

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, June 28, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 16 students of Grade 2, 3, 5 and 6 standing of the Dumoulin School. These students are under the direction of Mr. McIvor. This school is located in the constituency of the Honourable Member for St. George.

We also have 35 students of Grade 8 standing of the J. W. Walker School, Fort Frances, Ontario. These students are under the direction of Mr. Rogoza.

We have 30 students of Grade 6 standing of the Seven Oaks School. These students are under the direction of Mr. Single. This school is located in the constituency of the Honourable Member for St. Johns, the Minister of Finance.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Oral Questions. The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, I have a question for the First Minister. In view of the introduction into the House of Commons of the bill that would allow off track betting to take place in provincial jurisdictions, will it be the government's policy to allow off track betting to be conducted in the Province of Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the suggestion of the Honourable the Leader of the Opposition is that legislation that he has referred to has been introduced into the House of Commons. That introduction at this time of the year of the parliamentary calendar is virtually a guarantee that that legislation will not be passed, and so therefore I'm wondering if we're not dealing with a hypothetical situation insofar as the 1972 House of Commons calendar is concerned.

MR. SPIVAK: Mr. Speaker, I wonder if the government is considering that possibility that the legislation will be in fact passed. Will the government intend to go into off track betting?

MR. SCHREYER: That, Mr. Speaker, is a matter of policy.

MR. SPEAKER: And it's definitely hypothetical, because it hinges.

The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Minister of Northern Affairs. Of the \$25 million that was announced by the Federal Government for native centres throughout Manitoba, or Canada, what portion will Manitoba receive of that money?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Commissioner of Northern Affairs) (The Pas): To this date, Mr. Speaker, we haven't been able to get more detail than was in the press announcement made yesterday.

MR. PATRICK: Has the minister made application for allotment for money for the Friendship Centres, Native Friendship Centres? Has the Minister made application for this money?

MR. McBRYDE: Mr. Speaker, the honourable member is liable to get upset when I say it's not directly under my jurisdiction. It is under the direct jurisdiction of the Minister of Health and Social Development, the Friendship Centres, but my understanding of the press release, and I believe the Minister of Health and Social Development's would be the same, is that at this point we don't make direct application, we already have an agreement with Ottawa. Ottawa will come to us with the proposed changes in the agreement.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have a question for the Minister of Education. I wonder if he can inform the House whether an education survey is to be conducted by the province in the Seven Oaks division?

MR. SPEAKER: The Honourable Minister . . .

MR. SPIVAK: Mr. Speaker, it appears that the Honourable Minister may not have heard

(MR. SPIVAK cont'd) . . . . my question. I wonder if he can indicate whether an education survey is to be conducted by the province in the Seven Oaks Division?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I paused for two reasons. Firstly, I wasn't too well aware of the fact that the Honourable Leader was asking a question. I thought he was merely telling me what he is wondering. I'm not aware of any education survey being conducted in the Seven Oaks Division and I know there is not one by the Department of Education, not unless it's by a division.

MR. SPIVAK: I wonder if he can inform the House whether Nicholas Pawlyk has been hired by him as an assistant and has been given instructions for such a survey on behalf of the government?

MR. HANUSCHAK: I am still wondering, Mr. Speaker, whether it's proper to on questions before Orders of the Day to inform the House what an honourable member is wondering? --(Interjection)-- I'm sure that the Research and Planning Department is in the process of collecting a variety of types of information from various sources and it may well be that there is some information that is required in the Seven Oaks Division and is in the process of collecting it.

MR. SPIVAK: Mr. Speaker, I wonder if the Minister could take as notice the question as to whether his department and his officials have been in consultation with the Seven Oaks School Board with respect to an education survey, and their reluctance to proceed because the government is in fact going to . . .

MR. SPEAKER: Order please. Orders of the Day. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I do have a question for the Honourable Minister of Tourism and Recreation. Yesterday in reply to my question he announced that the government will be giving financial support to senior citizens and handicapped people with respect to attending . . .

MR. SPEAKER: Question please?

MR. PATRICK: . . . in respect to World Hockey League, the Jets. My question is will the Minister give the same consideration to senior citizens and handicapped people that wish to attend other sports functions?

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

HON. LAURENT L. DESJARDINS (Minister of Tourism and Recreation) (St. Boniface): Well, Mr. Speaker, I also said that we're reviewing the Amusement Act and it's funds from the Amusement Act that permits us to help these senior citizens and handicapped people, and I'd like to inform my honourable friend, if he doesn't know already, that the non-profit organizations such as the Blue Bombers, do not pay amusement tax. It might be that your suggestion could be accepted that we impose an amusement tax on them to help the handicapped.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, further to the question asked by the Honourable Member for Assiniboia to the Minister of Northern Affairs, could he indicate to the House with regard to this \$25 million grant in Ottawa, could he indicate to the House as to whether or not Manitoba was invited to give an opinion and whether they took part in the discussions of the planning of this subject.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: The Department of Health and Social Development were involved in some of the discussions that took place. However, we haven't reached an agreement with the Federal Government on this matter yet, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, I have a question for the Minister of Education. Has his department had consultation with the St. Vital school division with respect to a survey to be conducted by them on school quality educational change and educational financing?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: The Department of Education has consultations with many school divisions, I would say with most school divisions with respect to all aspects of school administration and finance.

MR. SPIVAK: I have a question for the Minister of Education. Does he really know what's happening in his department?

MR. SPEAKER: Order please.

CONCURRENCE

MR. SPEAKER: The Honourable House Leader.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I wonder now, Mr. Speaker . . . prepared to accept the motion moved by myself, seconded by the Honourable the Minister of Transportation, that the Resolutions reported from the Committee of Supply be now read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$5,054,500 for Industry and Commerce.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, before we adjourned at noon, I was discussing the question of the Manitoba Development Corporation and the picture that had been painted by the Minister and by others as to its function, and to its accomplishment.

MR. SPEAKER: Order please. The Honourable First Minister on a point of order.

MR. SCHREYER: Yes, Mr. Speaker, I realize that the Honourable the Leader of the Opposition feels that he has not exhausted his right to speak. Each sitting of the House is a separate sitting and he did speak for approximately the last 15 or 20 minutes of the last sitting of this House, and technically if one were to apply the rules in their most technical aspect, then the Honourable Leader of the Opposition would not have the right to speak. However, I understand that by sort of common consent someone who has been speaking at the conclusion of the previous sitting it is agreed would be able to continue to speak at the next sitting, provided of course, Mr. Speaker, - I think this would require your ruling - providing if that is done in that way, I have no objection. It would surely be assumed that the totality of the time taken by the member would not be such as to exceed the limitation of his normal speaking time, which is 30 or 40 minutes, I believe. If that is agreed to, then I see no problem.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, if the First Minister was rising on a point of order, I would suggest to you, Sir, that whether or not this is an entirely different sitting, the member who has had the floor at the end of this particular sitting, continues to have the floor even if there is a new day, and in this instance that's what it amounts to, and he would be afforded the opportunity to complete the normal time allocation, which is 40 minutes in this instance. It quite frequently happens, and I'm sure my honourable friend the First Minister has had it probably happen to him in the House of Commons that upon his inability to complete his speech one day, it carried over to the next day, even to the next week, when that particular item is called as an order of business. So I see no reason why there is any problem for the Leader of the Opposition to continue the remarks that he was making at the last session of this Legislature, which happened to be just at 12:30. Assuming that he had 15 minutes, or taken up 15 minutes, he now has the remaining amount of time to the completion of 40 minutes with which to make his remarks.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, at the time before the House was adjourned, I was dealing with the question of the Manitoba Development Corporation and making a comparison to the Industrial Program of the Industrial Development Bank, and attempting to point out that in those jurisdictions that did not have a government agency in the loan business, that the Industrial Development Bank had made substantial gains in both numbers of businesses that they were financing and in the amount of money that in fact was made available. And I pointed out particularly to B.C. where a very gigantic change occurred between the last two year period that was reported in which the amounts of loans had doubled in a significant way and substantial amounts of capital had been loaned by the Industrial Development Bank. My point, Mr. Speaker, was to indicate that for small businesses in the province who had found capital unavailable for them, or loan capital, that it was available to them through a government agency and through a Federal Government agency that somehow or other had been able to be both structured and operated realistically at arm's length, and away from government control and government involvement and interference.

I also try to point out that the picture that has been painted about the Manitoba Development Corporation is not correct; that very few companies are receiving loans; that in effect most of the loans of recent times were for extensions of existing loans to companies that either were in some difficulty as a result of their operation; or were for loans directed to the equity

(MR. SPIVAK cont'd) . . . . participation in which the government has taken a position of equity on behalf of people. And, Mr. Speaker, I along with many other people question at this time whether there is any particular need for a Manitoba Development Corporation. I pointed out - the Member for Churchill was not present at that time, but I point out again the very few loans - in fact I can't see any of the loans that are reported here were for the North, and that the small businesses that he's talking about which may very well require financing have not been able to find financing in the Manitoba Development Corporation, not in recent time; and that if there is a need, and I think probably we're talking about something a little bit different than the kind of financing that has been available and the manner in which the fund or the corporation has been operating in recent times.

Mr. Speaker, when the Manitoba Development Fund was created, it was created because in fact there was a need, because there was not risk capital available, risk loan capital available, and it was necessary for the manufacturing sector to be able to have a lender of last resort. Times have changed. What the government has attempted to do is to prime the economic situation by using the Development Corporation as its pump and attempting to go into situations where equity will be involved only because not too much has been happening in the private sector. And I suggest that this is not the kind of action that the people of the province want, and this is not the kind of industrial development that accomplishes very much and that the actual job formation realistically is very limited and has been pretty unproductive. And so I think it's time to review the Development Corporation's activities and to review in fact whether it has any additional contribution to make. And I would suggest that it does not; and I would suggest that it would take many years before it could be wound down completely. But the kind of activity that is speculated on by the Minister with such enthusiasm is not happening, and that the rural impact that it's having is not occurring, and that in terms of the kinds of results it doesn't justify continuing something which at this point I think is out-dated and unnecessary.

Mr. Speaker, I referred to the fact before that the government consisted of people who were made up of people who like to write cheques; who are able on the government bank account to write cheques and did in connection with CFI, no matter how they want to discharge their responsibility by saying it was a contract; who write cheques on Saunders Aircraft; who write cheques on Flyer Coach Industries; who write cheques on Lake Winnipeg Navigation; and who will write cheques on Columbia Forest Products; and they're going to continue to write cheques over and over and over again. And I think it's about time and it's necessary just to review, because I can anticipate in a few moments the Member for Inkster jumping up, frothing at the mouth and talking about the great CFI deal. And I want to try and talk realistically and in a historical way what really took place. Ten million dollars was spent at the time the New Democratic Party took over, \$80 million was issued by them, \$80 million was issued by a Cabinet that had the Member for Inkster, the Attorney-General and the Minister of Finance as solicitors, as part of a Cabinet who at any given time had the legal right to stop, and had the legal right as well, had the legal right, Mr. Speaker, to stop . . .

MR. SPEAKER: Order, please. The Honourable First Minister on a matter of privilege.

MR. SCHREYER: I quite understand, Mr. Speaker, that in this House it is always possible for an honourable member when he has the floor to say virtually anything he likes. However, it is a matter of privilege of this House not to allow an honourable member to lie. And, Mr. Speaker, --(Interjection) - I am on a point of privilege. I intend to explain what the point of privilege is precisely. The Honourable Leader of the Opposition has said that the government had a legal right, a legal basis upon which to breach the contract which the Crown had entered into. I say to the Honourable Leader of the Opposition and to you, Sir, that there is nothing, there is no basis for saying that there was any legal right open to this government, we were so advised by the legal advisors that we had retained. So that is the simple fact that we were advised that there was no legal basis upon which to ignore or breach the contract. To suggest otherwise, Mr. Speaker, is simply a falsehood.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, the question is who is lying? And I suggest, Mr. Speaker, the lie is on that side and I'm quite prepared to prove it. More than the other individual who just spoke can. I'll prove it by reading the Act. If the Act in itself doesn't justify my statement I don't know what will. And the section says "If at any time in the opinion of the Board any money loaned under this Act has not been or is not being applied for the purpose for which it was advanced, or is not being carefully and economically expended, or if the security

(MR. SPIVAK cont'd) . . . . depreciates in value the Corporation may refuse to make any further advance and may call in the whole amount then advanced and all interest thereon and declare that amount and interest to be immediately due and payable. Whereupon the borrower shall at once repay the monies borrowed with interest thereon at the rate agreed upon. And in default of payment the Corporation has the like remedies for the recovery of the monies as if the time for repayment therefore has fully arrived." And, Mr. Speaker, the First Minister can argue all he wants.

MR. SPEAKER: Order, please. I should like to indicate that before we get ourselves into any further depths on this particular problem that I would appreciate if the Honourable Leader of the Opposition would bear in mind that this matter is before a judicial inquiry, is before the Courts, and that he should consequently choose his words very very carefully and make his case without referring too much to the legalities or to the Receivership or to any of these other areas that we're involved in at the present time. I'm sure he as a member of the legal profession would probably appreciate that more than some others, and I ask him therefore to be very careful how he states and debates his case. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I'm talking about a government who continually writes cheques on a public purse, and who would justify their action on the basis of a supposed legal commitment or on a future prospect of a development with respect to Saunders and Flyer, which I suggest go to the heart of their mismanagement with respect to the Corporation. And which justifies any decision that anyone would suggest that the Corporation be wound up. And, Mr. Speaker, there's more to this because one has to examine as well, as the information now becomes more and more available of what was taking place and the information that that Cabinet there had in their possession and how they operated is to understand why they allowed the cheques to be written and why they allowed the money to be spent.

Mr. Speaker, I say this in advance and in anticipation of the kind of arguments that will be presented when we talk in terms of winding up the MDC, because the immediate response is to say, yes you want it wound up because of CFI. And I suggest, Mr. Speaker, the reason the MDC has to be wound up is because it realistically isn't serving any purpose. You have a situation in Saunders where again the Minister, because of his genuine desire to prove to everybody that he is an entrepreneur is allowing something to happen that should not be happening because it is going nowhere. Ultimately the decision will have to be made, as it was almost made recently, as to whether the company should go into receivership, should go into bankruptcy or should be wound up.

With respect to the question of Flyer, the question at one point is whether we are going to make a decision to operate as we are or to try and go into a league with the big boys, and maybe we'll get clobbered and maybe we won't. There are business judgments that have to be made and I suggest to you that government in terms of its development policy at this point should not be involved in those business judgments. Those business judgments at this point can't be made, and if you suggest that we were in it I'm suggesting to you that it be wound up. I'm suggesting to you that the MDC be wound up --(Interjection)-- be wound up, you can wind it up. I'm suggesting that if you want to go into a Crown corporation in business, then you come to the Legislature and you incorporate that company and you give an accounting to the Legislature. And you tell us what you're going to be doing, and you tell us how much money you're going to be putting in, and you give us the information, and the House with either pass it and the public will be in a position to make a judgment. But I'm saying to you that the way the structure is being used now serves no purpose, and what we have is a continual attempt to prime the pump through this vehicle to blow up the statistics, to try and say we have some kind of formal investment program. And that at one point somebody is going to have to look at this, and at one point the people of Manitoba are going to look at it and say well, where are we going? And they're questioning that right now.

Any time any question has been asked about Flyer the Honourable First Minister jumped up and said to the Honourable Member for Morris well, you know, don't you want the jobs there? And what is he going to say, he wants the jobs there. The people in Gimli want the jobs there, everyone wants the jobs there, wherever they can be put. But the question is at this particular time how permanent are they. They obviously weren't very permanent at Morris. And how much money is eventually going to have to be paid to maintain those jobs? No, no doom and gloom. Some realism about what's happening in Manitoba and what's happening as far as the Development Corporation is concerned.

(MR. SPIVAK cont'd)

Now, Mr. Speaker, I have indicated and shown that the Industrial Development Bank does supply money for small business. It is loaning extensively to small business, it is loaning in much greater numbers than the Manitoba Development Corporation. That the kinds of projects that they are getting involved in are not having any real significant impact to the total economic picture, and that the myth that the government is now going in business for the sake of drawing profits to the people of course is not occurring because those profits are not forthcoming and and it's not likely that they will be forthcoming for years to come. But it gives both the Chairman and the Minister an opportunity to think that they're in the big leagues. And it gives them an opportunity to meet with those people in the big leagues and to hope that as a result of it something will be forthcoming. And the kinds of stories that emanate from the Department of Industry and Commerce with respect to the attempt by the government to talk of itself as a big wheeler and dealer in the business field are ludicrous. And I can refer to the time when the Minister of Industry and Commerce went to London, and I know some of the people he saw and I know some of the discussion that has taken place, and I know the reaction that occurred in relation to it. Because the concept that somehow that government is capable of going into business, and to be able to compete and be able to somehow or other buy the technology and work out the deals, and be able to make the profit at this point in the leagues that have had substantial cash resources available to them over the years, the buildup of management personnel that has cost them a fortune over the years, the acquirement of technology, and to be able to believe that they are going to be able to compete with them successfully, I think is very mistaken.

A contract has been made with American Motors. Can the Minister now not confirm that American Motors are at this point now trying to develop their own plant to do exactly what they've contracted with the government for? Can the Minister now confirm that with respect to Flyer that at the time that the deal was made that they did not know that many of the patents that were going to have to be available for component parts were controlled by one of the competitors, and that in fact they could be put in the position where the supply would not be available and yet they were prepared to expand. Where was all this technical advice? Can the Minister really deny at this point the presentation by the Honourable Member from Brandon West, who I suggest knows more about the airplane industry than he does or than Mr. Ault does. Can he deny the allegations that were made in his presentation about both the airworthiness of the project that Saunders was involved with, its market potential and its viability. I don't think he can. But nevertheless we're into it, we're spending money and we're going to continue to write cheques over and over again, this day, the next day, a million here, another million, another million and we're going to go up and up and up.

And I'm suggesting, Mr. Speaker, that the time has come to wind it up. The time has come to carry on those projects that have to be carried on until one way or the other the government is out of business. But the government's got to get out of the business because they're not going to be able to operate and the loss, and it will be a tremendous strain. You know, the Chamber of Commerce criticized the First Minister with respect to the Succession Duty issue and he made a presentation which is a significant presentation. And their presentation basically said, Mr. Premier you're saying that the industrial development in this province is up because capital investment intentions are up, and it's the largest increase or the second largest increase in Canada. Mr. Premier, you have to look at the base. What was your increase the year before to see what your increase is this year. Then you have to look and say well, what of those capital investment intentions were public and what were private. And there's no doubt there was a substantial amount that was public because the public works program is pretty significant. But then they said let's look at the private and how much of the private sector gain is really public, because if in fact we take the loans from Saunders and the loans from Flyer and the loans of the equity participation out of the capital investment intentions, when we examine those figures, not very much is happening. And of course, Mr. Speaker, that was the damaging aspect of the Chamber of Commerce presentation. And I have no doubt that the Premier said well, we're going to examine the tax situation and we're going to try and work out and see what our situation is. Sure, that would be fine but it's not the tax situation that was the most damaging aspect of the Chamber of Commerce's presentation. The most damaging aspect of the Chamber of Commerce presentation was that in reality if you took out public investment with respect to the public sector and with respect to the private sector, very little was happening in the province and the job formation and the developments that are necessary were not occurring and that Mr. Speaker, is an indictment of the government's policy, an indictment of the

(MR. SPIVAK cont'd.) . . . . Minister of Industry and Commerce no matter how enthusiastic or how sincere he actually is.

And so what I anticipate, Mr. Speaker, so long as the present government is in power, in the attempt to try and create the illusion that things are going to be going well by attempting to continue to invest money in ventures in which the argument will be advanced, we will have a profit for the people and that is the reason and that's the rationale of our industrial development program. And more and more and more money will be invested in more and more projects without anyone realistically knowing where we are going, or without anyone on that side knowing where they are going with respect to the objectives they are trying to achieve or with respect to the ultimate profit that can be achieved.

And there are those on the other side, the Member for Inkster for one will say it's good anyway. It's better that the government be in it than not be in it. And profitability and the nature of the risk in itself will not be factors as it would be to an entrepreneur. And that realistically is what they are saying, because when they are challenged they immediately get up-tight and they say it's because we are doing it we shouldn't be criticized. But I wonder if they know anything about the Steele-Briggs deal. I wonder if they really know there was an offer of a million dollars and they paid \$2,250,000, \$2,225,000.00. The First Minister was you know, very quick to say that Mr. Swanson had been hired by the previous government and he hired the General Manager, and he answered the Member from Portage in that way. But what he didn't say is that Mr. Swanson hasn't been consulted by them in recent times. He wasn't consulted on the Steele-Briggs' deal. He wasn't consulted on the others. And had he been consulted and had he had the information I do not believe that he, maybe the Minister of Industry and Commerce would have done it, but I don't believe that he would have allowed that deal to have taken place. I don't believe that he would have allowed the overpayment to take place, no matter what the others may say. I just do not believe that he would have acted in the way that he did. And the fact of the matter is that in all of these transactions the government has relief on the judgment of the Chairman of the Manitoba Development Corporation, one or two Members of the Board of Directors. And for the Minister to continually expand government involvement in the anticipation and hope that this will both cause jobs and will cause a profit to occur, and the question of the profitability of the operation, the marketability, the amount of additional capital that may be required over and above the initial investment have not seriously been considered or questioned. --(Interjection)-- At the end. And so one has to say, do we have any faith in the government? Well I for one do not, and I think most Manitobans are in the same position.

Now let me deal with the Department of Industry and Commerce. I think that the Department's activities have got to be altered. I must say, Mr. Speaker, I think that the Department's Budget is too high. Too high. I don't think you have to spend the \$5 million to run that Department, and I never did. I believe that the Department has got to change its attitude with respect to the Regional Development Corporations, and has got to give the Regional Development Corporations more power to be able to help them help themselves. And we were told at one time that the Regional Development Corporations were going to be - a bill was going to be introduced, that there was a new government policy that was going to be forthcoming, and that hasn't been forthcoming. I believe that the time has come to let the communities of interest determine to a large extent the kinds of developments that can occur within their own areas. I believe, Mr. Speaker, that the time has come to take the Department of Industry and Commerce and to take the Department of Tourism into, in fact join them as one, as the Department of Economic Development. Because it's my belief that in reality Tourism is going to be as much in the development of the service sector which comes from a major increase in tourist activity, that they are part and parcel of our economic future. You know, I welcomed the Federal Government's tax program with respect to manufacturing that was announced in their Budget. But I thought with respect to the question of unemployment how ridiculous it was to simply more or less segregate the manufacturing sector and to give them a tax advantage, and not realize that the service sector in this country is still probably the greatest potential for job formation. And if the issue was jobs and I think it was that that motivated that budget, and the issue is unemployment as I think it is, then surely the service sector is one area that should have been encouraged and influenced to be able to accomplish the immediate objective of trying to knock unemployment down and trying to create jobs. And I suggest that in talking about putting Tourism and Industry and Commerce together as a Department of Economic Development, I am essentially saying that the service sector of this province has and will continue to be a most

(MR. SPIVAK cont'd.) . . . . important factor in job formation. And it is going to be one area that is going to have to be encouraged, and it should not be run as a separate department but should come under the overall aegis of one Minister who has responsibility for declared government policy.

I believe that the Regional Development Corporations should have funds available for them to be able to carry on the programs that they want to undertake after they've researched and come to a consensus. Coming to a consensus in the region is not going to be the easiest thing in the world, but nevertheless if the agreement is for certain projects to be undertaken, that there should be some funding available and that funding should not be available through the Manitoba Development Corporation but through another scheme. I believe as well that the kind of emphasis that has to be made has to be a declared kind of policy by the government and not a helter-skelter policy. And the helter-skelter policy that the government has is to basically declare a response to every given situation and to try and reflect that this somehow or other is a different kind of policy and a different kind of economic development. The midwestern area of the United States still represents our greatest potential. I have a feeling the Minister understands this. That he means that he should be down there much more than he is. It represents a potential in two-fold. --(Interjection)-- No, no, he wouldn't get heck. As a matter of fact, a matter of fact I'm one who criticized him because he wasn't prepared to go to Chicago on an investment project, and that was several years ago, because he wasn't interested in American investment at that time. But there's a two-fold factor in this. There are many American investment opportunities in Manitoba because of our geographic location. And the ability for those investors to accomplish something in this province which would give them distribution across Canada, that can be exploited provided we're prepared to go out and to seek the opportunities in the midwest market for our own people, and at the same time seek American investors here. And that means the formation in the midwestern parts of the United States of offices for the Department of Industry and Commerce and I'm still suggesting, Mr. Speaker, under a substantial amount less than the budget that the Minister of Industry has brought forward, and it can be done.

I don't think that the attitude of the Minister, which is the attitude of the Member for Inkster, that business is going to come here because it's going to come here anyway. It'll only come here because there's a good deal that's going to be good enough. I am one who believes - and I've had now both as a Minister of Industry and Commerce and as one who has listened to the cries of business people in other areas who have lamented the scene in Manitoba, I'm one who believes that people are not going to be coming to Manitoba at all unless we go out and try and find them. And they're not going to come for a variety of reasons; they're not sure exactly what's going to happen in the future, and business has to operate with stability; they're not sure, and they can't be sure as to what government taxation policies will be; and they're not sure of the exact nature of what costs will be, both governmental costs, labour costs in the future by comparison with the other areas. The degree of uncertainty has been no doubt excited by the nationalization of the auto insurance industry and the attitudes that were expressed at that time. And so what happens is that they pass Manitoba by. So in the suggestion that I make to the Minister, it's the fact that the midwestern area is still our greatest potential for new markets, still one of the great potential for new investment opportunities in this province to be able to distribute throughout Canada and the manufacturers, and that that opportunity has to be exploited and exploited to a greater extent than it has in the past.

Now if the Minister of Industry and Commerce is concerned as I think he should be about loan capital and risk capital in Manitoba, I don't think he should be talking as he did last night about the chartered banks and other financial institutions. Because again, if we examine the amount of money that's been loaned by the government to business corporations, you know that's only a pittance of what comes available from the financial institutions. What I really believe is that he should be down there with them. What I really believe is he should try and encourage them to come here. What I really believe is that he should start to listen to what they have to say to him and to others about what's happening here, and to try and react. Now the Honourable Minister of Finance - who unfortunately is not with us today, and we understand why - put up a sign saying, "Spivak listens to people" and the Honourable Attorney-General was rather amused by it. But I suggest to the Honourable Minister of Industry and Commerce that he should start listening to the people who have been talking to him, and I'm going to tell you what they've been saying. They have been saying that the tax climate, that the attitude of government is in fact



(MR. SPIVAK cont'd.) . . . . driving the private investor from Manitoba. They have been saying, and I know this for a fact and I've already said this once before in the House, they have been saying that we can quote you chapter and verse of capital that **has** been taken out of this province in recent months as a result of the tax policies of the government. And they have been saying that unless there is a dramatic change the effect will be great - it may not be felt immediately, but it will be felt in years to come. --(Interjection)-- I'm not saying it. I am in a position, Mr. Speaker, I'm in a position to quote chapter and verse of who's been saying it to him. --(Interjection)-- I'm not talking doom and gloom, I am not talking doom and gloom, I'm talking reality of what's happening and the first - and only the Minister of Labour can put his head and believe that it's not taking place. --(Interjection)-- Not horse feathers. So, what do I - yes - the government get out of business; the government look at its tax policies; the government attempt to try within whatever period of time it may have as a government to try - and because we are talking about the people of Manitoba now - to try and see if they can reconcile its position with the business community who has seen as its enemy and who at various times has declared itself to be its enemy, to declare them to be its enemy. But the Minister look at the midwestern part of the United States and recognize the potential and change part of the direction of the efforts of the department; that in turn the First Minister examine the potential of tourism with respect to the Department of Industry and Commerce and in fact bring it together as a Department of Economic Development; that the Regional Development Corporations be given more authority and the resources to be able to carry out their programs, and this would apply particularly to the north and to the problems of the north; and that there be an attempt to start to initiate the kinds of new programs that will in fact assist the small businessman in this province.

Mr. Speaker, there are two very obvious trends in Canada that are occurring today, the growth of big government and the growth of big business. The Federal Government tax programs will encourage small business to give way to big business because the small businessman will not be able through his own devices to be able to attract the surpluses necessary to be able to expand in this country. There are tremendous disadvantages that face the small businessman, and unless the government is prepared to alter and change its policies with respect to them; unless it's going to be prepared to assist them; unless it's going to be prepared to recognize their problems, then realistically the small businessman here will take the option, because that option is in front of him, of leaving and of giving the resources to the major corporations. And Manitoba will in fact lose part of the spirit of entrepreneurship that has built it and will in fact become the branch plant operation for all undertakings, and we will have a branch plant life, a branch plant economy and a branch plant government. And that's essentially what we face.

Manitoba's at the crossroads in many respects, Mr. Speaker. The government has failed to declare its economic policy; it is as I've indicated gone on a helter-skelter basis; it has taken great pride in the achievements of its Crown corporations; and press releases are released almost daily about the achievements, and press statements are made, and there is wide coverage. But at the present time to a large extent it is becoming a bit of a joke because it has very little to show with respect to its results and it will continue to have little to show.

So, Mr. Speaker, in asking us to concur, we can't concur with the Department of Industry and Commerce. We are not trying to discredit the Department of Industry and Commerce, but we are trying to impose a program that is not accomplishing its result, that should have been altered some time ago; that if we were a successful government we'd alter almost immediately. And one of the main aspects of that program is the government's involvement in new business; and its attempt to take equity positions on behalf of the people in enterprises for this province, which so far has not worked out at all and which I suggest in the hands of the people that are now with the reins of authority in Manitoba will not be of any profitability or lasting benefit for the people in the future.

Mr. Speaker, it's my belief that very shortly after the session the Premier will exercise his prerogative and it will change his Cabinet. This will come as a result --(Interjection)-- No I don't expect to be in his Cabinet, and I would hope - but I hope for everybody's sake that the Member for Radisson would be in his Cabinet because at least then when he has something to say he may be able to say something instead of what he's trying to do now and what he's been trying to do through my whole speech. But I must say that I expect the Minister of Industry and Commerce to be replaced. Not because of anything particularly with respect to his own ability, I just expect that in the general tenor of things there are a few ministers who are going to be

(MR. SPIVAK cont'd.) . . . replaced, and there's going to be an attempt on the part of the Premier to try and get new direction. He's not here now, but the House Leader is here, and I'm sure that unlike some members of his caucus he does talk to the First Minister. And I would hope, Mr. Speaker, I would hope --(Interjection)-- That's right. I would hope, Mr. Speaker, that when he makes his selection for the Minister of Industry and Commerce in a few weeks, and I think I can almost predict who he may make as his - and I'm not going to make that suggestion, because that would not be my suggestion I can tell you right now. --(Interjection)-- No. Then maybe I should suggest it, because by my suggesting it it won't happen.

But nevertheless, Mr. Speaker, through the Minister of Labour may I suggest that he inform the Minister, the First Minister, that he has to get someone who will be prepared to take over and prepared to reject the policies that were not successful in the past; prepared to recognize the realities of today; prepared not to be academic in his approach; prepared to sit down with those of the business community who are still prepared to sit down with the government to try and gain some competence, so that in the end the kind of dismal prospect that Manitoba faces as a result of three years of ineptitude will at least be attempted to be corrected so that in terms of the prospects of job formation and rise of incomes for our people there will be a chance. Because if he does not do that, then I think that what we are doing, what you are doing is giving the people in Manitoba a kicking in the pants that they will not forget for a long time, but that they do not deserve, that they did not vote you in to receive; that in turn is unworthy realistically of the higher aims that most of you suggested, motivated you into joining both the New Democratic Party and becoming members of the government. You know, for three years you've allowed yourselves to be misled on the basis that those people who had responsibility were competent. They are not competent, and you are now just bearing in a very small way the fruition of their incompetency and there is a change that is required and it essentially is still not too late. And so I would suggest, Mr. Speaker, I would suggest, Mr. Speaker . . .

MR. SPEAKER: Order please. Order.

MR. SPIVAK: You know, Mr. Speaker, I was ready to sit down, but if the Minister of Industry and Commerce continues it will only encourage me to keep on. --(Interjection)-- No, but if he encourages me from the seat it only will encourage me. --(Interjection)-- Mr. Speaker, I'm not sure what our friend Barney Flintstone is saying over there, and he's got his back turned so it makes it very difficult. Mr. Speaker, what I've said I've said as a statement from an opposition who cannot and will not support the Minister of Industry and Commerce in his proposal that we concur on his department, because without economic development this province cannot continue; without economic development there will be no true gain for our people; and without economic development government will not have the resources to be able to carry out the programs that it designs. And so, Mr. Speaker, if there is a failure with respect to the government, the failure has to be highlighted by a development policy that has accomplished little and shows the prospects of accomplishing little in the future.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): I believe the Honourable Leader of the Opposition stated he would entertain questions at the end of his speech, and therefore I would like to . . .

MR. SPEAKER: I should just like to indicate questions of clarification on his speech, not questions that will open the debate farther. The Honourable Minister.

MR. EVANS: Well, it's a matter of clarification because I'm confused. The Honourable Leader of the Opposition made reference to McKenzie Seeds and to a Mr. Swanson, who we know was the previous president of the company. Although we know while Mr. Swanson was president the company always lost money, and close to a million dollars over a few years; and secondly, Mr. Swanson was the man who was trying to advise us that we sell it to the Ferry-Morse Company in the United States for virtually nothing, for a price of 200,000 which was a price less than the physical assets were worth. Now in view of that, what I want to know, I want to get clarified and it's strictly a point of clarification, why the Honourable Leader of the Opposition suggests to us or asks us why we should consult or why we did not consult Mr. Swanson in the matter of acquiring Steele-Briggs Company in Toronto.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, before I answer the question I rise on a question of privilege. The Premier rose on a question of privilege in my remarks and said that in effect statements that had been made concerning someone were not true and he had the right, because the person

(MR. SPIVAK cont'd.) . . . . was not in a position to defend himself, to be in a position to answer for him. Mr. Swanson during the period of time that the Minister was talking about was in fact employed by the government, and I rise, Mr. Speaker, to suggest that the Minister of Industry and Commerce's statements are untrue. I rise as well to suggest that the Minister himself is deceiving this House by his statements. Mr. Speaker, I am quite prepared and I would welcome the Minister of Industry and Commerce invite Mr. Swanson to come before the Standing Committee on Economic Development and to answer any questions that members may have with respect to McKenzie Seed up until the time that he discharged his responsibility. And then they can ask his opinion with respect to the negotiations and finalization of the deals that the government had involvement with McKenzie Seed, including the deal in Mexico City. And Mr. Speaker, I'm quite prepared, I would only hope that the Minister would allow that to happen.

MR. SPEAKER: Order please. Order please. Let me indicate that there is no way for the Chair to verify either gentlemen, so I'm just going to have to indicate that it isn't a matter of privilege, and it is not a matter of procedure at the moment. The Honourable Leader of the Opposition may answer the question if he wishes. Order please. I do wish those who have better knowledge of the rules would stand up and declare themselves instead of just yipping and yapping. I have enough difficulty trying to create order amongst all of you as it is. The Honourable Leader of the Opposition if he wishes.

MR. SPIVAK: Mr. Speaker, I've asked the question Mr. Swanson should come before the Standing Committee on Economic Development.

MR. SPEAKER: Is it the pleasure of the House to concur in . . . The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): I wasn't sure, Mr. Speaker, there was another question on our side, that's why I was slow in rising.

Mr. Speaker, I've listened with a lot of interest as far as the debate has been involved and the McKenzie Seeds or in the CFI problems. It is not intention to touch on that part of our Industry and Commerce Estimates. But last night when the Minister got up and tried to tell us that everything was so very very rosy and that he was sure that he was doing everything so perfect, I could not help but think that I had to at least rise and say a few words. And I wish to say this, Mr. Speaker, it's not intention to say that everything is wrong, but a lot of things I believe could be better or could be different. In fact, Mr. Speaker, the conditions of the province today I believe are such that there does not exist an equal opportunity for many of our citizens, and I'm particularly referring to rural Manitoba. I think it is fair to say that - and although I must agree that there have been some improvements made, but I think we have to agree that there's a lot to be wished. And I do not wish to see the Minister have the attitude that he feels that everything has been licked and that everything has been solved because there are a lot of problems left, and I'm sure if he is a sincere Minister which I hope he is, then he should know this and I'm sure he does.

Mr. Speaker, today more than one-third of our population, or more than 350,000 people live in rural areas and that of course excludes the City of Winnipeg, Northern Manitoba and of course the City of Brandon. And these rural Manitobans in my opinion face some serious problems, and I believe problems which perhaps document clearly the reality that I said at the start of unequal opportunities, in fact of neglect. I could say of injustice which hurts our free society. And it is I hope - I was going to bring in another matter but I shall leave that at the time being - but I hope, Mr. Speaker, that this government will strive more instead of taking the attitude that all is well and there is really nothing left to do, because I believe that our future growth or quality of life for that matter, or complete integrity, depends on what is going to be done the next ten or fifteen years at least.

And I also think and I guess I would be challenged with this, but I want to return that challenge and say that because of the lack of growth the lack of opportunity exists for many of the citizens of rural Manitoba. And I think that this lack of opportunity can be documented to some extent. I think by the fact that on the basis of criteria established by the Economic Council of Canada, almost half of the people living in rural Manitoba have income below the poverty line; also by the fact that the average per capita income of our rural areas is only three-quarters of the national average and only one-half of the average income found in Greater Winnipeg; also by the fact, and this is a terrible thing to say, but everything is not rosy by the fact that infant mortality rates in rural Manitoba believe it or not, are still some 20 percent higher than the rates found in Greater Winnipeg.

(MR. BARKMAN cont'd.)

Another fact that I think is quite disturbing is the fact that according to the latest detailed census, more than 50 percent of rural dwellings were without central heating and without running water, without hot or cold water. I know the Minister would say we're working towards that direction, this is fine. But it still hasn't been accomplished to the point where I'm sure we would want it. And this compares with only 15 percent instead of 50 percent in Greater Winnipeg, and the point is not that Greater Winnipeg should not have it. The point is that there are differences that rural people have to compete with and this is where of course economics comes in. I could go on and say that we're aware that in quite a few regions of Manitoba university attendance is less than half the level found in the province as a whole.

Now Mr. Speaker, I know that - I'm trying to suggest to the Minister that there needs to be much more action regardless of how secure he feels that everything is in very very good shape. I think that the fact that we've started to make some progress doesn't put this condition in a position where everything is now rosy. In fact, I feel, Mr. Speaker, the fundamental problem of our rural areas is that we have not been able to keep up or to keep pace with the rapid rate of technological changes. Our farmers have given us much more productivity during the last years. And I'm sure we could all name a number of economic, other economic reasons that have occurred during the last year that make our problem a completely different problem than it was before.

Now Mr. Speaker, just because of these problems and because of migration of many of our people from rural areas to the cities, I don't think that this should make us discouraged to a point where we think we can't do anything about it. I don't think that this means that because we've had this large scale migration or that it has occurred from rural Manitoba to Metropolitan Winnipeg basically, I do not think that this is the end of the story. I think we should work with this and I agree that the Minister and the department has started, but by no means are they in a position to say that everything is so very very rosy. In fact, Mr. Speaker, as the TED report states, immense opportunities exist for development throughout rural Manitoba. And the Minister mentioned before some of the things that took place in Steinbach. I am proud of some of the improvements or some of the growth we've had down there. I think the Minister knows, at least I'm not aware that they have needed that much help from the Manitoba Development Corporation, although they have received some and I'm sure they're thankful for it. But I think that is not the whole story of success. I only wish that other parts of my constituency could say the same because we find in parts, as I'm sure all of the MLAs here do in this Chamber, that there are certain problems and growth is not what we would really wish to have.

Now Mr. Speaker, as I said a little while ago, the TED report states this quite clearly, that there are a lot of opportunities in rural Manitoba and I think we should be willing to adopt some of the policies that the TED report suggested. I think perhaps one of the reasons why many of the rural people have begun to work amongst themselves or work together forming different regional development corporations, trying to help themselves, they are still not in a position to completely do it on their own and I for one, Mr. Speaker, must agree that as far as our Manitoba Development Corporation is concerned, I think it still has a place. I believe that it has been misused at times and it's perhaps becoming too expensive, but I cannot see if it's managed and run correctly, I cannot see where we can at this time say that it should be wiped out, because if we get down again to the rural situation of economics, we find that about 85 percent of our rural businesses employ only one to ten employees and these people need this kind of help. I will not argue that the problems of the MDC have not been great, I think there is much that could be improved in this corporation, but I do believe that it is one that is needed and unless I see more mismanagement, I cannot help but support it. So I want to leave this thought with the Minister, while I'm thankful for the few things that are rosy as far as economics are concerned in rural Manitoba, there's a lot left to do and I hope we don't forget this.

#### CONCURRENCE

MR. CLERK: Resolved that there be granted to Her Majesty a sum not exceeding \$1,955,000 for Labour.

Resolved to be granted to Her Majesty a sum not exceeding \$26,173,400 for Mines, Resources and Environmental Management.

Resolved that there be granted to Her Majesty a sum . . .

MR. SPEAKER: Order. The honourable member wish the floor?

MR. BARKMAN: This includes Environmental Management, right?

MR. SPEAKER: Right. The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Speaker, I have only a few comments in this respect and it's basically on the Environmental Management. I did not get a chance to speak during the Estimates, and it's not of a great nature that I wish to bring before the Chamber, but I think there is quite a bit of confusion in this department as far as our Department of Environmental Management is concerned. I think it is time that we should try, at least try - I know it isn't going to be possible for some time - but at least try to establish some type of criteria whereby those people that wish to build and those people that wish to get information concerning some of the buildings that they wish to build in Manitoba, that at least certain rules were laid down. And I think the Minister remembers a couple of months ago I brought up a question in the House and I must say that the response was very good. But it was rather unfortunate where a farmer applied in the month of January or February, and here finally in March or April he tries to further proceed or to know if he can put up this building - and it happened to be a hog barn and the amount was only approximately \$18,000 - but then they told him no, he could get no answer, leave alone what the answer may be, till the 15th of September. And as I said a little while ago, once the department looked into it I was rather surprised that after me asking the Minister, his department, that perhaps I would get the answer. But we always can pick up new slants of new politics - the party was phoned directly and I guess I was just a little bit jealous that I didn't get the credit instead of the Minister or the department. However, this is one of the things that I wanted to bring up, and our summer time is short enough, if it happens to be agricultural buildings and if these people cannot be told at least within a certain medium of time, this puts a hardship on them. And I hope that some type of criteria can be established so that this can be cleaned up in the very near future.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I just have one point that I wish to bring to the attention of the Minister that concerns me in this department, and that has to do with the program of conservation. I have not heard the Minister during his Estimates expound to the House or tell the members what kind of a program that the government pursues as far as conservation is concerned. I know that we must be concerned because many of our natural resources, as well as the wildlife, we must be concerned about. I feel that we have not kept pace with the changing needs and the times in order to achieve the best possible management of our God-given resources. I know some would say that we cannot tax, for instance mines, to some extent because you won't attract industry. That's one area that I have never argued with the government, because anyone that's holding claims I feel should be prepared to pay a proper tax on it, because once the mine is mined it's not a renewable resource, there's no more left, and I have never argued with that point. But the point that I wish to draw to the attention that really concerns me is the dwindling numbers of many species of our wildlife and what is the government doing as far as the habitat is concerned, about habitat destruction, such things as pesticides and pollution; and indiscriminate, perhaps I should also mention that we've had some debates in this House on indiscriminate hunting because really, in my opinion, I feel that the government has a very very limited program. And I think it's time, it's time that we looked at this in a very serious way because I'm sure that most members are interested, and I know the Member for Brandon is certainly very much interested in this area and a few other members, not too many perhaps in this House that know that, for instance modern agricultural practices perhaps have destroyed many of the habitat for our greater number of our wildlife species, and particularly this is what happened to the prairie chicken, which has almost disappeared. But I think this is an area that not only the private wildlife associations; and the Ducks Unlimited, I believe, one of the other organizations that has been doing such a great job; but I believe the government as well should show some interest in this area and perhaps be concerned about the disappearance of some of our wildlife species and maybe set aside more of the habitat. I know there is some concern on the part of the farmers, and I've always agreed even if they charge so much more per hunting licence to set up some kind of an insurance fund for the farmers that may be paid for destruction of crops by any - be it ducks or geese. But I do feel we are not keeping with the times as far as conservation of our wildlife is concerned as to what some of the other provinces are doing, and I hope the Minister would be able to tell us something of what the Department is or what his plans are in this area.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a few remarks I'd like to have addressed to the record of the debate on the motion of concurrence of the Minister's estimates. I first of all would like to appeal to him again on behalf of those farmers below the Shellmouth Dam who for the second year in a row have experienced losses that's certainly not their responsibility in any shape or form, and monies that they can ill afford to lose. I think it's regrettable, the handling of the Shellmouth Dam whereby certain waters have been released two years in a row, and they have experienced these kinds of losses. I can well understand the problems possibly that the Minister has in dealing with this matter, and I think the water control of the dam is doing an excellent job for those farmers that live maybe ten miles downstream and beyond all the way to Brandon, they have never experienced losses, but those that live right up against the dam, two years in a row. And if this is the way the dam is going to be managed and the water is going to be released, I suggest that it might be going to be an annual problem. So I think the Minister had better take another look at it, and surely you can come up with some way. Or if these farmers are going to experience these losses annually, surely we could buy the land and ask them to move out of that area. But I think it's regretful that they have to take the brunt of that water two years in a row and we the people of the Legislature and the province can't compensate them in some way for the losses they are experiencing.

Mr. Speaker, I reiterate the remarks of the Honourable Member for Assiniboia regarding compensation to those who are experienced losses from wildlife in this province and I note the Minister did put on the record during the course of the debate of his estimates that Federal funds are finally on the scene to help deal with this matter. It happens to be that I have a constituency that contains the Duck Mountain area and the Riding Mountain National Park which contains a great deal of game in this province, and just because people happen to farm in those areas, I wonder if they should have to experience these untold losses. I know the Minister knows about them, I wrote several letters and I've got very favourable replies, so I have no doubt we'll be announcing a program very shortly that will finally compensate some of those who are experiencing losses year after year.

The other point, Mr. Speaker, that I think the Minister - maybe should draw to his attention is the confusion and the misunderstanding that seems to be in the minds of those that are - especially may I draw to the fishing and Mink River Watershed No. 49, to the Garland River and Watershed No. 103, the Fishing River and the Pine River Watershed, I think it's 104, and I know the province is well aware of the needs in this area as a whole. The drainage engineers there work very close with the people, but of course money, funds have not been made available for the welfare of drainage in those areas so that these people can get the best advantage of their farming. I have had three or four letters this week, I don't think hardly a week goes by that there isn't complaints come in from the Pine River-Ethelbert area regarding the problems they experienced from the high water on those waters. And I know much of the work is related to headwater storage and diking and river management, but I think with the number of years that the people in, especially what is known as the old Ethelbert Plains constituency have faced these problems and stood up to it, and there's still some of them there. Other drainage and watersheds in the area have been brought under control in the province through government, I think it's high time that the government provided an all-out effort to provide these people with some solution to their serious drainage problems that they have in the area. It's a very depressing thing to go on a farmer's farm and he takes out and shows you what was good fertile land and the water has come and taken all that topsoil away and all you've got left is a pile of rocks. And I'm sure the Minister with the Water Resources people will move as quickly as they can but I think that area does deserve some special attention.

One final remark in closing, Mr. Speaker, as I note by the press the other day that the department has taken over the control of the upper dam at Grandview, and that's the matter of the Pleasant Valley Dam project which was completed last year and will be I guess scrubbed this winter likely. But I'm wondering if the Minister has been in touch with the wildlife people or the Ducks Unlimited, or if there is going to be programs in there of wild rice or something, because that is certainly going to attract a lot of birds. I just forget the number of acres, feet of water, but it covers a vast area of about three and a half to four feet of water so it's going to be an ideal place for birds, and I just wonder if the department has looked at that and could give some suggestions as what may happen there for the future.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker, I want to confine

(MR. GRAHAM cont'd.) . . . . my remarks on this particular department, Mr. Speaker, to just one area, and that is the area of air transportation which comes under the jurisdiction of the Minister of Mines, Resources and Environmental Management. At least I thought it did, Mr. Speaker, but now we find that the same Minister is bringing in an air transportation policy under the Department of Industry and Commerce as well. Now, Mr. Speaker, it has been customary for many years for some departments not to know what is going on in other departments in government. This has been all too evident in some cases, but here when you have two departments headed by the same Minister surely they should know what is going on from one department to the other when they have a common Minister. Now I don't know whether the intention is to diffuse the total cost of the air policy of this province by splitting it between two departments or two jurisdictions here but, Mr. Speaker, it seems to me rather incongruous that this Minister would actually endorse a policy which would not have some common management practices involved in it. But he is splitting his air policy into two distinct departments of government, having one department handle the northern air transportation policies and one other department handling the southern air policies of the Province of Manitoba, and I suggest, Mr. Speaker, that such a policy does not tend to promote harmony within the Province of Manitoba. We've heard the Honourable Member for Churchill repeatedly state that southern Manitoba doesn't understand northern Manitoba, and I think maybe there is some truth in that. But for government to actively promote division by having two separate departments handling an air policy in the Province of Manitoba, one for northern Manitoba and one for southern Manitoba, Mr. Speaker, I suggest it's divisive and wrong and not in the best interests of the Province of Manitoba.

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MR. DEPUTY SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I hope the Minister, with that look he just gave me is not one of grave apprehension that I'm now -- the Minister of Industry and Commerce -- grave apprehension that I'm going to launch another attack on this department. I don't intend to do that, I'll put his mind at ease but there is some information that I should like to have from the Minister, and there is a few comments which I would like to make in regards to a program that I'm not too sure is being carried on in the manner in which it was originally introduced and the intention of that program. We don't hear very much about it, and perhaps the Minister could enlighten the House as to how the program is going, to what extent it has been carried on and if it is producing the kinds of results and effects that was anticipated when it was first introduced. And I'm speaking of the program that was initiated under the ARDA legislation when the legislation was first introduced into the House of Commons. It was contemplated at that time that since about 70 percent of the waterfowl population in the North American continent have their breeding grounds in the pothole country of the prairies, this would seem to be in terms of creating the kind of environmental management that his department suggests should be creating; would provide an ideal experiment in attempting to encourage the use of the pothole country as breeding grounds for waterfowl. As the Minister perhaps is aware farmers who raise crops in those areas are plagued by the number of birds that leave the waterfowl area when they're able to fly and move onto the grain fields and then start consuming the grain crops.

I recall at the time that the legislation was introduced that the Chairman of the American Wildlife Federation was in Ottawa at the time and expressed a desire to see this kind of legislation go forward, and even suggested that the American Wildlife Federation would be prepared to assist in the cost of this program to a large extent, because it was American hunters to a greater extent than Canadian hunters who were benefitting from the waterfowl population. And we undertook at that time to rent from farmers who owned potholes on their farms those areas that were suitable for waterfowl propagation. I think a rate was established at something like \$30.00 an acre for the rent of the land that comprised the potholes plus sufficient area of arable land surrounding the potholes to be seeded to barley to feed the ducks. The income of \$30.00 an acre would compensate not only the area taken up by the potholes, but by the few rounds made around the potholes by the farmer in seeding it to barley so that they would have something to feed on.

As everyone knows the duck is a pretty discriminating gourmet and will not eat wheat or oats if there's barley around. As a matter of fact they won't eat 6-row barley if there's 2-row barley around, and so with this kind of a program it was thought that it would assist the farmer in providing him some source of income if he had such a pothole that was suitable for wildlife in his farm, would pay him to raise the ducks. And he in fact is the person who is raising the ducks for the entire North American hunting population, and he's not getting compensated for it. It was felt that this kind of a program would encourage farmers to set aside great areas of the pothole country rather than drain them as they've been doing in the United States.

The American Wildlife Federation have been following behind the American army corps of engineers who have been draining the pothole country, finding out that they're unsuitable for grain production, and then following behind them and filling in the potholes again and using them for wildlife population.

We attempted to avoid that mistake on the part of Canadian farmers by encouraging farmers not to drain that pothole country, but to encourage them to use it and to encourage waterfowl to nest there by suggesting to the farmer that for the rental of \$30.00 an acre he would leave the pothole in its natural state so that there would be the kind of habitat that would encourage waterfowl to nest there. At the same time pay him for seeding a portion of his farm to feed the ducks. In that way a natural environment for waterfowl would be created. At the same time farmers would be compensated for raising the ducks. In other words there would be the possibility of a second crop. Now I know that program was initiated, and I know that there were a number of farmers that were placed under contract as an experiment.

Now I don't know how far the program has been carried on, whether it has proven to be a failure, or whether it is still being carried on. I recall during the consideration of the estimates of this same department last year, I asked the then Minister the same question and received no answer because we, I think, ran out of time or something before he was able to answer the questions. But I would like to know some specific information about the program. Is it still in existence first of all? If it is, to what extent is it being carried on in the Province of Manitoba? How many farmers are under contract under this program? How many acres



(MR. JORGENSON cont'd) . . . . are involved and whatever detail, whatever other details may be available in connection with this kind of program? I feel that it is one of the constructive steps that was taken to not only create proper environment for waterfowl populations but also to preserve the pothole country of the prairies, because I do believe that without this encouragement on the part of the government there would be a tendency for many farmers to drain that country and attempt to put it to farm use, and I think it would have been an improper use of that particular land. So when the Minister replies I hope that he will be able to give the House some information on this program. If not, then perhaps there may be an opportunity at some later date to supply the House with that information, because I think those of us particularly who live in the rural areas are concerned about the declining habitat for waterfowl population and particularly those who are living in the southwestern and in the northern parts of the province where the habitat for waterfowl is most predominant would be interested in knowing, first of all, if there is an opportunity for them to participate in this program where they can get paid raising waterfowl which is really another crop, and whether or not the program has had any merit in the years that it has been in existence. If the Minister could supply some answers to those questions, I would appreciate it very much.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I would just like to make a few comments in regards to the mines and resources aspect of this department. I want to say, Mr. Speaker, I was very interested in hearing the comments from my colleague the Member for Morris because I want to say that where I live there is a sanctuary, a bird sanctuary, that has been established by Ducks Unlimited just about a mile from where my farm is. I've had considerable experience in ducks coming on to my farm and enjoying the feeding of my crops, and I think the comments made by the Member for Morris are certainly of real interest and would be to the farm people of this province, and I'm certainly looking forward to hearing comments from the Minister in that regard.

There are two points that I would like to make mention. The first one, Mr. Speaker, I did bring to the attention of the Minister, and here again I come back to that famous name in Manitoba, Rock Lake. I know that we have had a problem there in that area, and that is the treatment of that lake and I think that it has been and is becoming a more popular area for the tourist industry. We have a provincial park alongside with areas that are operated by private individuals and private groups, and I had no authority but I did throw out the suggestion to the Minister now that, as I said before, we have a change in that portfolio in the administration, namely the honourable member who now represents it, and I was hoping that he would have some different, or some changed attitude insofar as the problem of this particular lake is concerned. And while I wasn't certain, I asked him if the municipalities concerned were prepared to put some monies towards the treatment of this lake, would the Minister reconsider his position. Since I spoke at that time I've heard, and I'm not sure, that there has been some consultation from some of the people in my area with the Minister's office and I'm wondering if he can give me any details as to if anything has transpired, and if so what were those discussions and has any decision been made to date.

The other area, Mr. Speaker, I wanted to make mention of and that is under water control and all throughout, I think it's in many areas of Manitoba as well as in my area, the flow of water through the different creeks and the rivers have been a real problem to the municipal people, and in some cases the municipal people when they have been contacted by the officials of his department have not always been to the best of advantage, or have they been satisfactory. I've had quite a number of complaints from people in my area whereby they just haven't received any results in trying to solve the many problems that are as a result of such as, say, beaver dams that are built on creeks and different places - I can think of say the Cypress River which is one of the major problem areas throughout that part of Manitoba. I'm wondering if the Minister could enlighten us as to just what is taking place insofar as water control is concerned as it relates to the officials of his department working with the municipal people in the southern part of Manitoba.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I would just like to say a word on this occurrence in this particular department. One very important problem in my constituency is dealing with Pelican Lake and the commission involved, they brought out a report and it's pretty well been accepted I think in its entirety, anyway it deals with the controls on Pelican Lake, also supplying water from another source through Pembina River, and the

(MR. McKELLAR cont'd) . . . . controls will have to be channelled right through to Rock Lake so that they do not disturb the farmers in that particular area. And the Minister, I remember asking him a question earlier in the session, and he said if the local people, the local municipalities approved of this particular report that the government itself would take action on the construction of these various projects. Now I do hope that the planning can start as soon as possible this year so that something can be done on Pelican Lake.

Now another problem in my area it's not really - it hasn't actually been that involved in the last year or so, but about four or five years ago, four years ago I guess it was, development in the Taylor Mountain Provincial Park commenced and at that time the department thought it was best to bulldoze a lot of bush in that particular park. The local people didn't see any reason why this particular bush was being bulldozed and so the department after a few months decided to halt their destruction of this particular forest. I haven't heard anything more since but I think the people are happy out there that this action was taken by the department. Now much development is going to take place in Turtle Mountains because there's a large area, a lot of lakes, a lot of development, but the one thing that - maybe it comes under Tourism and Recreation - it's a difficult problem here to decide but one thing that many people are asking me, when can I build a cottage in that provincial park? Maybe I should ask that question later on in this department here. Many people in the Boissevain-Killarney area are anxious to construct cottages around the lakes.

Now another problem that I have in my area too is ducks, as mentioned by other members here this afternoon. We do have a large duck breeding area, as mentioned by the Member for Morris, a lot of pothole country, a lot of lakes, a lot of rivers, and last fall the ducks caused enormous damage to many of the farmers in the particular area. In fact, myself, I lost up between 500 and 1,000 bushels of barley and about 500 bushels of wheat through the ducks. I'm one of those that don't go out shooting in the fall and don't go out hunting; I let the rest of the people do the killing of animals. But I think that farmers should be - well another benefit should come to the farmers who feed these particular ducks. I don't know how a program can be developed. I often wonder if the other provinces do have a program that deals with this particular problem the farmers face in our part of the Province of Manitoba. Maybe this can be looked at in the future. Now, Mr. Speaker, that's about all I have to say at this particular time dealing with the concurrence of this particular department.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, we are on Mines and Natural Resources and I would like to introduce something I think has to be introduced before we're asked to concur on this matter. This is something, Mr. Speaker, that has been before this House before but in the light of certain information that became available last night, I think it has to be repeated again, and I think it has to be repeated because it once again shows the attitude of government, of that government to people, and it shows how they act in relation to human situations, in relation to situations where people find the government is their enemy instead of being an assistance and help to them. And this relates to the issue of the fish processing companies, and in this particular case one small fish processing company who are in very precarious financial position in terms of their own personal commitments, not their corporate commitments, and who have received notice from the committee for the acquisition of assets of the freshwater fish producers of an amount that will not in any way even discharge the liabilities they have, which means that there may very well be additional capital to be raised by them to discharge their obligations because they're going out of business, or more importantly they may face a financial situation which will force them to do things that they personally would be very unwilling, having had fifty years in the business, to do. Now I want to preface this in this way, I have in front of me, Mr. Speaker, a letter that the Honourable Minister, the Member for Inkster wrote when he was Minister of Mines and Natural Resources to the Honourable David Orlikow, and this letter is dated September 10th, and it deals with another claim by another fish producer, and I'm quite prepared to table this, and I would hope that the press would have an opportunity to examine this letter because this is an astounding letter. This letter was written by the Minister as Minister of Mines and Natural Resources with respect to one particular fish company. The letter itself deals with the history of the legislation with respect to the Fish Marketing Board and the takeover by the Fish Marketing Board of the fish processing companies. It gives the impression that there was an understanding, and a clear understanding, that the fish processors would be included in the fish marketing concept, that they would in fact have some participation. Mr. Speaker, that implicit understanding as referred to in the letter, and I don't want to quote

(MR. SPIVAK cont'd) . . . . those particular paragraphs, never existed. The statements and representations that were made before the committee of this House, at the time the legislation was introduced by the government, by the representatives of the Fish Marketing Board were incorrect because at the very time they were talking about using the fish processors in Manitoba they were already developing the plans for the ultimate fish processors plant that is now under construction and in operation in Transcona.

But the interesting part of the letter is the last two paragraphs, and I would like to quote from the Honourable Minister of Mines and Natural Resources then, the Honourable Member for Inkster now. In talking to David Orlikow he said, "When you and I and our predecessors went to the public with a New Democratic Party program we were quite articulate in indicating that some people presently enjoying privileges would be affected by the implementation of our program. Some people presently enjoying privileges would be affected by the implementation of our program. We didn't indicate that we would charge the public the cost of buying out the privileges. I think that this kind of situation will continue. It has occurred in the past in a different form when the supermarkets drove out the corner grocers and nobody was compensated and private enterprise said that this was the normal course of events. When the automobile drove out the blacksmith the same thing occurred. More particularly, the public of Canada, including theatre owners, paid millions of dollars in tax money for the subsidization of national television. The effect of which was to drive numerous theatre owners out of business. There was no compensation paid to the theatre owners. You can't have it every which-way. If you are intent on destroying privilege, you can't pay the privileged the amount which they would have earned if you did this. To do so would have defeated your purpose. I hope this letter explains the government's position in this connection." Mr. Speaker, without naming the company, but I'm quite prepared to name the company that I'm referring to. This company has been 50 years in Manitoba. Its assets consist of six stations, each one of which is a large lake station, a louvered boat 100 feet long with a new Rolls Royce engine, gas boats, assorted engines and nets, a brand new filtering room that was never used, fish packagings with labels which cost over \$8,000, which is now worthless, a refrigeration plant, and it has waited -- (Interjection)-- Why doesn't it go fishing? The Member for Ste. Rose knows nothing about this, and I would suggest that he go fishing while we try to debate this. Mr. Speaker, this company has waited for three years for the settlement. The settlement offered by the committee for the acquisition of assets of freshwater fish producers according to the formula which was dictated by the Minister would give this company \$4,104. It owes, Mr. Speaker, to the Industrial Development Bank with whom it originally lent money on the louvered boat 10 years ago. It owes on that boat approximately, in the law suit that I have in front of me, approximately \$4,400 plus interest. So, Mr. Speaker, on one of the assets that has been acquired it owes more money than is being offered. It is in a situation where a statement of claim has been issued by the Industrial Development Bank against the company, but also against the principals because they personally covenanted it, husband and wife in order to secure the loan. A loan that took place, Mr. Speaker, in 1961 and which provided for 70 monthly instalments which have been . . . paid right until June 16th, I believe 1969. It owes approximately over \$4,400 by the statement of claim. It is offered a settlement by the government of \$4,100.00. It owes as well, Mr. Speaker, on the same boat, an additional amount of money to the government with respect to the Department of Transport for the removal of the derelict boat from the Selkirk slough in Manitoba, and the amount owing is \$883.00. So, Mr. Speaker, - and it has its statement - so in effect it owes \$5,200 as a company; it's been offered a settlement, which is a humane settlement of \$4,104.00. The principals who essentially have lost their business, and are completely out of business, and have been out of business for the last three years, and were out of business prior to this as a result of the proposal are now going to be asked to put up individually themselves an additional \$1,000, and, Mr. Speaker, this is consistent with the statement of the former Minister of Mines and Natural Resources who says, you can't have it every which way if you're intent on destroying privilege, you can't pay to the privileged the amount which they would have earned, if you did this.

Now, Mr. Speaker, surely there could have been a better way of handling the situations with respect to essentially small business people who are literally wiped out as a result of the Fish Marketing Board coming into this province. Surely, Mr. Speaker, --(Interjection)-- Progress, progress, yeah progress . . .

MR. SPEAKER: Order please.

MR. SPIVAK: Surely, Mr. Speaker, there could have been a more humane way with dealing with the particular situations. And surely, Mr. Speaker, there is some validity to the criticism that we offered, or that I offered because of the fact that the Minister, Mr. Davis the Federal Minister, has seen fit to publicly declare --(Interjection)-- Propaganda - that the government has not acted in a proper way --(Interjection)-- he agreed with you. Yes and he publicly has said --(Interjection)-- Oh, I see. He's a liar. Now we have a situation, Mr. Speaker, everyone who disagrees is a liar. Everyone who says anything about the government are enemies. Now, Mr. Speaker, the other day the Member for Inkster and myself talked about a certain situation. I think he admitted that he may have made a mistake -- it's the first time you've ever admitted you made a mistake, and I'm not sure that he even admitted it, he qualified that. Because he wasn't prepared to admit that he's ever made a mistake. But I suggest to you that this policy has been a mistaken one. I suggest to you that the policy itself was a policy that should have been altered that in fact was realistically promised to be examined and there was an assumption it would be altered by the First Minister. That at least, Mr. Speaker, -- (Interjection)--

MR. SPEAKER: Order, please. The Honourable First Minister.

MR. SCHREYER: The Leader of the Opposition has just stated that I promised that we would change the policy. I would like the Honourable Leader of the Opposition to produce evidence to indicate that I have ever made such a statement or given such an undertaking, that we would change the policy.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: . . . representations that have been made to me by the people who were present in Room 254 when this matter was discussed with them, the First Minister indicated an undertaking by him to reconsider the policy of the government.

MR. SPEAKER: Order, please. The honourable member is going by hearsay. The Honourable First Minister's words must be taken as evidence. The Honourable Leader of the Opposition.

MR. SPIVAK: There's no evidence, I am suggesting to you, Mr. Speaker, and through you to the First Minister that there is general understanding that there would be a policy of reconsideration on his part.

MR. SPEAKER: Order, please. I do think the honourable member is well aware of our rules of procedure, that if an honourable member offers on his word that it is so, we do not reflect up on that particular matter. I must ask the honourable member not to pursue the matter. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the only matter I'm going to pursue is a very simple one. The Member for Inkster in his letter to Mr. Orlikow indicated essentially the government's position. And again it was a position that the fat cats can bear the brunt of government policy when policy dictates a change and in fact destroys maybe certain privileges that existed, certain rights that they had. But involved in that blanket announcement was the fact that many small people, many people who do not have the resources to fall back on and do something else, whose livelihood and whole life was developed and involved in industry, were essentially wiped out and have reason to believe that there would be in terms of the assets that they had a reasonable amount of compensation paid. I suggest that you judge a government by how it treats its people. And I suggest to you that in this particular situation an offer is made with a deadline now of June 30th to a company and to a person who faces indebtedness higher than the lawsuit on the very assets that are being acquired by the government.

Now the argument by the Member for Inkster - and it's a solid legal argument - is that all we have to pay is what the assets are worth on the market. Now the fact that you can't use those assets to go into the same business that they were used for realistically doesn't make any difference to him, because that would indicate to him that in effect I'm buying the business. Mr. Speaker, there is no business that would have to be sold on that basis in which the asset value would be the market value and the person buying would not be able to use it to go into business that's going to get more than a few cents on a dollar. --(Interjection)-- Lots of businesses, eh? Lots of businesses. All the insurance agencies in Manitoba were worth a tremendous amount of money. You know, the chairs and the tables and the typewriters and the drapes they were worth a lot of money once the people had to go out of business and couldn't sell insurance. And what were they worth? What were they worth? Mr. Speaker, the real reason why these people and this particular person is put in jeopardy because the government wasn't man enough to alter its policy with respect to this particular item because at that time

(MR. SPIVAK cont'd) . . . . they had the fear of what the cost would be for the ultimate nationalization of the auto insurance. I recall very vividly - and I've said this in the House before - the Acting Minister of Mines and Natural Resources when he was Minister of Mines and Natural Resources before the Committee when he blurted out in a very famous statement, almost as famous as "where is Morris" last night, when he blurted out, "well if we do this we're going to set a precedent. If we start to compensate in this kind of manner, in a reasonable way, we're going to set a precedent ultimately for the takeover of the auto insurance industry". And he said that, Mr. Speaker; and he said that in Committee approximately a year before the auto insurance industry was taken.

So, Mr. Speaker, there's no way I'm going to change the government on the other side, Mr. Davis is lying, that's what the Member for Inkster said; the Minister of the Federal Government is lying, you know political propaganda, you boys know everything, you're right, you're humane. You haven't the slightest idea - and I've said this before - of how you treat people; you haven't the slightest idea of why people look upon you as an enemy. There is no justification, there is absolutely no justification for the acquisition of those assets, to have provided an offer which is less than the indebtedness owed to the Federal Government, and the same asset, an indebtedness which has been paid from 1961 successfully on monthly installments. It just doesn't make sense. Yet that is the kind of humane approach of the government opposite; and it is so typical of its attitude with respect to people. Because in the Member for Inkster's words, this person, this small company, this company whose assets I've listed, who in fact owe 3,000 or 4,000 dollars, this company is one of the privileged group that we have to eliminate in our society.

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MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q.C. (Inkster): Mr. Speaker, the honourable member is talking about a humane approach and his idea of a humane approach is to be concerned with every particular person who is affected by sociological and economic change. I would suggest that in his view of a humane approach when Highway No. 1 was built between Winnipeg and Falcon Lake and resulted in less people travelling down Highway No. 4, with the result of the fact that many people who had been engaged in the service industry were left nothing but a physical asset which could not be sold other than for the value of that physical asset, that the humane approach was to compensate that person.

Mr. Speaker, for as long as I can remember, roughly 30 percent of the population of Manitoba have lived below the poverty line. And particularly the fishermen on Lake Winnipeg and other parts of Manitoba have for years been living under conditions which were, Mr. Speaker, no better than penal servitude. That the fiction of them being freed was all that their freedom really meant. It was a fiction that they were tied in, lock, stock and barrel with the people who controlled the fishing industry. Mr. Speaker, I'm not going to go back to that situation and deal with it because the Conservative administration looked at that situation, said that it was an improper situation, said that they had to adopt a humane approach, wrote a statute, said in the statute, and it was their statute, and the wording of the statute was theirs and the present Member for Lakeside, the present Member for Riel both had a hand in negotiating what would be the terms of that statute and what they said, if the honourable member, the Leader of the Opposition will listen, is that when the Freshwater Fish Marketing Corporation comes into existence, that corporation which is a Federal Corporation will decide as to what they want to do with regard to processing. And if that corporation decides that they want to use the existing processing facilities, it would be their right to say they would use them and it would also be their right to make other arrangements.

My honourable friend knows as well as I that the Freshwater Fish Marketing Corporation at no urging whatsoever from the Provincial Government, and as a matter of fact as a result of having had difficulty in making arrangements with the existing processors decided to set up a processing plant. And in the Conservative piece of legislation, I notice that my honourable friend studiously avoids referring to it, it said, Mr. Speaker, that the Provincial Government, and I'm paraphrasing, may, "m a y", not "shall" buy such assets as it deems that it wants to as a result of any fish processor not being in existence. They specifically wanted to put the words "assets", which includes goodwill, that was rejected and that was in their piece of legislation, Mr. Speaker, prior to us enacting it, and I suggest to you that that was no accident. I'm going to suggest that that was on the advice of the Honourable Member for Riel, the inhumane, in my honourable friend's definition, the Honourable Member for Lakeside, inhumane, in my honourable friend's definition; the Honourable the previous Minister of Finance, inhumane in my honourable friend's definition, but we have been left to carry it out.

The honourable member referred to Mr. Davis, I said that Mr. Davis lied, and I am repeating that and I am prepared to prove it. Mr. Davis wrote the Province of Manitoba a letter telling them that 50 percent would be made available for any losses suffered in any purchases made. In that letter he said that the processors are attempting to play one government off against the other, that he was written by the Department of Mines and Natural Resources containing every word of description as to what we were doing with the fish processing companies and also indicating his approval for this program, and he replied without any objection whatsoever to what we are doing. In addition to that letter, I say unequivocally that I spoke to Jack Davis personally, told him what we were doing; he not only approved of what we were doing he seemed to like it that we were carrying on in this way. And I say that on that basis, if Mr. Davis says that he thinks that the Government of Manitoba did something wrong with regard to these processors, either he's lying or he wanted to do something wrong. Assuming that Mr. Davis doesn't want to do anything wrong, I'm suggesting that Mr. Davis lied, yes. The correspondence is on file and if Mr. Davis wants it released it will be released to my honourable friend, to the people of Manitoba and to the people of Canada. He knew everything that we were doing with regard to the fish processors, he approved of everything that we were doing with regard to the fish processors and he didn't object to one single thing that we were doing.

Do you know that the Federal Government is represented on that Compensation Board? Does that surprise the Leader of the Opposition that they have a representative on this Board that determines what people will get paid? The Federal Government, responsible to Mr. Davis,

(MR. GREEN cont'd) . . . . So that when I say that he did that, Mr. Speaker, I say it quite candidly; and I know why Mr. Davis is doing that. Mr. Speaker, there's an interesting story behind it. The honourable member will remember in the House that he got up and said that the fishermen of Manitoba are going to starve and that I said that we were in continual negotiation with Mr. Davis with regard to a 50 percent program with regard to the employment of fishermen. Some time after we had to implement that program by ourselves. Mr. Davis got up in the House of Commons and said, in answer to a question, that Manitoba goes ahead and institutes programs and then asks the Federal Government to participate in them. Mr. Speaker, when that answer came to my attention, I didn't inform the news media, I didn't inform the Press, I didn't inform the House, I sent a letter to every single member of the House of Commons, including the country benches, enclosing my correspondence with Mr. Davis, enclosing records of his commitments to me and his statements vis-a-vis our program, and said here is the prediscussion that we had with the Honourable Mr. Davis, and here is his statement in the House which suggests that the Manitoba Government institutes programs and then asks us about them. I suggest that ever since that happened to Mr. Davis, he has been prone to making ridiculous statements about the Government of Manitoba. One is that we treated these people harshly and he made another one last week. He said that on questions of water, we have been unco-operative. He has seen no position of Manitoba being receptive to joining with the Federal Government in connection with water problems.

Mr. Speaker, I attended roughly three conferences, one that Mr. Davis called, one by the Resource Ministers which my friend the Member for Riel will know about. At those conferences, Mr. Speaker, all of the other Ministers were there, Mr. Davis was at two of them, I continually took the position, maybe my honourable friend would object, but I continually took the position that as far as Manitoba is concerned we would not make any jurisdictional dispute insofar as the Federal Government is concerned if it wanted to enter the entire field of water pollution and looking after water pollution problems. That I said that it wasn't a matter of provincial or federal jurisdiction, it was a matter of who wanted to take the initiative; and if the Federal Government wanted to take the initiative, we would co-operate. Mr. Davis gets up and answers in the House that he doesn't see any receptivity on the part of the Province of Manitoba to deal with these questions. Mr. Speaker, that was said not in private, was said in front of all of the other Ministers, and it was continually the position of Manitoba with regard to water problems. So I'm not surprised that Mr. Davis is a little bit piqued and did what the Honourable Leader of the Opposition found to be unprecedented that a Federal Minister got up and wrote a letter -- and think about it -- a Federal Minister wrote a letter to the Toronto Globe and Mail saying that the Manitoba Government treated fish processors harshly. He made no previous objection to the Manitoba Government, he sent no letter to the Manitoba Government, he sent no copy of his letter to the Toronto Globe and Mail. He at no time had any complaint about the Manitoba Government. But it's true, it's unprecedented, here the Federal Minister sent a letter to the Globe and Mail saying that the Manitoba Government treated these people harshly.

Mr. Speaker, it is absolutely incredulous, except when one understands what Mr. Davis is doing. Mr. Davis is injured, he is injured because his statements to the House of Commons and his actual record were forwarded, not to the Press, not to expose him publicly, but to every member of the House of Commons to show what he had done with us, and then said, that the Manitoba Government institutes programs, or implements programs and then asks the Federal Government to participate. So, so much for Mr. Davis.

Now the Honourable the Leader of the Opposition who you know gave us this afternoon a lecture on business and how you do business. He said somehow that it's ridiculous that an offer to purchase a business should be less than the indebtedness that that man has incurred against that business. Now I want to know which business consultant, which man of affairs said that an offer to purchase assets has anything to do with how much the person who is selling those assets owes to somebody else. When has that ever been a feature of buying a house? If I went to buy a house -- maybe the Leader of the Opposition deals this way and maybe that's why, maybe that's why he got involved in the CFI transaction. He thought the value of the Complex is how much is owing to the government. He thought if they owe us 92 million, it must be worth at least 92 million. Because that's the way, Mr. Speaker, he says that he judges the assets of a business. Now I say that an asset is worth what you can sell it for. And if you can sell it for \$10.00 and \$20.00 is owing against it you don't pay more than \$10.00 for it. And if

(MR. GREEN cont'd) . . . . that is to be the measure of difference between my honourable friend and myself, that he says that the value of a business is what is owing against it, and now that makes the Churchill Complex all understandable as to why the Leader of the Opposition, who was the Minister of Industry and Commerce, why he saw no problem in giving out \$92 million or entering into agreements whereby we had to pay that amount of money. He believes, Mr. Speaker, and he told us all today, he believes that the assets of a business are determined by them being more than what is owing against a business. Mr. Speaker, on that basis there wouldn't be a single insolvent or bankrupt business in any country in the world, because if it's worth more than what is owing against it then by definition it can't go bankrupt. The assets are worth more than the liability. And yet that is the definition that my honourable friend is foisting on this House.

He has a problem with regard to fish processors. He accused the government this afternoon -- in the same afternoon, he accused the government of being a bunch of cheque writers. We just love to write cheques. At least he hasn't accused me of writing cheques in connection with the fish processors. Now he's accusing me that I didn't write cheques. That's what his problem is. He's saying that we didn't write cheques. Well, Mr. Speaker, the fact is that there were a group of fish processors in Manitoba who previously handled a certain type of business. That business went to a Freshwater Fish Marketing Corporation set up under the statute prepared and put on the Order Paper to be passed by the previous Conservative administration. As a result of that, some of those people no longer have a useful role to play in society in terms of fish processing. I'm sure they would have useful roles in other areas. It's almost, you know, like members of the other side who were no longer found to be necessary in terms of administering the affairs of the province. I suppose that my honourable friend would say that they should be continued to be compensated at their ministerial salaries forever because they have lost that particular income. Now that has happened; that has been a feature and characteristic of the system in which we live as long as that system has existed, and it has happened to numerous people. And, Mr. Speaker, it was going to happen to the fish processors, and not through the agency of this government but through the agency of the policies that were recommended by the Leader of the Opposition.

If one will look at the TED Report which is the Leader of the Opposition's bible, which he thinks was divinely inspired, do you know what it says about the processing? It uses, Mr. Speaker, this euphemism: "that the fish processing industry has to be rationalized." Do you know what that means? In simple language it means that there are too many processors and that they don't run efficiently enough, and therefore something has to be done to have fewer processors who run more efficiently. And what does it mean when the policies that my honourable friend the Leader of the Opposition believes in, what does that mean in terms of business rationalization? It means that the big fish eat the little fish. The same thing that happens by the way in the lakes. But in order to make the big fish strong enough to eat the little fish they have to have some help, and therefore the government looks around and it said, as it did say in other industries, which of these industries are the ones that we like, which ones are the good ones, and to be fairest to them, which ones operate the best? What we have to do is make these stronger so that the others will drop out of the industry.

Mr. Speaker, that's not hypothetical, it's happened. The Manitoba Government has directly, previous to this administration -- and I don't want to talk about the present because it's not relevant, I want to talk in terms of the Leader of the Opposition's position -- the Manitoba Government did try to rationalize industry by taking somebody and saying that we're going to pour Manitoba Development Fund money into this, make it a big thing and others will drop off by natural process of attrition. They will lose their goodwill, they will be left with their asset value and nobody will have to compensate them because, Mr. Speaker, we can operate on the fiction that it wasn't done by the government. It came as a natural consequence of the forces of survival of the fittest and the free enterprise system.

Mr. Speaker, it has happened by itself, it has happened with government assistance, it would have happened if the Leader of the Opposition was the Minister of Industry and Commerce, there would be fish processors who would say I no longer am called upon to do this work and I'm going broke and all I can do is sell my building for what it's worth, and the Leader of the Opposition would have said, "Tough luck. That is the free enterprise system, you're a businessman, stop crying." Because that's what they've said for all of the years that we've operated under this system.



(MR. GREEN cont'd)

Now, Mr. Speaker, this has been answered before. The fact is that the story of the fish processor was told first of all to the legislative committee; it was told to meetings that were held between the processors and myself, between the processors and the First Minister; it has been told to all the news media several times. There have been numerous attempts to revive the story, to tell it again and again and again in the hope that someone would look upon the people who did it as being inhumane. Mr. Speaker, I believe, you know, and I guess we are all very subjective about these things, but I believe that I'm as humane as the Leader of the Opposition is. The Leader of the Opposition sees a problem, he sees several fish processors who've been used to been making a living out of one sphere of activity, who no longer have that sphere available to them and have difficulty making an adjustment. That is a problem which is so common in our society that I don't think that there can be a great deal of time spent talking about it. Not one of those processors who came to us said that there should be compensation for the workers that they had who lost their jobs and had to make an adjustment, not a single one of them. There were people employed in all of their plants. Not one of them said what are you going to do for my employees who've got to make an adjustment?

Mr. Speaker, all they were concerned with is saying -- and I respect this -- they said my business is worth \$100,000, it was earning me so many dollars a year. I need you to buy that business as if it was still an operating concern and as if it was a good operating concern. Regardless of whether or not it would have continued to be able to satisfy standards which the Freshwater Fish Marketing Corporation had foisted on it by its purchasers, regardless of whether it was going to be thrown out of business next year because it was uneconomic, regardless of whether it was going to be thrown out of business because it couldn't stand the competition, this is what they say that they are entitled to. Mr. Speaker, if I gave those people cheques, if I wrote a cheque for those people then I couldn't stand up in the House and answer the criticism that I would receive, that I would be sure to receive, from the Leader of the Opposition, from the Member for Portage la Prairie, from the Member from Assiniboia, from the Member for Charleswood who will say, 'How could you give these people money, there are other people suffering who are going out of business as a result of government activity and you're not giving them any money.'

Mr. Speaker, we've heard it time and time again that the society in which we live in has its dangers, it has its opportunities, it has its pitfalls. If the Province of Manitoba were to set up a system -- I want to ask the Member from Portage la Prairie, if we were to set up a system whereby everybody who wanted to buy a house could go to some government office and that there was an agency whereby transfers were made, titles were changed and provided that there was no legal dispute that the work was done very quickly and at little expense and the citizen was thus served, and as a result of that, Mr. Speaker, the lawyers of Manitoba suffered a loss of let us say \$5 million a year, who do all the conveyancing, would there be anybody in the House here to say that we have to now give those lawyers who had been earning that money the equivalent of \$5 million a year to keep the income that they had before? Would that be the position of the Leader of the Opposition? Would that be the position of the Member for Portage la Prairie? I find that incredulous and I think that the general reaction to what the Leader of the Opposition has been saying for three years, without making any impact whatsoever, has been an incredulous position. It was not adopted by anybody and, Mr. Speaker, I say with certainty it was not adopted by Jack Davis. Jack Davis knew everything that the government was doing; he told me personally face to face and he told me by letter, at least by implication in correspondence, that everything that we were doing was perfectly satisfactory to him. He told me that verbally face to face and by implication in his correspondence with me. And there is a certainty that not one word of complaint did I ever hear from the Minister of Fisheries, Jack Davis. I read something in a letter to the editor in the Toronto Globe and Mail. That is the way this Minister chose to deal with that question.

Now I ask you is that credible? Would you want a Minister of the Crown of the Province of Manitoba -- forget the party. If it was the Conservative Party, would you say that that Minister was justly attacked by virtue of a Federal Minister writing a letter to the Toronto Globe and Mail?

Let's try to talk turkey for a change with each other. Would you say that that was a legitimate attack coming from the Members of the Opposition if the Member for Riel as Minister of Mines had behaved in that way, that he was properly criticized by a Federal Minister writing

(MR. GREEN cont'd) . . . . a letter to the Toronto Globe and Mail? But, Mr. Speaker, the Opposition is hysterical, it's desperate for them to raise again and again and then use that kind of attack showing that a Minister of the Federal Government has properly criticized the Province of Manitoba.

You know I've never been a provincial rights person and I've never been a flag waver of any kind but there are nationalists in this room and do they consider that the national position of the Province of Manitoba as a province is properly dealt with when a Federal Minister writes a letter to the Toronto Globe and Mail; does that preserve the dignity of this province? And not one word of complaint I assure you, not in writing and not verbally and I tell you that the reverse is true, that verbally that the Minister of Fisheries was delighted with the approach that we were taking and certainly his officials were delighted with the approach that we were taking and not one word of complaint when he knew exactly to the letter what we were doing, and when that correspondence is released it will be tabled for the Leader of the Opposition and every other member of this House.

So let's look at the fish processors; Mr. Speaker, let's look at the fish processors as the normal type of casualty of the system under which we live. They are no worse treated than the blacksmiths were treated; they are no worse treated than the corner grocers were treated; they are no worse treated than the theatre owners were treated as I said when television came in. And the theatre owners had to finance their own destruction because the theatre owners had to pay taxes to the Federal Government to finance the CBC to put that screen into your livingroom to prevent people from going to the theatres. And they didn't get compensation. And this happens time and time again.

Did the life insurance companies, did anybody say that the life insurance companies should be compensated when we went into the Canada Pension Plan? What was the Canada Pension Plan? The Canada Pension Plan took billions of dollars of Canadian savings that had previously, to at least some extent, voluntarily found its way into the private pension plans that were existent. As a result of the Canada Pension Plan being in existence if I was to receive an annuity of \$120 a month from Canada Pension my private annuity purchasing would be reduced by \$120 a month. To that extent the insurance companies of this country suffered a loss in business. Does it make sense when you introduced the Canada Pension Plan to then say that because the insurance companies will lose \$10 billion a year or \$10 million a year, whatever the figure is, that we then take the money from the people of Canada who are supposed to get the benefit for the Canada Pension Plan and in perpetuity say that these people were entitled to continue to have that earning for the rest of their life. Because that's what the processors were asking for. They were asking for the goodwill value of their business and the honourable member, although he doesn't know what the value of a business is, knows what goodwill value of a business is. Goodwill value means that it has this earning power in perpetuity or for the reasonable period in which a company enjoys earning power.

Now the Honourable the Leader of the Opposition who wasn't here, he has a different way of calculating an asset, which reflects his position with CFI. He says that the asset is related to the amount that is owing against it therefore CFI is worth \$92 million, or whatever is owing that's what it's worth. And the fact that the physical product may be worth \$50 million doesn't matter, if \$92 million is owing against it that's what you should be paying for it. He has a different way, Mr. Speaker, he has -- and now I understand, now I understand as I said before when he was not in the House -- why he thought that CFI was a safe deal. Because the asset didn't count, it was what was owing against it that was important. And therefore he never had any problem. If there's \$92 million owing against it obviously anybody who wants to buy it has to pay at least \$92 million. Well I want to tell my honourable friend something. The business world doesn't work that way. I thought he knew. I thought that sort of he was -- you know, he comes in here and talks about business and his relationships with business and I thought that maybe he knew that an asset is not necessarily related to the incumbrance against it, but he has indicated that he didn't know so I'm telling him. And if he doesn't listen then he still won't know. That of course will not make him a better candidate for Premier of the Province of Manitoba.

But, Mr. Speaker, those are the facts, and the facts are that the Manitoba Government held firm. It said to these people, you don't have to sell to us; we are not requiring you to sell to us; we are not expropriating you; we don't even want to make you an offer. But if you insist -- and it was only at their insistence that this was done, we don't want to make you an

(MR. GREEN cont'd) . . . . offer, we would prefer that you go ahead into the free world that the Honourable the Leader of the Opposition has created for you and do the best you can -- but if you insist that we make you an offer, then we are going to try to value that business as to what it would be worth to the people of Manitoba. Because don't forget it's the people that pay. It's the constituents of the members in this House who want me to write cheques and to write those cheques, Mr. Speaker, in a value which is to put these people in a position that nothing had ever happened in the fishing industry and that they were to have that money in perpetuity as if nothing ever would have happened, that they would have continued in existence for ever and a day.

Mr. Speaker, I don't write cheques like that. The Honourable Leader of the Opposition maybe he wants to write cheques of that kind. I'm glad he doesn't have the cheque-writing power. But the fact is that I would not write cheques of that kind. Well, Mr. Speaker, the fact is that the Honourable Leader of the Opposition has had not two bites at this cherry, he's had ten bites at this cherry, and I presume that he'll take another ten bites at this cherry. And if he thinks that his path to the premiership of the Province of Manitoba is to say that these fish processors should be getting for their industries what they're worth before he was going to rationalize them by the TED Report, in which case they would have gone out of business through the normal process of free enterprise competition, that we have to have guarded them, and that is his path to the premiership of the Province of Manitoba, Mr. Speaker, he's going to be walking that path for a very long time. But there is no end to that path, Mr. Speaker, there is no seat at the end of that path. He will be walking it forever. And I say welcome to it.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, the Member for Inkster has a particularly good capability at mounting a specious argument completely out of context from the overall governing facts of the matter. I want to point out some of the basic arguments that are in force in what is an extremely important matter that the Leader of the Opposition has brought up.

First of all, I don't intend to support the Minister of Environment, Mr. Davis from Ottawa in what he may have said and where he said it. But I do want to point up to the Assembly that I was involved in the negotiations in the setting up of the Freshwater Fish Corporation back in its beginnings and I had to carry on the negotiations with the Federal Government. The prime condition, Mr. Speaker, which was spelled out then and is spelled out now is that the responsibility for payments of redundancy to the present industry of Manitoba was provincial and it was only on the assumption of that responsibility by the province that the Federal Government would agree to go into the agreement; and after that agreement was given by the province the Federal Government came in. So regardless of what Mr. Davis said or where he said it, and he may have actually had a concern which he expressed about the redundancy payment, it was in legal fact, not the responsibility of Mr. Davis or the Federal Government to see that those payments were made. But the fact, Mr. Speaker, that it was a major issue has to be recognized, that before the agreement was ever signed there were a good number of discussion about how this would be handled. I will say in agreement with the Member from Inkster, that the government of the day and myself took a tough line in what we were going to do about redundancy payments because we knew that when the industry was taken over we would be flooded with a number of requests to settle. The legislation that was spelled out was "may" legislation; it was not "shall" it was "may". But to show the good faith of the government, Mr. Speaker, that "may" was backed up with money earmarked for payments for redundancy. The Member for Inkster knows that that money was there and provided for in the event of redundancy payments.

Furthermore, Mr. Speaker, to show you how shallow his argument runs, let me quote to you from the letter he wrote to his friend Mr. Orlikow, in which he said, and will outline exactly where the former government stood on this matter. And I refer to the letter here and if the member likes, I'll table it. He says, "the legislation did not in any way require the elimination of the processing firm but merely set up a marketing board which would be the agents for the purchase and sale on an orderly basis of all fish in the Province of Manitoba. The FPMC, Freshwater Fish Marketing Corporation when it commenced its activities apparently attempted without success to deal with the existing processors but for reasons which can be debated on either side, this arrangement did not work out." Well, Mr. Speaker, that tells you exactly. Our intention was to keep the processors in business and in those cases where there was a redundancy and a problem we had earmarked funds to settle the cases, but it was

(MR. CRAIK cont'd) . . . . this government that put the processors out of business entirely, far beyond what was ever conceived. The private industry was not allowed to continue.

MR. SPEAKER: Order, please. Order, please. The Honourable Member for Inkster state his matter of privilege.

MR. GREEN: Mr. Speaker, the honourable member has said that this government put the processors out of business. I want the record to show that this government has nothing to do with the operations of the Freshwater Fish Marketing Corporation.

MR. CRAIK: The point at issue is that this government in entering agreement with the Federal Government assumed the responsibility for redundancy, when the agreement was drawn up it was not intended that the processors be put out of business, whoever was responsible. The concept was that the processors would carry on in the capacity as they could in their collection and processing of the product, and now by dint of events they have been put out of business. It was fully the intention of the former government to make its every effort to keep them in business and they knew that there would be redundancy and they had earmarked dollars to settle those claims.

Now let's talk about the point at issue brought up by the Leader of the Opposition. This is not CFI, this is a husband and wife team who have spent their lifetime in a business and now end up \$5,000 in the hole, faced with personal bankruptcy in an offer of settlement for their whole business, equipment, the whole works of \$4,000.00. And this Member for Inkster tries to equate that to CFI or Air Canada or somebody else, some other great scheme involving millions of dollars and what we have here is the parallel to what was mentioned the other day by the First Minister when he complained about settlements in the Birds Hill Park area by the former government, by not supplying them with legal money to fight their legal cases. Well this is a parallel case. This is a husband and wife that own property and it's equivalent to saying to the homeowner, property owner in Birds Hill Park who may have wanted to use it for agricultural puposes, there is no longer agriculture allowed in this area, get off your land, you're out of business, you're going to get a settlement but it'll probably not cover your present indebtedness. That is the exact parellel. It's not a CFI parallel, it's a little husband and wife team parallel, that is only paralleled by what you would find in the Birds Hill Park area.

And for the Member for Inkster -- and God help us if that guy had ever turned out to be an industrial scion because we would have been in real trouble, or whoever worked for him or under him or around him would have been in real trouble because it's absolutely heartlessness that is being put into the government's position. And there's more cases, these aren't all big industrialist that have been ripping off from the fishermen on the lake, these are little people. In this case it's a husband and wife team faced with personal bankruptcy. And the government has the guts to stand up there and mount these stupid specious arguments based on some million dollar project to justify its case. It's just a sham. I've never seen the Member for Inkster in a position of such great disability in trying to mount a parallel argument, because there is not.

Mr. Speaker, this example is one of the greatest examples of heartlessness and if it's just a complete matter of oversight by the government because the lack of attention that's been given to the Department of Mines, Natural Resources and Environmental Management, I trust that they'll certainly take it back and look at it again. Because it's just unbelievable that a government would try and justify its case by turning around and saying that a former government set the terms of reference, we just applied them, there are other parallel cases on the national scene that justify our position and a man and wife citizen of Manitoba go by the boards and probably face personal bankruptcy in the wake of this aloof and arrogant position being taken by the government.

Mr. Speaker, if you want further evidence, we can file with you the case of these people in their court case, we can file with you the relevant correspondence between the Minister and his colleague Mr. Orlikow who is also involved in this. We'll file with you if you like also the Federal Minister Mr. Davis in which he lays out his case completely as far as his position is concerned, and there's no doubt that when you're finished with examining it you cannot help but come to the conclusion that a grave injustice is being done here, and you can't help but come to the conclusion after having particularly the letter of the Member for Inkster to Mr. Orlikow that it is all done in the name of ideology. There is no personal problem situations involved in there; it's all in the name of ideology of what you said when you went to the people at some stage of the game or other.

(MR. CRAIK cont'd)

Mr. Speaker, you can answer the problem of the fish processors and I can tell you from going back and experiencing this that it was never the intention of the former government in leading up to the establishment of the Freshwater Fish Marketing Corporation to see people who had carried on a legitimate business life put in the position of being disenfranchised of not only their life savings but being forced into debt in order to get out of the situation. To force a person into the position, who legitimately went into the marketplace as an entrepreneur, out by government action overnight like this is no different when you get down to the small individual than it is when you expropriate the land of people who live in Birds Hill Park or other parallels where you're dealing with a small family business.

So, Mr. Speaker, let's be fair. A grave injustice is being done to many of these fish processors and the government has a responsibility and despite their ideological bias against anybody who has an entrepreneurial flair in his blood, I suggest that they have a responsibility to go back and see that justice is done, because after all even those that live by the profit motive or intend to live by the profit motive are still human beings and are motivated by one of the most basic motivators in the human make-up and despite the NDP political ideology, they cannot be deprived of their basic rights by making parallels to some provincial or multi-million dollar parallel.

Mr. Speaker, I must say in closing my remarks about this, I've always supported the principle of the Freshwater Fish Marketing Corporation but this leaves a scar on its operation. I think it was a good scheme, I think it is a good scheme, it will bring a great deal of satisfaction to the fishermen of Manitoba, but even they, although they may have been bitter at one time, even they as time goes by will say that even to better their position they do not want to see an injustice done. I think that this should be rectified.

Mr. Speaker, I didn't intend to speak on this, I wanted to make a few remarks on these estimates about the government's position on the operation of the natural resources of the province, particularly those respecting water resources. But I think having said what I have about the Fish Marketing Corporation, there is a parallel. The government's action in handling the issue of water power use in Manitoba, particularly that respecting Hydro development has been handled in the same autocratic and arrogant manner as the handling of the Fish Marketing Corporation problems. We've seen, Mr. Speaker, now at the end of a series of announcements by the government and the Manitoba Hydro a conclusion which is going to be difficult to reverse unless it's reversed in the very near future -- which is not likely going to be reversed unless there's a change of government -- in which you're going to see by the contention of many a waste of millions of dollars in expenditure on technological development that is not going to give the people of Manitoba what they should be getting in either the way of the resource development or out of the benefits to Manitoba Hydro.

Mr. Speaker, to go back over it would be to rehash the arguments that have been repeated over and over again. Let me simply summarize and say that the position the government is going to be in is that this decision is going to have been made without any formal hearing ever having been called. The government got into the position of doing this because it saw a crisis develop with regards to environmental issues back three years ago and as a result of it took its time or forced time to be taken by the Manitoba Hydro, forced Manitoba Hydro with responsibility of doing it. What they're ending up with is a decision that has been made which runs against the trend of decisions in all matters that involve massive use of natural resources. We've seen in the United States a development in legislation that ensures the rights of all citizens to be heard in a court of law if its required in the protection of the natural environment. Because, Mr. Speaker, in the United States, there is a law that says that the individual citizen can sue the state in the pursuit of protection of the natural environment. Furthermore, if the suit is successful, Mr. Speaker, I believe that the person that undertakes the suit is reimbursed the costs involved.

Mr. Speaker, this lends a very powerful tool to the protection of interest, protection of the environment through those that have a particular interest in it. It makes it possible for any citizen to go to court and in fact to probably offer his reimbursement if he in fact can make his case. But what we have, Mr. Speaker, in Manitoba in this particular case on the development of the Nelson River and the Churchill River in 1971 and 1972 is a case where the citizen that is so interested does not have that opening available to him. He has instead what he thought was a natural right to see that when a water resource is developed, a right to a hearing that was

(MR. CRAIK cont'd) . . . . provided to him through the legislation for the Manitoba Water Commission. That, Mr. Speaker, is "may" legislation, it's not "shall" legislation. And you can see how the two different governments have worked. The "may" legislation changed to this government, it's only "may" if it's in our favour, because, Mr. Speaker, they were very careful not to call a formal hearing. So none of the mammoth evidence that was stacked up against the case for Nelson Power Development as proposed by this government was allowed to come out under oath and go into the documentation for the annals of Manitoba history. None of it, Mr. Speaker. Similarly, even the Public Utilities Committee which is supposed to be operated in a democratic fashion has successfully avoided in the last three years, successfully avoided in having anything come before that committee which would in any way question in any formal manner the decisions that were being made by Manitoba Hydro with respect to water power use in the Province of Manitoba. Those two alternatives are the only two that are open to get the case put on the books in a formal way. A line-up of former distinguished politicians, distinguished power economists and engineers, all of them above dispute in their integrity, who would gladly appear before a formal hearing, but as the First Minister knows their integrity puts them above going on the hot line programs in most cases, the real argument will not appear on the hot line programs, but they will appear at a formal hearing. And of course this government knows this. They know that there are still people in this province whose integrity for one reason or another does not allow them to stand up here in the Legislature, because they're not a member, or it does not allow them to go on the hot line programs because they don't think it's the sort of thing they should do. But if they were called before a proper hearing would shoot so many holes in the plans of the government and their Manitoba Hydro for the use of Nelson River power that beyond a doubt the clearest case you could possibly see would be presented to the people of Manitoba and they for once and for all would know exactly what the difference is in the cost between what the government is doing now and what they would do if the use of power was optimized, if the use of resources and power was optimized and what alternative offered what economics. But we are going to this decision with no cost-benefit study at this point on Lake Winnipeg, no cost-benefit study on South Indian Lake. We've got a \$2 million resource program that's only part way through, it's not completed, and we have no evidence other than one man's evidence presented at a Public Utilities Committee to back up the government's decision. Mr. Speaker, we're going to this decision on very very bad grounds, which is the understatement of the year. Because there is beyond question the authority of people that have presented the arguments in this case, the threatened arguments, the arguments that have come out in half fashion through interpretation of others, including myself, all of these are going to be well submerged and are not going to come out in any formal fashion. There's no question, Mr. Speaker, that the arguments are great enough that some day they will come out. It will probably take a change of government for it to happen whenever it does happen but undoubtedly this is going to go back and be rehashed because as has been said many times the stakes involved are just too great. It's the biggest decision that's ever been made in the history of Manitoba with three billion dollars at stake, not all of that at stake, but three billion dollar project with a chunk of that which may be ten percent of it being played with here in an arbitrary appearing manner. All these things add up to the biggest decision now that is being made and has been made in the Province of Manitoba's history. As I said before, it makes the CFI case pale by comparison in terms of dollars -- (Interjection) -- No. Mr. Speaker, I bring up the CFI case because I find that every time the government wants to draw out a red herring it brings it out. We might as well use it too . . .

MR. SPEAKER: Order, please.

MR. CRAIK: I'm sure that in answer to this they'll bring it up . . .

MR. SPEAKER: Order.

MR. CRAIK: Well, Mr. Speaker, if ten percent of the Nelson River power project is being handled in an arbitrary manner that's \$300 million. To put it in the proper scale, what is being handled arbitrarily are hundreds of million dollar types of decisions and the government is making this decision and the evidence it has produced in the way of cost-benefit studies, of backup studies other than those which contradict one another, is very very meager. I don't honestly feel that they are going into this with either the proper amount of management input into it, without the proper amount of resource studies which are now being undertaken two years at least after they should have been, all of these things add up to a very very mis-managed decision on the part of the government and a deprivation to the people of Manitoba and

(MR. CRAIK cont'd) . . . . particularly those that know what they're talking about, Mr. Speaker, in this important matter, a deprivation to them to bring forward the true facts in a formal manner so that they can be presented to the people of Manitoba.

So the government's successful, and I've said this before, they've succeeded now there's nothing really that's going to prevent them from going through with this now unless they lose another member from the government side and they are defeated in a matter of the next couple of weeks, they have essentially succeeded, the procedures will go ahead. So from that point of view, from that point of view I suppose more power to them, they're the government. But they're making the wrong decision in my opinion, in the opinion of many, and the evidence has not come out in a fashion that the people of Manitoba deserve, nor in a fashion that is even contemporary with what is happening in the handling of resource problems on the North American continent. From that point of view the government can take no credit either.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Honourable Member for Riel in particular but some other members of the Conservative Party opposite have made reference to Lake Winnipeg regulation and Churchill River diversion so often during this session and the last that it has become really quite extremely difficult to sit here with any further patience, and each time that the Member for Riel rises in his place to refer to the program of Manitoba Hydro it's pretty obvious that he's speaking with a very obvious feeling of sour grapes. Sour grapes because the decision that was taken with respect to the full development of the Nelson River was a decision taken quite some few years ago now and I don't see how the Member for Riel can with any degree of intellectual consistency whatsoever try to make anything of the argument that we should not be proceeding with Churchill River diversion on the basis we intend to proceed, or Lake Winnipeg regulation, because in his mind we have not got the fullness, the plenitude of feasibility studies that he thinks is prudent under the circumstances -- (Interjection) -- resource studies, yes.

Mr. Speaker, that statement coming from the Member for Riel is just stunning, is absolutely incredible in showing up the inconsistency of my honourable friend. It would seem to me that if the honourable member thinks that there is a shortage, an inadequacy with respect to resource studies today -- and I admit there is, it is not perfect, it is not complete in the sense of being 100 percent complete -- but nevertheless there is much more information available today than there was three years ago when they were determined to be arbitrary to the point of ramming through legislation to proceed with high level diversion to the level and extent that today some of their own members are prepared to admit really was not required. It would seem that it was a tremendously good and fortunate stroke of fate that the election of 1969 produced the results it did because it resulted in turn in the new government taking the decision not to proceed with high level diversion which now honourable members opposite, or at least some of them admit really wasn't necessary. But had events been otherwise they would today be well under way with works, engineering works to provide for the raising of the level of South Indian Lake by 29 or 30 feet.

If there is an inadequacy with respect to resource studies today, I wonder what the situation must have been in 1966 when the decision was taken to proceed with the development of the Nelson River. Because those same resource studies, Mr. Speaker, that relate to South Indian Lake and to Lake Winnipeg regulation by definition are also necessary to the taking of a decision to develop the Nelson River and how stupid could my honourable friends have been if they would try to argue that they had enough information to proceed with the development of the Nelson River to take decisions to actually commence construction works which committed \$600 million to the Nelson River project without having enough in the way of resource study analysis. Because resource study analysis for Lake Winnipeg and for Southern Indian Lake relate just as directly to the whole Nelson River project and no one, particularly one who is an engineering graduate, could pretend for a split second that Nelson River development makes any economic sense without diversion of the Churchill River and adequate storage, be it either on Southern Indian Lake or on Lake Winnipeg. So those components had to be assumed right from square one, right from square one of the development of the Nelson River. It had to be assumed, necessarily, by definition, that there would be diversion of the Churchill River and regulation of Lake Winnipeg or a storage reservoir if not there then on South Indian Lake.

My honourable friend now blandly tells us that it's his opinion that there aren't enough resource study information documents available. Well if they aren't available today, Mr. Speaker, they certainly were not available five years ago and therefore I can only conclude by

(MR. SCHREYER cont'd) . . . . my own friend's reasoning, his own reasoning, that they acted improvidently and irresponsibly in 1966 when they took the decision that they would proceed with the development of the Nelson. Now my honourable friend makes a case about -- or tries to argue that we are somehow as the government acting arrogantly in not providing for some formal, legal forum for hearing, for court cases, adjudication by our courts with respect to resource development.

Mr. Speaker, resource development is a very broad term. I regard the construction of the Portage diversion as a resource development of sorts, resource conservation development, flood protection resource, it was a resource project; and the construction of the Red River Floodway, the building of the Birds Hill Park, and, yes, the construction of the power house at Grand Rapids. I would like to ask my honourable friend since those resource works took place during their years of responsibility whether they had arranged in those days for any kind of systematic full formal legal hearing either before a learned judge or judges or before any kind of specially constituted tribunal.

I happen to have some very direct experience and recollection with respect to those developments, Mr. Speaker, unfortunately for my honourable friend; I happen to have a very clear recollection of how they proceeded in those days and the extent to which they made monies available to the people who did not have financial means to protect themselves against the onslaught of the state as my honourable friend would like to argue. Because in the case of all 530 farm property holders along the route of the Red River Floodway I do not believe that one cent in public money was made available to any of them or all of them for purposes of legal counsel in order to attempt to oppose that particular public work or in order to try to maximize the justification of their claim. And in the end the money that was advanced to these people was advanced to them by subtracting it from the amount that they would ultimately be paid for their property. So it was not a public grant. Mr. Speaker, there is much more I intend to say in this respect and with respect to fisheries compensation. So may I call it -- actually it's the adjournment hour.

MR. PAULLEY: Mr. Speaker, I move, seconded by the Honourable the Attorney-General, the House do now adjourn and stand adjourned until 8:00 o'clock this evening.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 8:00 o'clock Wednesday evening.