tools can be used to ensure that the overall public objectives division that we share as Manitobans can be best achieved.

Many Conservatives share the view of this government, as I indicated earlier. I believe that besides

the Member for Lakeside there are others on the other side of this Chamber who also have reservations about the official position that has been placed in this Chamber by the Leader of the Opposition.

Mr. Deputy Speaker, I believe that this is probably one of the most important pieces of legislation that has been introduced in this Chamber since 1970-71. I believe that this legislation will have the similar significant, positive objectives as that legislation that I refer to that was passed in this Chamber, yes, with tremendous opposition in 1970-71, for the benefit of all Manitobans.

I look forward, Mr. Deputy Speaker, with you and all others in this Chamber, in ensuring that we realize the objectives that we seek for this province that we all share a concern for.

MR. DEPUTY SPEAKER: The Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Deputy Speaker.

I rise to speak on Bill 68, which I think was brought forward by the government at a very important time as far as they are concerned in relationship to the whole image of this Premier and his government in the minds and in the eyes of the people of Manitoba.

I believe, Mr. Deputy Speaker, that the Premier and his Cabinet and his Government, in the eyes of the public of Manitoba, are in total disarray. They have handled, they have managed, they have bungled almost everything that they have touched. My colleague from Lakeside, in reminding the Speaker of the Rules of the Assembly, probably has brought some limitations to the speeches that will be given when he says that it's within the rules that we should speak on principle basically and not touch on other areas.

However, I think it's important to note there is one basic difference when we talk about the buying, the taking over of a gas company, and when we - and I say with the greatest of respect to those of whom have spoken and those that will speak, making the direct comparison to that of Hydro and Manitoba Telephone System, there is, Mr. Deputy Speaker, one basic difference.

The basic difference is that the source of the energy that we're going to distribute does not lie, as does the water that generates our power in the boundaries of Manitoba. Mr. Deputy Speaker, there is a major concern in the minds of many Manitobans when we are drawing our energy supply from some 700 or 800 or 1,000 miles to the west of us in another jurisdiction -(Interjection)- Well, Mr. Deputy Speaker, the Minister says to us, we have got some long-term contracts.

I say to that Minister: Who gives us the assurance that he has long-term contracts? What do long-term contracts mean to anybody in the Canadian scene anymore when that's what he is about to do is break a long-term contract of which he signed no more than two or three years ago, giving permission to Inter-City Gas to the tying in of gas prices at which they're now getting? Yes, Mr. Deputy Speaker, that is a major concern that I have.

What does a contractual agreement mean to one who would move in and do what they're now doing? What does a long-term contract mean when we have to draw that energy supply from another jurisdiction?

I say, Mr. Deputy Speaker, with the greatest of respect for the Minister of Energy and Mines, his record isn't all that good in providing us with long-term contracts on our hydro sales. The question has to be, what assurance is he going to give us that we have, in fact, a long-term supply of energy?

I say again, Mr. Deputy Speaker, it is unlike the source of power for our hydro system. We have total control of the system. We don't have total control of the gas system. We have far from it total control of it. So there is one major element, the major element, Mr. Deputy Speaker, that we really haven't got nailed down in my mind or nailed down in the minds of the majority of the people in the public.

Yes, Mr. Deputy Speaker, one can make all kinds of great political speeches as the Premier tried to do with his vision. Mr. Deputy Speaker, I think it is not fair to the people of Manitoba, and I say this with sincerity, that we whipsaw city against country, country against city, or vice versa, because we are one province; we are dependent upon one another. When one prospers, so should the other. I don't think, Mr. Deputy Speaker, that it is fair to try to divide us into different sections or regions of the province.- (Interjection)- Mr. Deputy Speaker, there's been reference made to that as has been said.

Well, the member will have a chance, and the members will have a chance to stand in their place and point that out. I'm sure that my leader will have a strong comeback for the comments that are being made, and I'm quite prepared to do it, to listen when that happens. I think he should be as well.

Mr. Deputy Speaker, there's one thing in this whole equation that is missing. You know, in other previous takeovers, one would have thought if there were massive profits in it, that the company being taken over would have openly rejected, spoke out, hollered, screamed about government advancements. One has to question two points in this matter.

One is that there is a massive profit in the purchasing of another gas company two or three years ago, that they're now making a major profit on; or, Mr. Deputy Speaker, there isn't the profit in the company which is being taken over, that we're being led to believe that there is there.

Now we have heard, Mr. Deputy Speaker, that the reason that it is being taken over is because the Premier indicated that there was a \$50 million rip-off. Well, Mr. Deputy Speaker, it's the same people who are paying for it in the purchase of it through the government. What we're not sure of and haven't seen clearly are the details of the deal. How much money is being made? What is the future profitability? What is the price of gas going to do over the long term of 15 years? Those are projections, Mr. Deputy Speaker, that nobody's even given to us. We are debating what I would consider a major move by the province and by the taxpayers.

I think the public hearing process would be an excellent opportunity to have the public put their thoughts forward but, as well, a dialogue from the Minister of Energy and Mines and the government as to how they perceive it happening.

Mr. Deputy Speaker, one would be a fool to stand in this place and debate against the provision of lower cost energy for any town or village or home or business or industry in this province. It would be a ridiculous

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position for anyone to take. I am not about to do that. I am not about to deprive my constituents of lower gas prices or lower energy costs.

But, Mr. Deputy Speaker, again, to ask the question and the reason why we are to put forward the point as to why we should have a little more information. I, Mr. Deputy Speaker, am going from information provided to me from the former mayor of the Town of Souris. It was in discussion. I'm not saying it was absolutely accurate, but I'll give some generalities as far as numbers are concerned, that they desperately wanted to have gas brought into the Town of Souris.

I supported them, and I, in a small way, had some dialogue with the people who were involved. The response was from Inter-City Gas as far as the Town of Souris was concerned. First of all, it would require four units the size of the hospital than what operates there, using gas, four units of that magnitude, plus what they currently have, and it would take something like a 50-year payoff period. Now they don't have four operations the size of the hospital. They have one, plus they have a cheese plant, which the members are aware of.

Mr. Deputy Speaker, so given those kinds of numbers, one cannot stand in this Legislative Assembly and say, as the Premier said, and the Minister has said, that it's an automatic that every town and village will get gas supplied to them at a rate which they can afford.

Yes, Mr. Deputy Speaker, I think there is room for the opportunity to look at an expansion of the gas services to the people of the province, but because it is a Crown corporation doesn't make it a magic thing that it isn't going to cost money, Mr. Deputy Speaker. It, in fact, may not be profitable to go to some communities.- (Interjection)- Well, Mr. Deputy Speaker, let's look at where we're at because we were looking at putting gas to, say . . .

A MEMBER: Where feasible.

MR. J. DOWNEY: . . . where feasible. I'm sure that the people of Thompson would like to have the same kind of gas price as the people of Winnipeg. The Premier referred to a couple of maps. I'd be interested to see the maps that the Premier is referring to. There must be some breakdown of the province.

But what I have a hard time getting through my head is that we're producing energy, hydro-electric power, in the North - Limestone and off the system. We're shipping it down past Thompson to the United States to sell and, presumably, they're able to afford to buy it. It's supposed to be a reasonable cost to the people of Manitoba, and yet we're going to now move gas to Thompson. I'd like to know - somebody has to tell me - what the economics of producing hydro energy power and shooting it elsewhere and not using it in those communities and sending gas to those communities.

A MEMBER: It's used in Thompson.

MR. G. FINDLAY: Well, he says that it is used, there is natural gas in Thompson.

A MEMBER: Propane.

MR. J. DOWNEY: Propane, which is expensive.

So what I'm saying is to make a massive move by a Crown corporation for the purpose of making that move and perceive that we're going to have great savings in every community is wrong, Mr. Deputy Speaker. So one has to make sure that there are a lot of questions answered.

I guess it's unfortunate that in the dying days of the Legislature, or the latter part of it, that we're facing such a major issue. That's why, to move so aggressively for the political purpose of doing it, is wrong; for to do it on justifiable reasons, on economic grounds, has to be considered.

Again, we can go through reams of moves by Conservatives in the provision of services by government - whether it's the Manitoba Crop Insurance Corporation, which was done under a Conservative Government, or whether it was the work done by a Conservative Government to the providing of the Red River Floodway. I didn't hear too many people in rural Manitoba opposed to that because it was part of an overall system to help the Assiniboine. Then there was the Assiniboine Diversion and the plans in the future to do the Souris River, which was a combination of things to help all people.

Mr. Deputy Speaker, when one looks at what we're now entering into, I have to ask the question as to why the hurry up by this government? Again, I go back to say that I guess it's because they have a lot of political heat in a lot of other areas. I've been a long-time believer that we had truly a heritage in our hydro-electric power.

In fact, Mr. Deputy Speaker, if I were to assume correctly, I would assume that if it had been managed properly during the years that the NDP had been in office, we may have been able to compete with gas and not even had to consider taking over a gas company.

Is that the real reason why we're now dealing with gas? Would it not have been possible to, under reasonable management, under continuing efficiencies, if that had been implied, Mr. Deputy Speaker, that probably electrical energy may have been measured, on a BTU basis, as cheap as what they're proposing to get us this gas price at? One will never know because we're now in a situation where we have to pick up the costs of the administration of which we've seen. So we're now being asked to divert our attention away from what has been our heritage, the hydro, which has been terribly mismanaged to the tune of hundreds of millions of dollars, Mr. Deputy Speaker.

I have some serious concerns, because if we had been able to continue to manage our hydro as it was done under the D.L. Campbell years, as it was done under the Roblin years, as it was done under the Lyon years, then I think we would have had our natural gas or competitive energy to our natural gas. But that hasn't happened, Mr. Deputy Speaker. We have seen horrendous increases in our hydro costs. Yes, they may be some of the cheapest in the country; that's not to say that they couldn't have been cheaper. And to compete with the gas that we're not being expected to buy, I don't think Manitobans are going to be fooled for one minute.

I think that's what they're trying to do. They're trying to say to the people of Manitoba, we can save you, the people of Winnipeg, \$150 on your heating bill for your house, which is, yes, it's quite a bit of money, but

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it's really in the total cost of living. When you look at the tax increases that this government has placed on their backs, it's not a big saving compared to what the increase in the taxes are. Whether it's the 1 percent increase in the sales tax, the payroll tax, the 2 percent off your income that they've just placed on, Mr. Deputy Speaker, it's not really a substantial amount of money.

A MEMBER: It all adds up . . .

MR. J. DOWNEY: Well, it all adds up. It sure does. When you keep adding the taxes the way you do, it sure has added up. Mr. Deputy Speaker, the Member for The Pas has agreed; it sure adds up when you keep adding the taxes the way that they have.

Mr. Deputy Speaker, the principle of Crown corporations operating monopolies I have no difficulty with. Who is in charge of them and how they're controlled in their accountability, I do. Mr. Deputy Speaker, I have even more serious concerns when we're going out, or the current administration, is going out to the public and suggesting, hanging out a promise as was hung out in the last election, that we would have cheaper gas for automobiles; hanging out the promise that we'd have a heritage fund that would for some reason gather great amounts of profit from either Hydro or Man-Oil, Mr. Deputy Speaker.

We look at the Manitoba Telephone System and the MTX fiasco. We look at the horrendous increases in hydro rates, and they turn around and say, without a mandate given to us by the people of Manitoba on this issue, we're going to advance to buy a \$180-some million for a gas company of which it's going to be used to provide everybody with lower gas prices, everybody with the service that, where it's possible, Mr. Deputy Speaker, it's again a promise that can't be sold in the constituency of Arthur. It's a promise that I don't think can be sold in a lot of communities because of the record that has been demonstrated by the mismanagement and the handling of this government.

I will conclude my remarks by saying, Mr. Deputy Speaker, that because of the mishandling and the mismanagement and the fact that I think hydro could have been our cheap gas of Manitoba, I believe that it should have been and I still believe it could be - if proper management.

So I say to you, Mr. Deputy Speaker, and the members of this Legislative Assembly, and to my constituents, that rather than have an NDP Government, as incompetent as they are, given the mandate to pass legislation to allow them to get into another area where we can see horrendous losses through Crown corporations, then I can't support it on that basis. I can't support it on the basis of the proven record of this government because they have so badly mismanaged everything else.

As far as the people getting more reasonably priced energy, Mr. Deputy Speaker, I am still of the belief, and I will continue to work in this direction, that hydro - because the energy is produced here, it is distributed here, and it is in our total control - I still believe, in the long run, if we ever can arrest the mismanagement and the spillage of money by this government, it will be our cheap natural energy for Manitoba. I cannot support, with the information that we currently have,

the buying of an energy distribution system which is going into the Province of Alberta or other areas to buy energy without knowing that we have that locked in on a long-term contract at what we're being told that it is. I need proof, Mr. Deputy Speaker; I haven't got that proof. I don't think, when the chips come down, in all honesty, that this government can give the people of Manitoba the solid guarantee that we will be able to have as cheap an energy through the gas purchasing that they're proposing as they say we will have. I honestly don't believe that, Mr. Deputy Speaker.

I'll just say this, that if it is such a profitable deal, why is the current company not totally rejecting the government's takeover, if it is so profitable for them, No. 1? Or are they in fact making a pretty good deal where they're making a substantial amount of money and cutting from the Province of Manitoba because it's not a very good environment to do business in to start with? I'm surprised there weren't more companies lined up to sell to the government the day after the public announcement was made that the government is buying them out.

Mr. Deputy Speaker, I will conclude my remarks by saying that I am not going to vote for this bill even though I would like to see gas in the towns and homes in my constituencies. I would far like to see better this government turfed out of office so we can bring sound business management back to the operation of Hydro, that we can get the kind of savings that were provided former Conservative administrations, Mr. Deputy Speaker, so that they can use the energy that is produced and distributed in Manitoba for Manitobans at a price in which they deserve. It's an absolute insult that we now have to go to the outside provinces to buy energy.

Mr. Deputy Speaker, we shouldn't have to look outside of Manitoba for a cheap energy source. I say it again and I'll say it again, if it had been management properly, we would be able to blow the socks off of any natural gas producer as far as cost competitive is concerned, but that opportunity to date has been blown. I don't think it's infinitum. I don't believe that at some point we won't be able to arrest it, because I can see, Mr. Deputy Speaker, once we get the energy, or with the capacity to produce that we have, water is going to go down the rivers and the streams, we're going to have to pay for the mistakes of the New Democratic Party - that will be our biggest cost - but it will generate hydro.

I see in the longer term, Mr. Deputy Speaker, the price of natural gas going up. I see the price of all our non-renewable resources going up. It's a given, Mr. Deputy Speaker, that that's going to happen. It's a given. This government hasn't been able to convince me or I don't think they'll be able to convince anybody else that because the province, the people of Manitoba, through a Crown corporation, buy a gas distribution system, that that will stop that natural thing from taking place. We do have control over our hydro - we don't over the gas source - and that's where there is a major breakdown in their argument that we're better off to own it at this stage.

I don't believe that, Mr. Deputy Speaker, and I'll stick to those grounds until I'm proven wrong. I, therefore, will be voting against the bill, Mr. Deputy Speaker.

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HOUSE BUSINESS

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Mr. Deputy Speaker.

I wonder if I might have leave to move two motions which will in fact move some of the bills from the committees in which they are now delegated to, to the Statutory Regulations and Orders Committee tonight?

MR. DEPUTY SPEAKER: Is there leave? (Agreed)

HON. J. COWAN: I would move then, Mr. Deputy Speaker, seconded by the Minister of Community Services, that Bill No. 24, An Act to amend The Corporations Act, be withdrawn from the Standing Committee on Economic Development and transferred to the Standing Committee on Statutory Regulations and Orders.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Government House Leader.

HON. J. COWAN: Mr. Deputy Speaker, I move that Bill No. 42, An Act to amend The Construction Industry Wages Act, be withdrawn from the Standing Committee on Industrial Relations and transferred to the Standing Committee on Statutory Regulations and Orders, seconded by the Minister of Community Services.

MOTION presented and carried.

COMMITTEE CHANGE

MR. DEPUTY SPEAKER: The Member for Kildonan.

MR. M. DOLIN: Thank you.

I move, seconded by the Member for Ellice, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Hon. L. Evans for the Hon. H. Harapiak.

MR. DEPUTY SPEAKER: Is that agreed? (Agreed)

MR. G. MERCIER: No, yeas and nays.

MR. DEPUTY SPEAKER: Agreed and so ordered.
The Opposition Whip, the Member for Emerson.

MR. A. DRIEDGER: Mr. Deputy Speaker, was that a debatable motion that we were dealing with? Maybe I want to debate that motion, Mr. Deputy Speaker.

ADJOURNED DEBATE ON SECOND READING (Cont'd) BILL NO. 68 - AN ACT TO GOVERN THE SUPPLY OF NATURAL GAS IN MANITOBA AND TO AMEND THE PUBLIC UTILITIES BOARD ACT

MR. A. DRIEDGER: I wish to address the bill. Is that acceptable?

MR. DEPUTY SPEAKER: Agreed.

MR. A. DRIEDGER: Well, Mr. Deputy Speaker, thank you very kindly.

I wasn't sure whether I was being recognized or not on the debate of the bill. With the motions that the Government Whip keeps putting forward, I thought maybe that was the motion that was being debated, but I wanted to speak specifically to Bill No. 68. I assume that will be acceptable.

MR. DEPUTY SPEAKER: By leave of the House, yes.

MR. A. DRIEDGER: Mr. Deputy Speaker, that is the bill that's under debate right now.

MR. DEPUTY SPEAKER: The bill under debate is Bill No. 68.

The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker. We finally got the confusion straightened out.

Mr. Deputy Speaker, I want to take a little time just indicating my concerns about this bill and indicating that I will not be voting for the bill, and I want to indicate the reason for that.

A MEMBER: No!

MR. A. DRIEDGER: Yes, yes. Definitely, I'll be voting against the bill.

Mr. Deputy Speaker, I want to relay some of the reaction that has happened since this bill first hit the floor of the House here and what's happened in my area. We've had a high-level technical debate on views for and against this bill, Mr. Deputy Speaker, and I want to just make some comments about the effect it will have on my constituency and what the people's reaction is to this kind of legislation.

In my constituency I have certain communities that are being serviced by natural gas and others that don't have that privilege - and I say privilege at this stage of the game, because I think that natural gas is one of the most economical fuels that we have available to us as sources of energy at the present time.

When I built my home ten years ago, we were debating as to what source of energy we should use. Should we go with oil heat? Should we go with natural gas? I would have had to pay the installation line charge from the road down to my property. Or would I go with electric heat?

It was at that time when the government and Hydro was promoting very strongly that the most economical heat then and in the future would be electric heat. We, in that debate among ourselves, my wife and myself, decided that electric heat was clean heat, and that we would go with that source of energy. That was almost 10 years ago.

I have been relatively happy with electrical heat until the last year or so and my rates keep rising substantially, and the hydro bill - I have a fair amount of square footage that I heat, Mr. Deputy Speaker, and as a result my hydro bill has jumped substantially. It is now getting to be a matter of major concern.

I just wanted to relate that because I was one of the ones that possibly had the option of tying into natural

gas because it runs along the highway off my property and I am in the process of reconsidering my position and maybe changing to natural gas in view of what's happening with their hydro rates and in view of the pending good prices that we have in natural gas.

However, Mr. Deputy Speaker, when this issue first surfaced here, the public reaction is what I gauged it on in my constituency. And, like I say in my constituency, some communities have natural gas, others do not.

But there hasn't been one individual who has come up to me and said that what the government is contemplating in taking over Inter-City Gas is a good move. They don't even worry about the economics that much; they just have a negative attitude about the government taking over natural gas.

When you ask them why, they say because they haven't run anything efficiently for the last number of years. That is the long and short of the whole reason why I'm opposed to this. That's why I'm opposed to this kind of a bill.

Mr. Deputy Speaker, there have been good comments made from both sides of the House about the possibility of the logistics of making this a Crown corporation. But the confidence of the people of Manitoba is not with this government to take over natural gas. And why is that?

It's because of the record of performance that this government has had, in almost everything that they have done. There is not the confidence of the people of Manitoba in this government in terms of running economic affairs.

A MEMBER: The Manitoba Liquor Control Commission - you say nothing?

MR. A. DRIEDGER: Well, okay. There's one that . . . and there are people who contribute to that.

But they look at the record of this government - partly because this Opposition's been doing a good job in terms of bringing forward some of these things that have gone wrong - I'm talking of Manitoba Telephone System, MTX. That is the thing that sticks in people's minds and when they think of government running things, they think of MTX. They think of MPIC - Manitoba Public Insurance Corporation, the difficulty that corporation's had. And we've just had people today speak in this House saying that Manitoba Public Insurance Corporation was the best thing that ever happened. It is maybe, but it is not being run well; we now have deficits there.

Another illustration - Workers Compensation. You know, we go through the legacy of what has happened, the deficits that have been accumulated in almost all the Crown corporations.

(Madam Speaker in the Chair.)

When we go back to the history when the NDP first got elected in Manitoba and they got involved in Crown corporations, it's been a legacy of failure, mismanagement, lack of financial ability. Madam Speaker, I don't know why it is that a group of 30 people elected cannot bring people forward with the ability to run Crown corporations properly, but that is what has happened. They have all been mismanaged, and that is the stigma that is in people's minds when

we talk of this government taking over another major Crown corporation or forming another major Crown corporation with Inter-City Gas. The confidence of the people is not with this government.

Madam Speaker, I dare say that if this NDP party, this government, had managed to run the affairs of the Crown corporations, of MTX and MTS, of Autopac, of Workers Compensation, had run them efficiently, they could come forward and the public would buy it. They'd accept that. They'd accept it and say these are good managers. They are good managers and, if they come up with a program to form natural gas into a Crown corporation and look at providing this service maybe to more people in Manitoba, it would sell. But it's not selling now. Certainly in my area and, Madam Speaker, I have many people who are supporters of this party in my constituency, but even they are not telling me that they should be buying this, getting into this kind of investment.

The question that basically has to get asked is: Would somebody explain, on the government side, the economics of what's going to happen? The selling job right now is that people who are users of natural gas will get a reduction.

I had the experience in my community where people wanted to tie into natural gas some grain dryers, some livestock operations, broiler operations. Inter-City Gas, as a private organization, said tell us how much gas you'll use. We'll work out the economics of it and, if it is feasible so we have a return on the dollar, we will put in the gas. You give us an estimate of how much you'll use. Madam Speaker, to me, that makes sense because, if it isn't viable, why would a private corporation, who is there to make money for their shareholders, why would they do something that they wouldn't be making money on?

Wherever there is natural gas right now under the gas distribution system, where there is an opportunity to expand on that and make money, Inter-City Gas has done that. They've done that. Now we're talking of the government taking over Inter-City Gas. Our leader talked about that this government is going to be playing politics with this bill, with this endeavour that they're getting into, and I suspect that is true because, Madam Speaker, if there was profit to be made by bringing gas to Sundown, to Swan River, I would think that - I use that as an example. Whichever community we want to pick that doesn't have it, if there was profit to be made, Inter-City Gas would have done it. They've exploited almost all the avenues where they can make revenue by supplying natural gas. Now government is going to take this over and my people tell me, are we going to get natural gas. I say, I don't know.

Now if the government is doing this strictly to play politics for the next election, they're going to have a dilemma. They have a dilemma right now, Madam Speaker, in terms of ever seeing government again. If this is what they try to use, then explain the economics to me. Why or how can this government take over a company right now that is doing a good job and showing profit, not excessive profit but showing profit, how will government take over this corporation and then start showing either they would maintain it the way it is to try and show some profit or, if they're going to extend these services to people more than have these services right now, who is going to pay the cost? -(Interjection)- Better negotiations - we've seen that.

Madam Speaker, can anybody justify who's going to pay for the cost of extending the service in my constituency, which is an extensive constituency? How will the people in Middlebro, Sprague, or Vita, all the way down Highway 201, how are these people going to get that benefit, or will they, or Vita? How are we going to justify the economics of putting lines down there? Are we just going to service communities or is the farm community going to be serviced as well like they have with Telephone and Manitoba Hydro? Are they all going to get it?

What happens, Madam Speaker, if this does not happen, that all Manitobans have the advantage of it, but all Manitobans will be paying through the tax dollars for this venture. All of my people will be paying, whether they have gas or not, and the benefit will be for who? For those that have gas, and there's no way, Madam Speaker, nobody can kid anybody that it's economically feasible to put gas into everybody's home in Manitoba. It just isn't there, because if that's what the intention is of this government, gas is going to cost us more than hydro, and that is why I'm not sure whether I want to put gas in now, in spite of the high cost of hydro, because if we're going to start supplying natural gas for all the people in Manitoba, the cost has to go up; there is no other choice.

Those are some of the problems, Madam Speaker, that I can foresee in government taking over Inter-City Gas, their poor record of performance over the many years that they've been in government. They don't have the confidence of the people that they are good business managers, and the fact that there's going to be people in my constituency helping pay for subsidized gas in the City of Winnipeg if they take that over and will not have the benefit.

Madam Speaker, I suspect that government, because they don't listen to the people too much in spite of what they say, and we've seen that illustrated just yesterday, last night, and we've seen that illustrated in many other cases. They listen but they do exactly what they want, and a good example of it walked right in front of me here right now, an individual who does not listen to the people of Manitoba. If he listens, he certainly does whatever he wants, whatever he has his mind set on and he's illustrated that to his own caucus, because some of them would not like to follow his leading necessarily, but they have no choice. The same thing is happening with this bill, Madam Speaker.-(Interjection)- I was getting down to it, Madam Speaker, I just used the scenario as an example.

But, Madam Speaker, that is the difficulty that people in my constituency have. They can't see the economic rationale for this kind of legislation, for this government, because of their poor performance, because of the fact that they are not confident that they will be able to get this kind of service provided to them.

In a sense, Madam Speaker, this government has worked on deception and dishonesty in many cases, when they bring forward the cases they have, they've operated on deception and dishonesty in terms of dealing with the people of Manitoba, and it's finally catching up.

The people in Manitoba are finally reading what's happening with this government, that they are not a capable bunch because, Madam Speaker, before this Session ends - and it could probably end this week

sometime - and given the opportunity under the concurrence motion, I would like to just take some time and go through the record of all the Ministers sitting in this House on the government side. It's a legacy of frustration, it is a legacy of mismanagement, and then we know why the people feel the way that they feel about this government.

Madam Speaker, as I indicated before, I did not necessarily follow through extensively on the comments made by the Premier. I followed the comments by my leader who raised many points of concern and we were debating on the technical aspect of it, buy gas cheaper, sell it, whatever have you, but these are questions that have to be brought forward to the people of Manitoba.

I'm just wondering, Madam Speaker, there was some talk about a poll having been taken. If this government would do an honest poll to all people in Manitoba, asking - would you be in favour of having the NDP Government, the Government of the Day, take over Inter-City Gas? - you would be surprised at the results. You would be surprised. I'd predict that it would be the same thing as it was in Bill 47, that 80 to 90 percent of the people would be opposed to it.

Madam Speaker, it is for that reason, in my opinion, why people are opposing. They have no confidence in this government; they don't have any confidence in the Minister who is involved; they don't have confidence in the Premier or even the Attorney-General, because this is a government that says they listen, and then they turn around and do exactly as they please. I had to throw that in because you were so handy.

Madam Speaker, when we consider that this government is financially bankrupt, I think they're mentally bankrupt . . .

A MEMBER: Morally bankrupt.

MR. A. DRIEDGER: As of the last few days, even morally bankrupt, yes.

Madam Speaker, when you consider that in their desperation for funding, they have increased almost - I would say invariably - all aspects of rates, licences, everything is increased, and they haven't improved the financial position of the province. The deficit is virtually as big as it ever was with dramatic tax increases, rate increases, in everything that's been done and services being cut back, especially in areas where they prided themselves on. Health, for example, and they're closing hospital beds. There's this kind of impression that is out there in the public's eyes. That is why the people of Manitoba do not want this government to go into the natural gas distribution system.

Madam Speaker, I'll just make a little prediction that it won't be very long in the future, if this government goes through with this, that we will be seeing, maybe in the interim by subsidizing the rates whatever the case may be that might be of benefit, but the long-term project under this administration is going to be a disaster. It's going to be a disaster. I believe that one of the reasons they want to get their hands on Inter-City Gas, on the natural gas distribution system, is that they can play a lot of politics with that.

My leader aptly described what he envisioned would happen, and I believe that's what will happen. By the time the smoke clears, Madam Speaker, the rates are

going to be not beneficial. I wish I could see in a crystal ball, because I am concerned about what's going to be happening with natural gas. Before this came up, Madam Speaker, I was tempted to maybe tie in to the natural gas system, which I could probably do with my home, now I'm in a dilemma again, because if this government gets into it, I might see the advantage for a year or two and then I'll be paying the price. I'll be paying the price.

Madam Speaker, those basically are the comments that I wanted to put on the record. I feel this is a bad move for government to get into that. As I indicated before, it is because they do not seemingly understand how to run an economic operation. Their history speaks for itself. It is most unfortunate. You know who are the losers are, Madam Speaker? The people of Manitoba.

Unfortunately, this government was in power for eight years, people in Manitoba got a reprieve, and now they're in for their second term again. The cost of those years of NDP administration and running the finances and economics of this province will be with the people of Manitoba for a long, long time. The same thing will be happening with this bill. If we pass this bill and they take over Inter-City Gas, the people of Manitoba in the end result are going to be paying the price for that.

Thank you.

MADAM SPEAKER: The Honourable Member for Elmwood.

MR. J. MALOWAY: It gives me great pleasure to rise to speak in favour of Bill No. 68, and I agree with the Premier that this is probably the most important bill, in my opinion, since the Autopac bill of 1970.

I wanted to deal with some of the comments that were made by some of the previous speakers. We had the dean of the P.C. Caucus, the actual critic for Energy, the man who would be the Minister if they were in government, speaking about the expansion of service in the province, totally, diametrically opposed to the position of his leader.

I wanted to dig in for a moment to try to figure out why there is so much confusion in that caucus. I mean, certainly, with 26 members, you would think that they could at least develop some kind of a policy regarding the energy question.

I look back to a Free Press article of Thursday, June 23, where we might look for perhaps a partial explanation of the confusion that reigns over there. I'd like to quote: "Mr. Enns said he asked the Tory caucus last October, when the Public Utilities Board started hearing the rate application from ICG, to formulate a policy on the natural gas issue. 'Obviously, the caucus didn't do anything about it,' he said." A major issue like this and the critic could not convince his other 25 colleagues to develop a policy and a position on it.

Another observation - and I believe that the Member for Lakeside philosophically is in favour of this. He certainly repeated in public many, many times, but he has a more practical reason for supporting it and that, too, was explained in the same article. He said, "If we oppose that bill, we could be decimated in some parts of rural Manitoba in the next election." Maybe they should put him in charge of their election planning - he would have done a lot better than the Big Blue Machine people.

He goes on to say that the NDP will try to use the natural gas issue in the next election to make dents in the traditional Tory strongholds of Southwestern Manitoba by offering new natural gas lines. In places like Teulon, we could lose up to 1,200 votes right away. So those are some of the observations that the Energy critic in the P.C. Caucus has made so far.

In reference to the Member for Arthur, who made a comment about the city and the country being whipsawed, it's the P.C. Caucus who has done that; the division between the Member for Lakeside and the supposed leader of the party who have caused that problem, the element of confusion.

Now I do know that the previous member who spoke, the Member for Emerson, had made a suggestion that perhaps the government wanted to put natural gas into every home in the province. Even the Member for Lakeside made that fairly clear, that what he wanted was a study and even he would not support the uneconomical servicing of single homeowners miles from nowhere. What he has asked for is a study and, where feasible, to extend the service, but not necessarily not extend it because it might require a little bit of a subsidy and that's really the argument over there. The leader of the party doesn't believe that - really wants rate reductions for City of Winnipeg users and doesn't want to spend any of that money on what he considers subsidizing rural customers.

The Member for Lakeside, rightly so, hearkens back to the history of the development of the phone system, the development of the hydro system, and demonstrates that you have to in a way, I suppose, spend some money to make some money or spend some money to make people's lives better. If you're going to follow the bunker mentality of the Leader of the Opposition, then in fact you wouldn't have the head office of the MPIIC in Brandon. You'd have it in Winnipeg because it's more economical to be there. You wouldn't have any regional expansion. You'd have your head offices of companies being headquartered in Toronto where it's perhaps more economical for them to operate from.

Now you know, I did want to make some observations and deal with some of the problems of some of the members of the Opposition. The Member for again Emerson said that he had no demands for a takeover of the gas company out in his constituency. Well, perhaps he's not explaining it properly, and perhaps we should send a letter out to some of these 1,256 users of natural gas in his constituency and explain the issue to him, and explain to them that this particular member is voting against a measure that has the effect of reducing their gas bills. I'd like to see how much support he gets from them in the next election, when and if that happens.

The Member for La Verendrye has 2,834 users in his constituency. I'm sure they'd like to know that he's opposing an effort to give them reduced gas prices. The Member for Roblin-Russell has 1,609 people to explain his position to. The Member for Springfield has 1,173, and his margin is not that wide that he can afford to ignore 1,173 users. The -(Interjection)- well, we'll get to the Member for Portage. The Member for Pembina, who is leaping up from his seat here to make comments, 2,171 users. There are probably a couple of votes per house, so the member ought to think twice before arbitrarily opposing this bill. The Member for

Morris, well, he only has 850 people to answer to who are gas users; and in Minnedosa, 1,205.

Now the Member for Portage la Prairie - actually, the Member for Portage la Prairie has the largest number of users in the rural area, 3,842 households who are equipped with natural gas. The Member for Lakeside only has 750, so he'll have an easier time.

Madam Speaker, I also noted that the Member for Lakeside has even slipped further away out of the fold of the Conservative caucus when he, in fact, now wants to take over the propane business. There's a lot of hope for that member over there.

The Opposition appears to be grasping at straws, trying to find their way through this mess and perhaps - I don't believe there's a design here - but perhaps it is good strategy to have a stalking horse out there, checking around for mines, so they really can say that they were on both sides of the issue. I don't think that would wash. However, perhaps they don't have a choice in the matter. The Member for Lakeside hasn't given them that choice, so they will have to make the best of a bad situation.

Now, in 1973 - the period between '73 and '77 - they finally came up with a formula that they used successfully to defeat the government and they appeared to be hearkening back to that now, hoping that perhaps they can talk enough about mismanagement, convince enough people that in fact the NDP Government should be replaced because it doesn't run this company right and another company right. It worked for them that time.

But, the reason I think it did was because the government was not at that time showing any initiative and so people had nothing to look forward to from the government and it went down. People bought the argument from the Opposition of mismanagement and waste and this kind of thing.

It's not going to work this time. They are trying to weave this web, but I don't believe it's going to work this time because we have taken the initiative this Session in three or four major areas and I believe people will judge us on the basis of those initiatives as opposed to perceived problems in terms of management and the running of businesses.

I did want to make some comments about these statements made by the Opposition almost on a daily basis about the Crown corporations. Now, perhaps if we took a look for a moment at the Autopac corporation, you know, you can't take this in isolation. Insurance is a worldwide business and in the last few years it suffered tremendous losses.

In fact, the property casualty insurance business has had underwriting losses since 1977. So it's not surprising that a government corporation operating in the same markets as private companies in a poor market is going to show some adverse results. But in the area of reinsurance companies in Canada, just two figures merit looking at.

The reinsurance companies in the country, the 45 reinsurance companies in the country, in 1985 their underwriting loss was \$106 million. In 1986, a year later, it improved. They only lost \$63 million. So you see the business had improved somewhat in one year, dramatically. As the Minister of the MPIC pointed out, the new book of assumed reinsurance is showing much, much better results. And well it should, when you've got phenomenal increases in rates.

So you have to look at the overall picture. I know it's very easy for the members of the Opposition to be skulking around, looking for skeletons here and boogey-persons there.

Also, the MTX - it's fine when an economy is in good shape as Alberta was in 1978 - a lot of sins are masked. If you're making money, if a company is making money, then certain travesties are not only overlooked, but they're not discovered. But when the price of oil dropped last year to as low as \$10 a barrel U.S., nobody was making money in Saudi Arabia - not the people who produced the oil, not the people who sell the oil and not the people who sell the computers.

So when the economy goes down and you have businesses, it's a chain reaction. Businesses lose money; then it's easy to start nit-picking and say well, you shouldn't have been there in the first place. You know, it's very easy to take a very simplistic - and I'm surprised coming from people who supposedly know something about business. The Member for Morris perhaps knows a bit, but beyond that, I don't think there are too many over there. Well, there are two or three, but beyond that, I don't see too many.

Now you know I did want to make a couple of comments about the control of a capital within the economy. I don't know how you're supposed to plan an economy if you don't have some direction or control over some of the capital. I'm particularly interested in that control when it applies to basic resources and, in particular, government monopolies. When you think about that for a moment, what did the Conservatives do when they were in government? You would think that, philosophically, they would sell these companies off and, in fact, they did. Yes, I think they sold a couple of money losers. They probably paid people to take them - well they gave them away.

MR. D. ORCHARD: You did that with Flyer.

MR. J. MALOWAY: Well, you didn't do anything about Flyer either. You had an opportunity to sell it and you didn't do it.

But you know, what did they do when they had the opportunity to holus-bolus sell Crown corporations? They didn't do it, because once in power, the Conservatives, in many ways, become good state capitalists in their own right. They need money to fund the operations of the province. And how are they going to raise the money? Raise the taxes? Well, you know, no government likes doing that. So when you have an insurance corporation that has assets in the neighbourhood of \$300 million and supplies a very, very lot of capital to hospital developments, a senior citizen home development in the province, you know, you don't look a gift horse in the mouth and sell something like that. You are going to try to retain it.

So even Conservatives, when they get close to power - heaven forbid that it should happen in Manitoba - really sort of, in the past anyway, taken second looks at this. Now, of course, there are these born-again capitalists, like the Member for Pembina, who would probably holus-bolus want to sell the roads, sell the hospitals, sell the liquor stores. They even looked at selling liquor stores at some point; but, you see, as long as the Member for Lakeside is there, as long as

he's there, he's going to keep them on the right track. He's our only ally over there, but he'll try to keep them sane and one would hope that he lives long enough to be able to do that, because with any luck, they won't be in power for many, many, many years.

Madam Speaker, before I conclude, I did want to make a comment about the -(Interjection)- Well, you know, I think I've hit almost everybody so far, but again the Conservative caucus . . .

A MEMBER: Progressive Conservative.

MR. J. MALOWAY: Well, I'm not so sure Harry's a Progressive Conservative. I think he's more a Progressive these days. I mean Progressive in the sense of the Progressive Party of Manitoba.

In any event, I think the Conservative Party, the caucus, are trying to feel their way through this one because they've got some real problems. People are not as upset or easily upset as they were back in 1970 when a new government came in and people could run around and organize mass demonstrations against those terrible socialists.- (Interjection)- Evil socialists, that's right.

But now, 15 years later, you have an equally important bill that will dramatically change the province, but you have a different mix. Perhaps we're old socialists now and people are used to us, but we've got a member of the Opposition on side here, so the mix is much different. So the caucus over there will have real difficulty coming to terms with how to get a handle on this one and try to maximize their political capital out of it.

Thank you very much, Madam Speaker.

INTRODUCTION OF GUESTS

MADAM SPEAKER: May I direct the attention of honourable members to the gallery where we have 17 Girl Guides from North Dakota and Minnesota under the direction of Mrs. Mary Kay Utterback.

On behalf of all the members, I welcome you to our Legislature this afternoon.

ADJOURNED DEBATE ON SECOND READING (Cont'd)

BILL NO. 68 - AN ACT TO GOVERN THE SUPPLY OF NATURAL GAS IN MANITOBA AND TO AMEND THE PUBLIC UTILITIES BOARD ACT

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker.

I hadn't planned on speaking to this bill. Most of my colleagues have covered the ground fairly well but, after listening to some of the speakers on the other side and, more particularly, the First Minister when he went into his great tirade on what a wonderful opportunity this was for all Manitobans - I think when he makes those statements we get a little suspect because we've seen some of the things that he has done to all Manitobans during his term.

We all know, Madam Speaker, that he's looking for a hot issue, something that he can hang his hat on for the next election because he wants to get the third term and beat former Premier Schreyer's record.

I noticed with interest the little honeymoon that the NDP Federal Party are having in the polls these days, that there's a call going out for the former Premier, Mr. Schreyer, Mr. Barrett from B.C. and Mr. Blakeney from Saskatchewan to come out as federal candidates. He's looking for calling in the IOU's for the big guns, but I noticed the Premier of Manitoba wasn't mentioned. I guess maybe he wants to go with some potential winners instead of losers. My opinion of Mr. Broadbent changed somewhat, but there's no question about it, Madam Speaker, that this will be turned into an election issue if they can possibly use it to some advantage. I don't think the people of Manitoba, especially rural Manitoba, are going to be that gullible.

None of us on this side, Madam Speaker, are opposed to seeing savings or reduced rates for natural gas. We happen to have natural gas in Minnedosa and I heat my home with it. I would love to see the rates reduced because in the wintertime those bills are fairly hefty, let me tell you. But I would hate to think what they might be if I heated with electricity. And that's all you have to do with the people out in rural areas is just have them look at their hydro bills, what's happened to their hydro bills in the last number of years with the government controlled utility. They're afraid that if they were to switch from hydro to natural gas, they may get a benefit for a year or two and then they would see the gas prices skyrocket, such as hydro has done.

But for the amount of dollars that's going to have to be put out to purchase this gas distribution system, Madam Speaker, if that gas is available out there at the prices they're quoting, \$1.75 compared with \$3, surely those prices are going to come down anyway. For \$180 million, or whatever it's going to cost us to get control of this distribution system, that would have gone a long way if they are so concerned about getting the price of gas down to the consumers. It would have gone a long way to subsidize their rates for a few years until those gas prices came down and then they're going to get the savings anyway.

So to go out and purchase this company, knowing the record of this government in running utilities or corporations, Madam Speaker, has been atrocious. There's a litany of them; we don't have to go back over them again. It's been mentioned by several of my colleagues. But anything that the government has got involved in has not turned out very successfully. The fear is out there with the average Manitoban that they prefer to use so often in describing the voters; the fear is out there that if the government gets involved with it, it's going to be another disaster.

The Member for Elmwood dwelt on the popularity and the profits that MPIC has chalked up, but he also mentioned the general business. The general business, which is in competition with the real world out there, has lost money every year. The automobile business is a captive market. You don't drive the car unless you insure. Naturally it should make money. It shouldn't be losing the money that it's losing, there's no question about that.

But the general business has lost money every year. It's out there in competition with the real world. You

don't have to give it away. If you can find a sucker to sell it to, sell it, but keep the auto business. But you get into competition, you find out where the real world is and you lose money.- (Interjection)- The Member for Rossmere said, do you want to put some more money in Brazil? There are an awful lot of investment corporations who have put money in Brazil, and in Mexico, and in Argentina, and a few other places.

The International Monetary Fund has put more money in there than the Royal Bank ever did. I think they will readily admit that their losses there are maybe going to be about the equivalent to their losses in agriculture over the next few years. So you have to balance one off against the other.

At one time, there was an awful lot of money made in the international markets, and that's why they were there. Now they're taking their licks and they're big boys, they can bounce back. I have no worry about them at all. They don't have to defend the chartered banks, they'll defend themselves quite well. They're big boys and they're out playing hardball.

It's too bad that when the MPIC got into the reinsurance market, they didn't hire some expertise that knew what was going on in the international market, then we may not have been in the mess that we're in with a \$100-some-odd million in losses, Madam Speaker.

But this particular bill, Bill No. 68, as I mentioned earlier, there is no one opposed to seeing natural gas distributed to a larger number of Manitobans. We'd love to see the system expanded. If it had been a profitable operation, it would have been expanded. The Premier is saying we are going to save the consumers this much money; we're going to save the business people this much money. Then he says we're going to extend the natural gas distribution system.

Madam Speaker, enlarging the distribution system is going to cost millions of dollars, I'm sure. The former Rhodes Scholar is well aware of the costs of expanding a distribution system, so I don't know where the savings are going to be. You can expand hydro a lot easier and a lot cheaper than you can expand a gas distribution system.

So if they're going to spend this money to expand the system, where are the savings going to be? We're going to have to borrow another \$0.5 billion or \$1 billion to expand the system, and the interest on that is going to swallow up any savings. If it were possible, it would have been done. I think the gas company is laughing all the way to the bank, Madam Speaker. They've got a good one on the hook and they're not going to let them go.

The shareholders are standing back, clapping their hands. We're getting rid of a little wee 10 percent of our operation and we're getting rid of it for a potful and it's going to be a good deal for us, so let the government have it and let them run it. We'll be able to get our people out of Manitoba, where we're paying payroll tax and corporate tax and all that and we'll move back to Toronto and just handle our operation and let our profits grow and pick up the interest on the \$180 million, or whatever they're going to pick up from this government.

Madam Speaker, the funds that are going to be used here, we are closing hospital beds, our highways are deteriorating to a point where they're getting atrocious

in some areas. There has to be funds put into there. They've increased all the fees over the last number of years. Those funds should have been going into highways, but the Minister seems to get snookered out of them whenever he gets in the Cabinet room, and we only get a little bit for highways.

So the people out there are not going to be taken in, the fact the government is going to take over the gas system, reduce the cost of gas to everybody. They have seen this government operate before. They've seen their hydro rates go up 8, 9, 10, 5, whatever - it's going to be higher probably from now on. They go back a few years and compare their bills then to what they are now and they know what happens when the government has to borrow a potful of money to build another hydro plant. They know what's going to happen when they have to borrow money to increase the distribution system of the gas company, and they're not going to be fooled. They can make this into an election issue, if they like, Madam Speaker, but the people out there aren't going to be fooled.

I just want to put on the record that if it were possible to increase (sic) the cost of natural gas to my constituents, certainly I'm in favour of that, but there may be other ways that it could be done without going into a massive purchase of a gas company and all that goes with it, with the mismanagement that we've seen in the other Crown corporations. It's just not going to wash if they think that's going to be an election issue.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

I'm very pleased to be able to participate in this debate, with a sense, Madam Speaker, that in every Session there are some issues that show the clear differences between the parties in this Legislature.

If ever there was an issue that showed that difference, it's this issue, Madam Speaker. I can't think of a more clear issue. I see 200,000 consumers in Manitoba. I see them being charged \$3 per thousand square feet. I see contracts being available, Madam Speaker, in the neighbourhood of \$2 per thousand square feet. That results in the potential saving of \$150 a year per existing homeowner, and up to \$1,600 a year for the average small business. I see, Madam Speaker, the possibility of expanded service to, yes, areas such as Thompson, which do not have natural gas service at the present time, service which clearly will not be provided by ICG.

So I see on the one hand, Madam Speaker, the clear fact that there's a problem with natural gas supplies. Now, what has the NDP Government done? It's acted. You know, it's no surprise that the NDP would look at the model of public ownership. Certainly, it's been a major principle of the New Democratic Party since its foundation and of the CCF before that. What have the Tories said? Well, we've seen today, Madam Speaker, apart from the solitary position taken by the Member for Lakeside, we've had Conservatives get up and basically say, as the Member for Emerson did, that ICG is doing a good job. That's what he said, Madam Speaker; ICG is doing a good job. In fact, he said in his speech that ICG is making profit, a significant amount of profit.

Well, Madam Speaker, I wish the Conservatives would recognize that that's exactly the problem. They do a very good job for themselves but they're not doing a good job for the people of Manitoba. If they were, the people of Manitoba who do have natural gas service would be paying in the neighborhood of \$2 per thousand square feet.

Madam Speaker, if ICG was doing a good job it would have acted on some of its own internal studies in terms of possible expansion of service. Well, the fact is ICG has done nothing for the people of Manitoba and that is why this government has had to act.

And I think, Madam Speaker, that the Member for Elmwood earlier spoke quite well of the fact that there was a time when perhaps even Conservatives would have recognized that. And I think it's significant in this debate that the one Conservative who has recognized the need to do what this government is doing, the important principle of public ownership of public utilities, is the Member for Lakeside, because he is the most senior member of the Conservative caucus.

And he perhaps remembers the time when the Conservative Party believed in public ownership, when it believed, in particular, in the need to have public ownership of public utilities.

You know, and I thought, Madam Speaker, that the Member for Lakeside summed it up quite well in the Winnipeg Sun when he said, "I really have serious difficulties in not recognizing that natural gas is, in fact, a public utility. If it is a public utility, then what is so wrong with having the government run it?" Well, exactly Madam Speaker.

It was, as the Member for Lakeside and members on this side have pointed out, that kind of political outlook that led to the expansion of service in many public utilities in this province. It was public ownership that did that. Well, why then, Madam Speaker, do we have the most senior member of the Conservative caucus speaking out on this issue and everyone else in the caucus seemingly following the party line of their leader, the Member for Tuxedo? Well I suspect part of it is that the Tories are victims of their own rhetoric.

You know, for the last number of years in this province - federally as well - they've been launching an unprecedented series of attacks on Crown corporations, on the principle of public ownership. Madam Speaker, in this province we remember well the attacks that took place against Autopac.

I remember reading of the Tories wearing black armbands when Autopac was introduced in 1970. Oh, I remember, for the Member for Minnedosa, Madam Speaker, I remember the Tories doing this ridiculous thing of wearing black armbands saying Autopac was a bad thing for the Province of Manitoba.

I remember them campaigning in '77 with a very clear indication to most people in this province that they would review Autopac and even look at privatizing it, to use the term they like so often. Well, Madam Speaker, if it's not true, then why did they waste so much of the taxpayers' money in reviewing the operations of Autopac and then coming up with the conclusion that most Manitobans had, that Autopac was doing a good job?

Well, Madam Speaker, the fact is that they're victims of their own rhetoric. There was a time when they could, quite legitimately, get up as did the Member for

Lakeside, who knows better, who comes from an era when Tories did believe in public ownership, support this bill in principle, perhaps disagree, as the Member for Lakeside does quite legitimately in terms of specifics, but support the basic principle. So, they're victims of their own rhetoric.

I want to say clearly, Madam Speaker, for the record, that I support both the principle of this bill and also the specific mechanism that has been announced by this government to take over the operations of Inter-City Gas in this province and make sure, Madam Speaker, that gas is provided to the people of Manitoba in a manner which suits what it is, the fact that it is a public utility, and the appropriate vehicle being, public ownership, Madam Speaker.

I also want to address the service issue. And I want to do it, Madam Speaker, stating very clearly right from the start, that unlike some members who have been equivocal on the question of service in their constituency - something I find very surprising - I want to say right from the start, Madam Speaker, that I intend to lobby for increased service in the Thompson constituency.

At the present time, Madam Speaker, we have propane, which is a very expensive source of energy. And I fought against the high propane cost in my constituency over the last several years. I will be lobbying for that, Madam Speaker. I recognize that it has to be looked at in terms of feasibility. But I really believe there's a good strong possibility of being able to distribute natural gas in the Thompson area. In fact, the delivery mechanism is already there. Madam Speaker, the propane delivery system could be used for natural gas. So I make no qualms about it, Madam Speaker. I will be lobbying for my constituency.

I must admit that I'm puzzled from not hearing from, for example, the Member for Roblin-Russell. You know, I can sympathize with the situation he's in. Obviously, I differ in political views. In 1981, I was elected by 72 votes, Madam Speaker, 72 votes. They called me "Landslide." I believe the Member for Roblin-Russell has been elected by a similar margin.

One thing I remember - and certainly other members have been in very tight election situations, as the Member for St. Boniface points out - but one thing I remember, Madam Speaker, the people sent me a clear message; Conservatives, New Democrats, Liberals, it didn't matter. They said that regardless of what happened in that election, they expected me to get in there and fight for the Thompson constituency. I am wondering where the Member for Roblin-Russell is on this particular question. Madam Speaker, the Member for Roblin-Russell has a significant number of users of natural gas in his constituency - 1,600. Where is he on this particular debate?

How about the Member for Portage, Madam Speaker? He has 3,800 consumers of natural gas in his constituency. I happen to know that some of his constituents approached him a number of months ago and asked him to raise this matter in the Legislature, to bring a resolution calling for public ownership of the natural gas distribution system. So where's the Member for Portage now standing up for his constituents?

I could run through constituency after constituency represented by members opposite, where their members have either been conspicuously silent, Madam Speaker, or where they have in fact indicated their

opposition to something, Madam Speaker, that could benefit their constituencies greatly. I think what surprises me the most is the fact that they're doing this despite clear evidence, I think, that one of the main reasons the Leader of the Opposition, the Member for Tuxedo, does not want public ownership is he's afraid of expanded services. He talked in his speech about City of Winnipeg customers subsidizing rural expansion of service.

Well, Madam Speaker, I have said quite clearly, I believe that expansion of service should be feasible. I'm not suggesting that every household be hooked up immediately, Madam Speaker. Of course, one has to look at the feasibility of that. But I think it's interesting that the rural members opposite, who always talk about perimeter vision on issues, have not called their own leader to task for showing clear perimeter vision on this issue.

The Leader of the Opposition clearly does not understand the needs of rural and Northern Manitoba. If he did, he would be supporting this particular bill. I give the Member for Lakeside credit, Madam Speaker, for pointing that out to the people of this province, the fact that this move makes sense for the rural areas.

It's not just a question of the politics of it, although I can tell the Members of the Opposition that in this next election, New Democrats will be fighting hard, Madam Speaker, on this issue. They'll be proudly pointing to the fact this will have saved the people of Manitoba money. And they'll be pointing out what would happen if the Tories got in, given their opposition to this, Madam Speaker. They will be asking the people of Manitoba, I'm sure, in the next election - my colleagues throughout the province - do you want the Tories to take away the public ownership of gas and take away the benefits that it's given you in terms of service and cheaper prices?

We will fight this in the next election. Let there be no doubt about it. But let there also be no doubt that this makes sense in principle. It will provide better service and it will provide cheaper prices to both rural and Northern Manitoba, and, yes, to the City of Winnipeg as well. It will benefit all parts of the province.

So, Madam Speaker, in concluding, I think, as I said, there are bills that show the clear difference between the parties in this House. This is such a bill, Madam Speaker. There is a difference that is evident today, but I think in many ways there'll be a difference that will be even more evident in a couple of years.

It reminds me so much of the Autopac debate. As I remember, reading the newspaper accounts of the debate at that time, and I referred to some earlier, some of the things that the Tories did at that time, within a year or two it was painfully obvious to everyone, including a lot of the Tories, that Autopac made sense.

In fact, when they were elected in '77, they did not scrap Autopac, as they might have liked to have done in a previous political incarnation and I think the same will be the case in terms of natural gas. I think it's clear that the people of Manitoba will be saving money within the next few years. I think it's clear there'll be expanded service. I think anyone who bothers to research the subject objectively, as has the Member for Lakeside, will see that. So they will see two basic things: First of all, there is a difference in principle. There is a difference in principle. The New Democratic Party

remains committed to public ownership to benefit the people of this province. It's a fundamental principle. And second of all, they'll see another basic difference as well, that our basic principles, Madam Speaker, as a party, also makes sense.

They will save the people of Manitoba money as they have done with Autopac, as they have done with MTS, as they have done with Hydro - all public utilities, publicly-owned. It will save people money. It will provide expanded service as we've done with our previous public utilities. They will see two differences, Madam Speaker: (1) the New Democratic Party has the right principles; and (2) there is a difference. Our policies make sense; the Tory policies particularly on this issue, Madam Speaker, show absolutely no sense. And I'll fight an election on that sort of a scenario any day. Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker.

I would like to say a few words about Bill 68, An Act to Govern the Supply of Natural Gas in Manitoba. I want to say that after listening to the Member for Thompson when he said he wanted to fight the election on this issue, well, there was no doubt in anybody's mind that this bill was brought in as an election issue, because no government has been in as much trouble as this particular government is at the time. They needed desperately something and they think that this bill is going to do it, that they can buy the average Manitoban for \$150 a year, \$12.50 a month possibly.

But I will tell you, Madam Speaker, that in my constituency the minute it was mentioned, my phone started ringing. And the businessmen, the small businessmen, who are going to make this giant saving of \$1,600 a year, were the very ones who were opposed to this type of legislation because they know the record of this government. The record of this government in business is dismal at best.

It is not a government that can be in business. I don't believe any government really can be in business and should be in business, but this government, in particular, to suggest that they are going to run an election and we are going to be surprised because of this particular issue - this is their issue.

But I will tell you, Madam Speaker, that health care will come before this, because health care is going to defeat them and so is this because people know the kind of government that this has been in every area. The First Minister this afternoon said all Manitobans are entitled to equal access. Madam Speaker, when it says equal access, then they're going to have to spend money, lots of money on distribution. The First Minister went on to say we may indeed have to pay some of the cost. Well, there goes my \$12.50 a month and my \$150 a year, but not before the election, Madam Speaker, not before the election, that much I know. I'm going to get that \$150 and my constituents are going to get it before the election and every businessman will get his \$1,600 for the year, but right after the election, if this government should get elected - and heaven forbid that that should happen - it will all be wiped out.

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First of all, in this legislation, it states that the O/C's will be able to appoint the president of this company. Right away we're in deep trouble because they never hire anyone who is really competent in the field that they're in. They hire a friend or somebody sees them coming. Was it Manfor, where the top executive was earning over \$200,000 a year and they said he would earn that if he was in private enterprise? The man was 65 years old. He wouldn't earn that anywhere; he'd be retired. They see them coming, Madam Speaker, and this is what is going to happen with this particular bill.

This is not a question of public versus private. This is a question of an incompetent NDP Government taking over a company when they could have done it through regulation. They could have done it through regulation but they didn't want to do it by regulation. The Minister in charge of Energy has been dying to get into another business and here was his big chance.

(Mr. Deputy Speaker in the Chair.)

So Inter-City Gas, they charge us too much for gas and when we don't agree, then the government says we'll buy you out. They must have been thrilled to see this government coming. What kind of a better deal would you get than somebody coming and buying you out? They walk off with the money and this government is left with a company. Nobody's paying taxes now, no private enterprise is paying taxes. They're not paying the payroll tax; they are delighted to get out of this province, Mr. Deputy Speaker, as are other businesses, unfortunately, in this government.

I made just a quick little list in just canvassing the members around. What were some of the businesses that the NDP got into? Well, we go back to a favourite of our former leader, the Honourable Sterling Lyon - King Choy Chinese Food. That was a good one. Clare Publishing.- (Interjection)- Oh, was that Planning Priorities, Mr. Deputy Speaker? Morden Fine Foods, Flyer Industries, Saunders Aircraft - we all remember Saunders. Where are these businesses now, Mr. Deputy Speaker? Bakers Narrows Lodge. Gull Harbour is in the hole for how much money? This government - somebody said they can't run as peanut stand. I only wish that they were into peanut stands, because we could afford those losses. We cannot afford the kind of losses that we have seen that this government has sustained. Lord Selkirk. That's just to mention a few because I was just doing a little, you know, what businesses were they in at the time.

Mr. Deputy Speaker, this is not a government that can afford to go into business because they can't manage well. They love to be in business. There's something about business that just seems to - they look at it and they think, oh, I know I can do well there, and they can't do a darn thing. They are absolutely hopeless. They are the most incompetent government for running any kind of a business.

Mr. Deputy Speaker, I sympathize with the Member for Lakeside because I know that this is an issue that he feels that he would like to have lower gas in his constituency. Wouldn't we all? Now I'm going to get it in mine for the two years. I know that for a fact. I'm going to have it in my constituency for two years but, the minute the election is over, Mr. Deputy Speaker, and they get out and start spreading the distribution

system, then we are all down the tubes. Not only will we not make a saving, Mr. Deputy Speaker, what we are going to have are increased gas costs. Manitoba will no longer, Winnipeggers, Portage la Prairie, Brandon, will no longer have cheap gas.

Mr. Deputy Speaker, as much as I would like to see them, because I sure do not want to pit city against rural areas, have lower gas costs, if it had been possible to make a profit, to be in that business, Inter-City Gas would have been there, and you can bet your boots on that. This government is using this strictly as an election ploy, nothing more, and they are not going to get away with it because people have seen what's happened.

What is it? MPIC, what were their costs? Sixty million in the hole, Manfor -(Interjection)- was it 58? I've been corrected by my leader, 58 million - Manfor, \$31 million; MTX, \$27 million. There was a company, our MTS, they went into business and they went in Saudi Arabia because they couldn't do anything in this province, and so they went overseas and lost money.

Our fees, the hydro rates, are up 9.7 percent; telephone rates, up 11.5 percent a year; Autopac premiums, 9 percent to 30 percent. Workers Compensation, Mr. Deputy Speaker, that is the disgrace of all because they are looking at over \$100 million in losses.

I was talking to a small business owner the other day and she told me what her Workers Compensation - it was a small restaurant - they told me what their Workers Compensation had gone up and it was astronomical. So, it's just unbelievable. This is a small business and thankfully, because it's a very small business, they didn't have the payroll tax anymore, but instead they got slapped with a much higher Workers Compensation. You cannot win in this province. If you win, you lose.

Mr. Deputy Speaker, I'd like to just talk briefly about some of the things that are happening in health care, while this government is spending \$175 million to purchase a company so that they can get into business and play big businessman. We had the closing briefly of the emergency ward of Grace Hospital because doctors are not being paid as much as some of their assistants and some of the bureaucrats in this government.

To tell me that a man or a woman who works in the emergency ward of our hospital isn't worth the price of at least a Deputy Minister or they were not making as much as some of the secretaries to the new committees to Cabinet, it's a disgraceful state of affairs, and that's going to be said out in public. So while the NDP are planning to run an election on a gas company, we'll be running an election on the health care of this province, and the fact that nothing is going to be happening as far as the gas company is concerned.

We have Health Sciences Centre, they're closing up to 100 beds, some of them permanently; Brandon General, 31 permanent, 49 beds through the summer; St. Boniface Hospital, 38 beds. These are all proposals, but this is what's happening in this province because the hospitals can't afford to keep up their services.

This was a government, Mr. Deputy Speaker, that said that they were going to maintain health care, they were going to improve it. Improve it? It has gone down the tubes. We have a waiting list of 300 patients at St.

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Boniface for eye surgery. They're proposing to close the eye unit, and they are also proposing to close the ear, nose and throat beds. Health Sciences has reduced eye beds. Seven Oaks has to cut back on cataract surgery.

I'd like to just go back - psychiatrists are leaving the province - but I'd like to go back to February 22, 1979, when the now Premier of the province, Mr. Howard Pawley, said: "Mr. Speaker, my question is toward the Minister of Health and Social Development. Further to the Minister's response to me yesterday in connection with investigating the level of meals in our institutions, would the Minister prepare also to investigate whether or not, due to his government's restraint policies, the standard of meals at the Selkirk Mental Hospital for mental patients has been reduced, insofar as there has been a substantial reduction in the amount of vegetables that are served to the patients, that soup at the evening meals has been eliminated from the menu, and that hamburger is served more frequently, and that bacon now is served only once a week rather than twice a week as earlier for breakfast, and that only two strips of bacon instead of three are served?"

Mr. Deputy Speaker, 1979, the NDP, the now Premier of the province, was asking about two strips of bacon, and we've got hospital beds closing by the hundreds in this province. This is the way this government has treated the people of Manitoba, and they want to take over a gas company, the distribution of a gas company.

This government has proved time and time again that they cannot run anything. They cannot run it profitably, they cannot run it competently. They've had scandal after scandal. But they cover up, Mr. Deputy Speaker. I want to say that, when I read this, it just makes me want to barf because I can hardly believe that this kind of thing could be happening. This is what the First Minister of this province was talking about in 1979, two slices of bacon instead of three. Now we have people waiting in lines to get surgery. It's a disgrace!

Mr. Deputy Speaker, I want to mention about another small businessman in my community. I went in to pick up some fast food and take it home. I was asking how business was going and he says, it's tough to do business right now. This is a small fellow, he works on his own. His wife works in another little enterprise. He has to charge them the new 7 percent tax on take-out food. Now the customers, he said, are arguing with him because when one person goes in to pick up two units of something, which individually is under \$6, if they were at a restaurant, they wouldn't have to pay the tax, but he has to charge them the tax. So not only do you have a problem doing business in Manitoba, now he has to try and explain how this tax is affecting him and his business and customers. I came out of there feeling, what is next? What possible harm can this government do more to the people of Manitoba?

They sit there and they bring in legislation like Bill 47, which is their priority, while people in this province are waiting for health care. The health care in this province, as I said before, is going down the tube. If this government had wanted to do something, they should have done it through the Public Utilities Board, a board that they make appointments to. Cut back our costs in that manner. Do not take over the business and ruin another business in Manitoba, because we

can't afford the luxury of any more NDP Government takeovers.

So, Mr. Deputy Speaker, I speak strongly in opposition to this bill. I will be happy to fight an election on this particular bill, because this is the one area that we can go out to the people and show them. We just have to tell them about MTS, MTX, Workers Compensation. We don't have to worry about this government and taking over. If they think this is their election issue, Mr. Deputy Speaker, they are sadly mistaken because it might work in Thompson, it will not work anywhere else. We're going to be out there to show people exactly what this government has done.

MR. DEPUTY SPEAKER: The Member for Springfield.

MR. G. ROCH: Thank you, Mr. Deputy Speaker.

I'm happy to rise to make a few brief comments on Bill 68. Mr. Deputy Speaker, it's kind of sad to see this government embark on yet another Crown corporation. They seem to have a knack for introducing bills about the worst time. They introduced Bill 47 to grant homosexuals special rights at a time when AIDS is running rampant. Now they introduce Bill No. 68, an act to take over the gas companies in Manitoba, at a time when Crown corporations have got a terrible record of mismanagement, Mr. Deputy Speaker.

The Minister responsible for Workers Compensation is making comments from his seat, he who has inherited a Compensation Board with one of the greatest deficits of all time in Manitoba or anywhere for that matter. If I were him, I wouldn't say too much. I realize he wasn't responsible for most of it, but he is responsible for it now, whether he likes it or not. I don't know what he did to the First Minister to deserve that but . . .

The members opposite make comments about, let's fight an election on this. Certainly, I tell them, they're taking this over with taxpayers' money. Therefore, if we're taking this over with taxpayers' money - because they won't make money. These people can't run a peanut stand, never mind a gas company. They're going to lose money as usual, because they'll have to lose money because they'll have to guarantee lower prices from now until at least the next election.

There will be lower prices, Mr. Deputy Speaker, no matter how much they have to lose. They will see to it, this government will see to it that the bill is lower. That's the type of politics they use. But, Mr. Deputy Speaker, if this government chooses to go ahead with this venture, well, then I want remote communities to have access to it, too.

In my riding, I want the communities of Whitemouth, of Rennie, of Seven Sisters Falls and the other small communities - West Hawk Lake - to have access, because they're using their tax dollars as well as those of the communities which are near or in Winnipeg.

Mr. Deputy Speaker, we have a record. The original mandate of the Manitoba Telephone System was to provide the best possible service at the lowest possible cost. What happened? Empires were built; bureaucracies were created. You know, the unemployed socialists had to find a place to do whatever it is they do to experiment, to justify their 50, 60, 80 grand a year - whatever they're paid.

So they formed subsidiaries. They formed companies like MTX to market expertise abroad. They don't have

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expertise here in Manitoba. How are they going to market expertise abroad? Not possible, not with this group.

So it cost us \$30 million. So we have Manitoba Hydro, another public utility, Mr. Deputy Speaker. It is available virtually to all Manitobans. Even though through their mismanagement roughly 52 percent of every Hydro bill that we pay goes for interest, and it will rise at Limestone. And now, as if things aren't bad enough for that particular public utility, they create another corporation to compete with it.

Does that make sense to you, Mr. Deputy Speaker? -(Interjection)- I agree with you. It doesn't.

We know there is an abundance of natural gas; there's a lot of natural gas. And if we used the same rationale, the same arguments as have been used in the past to nationalize public utilities, therefore it should be available to all, which goes back to my original argument that if you're going to use the people's taxes to take over yet another company, then all the people of Manitoba should have access to that particular utility.

What's good for the goose is good for the gander; it only makes sense.

Mr. Deputy Speaker, the First Minister claimed when he was making his remarks that the affairs of the gas company, because it will become a public utility, will be dealt with openly and publicly.

Again, I refer to their record. Everything is done in secret; there's no openness to this government; nothing is done publicly; everything is done behind closed doors. This government only allows the people to know what it wants them to know. Everything's been very selective. They claim that the price of gas is too high. That's very possible, but they have the power to regulate; it's a monopoly. The Public Utilities Board is in place to regulate the price of gas. They have chosen not to do this. Why?

Well, I'm maybe cynical of this government's intentions. But possibly they allowed the price to rise in order to justify the takeover. But yet we don't hear a peep, not one peep from the shareholders - at least the major shareholders of ICG. Why? Because it's a boon to them; it's a boon to them. They have already taken most of their major executives out of this province. Now the remainder will be able to go and get paid for it. There's an old joke running around the Province - how do you start a small business in Manitoba? It's very easy - you start with a big one.

Well now, they won't even have to worry about a small business. They'll be right out of the province and they're going to be paid a very handsome profit for it. It's very convenient for the Member for River Heights to use the conflict of interest guidelines because I suspect that on this bill, if she were in a position to be able to vote, that she would do the same thing as Bill 47 and support this government.

Maybe it's a sweetheart deal on Bill 47. Who knows? -(Interjection)- Well, the Member for Elmwood says, is there anyone on this side in a sweetheart deal? I don't think so.

The Member for Lakeside mentioned that, philosophically, he doesn't oppose this because non-socialist governments have taken over companies in the past. And it's true. When a company is a public monopoly or a public utility and is a monopoly, perhaps they should be public companies. That is not the issue

here. The issue here is the competence of this government to manage in a company.

If the company would stick to its original mandate and do only what it's supposed to do, not branch out into other areas in order to create jobs, and highly paid jobs at that, for its hacks and flacks, it might be justifiable. But, Mr. Deputy Speaker, this government cannot stick within its mandate. It has to expand; it has to go further; it has to go where it's not supposed to be going.

This government, through its mismanagement, has tarred the name of some of our better public companies, some of our better Crown corporations. Mr. Deputy Speaker, they have installed, on the boards of these companies, incompetents. They have sought to use, as the Premier has said on more than one occasion, to use Crown corporations as a matter of public and political policy. That is not the purpose of those Crown corporations. The purpose of those Crown corporations is to provide a service. That's the problem. That's what we're lacking right now and losing all the services. Why? Because although this government claims that it's broke, through their own fault, I might add, billion, half-billion dollar deficits which - well, maybe I was just being prophetic when I said billion - it will be billion pretty soon. But the largest growing cost in Manitoba is interest. All of a sudden, despite all that, they find almost \$200 million to buy a gas company while the Minister of Health is closing down hospital beds, but they haven't got money for that.

Mr. Deputy Speaker, I won't belabour the point too much longer. I realize there's another bill we'd like to deal with before six o'clock. I don't want to be repetitious and go over all the comments made by my colleagues.

But I would like to say in speaking in opposition to this that although there is a need to regulate, to have control of, through this Legislature, public utilities, we question the way in which this government will be doing it. We question, based on their record. We question, based on their competence, not just in Crown corporations but in the overall management of the affairs of this province. We question whether we can afford to go into debt much more.

Mr. Deputy Speaker, apart from Bill 47, this is the bill where I've had the greatest number of calls. People are scared. Well, I've told them quite point blank. I said, in the next few years, until the next election anyway, you don't have to worry about your gas bill going up. I said that I can guarantee that it will be cheaper. Well, they said, we're concerned about the long term. I said, that's where you have to worry, because in the long term it will cost you more. I would like to believe that this is not so but, unfortunately, their record speaks for itself.

Mr. Deputy Speaker, I cannot think of any worse time for this government to introduce such a bill, not coming on the heels of the massive losses of all the other Crown corporations, some of which are still coming to light. I cannot, in good conscience, or on behalf of my constituents, vote in favour of this bill at this time. Under different circumstances I might be able to, but now is not the time and this is not the government to do it.

With those remarks, Mr. Deputy Speaker, I conclude by saying that I shall be opposing this bill.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, the speakers on the other side of the House have accused the members on this side - especially those members on this side who have gas to their constituencies - of not speaking up and saying something on this bill.

I sent a questionnaire out to my constituency, Mr. Deputy Speaker, and I said the truth. The question was this, and this is what I say to everybody, whether it's in a questionnaire or somebody on the street: "The NDP Government has lost billions of dollars operating Crown corporations." Now that's the truth, when you walk up to somebody and you make that statement, that's the truth, that's fact, and everybody knows it. And the question says: "Should they be spending millions more of taxpayers' money to purchase the gas company?" And I informed the members opposite that presently - and I haven't calculated them today - but it looks about the same; it appears as if it's over 91 percent saying, no, this government should not purchase the gas company.-(Interjection)- I heard that remark about getting into polling.

The only thing that I would say to the member opposite, that if he sent that out in his constituency, no matter which way he asked the question, unless he says would you like your gas prices lowered, which is what they did, everybody would say, yes. If they asked the questions the same as my leader had put them forward the other day, they would say, yes, but I said the truth.

I said the NDP has lost millions of dollars running Crown corporations. Do you think they should spend millions more to buy the gas company? The answer is, no, and you know, strangely enough, all through this City of Winnipeg and all through the country in Manitoba and even the places where they have gas, the people of Manitoba are saying that these people cannot run a peanut stand, which is the favorite saying from this side of the House.

Yesterday, when I was at home not feeling well, I took the opportunity to listen to the Member for Transcona, when he was speaking on - I'm not sure which bill it was - I just tuned in and he was speaking on I guess the Hydro or The Corporations Act or something of that nature. Of course he used the sleazy, cheap shot, as he always does against the previous Leader of the Opposition and the Premier of the province, by making reference to his board membership on a company, the Continental Bank, I believe, or the Commercial Bank, saying that when he was on the board, they lost money. What that has to do with this Legislature or the purchasing of the gas company, I will never know. I heard one member yell across the House, "Low blow," and, of course, we're quite used to the sleazy, low blows from the member opposite. But the man he was speaking about, he couldn't carry his briefcase, and if one comes to honesty and integrity, you shouldn't be in the same room.

A MEMBER: Is that the guy who forget that he signed a contract in Switzerland?

MR. F. JOHNSTON: That's right. For honesty and integrity, he shouldn't be in the same room.

I have made arrangements, Mr. Deputy Speaker, to present Mr. Newman's book that was written with facts about the pulp mill and the paper mill up in Northern Manitoba at The Pas. Absolute facts, references and everything in it, I have made arrangements for all members to receive a copy of that. We will find out in that book and it says in that book - it tells this gentleman the truth, this honourable gentleman over here, who doesn't know what it is exactly and never uses it and has not got the right to be in the same room when it comes to honesty and integrity with the gentleman he was talking about.

Now this gentleman, who was the head man for Ed Schreyer's Government, the head honcho . . .

A MEMBER: No personalities.

MR. F. JOHNSTON: Oh, Mr. Deputy Speaker, when he says "no personalities," let me get this straight to him right now. He often calls me a coward across the House, because I won't say what I think in the House. I'm going to say it today and maybe you'll listen to it and maybe you won't. I really don't care.

A MEMBER: I'd prefer it.

MR. F. JOHNSTON: That's for sure, that's right. Here is the gentleman who was the head. What is wrong, is it bad to say, is it wrong to say that he was the head man in the Schreyer Government? When we lost a fortune in Saunders Aircraft, when we lost a fortune in every Crown corporation that we went into, is it fair to say that when they took office we lost Alcan?

He comes forward and says to us all here, he says to us all, in front of us, "You didn't know really what was going on at Alcan," is what he used to say to me. I say to him he's wrong; I knew exactly what was going on. I know the arrangements, but he and his deputy ruined any arrangements or any possibility of us having Alcan in Manitoba.

What was the next thing that he did? He went to Alcoa. Instead of the company doing all the spending of money, he was going to make an arrangement with Alcoa, where the government would spend 50 percent of the money. That's the kind of business that this Minister operates.

We were very close to having a potash arrangement with a world-class company. That was over, because he thought he could make the arrangements with Saskatchewan Potash when the Saskatchewan Government was NDP. We ended up losing the potash corporation. Then, Mr. Deputy Speaker, we had the power grid, and we had the man who was in charge of Saskatchewan Hydro say, after he had been kicked out practically for three times - that's actually what he said, he came back offering the same deal as what was offered before. That's the man we have now buying the gas company. We have the man, as far as potash is concerned, not dealing with a world-class company or foreign companies, he's dealing with foreign countries. He's going to have investment in this country by foreign countries. This is the government that was always against FIRA. These are the people who complain

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about foreign investment within our country, and this is the type of Minister we've got talking about the gas company.

We have the Minister - who was going to make a fortune with the petroleum company in the Province of Manitoba and we haven't made any money on that and we continue to lose money on that - now who says, tells his caucus, that I, the great Minister, can now suggest to you to buy the gas company and we are going to be all right. It's good politics, don't worry, I can sell it. All I have to do is stand up and keep saying to the people - every time he's asked a question, at the end of it, or at the end of every speech - \$50 million is going to be saved; \$160 million is going to be saved.

I would like to ask this question: The gas company - (Interjection)- I heard "go ahead" from the member from the opposite side, who doesn't really know about the gas company. The other day, when my leader was speaking, my leader brought forward some figures - which the Minister didn't argue with - and he was giving the net profits of the gas company, the utility for the past several years, '82 through to '86. It never did exceed \$8 million but the Minister kept saying, yes, but look at the other side, what does the other side say? Well, it never did exceed \$20.6 million when you look at the total operating profits.- (Interjection)- Well, I won't argue with him, 22, 21, 20.8, these are the figures that were presented to us and I'm quite willing to say 22.

Well, Mr. Deputy Speaker, the member wants to make silly remarks, and the worst Finance Minister we've ever had wants to make silly remarks. My leader explained where these figures came from and, quite frankly, if you want to look them up and challenge them, that's okay with me. But we've got total operating profits of 20.6, maybe it was 22.6, and that was in the best year, in 1985. Mr. Deputy Speaker, that's what this Minister has told the caucus on the other side. He didn't tell them that finance and expenses had to come off. I'll bet he didn't tell them that the income before taxes had to come off, because the income before taxes in the year that was 22 or 20.6 was 13.9. I bet he didn't tell them that the current income tax had to come off. He didn't tell them that they didn't make more than \$8 million to \$10 million, this utility, in any given year.

How are we going to save \$50 million? It's a good question. The only way - you can't believe it - that it can be done is that he gets better gas prices than he's talking about. He has told the people of Manitoba that they will save the money and he doesn't even know whether he can get those better gas prices or not. He doesn't even know whether he can get it out of Alberta. He doesn't know whether he's got to court to get it. He doesn't know what the judge's ruling is going to be as yet, and yet he gets up and he tells the people of Manitoba that this is going to be a saving, and he doesn't know it yet.

That's fact, because the utility is one of the most efficient run utilities that there is. There are the profits that they have made. It isn't \$50 million and now the Minister says I'm going to buy long-term contracts for long-range supply of gas.- (Interjection)- Now, the Minister will now start to defend himself to his colleagues. I suggest that you pick one colleague who has some knowledge of this, investigate it and challenge your own Minister because he hasn't told you the facts. I'd be quite prepared to stand with any of the gas

people and make the same statements with you there. Would you like me to come to the negotiations? I'd be happy to, because if I'm wrong they'll tell me. I'd be happy to. Let somebody from our caucus come.- (Interjection)- Oh, now we get to the personal side. Here we are. No, no, no, I told you that I was going to do it, but he started it. That's the sleaze.

I only wish, Mr. Deputy Speaker, that he'd mention the name of what I sell because I can use the advertising. I can; I can use the advertising. Mr. Deputy Speaker, if he wants to know, I sell wine. I represent London Winery of London, Ontario, a Canadian company that sells Canadian products to people of Canada. Now, anybody want to have anything to say about that? That's good.

A MEMBER: Sell more, I need the money.

MR. F. JOHNSTON: That's right. The Minister needs the money. I notice the Minister wrote that down, and he'll probably try to do something about it.

Anyway, we have the situation of this Minister, who hasn't really been up to date with his own colleagues. Do you recall - and my colleagues, many of them, will recall - when we were asked and challenged continually to please put before the Legislature or present to the members of the Legislature the arrangements with Alcan. I recall being down in the room down the hall here, 232 or 234, where we had the president of Alcan come in and answer any questions that the honourable members wanted to know.

When we ask for any discussions regarding the arrangements with the gas company, what do we get? We get privacy, we get nothing. We get out of the papers that the gas company wants cash, and yet the Minister, he turns around and says, it isn't going to cost, we'll pay for this out of profits. Out of the best profit in any year, probably \$10 million, he's going to pay \$80 million back? In eight years, he might. I suggest to the Member for Thompson, who mentioned the Autopac debate and he was 10 years old when it was on and he said he read it very closely.- (Interjection)- 18. The Autopac debate, for your information, took place in this House 16 years ago.- (Interjection)- Well, I'm wrong. I thought you came in the House when you were 22 years old. I'm wrong, okay. I assure you I'm wrong.

But anyway, Mr. Deputy Speaker, we have a situation where the only way that this gas company can pay back any money or give the reductions that this Minister says they can is if they get the arrangements with the Province of Alberta, the arrangements between governments come true the way he wants them to come true, because he hasn't presented - he may have told you in caucus that all of that saving was there, but he hasn't got it yet, and he's never been down to earth with anybody on that side of the House, I'll bet you, to tell them that the gas utility that he's taking over has never made more than \$10 million in one year.

Well, Mr. Deputy Speaker, we now have a situation where I bet you the Minister doesn't even know about this. I would ask him the question: Who's going to field-test the wells that he has the contracts with? See, he looks at me as if he - who's going to field-test the . . .

A MEMBER: Can I answer him?

MR. F. JOHNSTON: Just a minute, just a minute. I'll be very happy to let him ask a question or answer.

Does he know that, when you purchase from the pipeline with the contracts the same as the utility has at the present time, does he know or has he told you that TransCanada Pipelines goes out to the people they have contracts with? They test their fields twice a year to make sure that those contracts are secure, because you could have a contract for five years or ten years and, if the gas runs out, it isn't worth a thing. They don't rely on what the producer tells them. They go out and they actually do the testing twice a year with the fields that they have contracted with. Now if the Minister has taken the time to make sure that there's going to be twice-a-year field testing on the fields where they have the contracts, so much the better.

But we are not dealing with great big producers. We are not dealing with somebody who will give us a guarantee to keep the utility going. We are going to now have to do the testing to make sure that the guarantee is still there. So that's another cost that I'm sure he hasn't told you about.

The utility has to have that guarantee, and the people of Manitoba and the people who are on gas right now should have the right to know whether this Minister - and it would take him at least six to eight months to examine the contracts that he has and field-test them before he could make the statement that he has contracts that are firm, because it would take that long to test the number of fields you have mentioned.-(Interjection)- You can go "poof" if you like, but quite frankly people who have been in the business a lot longer than you have explained that to me very thoroughly and, I assure you, the Minister isn't really up to date on that particular procedure.

I don't think anybody in his government is, because they just decided through their philosophy to up and buy the gas company. They took a poll, and they do that politically all the time. They allow a Minister who has failed in everything that he has touched except a federal-provincial agreement that nobody could fail at, since he's been in this government, since he's been a Minister. He has got up in this House and made excuses or explanations as to why he failed most of the time. Just somebody, please name some of his accomplishments, because they aren't there.

Mr. Deputy Speaker, we have the situation at the present time that I'm sure the members on the other side, even though they couldn't run a peanut stand, they know or should know that a gas utility only survives by expanding. It only survives by having more people on the line. It only survives by having more customers.

Now, if -(Interjection)- Let's see. He says I'm starting to make sense. Well, wouldn't it make sense that, if the gas company had seen profit to expand its services in Manitoba, wouldn't a private company that's interested in profit have done so? It makes sense, doesn't it? -(Interjection)- You see, there's the peanut stand over there, believe me - not necessarily.

You know, you are now going to have a situation where Hydro rates are up here and going up because of this Minister . . .

A MEMBER: They're the lowest in Canada.

MR. F. JOHNSTON: . . . and shouldn't they be? -(Interjection)- Yes. Isn't it real brains and isn't it really

deceptive to say to people, just because you're the lowest rates in Canada, I'm going to keep raising them. I'm going to keep running the utility stupidly. That's a real fine way to run a business.

Isn't it marvellous to say that the people of Manitoba shouldn't have the breaks they deserve on Hydro because they have all that great resource? No, no, they shouldn't have it. They've got low rates. So we should up them. The NDP should get them up there. Make up for it. Do it for political reasons. Announce the power plants before they should be for political reasons. That's the only reason.

And you say they're the lowest in Canada. They should be. It's our heritage, it's your heritage, and you should be keeping them even lower than they are. They are looking after it. Well, we'll see what happens.

Let's say hydro rates are up here right now and going up every year as predicted, and the Minister and the utility has said they'll go up every year. Oil is sitting in the middle; gas is the lowest. Here are my constituents of Sturgeon Creek receiving these low gas prices, even lower gas prices they're going to get according to this government. What kind of a break, now that you're a utility, are you going to give those farmers who are on hydro? Go up and speak to your constituents who are on hydro. You speak to yours who are on hydro and ask them what kind of a break they want because my constituents are getting gas cheap that they paid for.-(Interjection)- Isn't that marvellous? Go out and ask a farmer then if he can have a break on those hydro rates that you think are so low, when my constituents are paying all this low price for gas, go ahead - and I said peanut stand. Believe me, it's worse than peanut stand.

Mr. Deputy Speaker, we have a situation also that this government, yes, they will present lower prices just before the election and then they will, during the election, make promises to put gas in places where it isn't economical. Will they take the time to take a look at whether hydro should be in, because it's both governments, mind you. Is it economical to put the gas line in or is it more economical to cut the farmers in Cowan area's hydro rate. Which is it? Are you going to take that into consideration?

You're now a utility, and one of the finest Premiers in this province, Mr. Campbell, he said you can't take over or become a utility unless you're prepared to service all the people. If you do that, gas prices in the Province of Manitoba are going to go sky-high unless they're subsidized by government and this government hasn't got anybody to subsidize. It's just as simple as that.

You see, you haven't been told the truth by this Minister. He just comes along . . .

HON. W. PARASIUK: . . . astonishing.

MR. F. JOHNSTON: Astonishing? I challenge him again. Let me send somebody to your negotiations. I'll guarantee it'll be kept confidential, and we will find out if what we're saying is right. Oh no, oh no, he wouldn't go for that.

Would he sit down with two or three people from the gas company, if they'll sit down? I'll present the same arguments to them and see what answers we get from

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them or some utility men. Oh no, you see now we get the double talk. Now who's the coward?

HON. W. PARASIUK: If you're wrong, Frank, will you resign?

MR. F. JOHNSTON: I'll admit it, I'll admit it. Well, did you resign when you lost Alcan?

HON. W. PARASIUK: You're a coward.

MR. F. JOHNSTON: Because I won't resign. Do you know, I'll digress a bit, just for a second, Mr. Deputy Speaker. You know, the member across the way, he keeps saying to me, come on out in the hall. One day, I said to him, come on out in the hall and he rushed out, and I shook in my boots. I didn't dare go out the door for fear of what would happen to me.

A MEMBER: Did he play hardball too?

MR. F. JOHNSTON: Mr. Deputy Speaker, I did that with a member, I believe it was in the first three years I was in this Legislature, who challenged somebody to go out into the hall. He challenged me and I went out. I came back in and I said never again will I be stupid and childish enough to walk out that door under those circumstances.

(Madam Speaker in the Chair.)

So, Madam Speaker, I have no qualms about what he has to say or what he hasn't said. The gentleman that has people in wheelchairs during an election - I should go out in the hall with him? Huh. What a waste. Madam Speaker, there is absolutely no question . . .

A MEMBER: Just like the housing, Frank.

MR. F. JOHNSTON: Yes, just like the housing. We built more houses, more public housing in downtown Winnipeg than the NDP did in eight years, and he shakes his head. Would you go and ask your Deputy Minister if that's true, because he's the one who gave me the figures?

A MEMBER: Where were the plans, Frank?

MR. F. JOHNSTON: He's the one that gave me the figures. We built them.

A MEMBER: Ho, ho, ho.

MR. F. JOHNSTON: Ho, ho, ho. All I get is ho, ho, ho. We built them. Go and ask the Deputy Minister of Housing whether we did or we didn't because he gave me the figures. If he didn't give me the right figures, he's not much of a deputy, because he was in charge of research at the time.

Madam Speaker, this procedure into the gas, which is close to a takeover - the gas company I'm sure knows that if they don't negotiate they'll get taken over. If I was the gas company and 10 percent of my business was in a province where there was no room for expansion with profit - they would have expanded if the profit was there.

A MEMBER: Not necessarily.

MR. F. JOHNSTON: Oh, I keep hearing, "Not necessarily." When the member speaks, I wish he'd tell me why. I'd tell you why a private company doesn't want to make more profit, doesn't want to go into markets where there's profit. You see, when you're running Autopac, you don't have to worry about anything. You don't have any competition or anything of that nature.

The gas company has a guaranteed profit. The gas company didn't have any competition. The gas company doesn't have any competition. When they go in, they're sure to make profit because they don't have any competition. And yet they found that it was not economical to expand in this province - quiet peanut stand. But they knew that it wasn't an area that they could make profit in.

This government, because of their philosophy, has decided to take them over now. Wouldn't it be pretty good if I was in a province where 10 percent of my business was and I couldn't expand economically and, all of sudden, I could get \$80 million cash to invest in a highly populated area where I would get a profit? Wouldn't it be nice to go to Ontario where every mile there are thousands of houses on the pipeline? Wouldn't it be nice to go to those places where the profit is there, and they say, you know, can't expand in Manitoba, \$80 million cash? And this Minister and this government just being stupid - the super Minister shaking his head who has never been in a business in his life, shaking his head - would he like to sit down with the executive of the gas company and have some discussions of these things?

The Member for Transcona got up in this House one day and said he'd just been with a group of businessmen. They had that big business conference here. They told him that if what the Opposition was saying about the expansion of hydro and what you do with the profits, that if they did what the Opposition did, we could never run our business. He had been telling him that with his profits he'd put so much to operating and so much to profit and so much to pay back his loan; that's what he would do with the yearly income, the yearly profits.

I had the opportunity to talk with one of those businessmen two days later. I said to him, would you have gone into it if the interest rate was such that you couldn't make any profit? No. I said, even with the interest rate, if you were the government and all you had to do is stand up in this House or raise the rates anytime you felt like it without any competition, you could say to the people, this is what you're going to pay, if you in private business could make that decision.

He said, if I could make that decision or if I could operate that way without competition, I'd be moving the same way. But he said, frankly, I didn't get it explained to me that way.

Does he ever explain anything to anybody the right way? Never, never has he ever been straight down to earth with anybody in the province or has he been, I'll bet you, with that caucus over there. I challenge you, Madam Speaker, to pick one of your members who has some understanding of business in the gas company to be there in the negotiations with him, because I'm sure you're not getting all the answers.

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There'll be great excuses when it starts to go bad, the same as Telephones and Hydro will in 1992, and this one will go the same way.

There are always excuses - when we lose \$84 million in Autopac. All of it is excuses. The trouble is, Madam Speaker, they get together and they make excuses to one another. Have you ever seen them in a huddle when they're accused of something? They huddle and they start to make excuses to one another. They never are down to earth with their own colleagues, and boy, how can anybody sit in a government, in a caucus, where everybody's telling everybody else something that isn't true. They're making excuses about their mistakes.

Every Minister over there has made mistakes and none of them, according to the Premier, have made any - none of them have made any.

So, Madam Speaker, I say the purchase of the gas company is not what everybody makes it out to be. This Minister has told the people something he hasn't got yet. If he can show me where he's got a \$50 million saving before he has a court case with Alberta, it would be very nice, but not according to these statements.

HON. W. PARASIUK: You're an apologist for Alberta then.

MR. F. JOHNSTON: I'm not apologizing for Alberta. You see, now we're finding excuses again. In other words, what I am hearing, Madam Speaker, what I am hearing from the Minister right now, because of that statement, is that he hasn't got it, the \$50 million. He says I'm apologizing for Alberta. You haven't got \$50 million until you can bring that gas out of Alberta the way you want to.

HON. W. PARASIUK: There's no use trying, Frank. You would never do anything because you don't have the guts.

MR. F. JOHNSTON: Oh, now this is marvellous. Madam Speaker, this is marvellous. The Minister says we would never do anything. - (Interjection)- Hold it. Hold it. I want to get this on record.

The Minister says that we wouldn't have the guts to do anything with Alberta, which is a clear admission that you haven't got the \$50 million saving yet. You

haven't got the \$50 million. Get up and tell us that before you have won the court case or made your arrangements by government, that you've got a \$50 million saving. Because, Madam Speaker, he hasn't, and he's been wandering around this province telling the people something that is not fact at the present time.

This Minister is famous for that. I say to the members opposite: Start checking up on him because you'll find out in the long run, as the Schreyer government did, as the members of the Schreyer government did, that he was probably the reason why the Schreyer Government was defeated.

A MEMBER: Personally. Personally.

MR. F. JOHNSTON: Personally. He was the strategist of the Schreyer Government and that's the reason the Schreyer Government was defeated. Madam Speaker, I tell the colleagues: Check up him, believe me, because you sure as heck can't depend on anything he says in your caucus. He's proved that you can't, and that's for sure.

Madam Speaker, I don't care if they joke about it or what they do, because they'll joke about what I say. They'll joke about my seriousness. They'll joke about my miserableness and whatever they want. That doesn't bother me. Quite frankly, Madam Speaker, that doesn't bother me.

I would be very disappointed if a bunch of people who can't even tell one another the truth about what's going on, I really don't care what they think of me, and they'd better start checking on this Minister before the gas company arrangements go too much further.

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: I move, seconded by the Member for Niakwa, that debate be adjourned.

MOTION presented and carried.

MADAM SPEAKER: The hour being 6:00 p.m., the House is now adjourned and stands adjourned until 1:30 p.m. tomorrow. (Wednesday)