

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 13 April, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, WHEREAS the former Chairman of Manitoba Hydro, Dean Martin Wedepohl, has acknowledged the authenticity of the legal opinion prepared for Manitoba Hydro, presented to the House on April 10 by the Honourable Member for St. Vital . . .

MR. SPEAKER: Order. Order please. The honourable member is making reference to a document which the Chair took under advisement and as yet has not made any ruling on.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I suggest that the motion is not affected by the fact that you did not permit the tabling of the particular document in question. I'm not attempting to table that document, Mr. Speaker, I'm making reference to a document which I have in my possession. I'm not requesting the tabling of that document within my motion. I'm dealing with references to a legal opinion and, Mr. Speaker, I'm dealing with a matter of privilege, not with the matter pertaining to the tabling of any particular document.

MR. SPEAKER: Order. Order please. The Honourable Leader of the Opposition made reference to a document that was brought before this Chamber on Friday and I have not as yet rendered any decision to the House on that matter. I would respectfully request that members of the Chamber not make reference to that until the Chair has had the opportunity of rendering a decision.

Presenting Petitions . . . Reading and Receiving Petitions . . .

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, it's our intention to make some amendments then in the motion which we have before us and to present that motion, a privilege.

MR. SPEAKER: Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to bring to the honourable members' attention the Roseau High School Choir from Minnesota under the direction of Mr. Stan Kludzerski.

We also have 29 students of Grade 5 standing from the Harold Hatcher School under the direction of Miss June Stoyko. This school is in the constituency of the Honourable Member for Transcona.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, to the Minister responsible for Manitoba Hydro. Can the Minister advise whether he has in his possession any legal opinion presented to the Board of Manitoba Hydro or to himself written by one Mr. Steward Martin?

MR. SPEAKER: The Honourable Minister of Energy.

HON. DONALD W. CRAIK (Riel): No, Mr. Speaker, I do not.

MR. PAWLEY: Mr. Speaker, a question to the First Minister. Can the First Minister advise the Chamber when he was first advised of the matter pertaining to legal advice having been given by one Mr. Steward Martin to the Board of Manitoba Hydro, which legal advice was later related to his Deputy Premier?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): No I can't, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, on Thursday the First Minister indicated that he had received information from his Deputy Premier pertaining to the receipt of the legal opinion. Was his reference on Thursday to the receipt of legal opinion on Thursday or had he indeed received information prior to Thursday of the legal opinion that had been presented to the Board of Manitoba Hydro by one Steward Martin?

MR. LYON: Mr. Speaker, I have no recollection of saying what my honourable friend alleges I said even on Thursday, let alone knowing of a legal opinion, a copy of which the Deputy Premier of the province does not have.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Health. On Friday after investigating the disposal of drugs and medicines from a medical centre in Transcona through open garbage cans through which school children had rifled through these garbage cans, the Minister indicated that after his investigation he confirms that there are no provincial regulations in place regarding the safe disposal of unwanted drugs and medicines by doctors. Can the Minister indicate whether, in fact, he is going to immediately issue instructions as to how these unwanted drugs and medicines will be disposed of safely?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I can do and will do, if it's necessary. I've

had discussions with the College of Physicians & Surgeons on the subject. They're intending to circulate that kind of reminder to their membership throughout the province in a special newsletter mailing.

MR. PARASIUK: Is the Minister satisfied that present unwanted drugs and medicines are being disposed of in such a way that school children couldn't get access to them through garbage cans from hospitals, from nursing homes, from guest homes, from pharmacies or any other such facilities that would have these types of drugs or medicines which could, in fact, be harmful to children?

MR. SHERMAN: Well, I'm satisfied with the procedures that are in place in the main, Mr. Speaker. The Standards Division of the Health Services Commission for example, monitors the disposal of such medications from hospitals and other health facilities, but certainly the point that's been identified and underscored as a result of the incident in Transcona is one that concerns me. It may well be that a firmer kind of action, certainly a firm reminder, is necessary and called for among medical groups and individual doctor's offices.

I would like to say, while I'm on my feet, Mr. Speaker, that I think the Regent Park School acted in a highly responsible manner in bringing the matter to the attention of the Legislature through the MLA for that constituency, and in notifying all the parents in the area of what had taken place. I want to thank the school officials and the administration for doing that.

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

MR. PARASIUK: Yes, Mr. Speaker, I'd just like to add that it was also the doctors of the Transcona Medical Centre who acted in a cautious way in the first place and the correct manner, by informing the police and the school division of this emergency situation.

In view of the fact that the Minister does not have a set of regulations in place, will he be prepared right now to issue a governmental directive, without having to rely on a go-between, namely the College of Physicians & Surgeons, but rather will he issue a directive on behalf of the Government of Manitoba to hospitals, to personal care homes, to guest homes, to pharmacies, to other facilities that will have on their premises prescription drugs and medicines that may in fact, now be unwanted and may in fact, be disposed of in a way that would not guarantee the safety of school children?

MR. SHERMAN: It's not just school children that are involved, Mr. Speaker. The medical profession under its oath and under its licensing procedures assumes the responsibility for not putting any person at risk without the permission of that person. Obviously there are some medical procedures which involve risk, but without the permission of the person they shall not and will not put any person at risk. So, we're talking about the population in general, not just school children.

I believe that the medical profession polices itself very well in that respect. There has been obviously a

very unfortunate and deplorable incident that has occurred in Transcona and I'm looking at it very intensively and in discussion with the college on the subject, and I'll take whatever action is necessary.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the First Minister concerning this blue pamphlet on Constitutional Issues which is going to be mailed to everybody in Manitoba at taxpayers expense. I want to ask the Premier if he could be specific as to the procedure or principle followed. It would seem normal to advertise certain government programs that need to be drawn to the public's attention but this seems to be simply a policy or attitude of the Provincial Government and I ask the Minister on what basis he decided to spend money to send this to every home in the province, especially in view of the fact that he was very critical of the Prime Minister for general advertising programs undertaken by his government?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the Member for Elmwood, I'm sure, will remain unpersuaded after I've said at my most persuasive why the people of Manitoba along with the people of most other provinces in Canada should receive from their government some statement about how the government stands with respect to the constitutional issue that is before the people of Canada at the present time, and for that I make no apology whatsoever.

The Government of Manitoba will send out pamphlets or information on this with respect to our stand on this topic provided we are satisfied that it is in the public interest and I can only say to my honourable friend that what we have done in terms of this pamphlet is small by comparison to what many other provinces in Canada have done in terms of province-wide circulation of their residents, of their taxpayers, of their citizens, in order to enable them to know the position that now eight out of 10 Canadian provinces are taking in opposition to a unilaterally imposed constitutional proposal which is before the Parliament of Canada.

Mr. Speaker, obviously we did not seek the opinion of the Member for Elmwood before we initiated along with five other provinces, court action. We did not seek his opinion before we sent out this pamphlet, nor do we intend to.

MR. DOERN: Mr. Speaker, did the First Minister consider having the pamphlet printed by the Queen's Printer?

MR. LYON: Mr. Speaker, I can't comment on the detail of who printed it. It was given to the usual authorities in government to look after, and they looked after it. If my honourable friend is so engaged by this topic and wishes to find out the name of the printer, how many copies were printed, let him file an Order for Return and we'll give him the information. I don't know.

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

MR. DOERN: Mr. Speaker, I assume, and I ask the First Minister this question, I assume that he regards this as a policy of the Province of Manitoba as opposed to the Progressive Conservative party itself, therefore I would ask him whether he would extend the same privilege to the Members of the Official Opposition to present their views, as opposed to their capacity as the New Democratic Party of Manitoba. If it's all right for the government to present its views to the people of Manitoba at taxpayers' expense, would it not be logical and fair to allow the official opposition to do the same?

MR. LYON: Mr. Speaker, I'm subject to correction on this because I don't have the detailed information. But in most provinces to the west of us the Opposition is supporting the government of the day with respect to the position that they are taking. Regrettably that is not the position of the Official Opposition in this House, and for that they must answer to their own consciences, and eventually to the electorate of Manitoba.

But I can merely say to my honourable friend — and I'll be as facetious in my response as he was in the question — that in order to print the response of the New Democratic Party, one would have to turn out 20 pamphlets, because they don't have one position.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Mr. Speaker, I have a question for the Honourable Minister of Energy and Mines. Would the Minister tell the House if the government is involved or has been involved in any discussions with Hudson's Bay Mining & Smelting, INCO, Dynamic Mining or any other party regarding possible development of the area around Bird River?

MR. CRAIK: Mr. Speaker, there is interest in that general area with regard to chromite deposits. I can't confirm that the department has had direct dealings with the firms mentioned. I can only indicate that there is activity. It's quite possible that the firms mentioned could have some dealings with the Mineral Resources Branch.

MS. WESTBURY: Mr. Speaker, reports indicate a breakthrough in the metallurgic procedure by the Ontario Research Council. Can the government tell us whether there was a meeting of officials including officials of his department or any other department of this government, the government of Ontario and the mining industry officials held in Ottawa last month concerning this process and can the Minister confirm that the metallurgic procedure referred to is in an advanced state of development?

MR. CRAIK: Mr. Speaker, it's quite possible that there were officials from the department involved in such a meeting. I have heard that the Ontario Research Foundation has developed a process which is amenable to the commercial production of chrome from those deposits and that it looks encouraging and that there are mining companies who are interested. I believe perhaps at least one or perhaps two or maybe all of the mining companies recited by the Member for Fort Rouge are involved at looking

at the use of the process. Beyond that, Mr. Speaker, until there is an announcement I presume from any of the interested parties, there will not be further details available.

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

MS. WESTBURY: Mr. Speaker, I think I understood the Minister to say it is possible that members of his department were involved in such discussions. When will he know, when can we get an answer to the question? In view of the fact that chromite is a rare strategic metal not easily available in the western world, will the Minister tell us whether there has been any interest shown by the United States government or any private United States firms in the project?

MR. CRAIK: Mr. Speaker, I'll take the question as notice with regard to the attendance at any meetings of personnel from the department.

With regard to the second part of the question, if interest were shown by companies mentioned from the U.S. it may well have been to private mineral right holders in that area. It may not be possible to answer it but I can enquire as to whether there have been any dealings with the department that could be related to the member at this time.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Mr. Speaker, I have a question for the Minister in charge of Hydro. Could he tell us when Mr. Wedepohl told him of the legal opinion of Mr. Martin, that the Tritschler Commission was acting outside of the rules of natural justice? Could he tell us whether he then asked Mr. Wedepohl for the written legal opinion in order that he could have his own department and his legal staff determine whether in fact there was a serious problem with respect to that commission?

MR. CRAIK: Mr. Speaker, I want to indicate to the member, and if he had been in attendance at the committee meetings last week he would have heard the reply to that question, and that is that this alleged legal opinion which has not yet been verified as a so-called legal opinion, is still somewhat in the air, Mr. Speaker, I presume.

I want to say again, as I repeated last week, Mr. Speaker, and I, in my opinion, repeat it without any contradiction, although I seem to have some difficulty getting that point across to some of the members and in fact to at least one of the media that, without contradiction, I was addressed by the former Chairman of Manitoba Hydro at the time of the departure of the legal counsel and as I indicated to the House and indicated to the committee, that he reported to me a number of the grievances that were raised by the former legal counsel. He reported to me also that he was in a state of some disturbance over the progress that was being made in his grievances with the Tritschler Inquiry Commission and included any number of topics that he felt were important at the time.

Now, the member asked a question, I think, as to whether I was provided with a —(Interjection)— Mr. Speaker, I can tell the member, as I've said before, I

was not provided with any legal opinion; the Hydro Board reported to the committee that it did not request and did not receive a legal opinion. What I was provided with was a report from the former Chairman of Manitoba Hydro that said that things had come to a point in their work with that legal counsel whereas things had become difficult, that the legal counsel was disturbed about matters. He had a number of grievances; those grievances were reported to me, Mr. Speaker, that is some two years ago and that's as far as the matter went; that's the first and last I heard of it until about two or three days ago here.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker, the question was whether in fact he asked for that opinion but further, did the Minister then contact Mr. Martin to have that particular opinion explained to him so that he could understand what exactly the concern was, in view of the fact that the Minister agreed several days ago that he was decidedly unenthusiastic about the specific legal advice given by Mr. Martin? Did he contact Mr. Martin in order that he could understand the legal advice given, or was he just playing barracks-room lawyer?

MR. CRAIK: Well, I'll repeat, Mr. Speaker, again what I said last week and that is that the legal counsel, Mr. Martin, was retained by Manitoba Hydro without consultation with me; he worked with them during the period of his representing them and his release from them came without consultation with me as with regard to any part of his contract with them. Why then, in that case, should I, at that point in time, ask them for anything that I had not ever been a part of before or after? So, Mr. Speaker, to repeat again, the legal counsel was to the Crown corporation, it was not to me as the Minister.

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

MR. SCHROEDER: Thank you, Mr. Speaker, the Minister forgets about the fact that in the middle of those commission hearings he fired the Chairman of Hydro; he forgets about the fact that he set up the hearings, that his government set up the hearings. Now he is saying to us that he has nothing to do with it.

MR. SPEAKER: Order, order, order please. I find it rather difficult to hear the words of the Honourable Member for Rossmere.

The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker, I was saying that the Minister suddenly is backing off into a corner very much and pretending he didn't know anything about what was going on. The question is, did the Minister obtain a further opinion from another lawyer because he had been told, he had been told by the Acting Chairman of Hydro, that there was a lawyer whom the First Minister places great trust in, who said that there was something wrong, that there was a denial of natural justice, that's what he had been told. Surely the Minister in

charge of Hydro must have been concerned enough based on that opinion, to consult another lawyer before simply dismissing the advice. So, I'm asking, did he consult another lawyer, on what basis did he simply dismiss these concerns that were expressed by Mr. Martin?

MR. CRAIK: Mr. Speaker, I find it hard to believe that the Member for Rossmere, who I think is a lawyer himself, would ask such a question. He knows very well, to tell him again, that the legal counsel was one that was retained by Hydro, he reported to Hydro and all his dealings were with Hydro and the Hydro Board made the final severance with him at some point in January of 1979. My understanding is that the firm of Aikins, MacAuley and Company were the lawyers for Manitoba Hydro beginning in about 1971 right through the 1970s, that particular person came on as the legal counsel for them and during the Tritschler hearings; there were two other members of that firm who were also the legal counsels at the same time, through it and after, and they were at all times the legal counsel to the Hydro. I can tell the member if he has any interest, and I'm not sure he has, but I have never met with any one of those three representatives that were working with Manitoba Hydro. I had nothing to do with their hiring and nothing to do with their release, nothing to do with their proceedings, any interim report, final report, initial report, or anything else; they were counsels to the utility, Manitoba Hydro.

MR. SPEAKER: The Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Mr. Speaker, further to the question by the Member for Elmwood. I looked at the pamphlet which is going out; since the commitment has been made I imagine they are printed and the government is committed to sending them out at a total cost of some \$32,000, I wonder if the First Minister is willing to negotiate that if he provides them to the Progressive party we would be willing to print, at our expense, the cost of the Progressive party vis-a-vis the Constitution which would not differ that much from what is on the front page; that we find this to be a waste of space and we wonder if the First Minister would be interested in negotiating with us that we would actually print on the back of this our position; equal space I think would be . . .

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the Progressive party, if I can believe it, at least has one common position on the Constitution, which is unlike the New Democratic party in Manitoba. To that extent I am intrigued, but beyond that, Mr. Speaker, I would have to answer jovially, but seriously at the same time, no, we couldn't do that.

As a matter of interest I was asking why the back of the pamphlet was blank and, when I heard the answer it was self-apparent, that it was thought that in schools and other places they would like to pin the pamphlet up on a board or a wall so that people could read the one side of it; it is very simple. Now, if my honourable friend is suggesting that probably if his were printed on the other side they would turn it over and print the Progressive side of the story,

which wouldn't be far from the government side in any case because the Leader of the Progressive party has indicated that he supports the position that the government of Manitoba is taking on the constitutional matter.

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

MR. SAUL CHERNIACK: Mr. Speaker, referring to the questions of the Honourable Member for Rossmere to the Honourable Minister reporting for hydro. Considering the problem that has been created from the fact that there are unanswered questions, a problem created in the minds of many Manitobans about the unanswered questions that have been raised here during this last week, Mr. Speaker, I gather that you are considering a problem dealing with a certain document. May I ask the Honourable Minister whether he is prepared to assist the clarification for the people of Manitoba, of the question of whether or not legal opinions were given and the nature of them, whether as the Minister reporting for Hydro he is prepared to discuss with the political side of Hydro — that is the Chairman of Hydro — the advisability and recommend to Hydro that they should release their previous counsel, enabling him to speak out if he wishes to, on the question of his opinion given to Hydro and on the question of his reasons for resignation or withdrawing from the case, leaving it to him — not as an instruction but rather the right being granted to him — to be able to respond publicly on the questions that have been raised during this last week and which, Mr. Speaker, I repeat are in the minds of the people of Manitoba and remain unanswered?

MR. CRAIK: Mr. Speaker, I think that perhaps with this so-called document and it seems to be up in some question yet, that it may require for Hydro's purposes itself if it's going to cast a shadow on them, for them to consider.

The position taken at the committee by the utility was that if there was a request from the lawyer in this case to apply to the Hydro Board for a release from the traditional client-solicitor relationship, that he would take it to the board and they would give it consideration. I would think, Mr. Speaker, it would be highly recommended if in fact this piece of paper that's floating around is an opinion that was rendered — whether it's called a legal opinion or whatever it is — if it came from one of their lawyers perhaps that legal firm might want to clarify it. I would think that Hydro ought to give consideration actually to requesting that clarification be wide open if they wish to do so.

MR. CHERNIACK: Mr. Speaker, if I interpret the Minister correctly, I gather that he is now saying that he believes that Hydro ought to enable the law firm to clarify for the public the position they've been taking, the recommendation that has been made and I would therefore request the Minister to so inform Hydro.

Will he consider informing Hydro that he thinks they ought to make it possible for the law firm to be able to make a public position known in this connection and not have to wait for the possibility that the lawyer is so incensed and exercised about

what has been attributed to him, as to ask Hydro for a release? Is it not more important for the people of Manitoba to know the truth than to wait for a lawyer to become so exercised that he has to ask that he be released from the confidentiality of the solicitor-client relationship?

So I'm asking the Minister, is he prepared to recommend to the board to make the unilateral statement public that it will not stand in the way of the lawyer referred to, making public the position that he took with regard to his employer considering that in fact all of the assets in the entire operation of Manitoba Hydro belongs to the people of Manitoba, who are subsidizing it in taxation, who are paying for it in their Hydro rates, and who are most interested and have a right to be interested in the expenditure of moneys by Hydro?

MR. CRAIK: Mr. Speaker, I think first of all it has to be noted that if there were a legal opinion that ought to have been aired it certainly ought to have been two years ago and not now. But notwithstanding that, Mr. Speaker, I'm not going to be put in the position of telling the utility what it ought to do. I've taken the position all along that they have engaged their own legal counsel. I have not interfered at any stage of the game with the legal advice they've got, Mr. Speaker. I've been apprised, Mr. Speaker, of the difficulties they had at one stage in the dealings with their legal counsel and I've always said that. But, Mr. Speaker, I do think that I've answered that again last week. I said, if Hydro took that position I certainly would have no objection to it — that was the position that if upon request they would do it — Mr. Speaker, if the Hydro Board decided they wanted to take the initiative on it I would completely endorse them taking that initiative.

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

MR. CHERNIACK: Mr. Speaker, now that we have it clear that the Minister would endorse Hydro's decision if it made the decision to release the solicitor without waiting for his request so to do; and since the Minister does not want to interfere with Hydro affairs except that he has on his own occasion fired the Chairman and General Manager and has appointed two subsequent people; whether he is not prepared now to make it clear to the people of Manitoba that it would be to the advantage of the people and in the interests of this government to invite and advise Hydro, not instruct them, but to advise them that they should indeed make that release unilaterally so that the matter could be cleared in your interest, Mr. Speaker, and that of the people of Manitoba.

MR. CRAIK: Mr. Speaker, I first of all want to clarify something again that I know isn't required, at least I assume it's not required for a former member of the Cabinet in Manitoba, that the Chairmanship of Hydro is an Order-in-Council appointment and that is the full responsibility of government. He seems to be trying to lay down another question mark and smoke-screen with regard to the change in the Chairmanship of Hydro in early 1979. That was the full responsibility of the government, the action and initiative of the Minister and that was taken, Mr. Speaker. This other that we're talking about is not.

So, Mr. Speaker, to repeat again as I said last week and I repeat again this week, if Hydro wants to take action on its own, take the initiative, wait for a request, that is their business.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, further to the Minister, will the Minister then advise Manitoba Hydro that he would prefer to see them release the former Chief Legal Counsel, Steward Martin, from solicitor-client relationship so that the former Chief Legal Counsel can speak out freely as to what his legal opinion was and circumstances pertaining to the allegations that have been raised in committee and in the House?

MR. CRAIK: Mr. Speaker, the answers and this discussion are all recorded in Hansard, I will be happy to provide a copy of the Hansard to the Hydro board.

MR. PAWLEY: Mr. Speaker, then from the Minister's response I am left with no alternative but to conclude that his answer is as they were recorded in Hansard, that the Manitoba Hydro Board would await an application from Steward Martin, Chief Legal Counsel for Manitoba Hydro, prior to considering releasing Steward Martin from solicitor-client relationship. Is that what the Minister is acknowledging?

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, to the same Minister. Wouldn't the Minister think that the people of Manitoba deemed it kind of fishy that a Minister and the government took the initiative to order a \$3 million dollar study which certainly wasn't conclusive, didn't wait for the board to ask for this, and now that the same Minister will not be ready to at least recommend to the board that we have a chance to learn the truth at no cost to the taxpayer by releasing Mr. Martin, letting him tell the people of Manitoba exactly what happened, isn't that kind of fishy?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I'm happy to take that on because the member who's been in the House since 1958 or '59 should know better than to cast that kind of innuendo with respect to any Minister, of any government, at any time and I merely say to my honourable friend that this Minister, his integrity needs no barricading from the likes of the Member for St. Boniface or from anybody on that side of the House.

I say the action that he has taken throughout with respect to his responsibilities for Manitoba Hydro from the moment he was sworn into office, have served in the highest degree of the public interest of this province and the innuendos and so on that are being cast by the Member for St. Boniface might, I think in the public interest of the province, be better kept there. I say that to him, as one who was elected to this House just before him and one who, from time to time, has been known to agree with the

member on different stands that he has taken in this House. I don't think that kind of unworthy attack on the integrity of a Minister of the Crown is deserved from him at this time.

MR. SPEAKER: The Honourable Member for St. Boniface with a supplementary question.

MR. DESJARDINS: Mr. Chairman, I think that the public will think it's even fishier now when the Minister will not answer but his leader will. All right, we want to get to the truth and I'm asking this to the same Minister — the First Minister can answer it if he wants — is the Minister ready to deny or confirm the allegation, that when the Minister was informed of the position of Mr. Martin, he threatened the board that if they went along with the advice they would be fired or some of the members would be fired? Does the member wish to deny or confirm these allegations at this time? I didn't make these allegations.

MR. CRAIK: Mr. Speaker, it was reported in the committee stage very well and I think it may have been repeated in the House, in case it wasn't, I said that it was utter nonsense.

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

MR. D. JAMES WALDING: Mr. Speaker, my question is to the Minister reporting for Manitoba Hydro. I'd like to ask the Minister whether he has read the paper that I read into the record on Friday morning?

MR. SPEAKER: Orders of the Day. The Honourable Member for St. Vital.

MR. WALDING: Mr. Speaker, I'd like to ask the Minister reporting for Manitoba Hydro whether he has read a document that I circulated amongst members of the House . . .

MR. SPEAKER: Order please. Order please. May I point out to the honourable member that I had stated previously today that it's a matter that's under the advisement of the Chair with respect to that document and I asked members not to refer to it until the Chair has made a decision.

The Honourable Member for St. Vital.

MR. WALDING: On a point of order, Mr. Speaker, I had not made reference to the tabling of a document. I'd made a reference to a document that I read from and that a number of . . .

MR. SPEAKER: Order please. Order please. I would have to rule the question out of order.

The Honourable Member for St. Vital with another question.

MR. WALDING: Mr. Speaker, I'd wish to address a question to the Minister reporting to Manitoba Hydro and ask him if he is prepared to read this document that I will send over to him.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, I'd like to ask a question of the Premier in the absence of the Minister responsible for the Civil Service of Manitoba. Can the Premier provide any general explanation or information on why the number of civil servants employed by the Manitoba Government has increased as of the year-end of 1980 to 13,968 from 13,810 as of December, 1979?

MR. LYON: Mr. Speaker, I'd be happy on behalf of the Minister, to take that question as notice. I rather thought that as the Estimates were going through the House that my honourable friends, in their job as members of the Opposition, would be asking that kind of question with respect to each department, wherein they would get the answer from each Minister as to what branches have taken on extra staff and so on.

I can only presume that the Department of Community Services has had to have extra staff to implement the white paper, etc., but we can get the detail of that if my honourable friend hasn't had the perspicacity to ask the question of Ministers as the Estimates have been proceeding through.

I conclude by saying that I find it rather ironic that the Member for Brandon East is the one who is now complaining about an addition of 100 or so to the Civil Service, which we were able to reduce by 2,000 after we picked up the mess of a government that they left.

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

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Johns, that;

WHEREAS the former Chairman of Manitoba Hydro, Dean Martin Wedepohl has acknowledged the existence of a legal opinion prepared for Manitoba Hydro and referred to in the House on April 10 by the Honourable Member for St. Vital, and the former Chairman has said the Deputy Premier was aware of the legal opinion;

WHEREAS the legal opinion is that the Tritschler Commission did not act within its terms of reference nor within the rules of natural justice, and it has been alleged that the Deputy Premier resorted to threats against the Hydro Board regarding possible action upon the legal opinion;

THEREFORE BE IT RESOLVED THAT the Standing Committee on Public Utilities and Natural Resources be authorized to enquire into:

- (a) legal advice to Manitoba Hydro regarding the Tritschler Commission,
- (b) breach by the Commission of its alleged terms of reference or the rules of natural justice,
- (c) the Minister's acknowledged inactions regarding Manitoba Hydro's position vis-a-vis the Commission, and

- (d) all other matters arising from the legal opinion and allegations made regarding this matter.

MR. SPEAKER: The Honourable Government House Leader on a point of order.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, I rise on a point of order. I don't have a copy of the motion in front of me but as I heard it read, it appeared to me that it referred to comments made by the Member for St. Vital on Friday last which were contained in an unsigned document, a matter which you have already on two occasions today indicated that you had reserved a ruling on.

In addition, Mr. Speaker, I submit to you that it's out of order because it asks a committee to enquire into legal advice to an agency of the Crown. I submit to you, Mr. Speaker, that any matter such as that is out of order on the basis that legal advice to the Crown or a Minister of the Crown or Cabinet is privileged information and Beauchesne clearly points out that such information cannot be the subject of a question or an enquiry.

Thirdly, Mr. Speaker, this is a substantive motion of which I would suggest to you, Sir, notice should be given in the regular course if it is in fact deemed by you to be in order. (Interjections)

MR. SPEAKER: The Honourable Member for Kildonan on a point of order.

MR. PETER FOX: Yes, Mr. Speaker, the Honourable House Leader raises a number of objections but unfortunately he misreads the resolution as made in respect to a matter of privilege. I believe the information before that and the question that the Leader of the Opposition raised was in respect to someone's comments who was a board chairman at that particular time, not to any particular document. All he's referring to is that there is some confirmation and he's asking that the Committee on Public Utilities, which is the one through which Hydro reports to the Legislature, makes its report that it be reconvened and that the information be obtained through that particular vehicle that we always use. I think that is something that is for this House to decide and I believe that is in order, Mr. Speaker.

MR. SPEAKER: Order please. I point out to the Honourable Leader of the Opposition that our rules require that any normal motion of this nature requires 48 hours notice. I would suggest to the honourable member, place the notice on the Order Paper for this to occur.

I do point out to the honourable member that we have at times by unanimous consent in the Chamber, allowed things to be expedited but the normal course of action is the serving of 48 hours notice.

Order please. Order please. The Honourable Member for St. Vital on a point of order.

MR. WALDING: Mr. Speaker, I point out for your information that my leader had risen on a matter of privilege and it has been pointed out I believe by you on several occasions that a matter of privilege should be accompanied by a definite motion on which the House can take action. As happened on Thursday, with a very similar matter of privilege and a very similar motion, that there was no unanimous

consent at that time to discuss the matter. It was treated as a matter of privilege as I believe this should be treated in the same manner.

MR. SPEAKER: Order please, the Honourable Member for Winnipeg Centre.

MR. BOYCE: Further to the comments of the Member for St. Vital, Mr. Speaker, if you so rule at the moment I would suggest you would be setting a precedent. I haven't got my Beauchesne with me, but there appears to be a conflict because the rules relative to privilege are and they include, "that the matter be raised at the first opportunity and if someone can demonstrate at a later date that it was not raised at the first opportunity, then a person can be precluded for presenting a matter of privilege".

Second, the Member for St. Vital is absolutely right that in the past we have ruled in this House that it must be accompanied by a substantive motion. So the rules relative to substantive motions in general do not apply in my opinion in this specific case; and rather than rule at the present time, Mr. Speaker, I would suggest that you take it under advisement if you have an inclination so to rule because I believe that Beauchesne will substantiate both the Member for St. Vital and myself in this regard.

MR. SPEAKER: The Honourable Member for Kildonan on a point of privilege.

MR. FOX: On the point of order, Mr. Speaker, the issue that is before us is that there is a matter of privilege that has been raised. What is within the matter of privilege may possibly need 48 hours notice, that is the calling of the Public Utilities Committee. But the matter of privilege has to be dealt with at the earliest time and I believe the Member for St. Vital and also the Member for Winnipeg Centre have indicated the same and it's also part of our procedures.

MR. SPEAKER: Order please. I received no information at all from the Leader of the Opposition that he was rising on a matter of privilege. — (Interjection)— Order please, order please.

When the Leader of Her Majesty's loyal Opposition rose, he rose to introduce a motion. He did not at any time indicate that he was rising on a matter of privilege; therefore, I rule that as a regular motion it requires 48 hours notice. On that basis I have ruled that, should the member wish to pursue the matter further, he should serve notice in the regular manner so that it can appear on the Order Paper.

The Honourable Leader of the Opposition.

MR. PAWLEY: It's my opinion that the record will show that I did rise on a matter of privilege if indeed, Mr. Speaker, there is any question as to that. It certainly was my intention to rise on a matter of privilege.

MR. SPEAKER: Order please. Order please.

The Honourable Government House Leader on the point of order.

MR. MERCIER: In the House, Mr. Speaker, you have ruled and your ruling should not be questioned other than by a challenge of the ruling.

MR. PAWLEY: Mr. Speaker, if privilege was not mentioned at the time of the motion, then it was a matter of inadvertence which, Mr. Speaker, it is quite within your area of discretion. —(Interjection)—

MR. SPEAKER: Order please. Order please.
The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, then I would like to ask for your ruling, if you could ensure that we have some moderation in this Chamber so that a member can indeed hear himself speak.

Mr. Speaker, on that point of order, if indeed the words on a matter of privilege were not voiced then, Mr. Speaker, it was simply a matter of inadvertence. It is certainly within your discretion to allow the matter of privilege, even if the words on a matter of privilege were not worded, and if indeed Hansard does demonstrate that.

MR. SPEAKER: Order please. Order please. I have indicated that I did not hear the words "matter of privilege" being raised by the Honourable Leader of the Opposition. I have suggested that he follow the normal course of action of giving notice so it appears on the Order Paper. I will, as a further precaution, check the tapes that have occurred at this time and on that basis, I have suggested that the Leader of the Opposition follow the normal course of action and serve notice so it appears on the Order Paper.

MR. PAWLEY: Mr. Speaker, I ask for leave if there was any difficulty in recognizing the fact that it was a matter of privilege, and I would expect on the part of fairness, and I would trust some degree of equity from the other side, that there would be concurrence to leave so that we could very easily, Mr. Speaker, indicate that it's a matter of privilege, if indeed there is an omission so it can be cleared up right now and we can get on with the business of the House pertaining to this crucial matter.

MR. SPEAKER: Is there unanimous agreement? (Nay) Proceed then.

The Honourable Member for Winnipeg Centre on a point of order.

MR. BOYCE: Yes, Mr. Speaker, you have just mentioned that you did not hear, and I want to confess that I was having trouble with my earphone; the sound seems to be vacillating and I don't want to reflect upon the ruling of the Chair. But, nevertheless, as I witnessed what had transpired as the Leader of the Opposition rose in his place and proceeded to present a motion — at that time I can't recall whether he said "on a matter of privilege" — but he distinctly stood up after it was suggested by you, Sir, that the body of his motion would be considered out of order because it made reference to a document which you had under advisement. He stood up and said it was his intention to amend this motion as a matter of privilege of the House and I think if you'll check the record, Sir, you will find that reference was given at that time. Now I don't know whether that can be construed as notice or not — I'm speaking on a point of order — but nevertheless we're dealing with the matter of privileges of the House.

That is why I said earlier that perhaps, Sir, you'd like to take it under advisement and rule perhaps

tomorrow on this matter rather than rule at the present time; because as I say the sound — and I don't know what's the matter with the machine — but it is vacillating, especially when the Member for St. Johns was asking questions. If you check the record I think you will find, Sir, that the Leader of the Official Opposition did say that he was amending his motion on the matter of privilege.

MR. SPEAKER: I thank the honourable member for his comments. We will now proceed with Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Speaker, I move, seconded by the Honourable Member for Burrows, that an Order of the House to issue for a Return of the following information:

1. The reason or reasons the words "Notwithstanding Section 3", included in Section 2 of (Manitoba Regulation 272-76) were removed from Section 2 of the 1980 Regulation under The Clean Environment Act respecting Private Sewage Disposal Systems.
2. The reason Section 2(2) of the Regulation has been changed to allow discharge, subject to approval, of sewage or sewage effluent into a body of water or watercourse, which was prohibited by Section 2 of the former Regulation (Manitoba Regulation 272-76).
3. Who will be authorized to grant approval under Section 2(2) of the Regulations.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I rise on a point of order with respect to this Order for Return, which attempts to obtain reason or reasons. Mr. Speaker, I suggest that it relates to government policy. Orders for Return are designed to obtain factual information. I think on that basis, Mr. Speaker, this Order for Return should be ruled out of order.

MS. WESTBURY: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Speaker, I presented it as an Order for Return on your advice, Sir, after I asked a question in question period, so that in the meantime there's been a passage of time in which I have not been able to obtain answers to questions and I have therefore presented the Order for Return as you suggested. I wonder what other advice you can have for me, Sir, in order to get information.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs on the point of order.

MR. GARY FILMON (River Heights): Mr. Speaker, I recall at the time when the questions were posed they appeared to be rather lengthy and Mr. Speaker was rightfully concerned about the length of time that it might take to give this response in the House.

I might say that I do have the information to respond to these in question form, and perhaps it would better serve the House if I provided the answers in written form to the member.

MR. SPEAKER: The Honourable Government House Leader on the point of order.

MR. MERCIER: Mr. Speaker, the Minister may very well want to, between himself and the Member for Fort Rouge, arrange to answer the questions somehow but I'm not withdrawing my point of order, Mr. Speaker, as drafted. I'm submitting to you, Sir, that the Order for Return is out of order for the reasons that I have cited.

MR. SPEAKER: Would the Honourable Member for Fort Rouge be prepared to withdraw the Order for Return and either draft it in a form that is acceptable, or else obtain the information privately from the Minister? Is that agreeable?

MS. WESTBURY: Mr. Speaker, I shall look forward to the private meeting with the Minister.

MR. SPEAKER: Order please. On Friday, April 10th, the Honourable Member for St. Vital presented to the House a document which he stated will be of considerable interest to members on both sides of the House. He then proceeded to read this document and at the conclusion of the reading, said he would table it. Subsequent examination of the paper in question established that it was undated, unsigned and directed to no one. There was no indication that the document had, in fact, ever been presented at any time to anybody.

Citation 329(4) of Beauchesnes Parliamentary Rules and Forms, Fifth Edition states that, "When quoting a letter in the House a member must be willing either to give the name of the author, or to take full responsibility for the contents himself".

The Honourable Member for St. Vital is on record as saying, "I cannot attest to the accuracy of this document. I do not know who wrote it". In other words, he is unable to give the name of the author or to take responsibility for the contents.

I also asked Legislative Counsel for his opinion with respect to this matter and I wish to quote a portion of his reply: "When a document is tabled it seems to me only reasonable that there should be some identifying information going along with the document indicating in some matter, either its source, its author, when or how it was published, or the nature of its publication, or how the member obtained possession of the document. Without some or all of such facts being indicated, the document merely stands as something which the member himself is putting forward and if he has already read it, there is no need to table it, nor would I think it proper to table it".

Citation 327(6) of Beauchesnes Fifth Edition states in part, "A private member has neither the right nor the obligation to table an official or any other document".

Rule 29(1) of our own Rules states: "Where in any debate a member quotes from a private letter, any other member may require the member who quoted from the letter to table the letter from which he quoted, but this rule does not alter any rule or

practice of the House relating to the tabling of documents other than private letters”.

In my search for an answer to the problem confronting me I had enquiries made of the House of Commons in Ottawa. The information I have been able to obtain from that source is to the effect that Citation 327(6), quoted above, is strictly adhered to and a private member would not be permitted to table a document.

Based upon all the information available to me it would appear that an unsigned and unidentified document is an incomplete document and cannot be considered to be properly before the House.

Proceed with Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

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

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of Education and the Honourable Member for Virden in the Chair for the Department of Natural Resources.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — NATURAL RESOURCES

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. I'll call in the Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside): Mr. Chairman, just to provide some information, Clerk's assistance to honourable members, first of all, the question was asked about the number of water rights licences for surface and groundwater applications. That might have been by the Honourable Member for St. George or it could have been the Honourable Member for Ste. Rose as well but copies are available for that.

The Honourable Member for Rupertsland asked for copies of the preliminary management plan for the Cape Churchill Wildlife Management Association. I have two copies for the honourable members. Should members on our side wish to have them, they are available to us through my office. Further to that the Honourable Member for Ste. Rose specifically asked for information on the location of Crown land sales throughout the province and the value of these sales. I would provide him with a copy of the most recent computer printout of the transactions taking place in this regard.

Then in addition to that I would ask the Clerk to hand out a more detailed plan of the description of Acquisition/Construction projects for the year, 1981-82, including a map. I think the Honourable Member for Portage will find that particularly helpful since he was asking for it. The Clerk will be distributing these.

Perhaps I would ask the Clerk to leave a few additional copies on this side of the table, there will be other members joining us.

Thank you, Mr. Chairman, I think that more or less keeps the commitments that were made during the course of the Estimates on an earlier occasion about supplying additional information.

MR. CHAIRMAN: 13.(b) — the Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Mr. Chairman, last week I was asking about the dam at Grandview and what was happening to resolve that problem. We have received some information from the Minister and from the department there but I understand that there was a hearing held at Grandview I believe to look into all these matters. Am I correct on that, the moving of the dam?

MR. ENNS: Mr. Chairman, I must conclude and confess to some lack of specific information as a result of perhaps my relative newness to the department. But I would have to conclude that with the positive action program that was outlined to the honourable member when last this committee met, namely, that there's an agreement to proceed with the construction of the community dug-out for the water supply for the community; the agreement, following proceeding with that successful construction project, the elimination of the damn in question which has been of some concern to the community that the time for hearings has passed. I'm not aware of any hearings that the department has scheduled. I would solicit from the member if he has some additional information that I'm not aware of.

Now there may be, of course, something to do with the relocation of the Department of Highways but my understanding is that has been resolved based on the firm decisions that Highways knows and has ascertained the site location of No. 5 Highway in that particular area; that we have subsequently made our plans and are intending to proceed.

Mr. Chairman, the Director of Water Resources indicates to me that a hearing may be scheduled under the sponsorship of the Clean Environment Commission to look into the question of lagoon location or the operation of the lagoon situation in that area, but it would not be part of the proposed dug-out construction and damn removal program.

MR. ADAM: My understanding is that there has been a hearing held there just recently in regard to something. I was just wondering whether it was in conjunction with all these changes, the highway changes and the removal of the damn which would have some environmental consequences. I was wondering if such a hearing did take place, and I understand that it did, whether it would be possible to obtain copies of the transcripts so that we could see really what was discussed. I suspect that probably there was much more, I know that there's a tannery there at Grandview which apparently is polluting your waters. This is hearsay that there's a tannery which is dumping whatever it is they're dumping into your nice waters and that it may have had something to do with this aspect of it. But I'm sure that when there's a hearing of that nature there's other things that become involved because

I've had the opportunity to speak on Saturday to one of the people who have been having concerns with what the Minister is trying to rectify now, with his projects. I mentioned to him that I had brought this up at committee, Thursday I thought it was that we talked about it or Friday, and that I thought that his problems were solved and he said, no way. He said they had a big hearing here, environmental hearing and he says nothing is resolved. So I just take those comments, I don't know what he meant. There may be something else that's going to come up and I was just wondering if it were possible for the Minister or his department to enquire from his colleague, the Minister responsible for the Environment, to see what took place there. If it is possible to get transcripts of that hearing so we know what went on.

MR. ENNS: Mr. Chairman, I repeat, this department is not aware of any such hearings. But again, on the advice received, it could well be that Clean Environment Commission has held hearings recently in that community. I'm sure that while my colleague is not present that if the honourable member were to direct that question to the department responsible this is public information and he would be only too prepared to provide the honourable member with that information.

Mr. Chairman, just by way of correction, my modesty prohibits me from assuming ownership of the water that he suggested I was allowing to be polluted. The member knows full well that the ownership of that water rests in the hands of our gracious Majesty, Queen Elizabeth II, Protector of the Realm and Faith.

MR. ADAM: We will attempt to get the transcripts from another Minister. If the Minister does not wish to do so on our behalf here at the committee, we will attempt to do so ourselves.

I would ask him then if he could advise if it is correct that the office responsible for Water Resources, Natural Resources in Grandview is being closed out and moved out of there; is that correct?

MR. ENNS: Mr. Chairman, I think I touched on this subject in other sessions of this committee that reorganization within the department have called for and have cause for some reallocation of staff, that's a continuing process from time to time. The particular location in question is not one that I'm aware of is being moved; it's a conservation officer that's located in that community and we have no intentions of moving that officer at this time.

MR. ADAM: Yes. The report that we had was that whatever facilities there were in place by the Department of Natural Resources would be moved to some other area from Grandview. If the Minister says that is not going to happen that settles it there, we don't have to continue to request further information. I would ask the Minister, are there any plans by the Department of Natural Resources to decentralize some of the staff to Brandon?

MR. ENNS: Mr. Chairman, I believe the staff allocation that is currently working out of Brandon is essentially in place and we have a substantial component of the department in Brandon. There are no plans that I am aware of, either looking at the

Director of Water Resources or Parks, that would call for any further movement of staff to Brandon at this time. I may ask the honourable member, that we are now dealing with Acquisition/Construction of Physical Assets, Resolution 13, and while staff are certainly capital in the Department of Natural Resources they do not quite fall under the resolution now under discussion by this committee.

MR. ADAM: Mr. Chairman, I could wait I suppose till we get to the Minister's Salary to ask further questions but then I have a few other questions that I want to ask of you. In regard to the residential sites on Crown land, do they take preference over agriculture or any other use?

MR. ENNS: Mr. Chairman, again, if the honourable member wishes to talk to me about the Capital Program in the Parks Division of the department which would involve such things as development of campgrounds or the upgrading of additional facilities, recreation and otherwise, in different regions of the province, that would all come under the various regions that Parks' people are responsible for. The specific question that the honourable member again discusses was dealt with under Crown Lands division of the department and I would, without appearing to be uncooperative, ask honourable members, we have a substantial Capital Program before us in Resolution 13 that involves both improvements to the Parks' system and, of course, the major program that I distributed which members have in their hands, construction and reconstruction of various provincial drainage projects that we could perhaps deal with the specific item under Resolution 13 and leave the opportunity that the discussion on Minister's Salary provides for any clean-up questions that honourable members may have.

I'm well aware that, for instance, having supplied at your request various pieces of information that were not immediately available to me as we went through the different sections. I refer to some of the information that I just handed out this morning, for instance, on the Wildlife Management Area at Churchill or the computer readouts of the sale of Crown land properties but I thought we had some understanding that those could be handled in a general way when we get to the final item, namely, the Minister's Salary.

MR. CHAIRMAN: I wonder if I could have the permission of the committee to pass 13.(b) and I think then we are on to the subject that maybe the member is wanting. We are on 13.(b) at the moment — pass.

MR. ADAM: No, I just have a few more questions here. In regard to major drainage constructions and so on in the program; last year I think the emphasis was moving away from drainage, from rural drainage. I think the emphasis was to provide . . .

MR. ENNS: I'm sorry, Mr. Chairman, I was distracted from the question. Could the honourable member repeat the question?

MR. ADAM: I believe last year we were shifting away from farm drainage and so on to provide more protection for communities, towns where there are

larger populations. I thought that was the emphasis last year and I'm wondering whether or not we are proceeding again with this policy.

MR. ENNS: Mr. Chairman, the honourable member is not incorrect when he suggests that we have a fairly major ongoing program involving flood protection of various types, but they are two distinct programs. The ongoing provincial drainage or waterway program that provides a continual improvement and reconstruction of the agricultural drainage program is one segment of the program. We have identified and are working co-operatively, we hope, with federal authorities to provide cost-sharing arrangements that will enable us to, at the same time, effect those changes and improvements to the flood protection works that are of equal importance in this province.

I think during the course of my Estimates I have indicated that we have concluded satisfactory arrangements with the Federal Government that will enable us to upgrade the ring-dike communities of the Red River Valley to full protection level of the 100-year flood. That is a multimillion dollar program that will commence this summer. I have also identified and indicated to honourable members three very specific additional community flood protection programs that we are very concerned about and have placed very high on the list of priorities and they involve the communities of Gimli, Ste. Rose and Carman. I thought I had indicated to them that our negotiations with the federal authorities are incomplete with respect to these communities. The problem of fully identifying and cost-benefit ratios which are a prerequisite to any federal sharing for their participation in these programs are probably the major cause for delay or lack of final approval with these programs but they are very much part of the program.

So the program that Water Resources generally are involved in perhaps can be identified with even one further category. We have the regular work that we continue to do on our provincial waterway system, principally to provide agricultural drain. We have the flood protection works of various description that is going on.

Then in addition to that we have just recently concluded I believe in March of this year a drought-proofing agreement, interim agreement with the federal authorities which again calls for the program of some \$8 million to \$9 million, 8.9 pretty well \$9 million program over the next three years, where the principle object of that program is to gain the kind of technical data that is required to provide the knowledge that will enable us to firm-up our information on such things as groundwater resources to allow agricultural requirements to be met from that source. The potential diversion of water such as from the Assiniboine to other portions of the water-short areas of the province and/or the actual construction of surface reservoirs of which a number of projects have been identified and planning work is proceeding with. So you have those three aspects of the Water Resources responsibility — flood protection, regular maintenance and improvement to the provincial waterway system and the drought-proofing program.

MR. ADAM: Yes. Last year there was the emphasis on agriculture, more emphasis on town diking

protection. I'm just wondering if that is going to continue, that there be more emphasis placed on the diking. Last year I raised questions, and maybe the year before but certainly last year, to this Minister when he was responsible for EMO I guess or the flood. Are you still responsible, sir, for that?

MR. ENNS: Mr. Chairman, the Minister directly responsible for that is the Minister of Corporate and Consumer Affairs, I believe, Mr. Filmon. Pardon me that stayed with Government Services — that is Emergency Measures Organization stayed with Government Services, the Member for Morris.

MR. ADAM: Last year I raised a question a this Minister I believe in regard to the expansion of the Red River Program, flood protection, to deal with those problems outside of that area, in other areas of the province. At that time I received a reply that well we're negotiating with the Federal Government and I expect an agreement very shortly. I would like to know now whether or not the agreement with the Federal Government will apply also to those areas outside of the Red River Valley, although we know that was a priority because it was a very serious matter when we had the last flood there, but there were also some very problem areas outside as well and I know personally neighbours of mine that have lived in certain areas for 20-30 years and haven't been flooded out too often and all of a sudden out of five years maybe get flooded three or four times and then they've had to pull stakes and move away and buy more land. In fact, one fellow had to buy another section of land to move his operation away from where he was, moved his buildings, moved everything and received no assistance whatsoever. That is why I was pressing the issue last year and I'm still pressing it now and hopefully the Minister can advise us that the program that was put in place for the Red River Valley can be extended to those other areas when they also are faced with similar problems, maybe not on such a large scale, but there are individual problems that happen where people have to pull up and move out.

The Minister last year gave us the undertaking that very shortly there would be an agreement and I'm just wondering if that is correct or not now, if that has come to pass.

MR. ENNS: Mr. Chairman, again pointing out that essentially the administration of that program is carried out through Government Services and possibly, you know, it requires the involvement of Finance in terms of satisfactorily bringing to a conclusion a federal sharing role. I have consistently taken the position that the program should be expanded to include those areas that the honourable member is concerned about; I have so answered to questions in the House indicating that and I acknowledge that. There was at that time an indication, although not at the political level but certainly from the officials' level, that there would not be a great deal of difficulty in expanding the original areas or boundaries of the program that would make this possible. I must report to the honourable member that successive attempts have been made with no positive response coming from the Federal Government at this time. That leaves the province in a difficult position of not being able to proceed with

the program even though it is our stated intention to do so, but always subject to similar or the same kind of federal sharing that the Federal Government provided in those areas where the programs have been carried out.

I don't think it's reasonable to suggest that the province should carry out a program in the other parts of the province at 100 percent provincial responsibility when the Federal Government saw fit to share the responsibility in, quite frankly, what were by far the bigger problem areas, namely, the Red River Valley. As late as a month ago, a month-and-a-half ago, I'm aware of a letter that, through the urgings of the Department of Government Services, the Minister of Finance sent to the Federal Government requesting again their attention to this matter and hoping that a formula similar to the ones applied in those regions that have received this kind of assistance could be made available so that we could get on with the job.

We have some 160-odd applications on file from the areas of the kind that the honourable member speaks of. They are maintained on file; they've been notified, or at least some of them have been notified, I wouldn't want to say in each and every individual case, that subject to approval to this program works could proceed. But that's the situation as of to date and I would urge the honourable member to impress upon my colleague, as I will continue to do so, the importance of concluding that federal agreement that will enable us to proceed with this assistance in areas other than the Red River Valley and those other designated areas that are currently covered by the agreement.

MR. ADAM: On these the 100-some applications that the Minister indicates there are on file, are these from individuals; would they be coming primarily from individuals or communities?

MR. ENNS: Mr. Chairman, these are individual applications that have come to the Flood Disaster Assistance Board under the chairmanship of Mr. Elswood Bole. I believe the applications have been acknowledged and the position of the government has been explained that subject to a satisfactory sharing arrangement to be worked with the Federal Government, and I should indicate, Mr. Chairman, that we are not asking for any better or different sharing arrangement other than that was applicable to those areas of the province where the programs were being carried out, principally, the Red River Valley. I might just for the honourable member's information indicate that it's our estimate that while some \$9 million was spent on this program in the Red River Valley, it is our estimate that an additional total of \$4 million would pretty well resolve the issue in other parts of the province now not covered. On the basis of 50-50 sharing that would mean a commitment of some \$2 million of provincial funds along with the \$2 million of federal funds but, Mr. Chairman, the Federal Government to date has not confirmed their willingness to participate in this program.

MR. ADAM: Is the cost-sharing 50-50 or what is the ...?

MR. ENNS: Mr. Chairman, on this specific program — and I have to be careful because again there are

different types of flood reduction or flood protection programs, I wouldn't want this to be confused with any undertakings such as the building of community dikes, ring dikes — this program is applicable to the individual farm site which provides them with assistance according to a formula to either move homes, raise homes or to develop individual farm site ring dike, diking system around the farm yards. That program was shared on a 50-50 basis with the Federal Government.

MR. ADAM: Does the farmer or the individual have to pay some as well?

MR. ENNS: The program pays 75 percent up to \$10,000 per application, so in other words there is a 50-50 sharing of the 75 percent by the two governments and the individual contributes 25 percent if he takes the maximum \$10,000.00.

MR. ADAM: Then, Mr. Chairman, if it goes beyond the \$10,000 then he carries the balance.

MR. ENNS: The individual landowner, property owner has to assume those costs.

MR. ADAM: Yes. I'm looking forward to a program, maybe it doesn't require such a big program as this, as was experienced in the Red River Valley, but if we had a similar program for flood protection to individual farmers in other areas of the province and it doesn't have to be near I think on the scale of this in most cases. I think in the case that I referred to where the fellow had to pull up stakes and move out, probably that would be one that may be a major one. But outside of that I'm sure that if there was a \$500 grant or something or \$1,000 grant to do some levying around or protection of a farm site or farmyard just to deal with those heavy spring runoffs where they get flooded in spring year after year or every other year, those are the kinds of programs that we would like to see in place. I'm not sure if we didn't have that kind of a program some years ago; it seems to me that there was a program in the past and what has happened to that I don't know.

MR. ENNS: Mr. Chairman, I'm advised some time ago that there was a program in place which simply wasn't being utilized, applications for which weren't being received. It consequently, in subsequent years, was not pursued. The honourable member raises the question though of dealing with the cases, kind of one at a time or not in its totality. The difficulty is to be fair and equitable to the overall situation. It was not that difficult even though a judgment had to be arrived at to declare the Red River Valley as the major flood-prone area in the province, having suffered the very substantial difficulties over a number of years, to be designated as a flood area. Being mindful of the time that we were doing that we were discriminatory to some extent, not taking into account other areas that were subject to flooding, not on a similar scale but certainly as an individual I can appreciate that, my home floods on the banks of the Whitemud River or Ste. Rose or at Gimli, that causes the same problems to me as if I were a resident in the Red River Valley. It's simply that measuring the resources available to the government of the province at the time they say designated the

Red River Valley area in principle as being a No. 1 area priority to address themselves to, to try to resolve. I've always recognized some inequity in that position and have been a strong proponent to extend this program to cover the other areas of the province that are subject to periodic flooding.

MR. CHAIRMAN: 13.(b) — pass; 13.(c) — pass.

Be it resolved that there be granted to Her Majesty a sum not exceeding \$12,628,000 for Natural Resources — pass.

We return to Minister's Salary at (1).

MR. ENNS: Mr. Chairman, I wonder if I may just interrupt the proceedings again in my willingness to cooperate.

The Honourable Member for Ste. Rose asked about a particular report. This is a report, Lake Winnipegosis, Lake Manitoba Recreational Waterways Project. As I indicated to him it's a rather substantial report. It also is the only report that the department has. I'd be quite prepared to allow the Honourable Member for Ste. Rose to peruse it for a period of time with a request that he return it to the department so that they can continue their delayed study of the report. But I know it's a subject matter that the honourable member has expressed an interest in. This is the report that I referred to the other afternoon when we had some difficulty in understanding which report we were precisely talking about. I'd ask the Clerk to . . .

MR. ADAM: Yes. I appreciate the Minister's co-operation and I'll be very pleased to return it after I've had a look at it. Thank you very much.

MR. CHAIRMAN: The Member for Rupertsland. Is the Member for Ste. Rose finished?

The Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I assume we're on the Minister's Salary at this point and I can raise a couple of issues which are of general nature.

One is following up on the discussion we had with respect to the department's efforts in gearing up for equipment and crews in view of the predictions of a repeat of the hazardous fire season of 1980. I would wonder, Mr. Chairman, if I could ask the Minister further to the information he's already provided to the committee if he is making an attempt to co-ordinate with other provinces or federal government agencies and/or the U.S. authorities in terms of pulling together all of the resources and equipment that may be available to deal with the situation that we may be facing in Manitoba. I would ask further to that if there are any long-range agreements in effect or in the negotiation stages with respect to the possibility of getting international or interprovincial co-operation and/or co-operation with the Federal Government, with respect to the use of some of the major equipment that may be available in other jurisdictions and even crews that may be available and specialized personnel that may be available.

MR. ENNS: Mr. Chairman, it should be placed on the record that the department has over the years had pretty good co-operation from other provinces, from the Federal Government and their agencies and, as well certainly from the U.S. American

adjacent governments, principally from Minnesota that have for instance last year accepted and helped us out in suppressing the fire problems in that south-east corner of the province. There is not a formal agreement drawn up. I would question the value of such foreign or formalized agreements in terms of being flexible enough to meet the very volatile and changing requirements in the work that our department faces in suppressing the forest fire problem.

The item though that has concerned us and then I've had the opportunity of discussing with the Federal Minister directly as a result of a meeting that I had with him on another matter, that is the greater utilization — and here I believe there is room for some formalization if you like of the Federal Government, principally through the Defence Department — to play a more meaningful role in the fire suppression problems that, not just we in Manitoba but generally across Canada provincial governments face. For instance, the honourable member is aware, he drew the matter to the attention of the House the other day, that substantial numbers of our armed forces stationed here in Manitoba are currently or about to or have left to training maneuvers and exercises at Gaagetown, New Brunswick. I really think that a formal sitting down of recognizing the armed forces' future role in forest fire suppression could bring about a rescheduling if you like in the future of these kind of movements.

We can pretty well pinpoint when our major problems with fire repression occurs across the prairies, for instance. They may vary by some days or few weeks but principally it's this time prior to green growth, prior to when we've had shortage of snow cover, and dry years that you have the kind of critical situation facing us. That is not taken into account by Defence Department planning in terms of deployment of their troops, it is something that perhaps could be figured into in overall planning of the use of our mutual resources.

The suggestion has been made to me, certainly I know the question will be taken up, as to whether or not as part of the armed forces' regular training program crews couldn't be trained to handle some of the specific aircraft that we handle; in other words, that there could be checked-out crews situated in the regular armed forces but who are capable, who have been checked out on some of our water bomber craft. This is the kind of an arrangement that's not going to happen as a result of an emergency situation where the army comes to our aid and assistance in a drought program. This is the kind of thing that can only be brought about through a series of meetings and a deliberate policy established that this will become part and parcel of the Defence Department's contribution to forest fire repression in Manitoba. I happen to believe that it would be a very worthwhile directive or goal to pursue. It seems to me a very useful kind of role for the military to play for a peace time standing army to be equipped to do.

I'm not at odds with the honourable member's suggestion that we should be pursuing those avenues. It would be not correct though for me to indicate to the honourable member that is in place for this year's fire activity. We have been assured by Colonel Coddington that equipment and men will be

made available to us; that they are prepared to bring them back from exercises that are currently being or are being planned to be carried out in New Brunswick, but that will not present an obstacle to us from having that equipment available to us at the time that we request it.

Now, I think you and I as a taxpayer and being concerned about the taxpayers' expenditures might question, well, why did the equipment, or why was the helicopter, or why was this equipment allowed to leave the Province of Manitoba at this time and then be brought back at considerable expense to help them fight forest fires in Manitoba perhaps two weeks from now or two weeks after they have commenced maneuvers in New Brunswick? Again, that's the kind of thing that can only be resolved if there is this co-commitment and agreement that we ought to be working together on a somewhat more formalized way.

MR. CHAIRMAN: The Member for Rupertsland.

MR. BOSTROM: More technical aspects of it, Mr. Chairman. I'm informed that there are some new technological innovations which may be of assistance to fire fighting forces, in terms of detection and early suppression of forest fires. For example, last year I'm told that new computers were used to predict where fires are likely to occur on the basis of satellite reports and that lightning-strike counters are being added to weather stations. With these two in effect in one area of Canada last year computer predictions were 90 percent correct in anticipating areas where fires were likely to strike. Aircraft patrols were maintained in those areas and helicopters and water bombers were able to suppress the fires before they got out of hand. I'm wondering if our forces in Manitoba are investigating these technological advancements and if they are able to make use of them. Specifically, are the weather stations in Manitoba producing information on potential lightning-strike areas and are there computers available to the Province of Manitoba which would assist in predicting where fires are likely to occur? I mention this because last year, for example, it was my experience to travel through the north a number of times and in doing so I noticed a number of fires that were just burning completely out of control. I know that it's difficult for the department to work on every fire all over the place and they have to concentrate on those that are the most dangerous in terms of life and property and that's where they have to intensify the efforts.

However, I am also aware that the most effective use of water bombers is when fires are in their start-up stages and once the fire gets beyond a certain size water bombers are like throwing a spoonful of water on a bonfire and really you're not being very effective in the use of your water bombers. So I'm wondering if it would be possible for the government to utilize these technological advancements and if there are others that they are looking at using, so that they may be more efficient in the use of the equipment that is available to the government.

MR. ENNS: Mr. Chairman, my only comments would be that in terms of some of the more sophisticated application of satellite technology combined with computer aides, possibly have a role; no doubt they

do. I would think that the Federal Government has a primary responsibility inasmuch as they have the responsibility of the satellite that could possibly be involved; they have the responsibility of marrying that within their Meteorological Weather Forecasting Information Branch, and would not say that it hasn't got a role in the future. The department as such has not got that kind of funding to experiment with this technology. Since last year we used an early warning lightning strike detection system which we found proved to be unfeasible and the project was cancelled. A lot of this is experimental stage. We had heat detection units equipped on our aircraft that will sense intensity of heat where it otherwise is not visible to the naked eye but tells us that there is either peat fires, or what have you, potential outbreaks of hot spots, then ground staff can pinpoint and locate before they develop into major fires.

Mr. Chairman, I certainly don't take any issue with the Honourable Member for Rupertsland for examining all possible ways of bringing the full resources of the government including the technology, the state of the art of the day to bear on this important area. I'm very concerned, as he is, that we protect our forestry reserves because we simply cannot afford economically and aesthetically in terms of our parks, to allow the kind of depredation to our forests and forest lands that do occur, as was the case during the last year starting just about this time.

We believe that we have allocated, both in material and in staff, the capability of doing precisely what the honourable member quite correctly suggests is so important, to strike fast when a fire occurs. We had last year so many fires involving settlements that drew so much of our resources to the settlement areas, that some of those fires that were burning in unsettled areas were not attended to as fast as they perhaps could have been. I certainly don't make that comment in any critical way of staff allocation of funds. The policy was clear, to be concerned about the possibility of danger to life and property and as you know there was a substantial amount of evacuation that occurred in the province and in other jurisdictions, principally in Northern Ontario, and there was substantial danger to Manitoba residents in a number of occasions where maximum departmental resources had to be on tap to circumvent any potential disaster from occurring.

So, Mr. Chairman, I can perhaps only add one further thing. There has been a substantial revision in the forest fire pay schedule rates this year, which staff informs me would again considerably enhance our capability of encouraging and getting the necessary support from community people to assist us in the fight against fires.

MR. BOSTROM: Yes, Mr. Chairman, I'm informed that the Province of British Columbia is negotiating a Canada-U.S. agreement or a Provincial-U.S. agreement for mutual assistance for forest fire emergencies and I'm wondering if the provincial government is involved in any way with this international discussion, or are they contemplating any discussions of their own with respect to potentially having a mutual assistance program for the Province of Manitoba and other states or American authorities.

MR. ENNS: I'm aware that through the Canadian Council of Resource Ministers the subject matter has been discussed. It's been in discussion stage for the past two years, but nothing of substance has resulted from them. I know theoretically it is attractive to integrate cross-country capability in this matter but that's not taking into account the different ways that we fight fires. The Province of Alberta I believe, for instance, is quite different than ours. They use chemical retardants, simply because the lack of available water supplies that make the water bomber an attractive equipment to fight fires. We can utilize the water bomber to a far greater extent so that if you're looking at planes that are available for forest fire work, our planes, our water bombers are not necessarily of any great help to many regions of Alberta where water supplies are distant or are not readily available to that kind of an operation. Secondly, when we have the water available to us, would we want to or do we want to fight fires with chemicals? We probably would not want to or don't have to do that. So there are these technical problems that staff indicates to me when we really start talking about this concept, I know that it has been talked about, integration of equipment that makes it not quite as attractive when studied in detail.

MR. BOSTROM: One other point in this area, Mr. Chairman, and that is, I would wonder if the government and the Minister is considering looking at more full use of the specialized equipment that the province has available with respect to forest fire suppression, particularly the very expensive water bombers that are several million dollars each to purchase, which are really only used during the fire season, and if it happens to be not a very bad fire season the planes sit idle much of the time even during the fire season, and I'm wondering if they're looking at the possibility of getting a more full utilization out of these aircraft by making arrangements with other countries so that these planes could be a source of revenue to the government in the off-season by having them leased out to countries that may perhaps be having forest fire or fire problems that could utilize such an aircraft. Or alternatively if they were not used as a revenue source in that way, perhaps the same sort of thing could be negotiated on the basis of a trade-off or co-operation with other countries so that their equipment would be available to us in the off-season. I'm not talking about the American continent necessarily; the government could be looking further afield in that I'm sure in finding some revenue source or some co-operative use of such an expensive aircraft.

MR. ENNS: Mr. Chairman, I can recall when I was Minister of Highways and Transportation for a short period of time, responsible for the air division, that we looked seriously at the idea of being able to generate some revenue during the off-season for particularly the very expensive, the L2-15.

The problem is that this is a very specialized aircraft and not too many of them are available in the country. Our concern is that should they be leased out under some arrangement and to date we haven't been able to satisfy ourselves that an economic return is available to us, but our greater

concern is to have the aircraft available to us, not just simply the insurance payout if, en route to Argentina it gets shot down over El Salvador or someplace, and we are bereft of that aircraft. It's small comfort to us to have the insurance money, and for me to be able to stand up in the House and say, "Ah, but the citizens of Manitoba didn't lose any money in this lease arrangement", but if we don't have the plane here to fight fires is a real concern. We did have a pilot last year, crew travel down to Argentina to further investigate this matter and now I'm speaking somewhat out of turn because I no longer have that responsibility, and I can't really indicate to you the conclusions of that trip but I know that it has been looked at.

It's been of concern to us, particularly as we have two of them now standing on the tarmac for many months, motors shrouded and I believe we have the third on order, coming in next year, so the greater the investment that is idle by the nature of our season, I would suggest the more stringent or the harder this government or any government of the day will look at some of the suggestions that the honourable member is making.

MR. BOSTROM: Mr. Chairman, rumour has it all the pilot learned was how to say, "dos cerveza, por favor". On a more serious note, I would like to come back to the discussion that we had earlier during the Minister's Estimates with respect to the Shoal Lake Band and their proposal for a cottage development. I note that in rereading the Hansard the Minister indicated that he was told by his colleague, the Honourable Minister of Energy, that the agreements that were referred to by myself in the Estimates discussion were only at the staff level and that no government Minister or officials at the Cabinet level were involved in any of the discussions.

Since that time, Mr. Chairman, it has come to my attention, or at least I am told that, in fact, there was at least one Minister if not more, involved in these discussions. Mr. Craik himself, the Minister of Energy, was involved at one point where he and the Deputy Minister of Mines and Resources apparently went by aircraft down to the Shoal Lake Reserve and looked over the situation; stopped at the Reserve and discussed the ideas with the Chief and Council.

I'm told that it was subsequent to that that the first draft agreement was forwarded to the Shoal Lake Band. I note something I overlooked when I first mentioned this to the Minister, but on the bottom of the letter which accompanied the first agreement there is a carbon copy indicated to Mr. Don Craik. I'm wondering, Mr. Chairman, if the Minister could comment on this in light of his earlier statements, and if he could also explain why this discussion appeared to be involving the Deputy Minister of Mines, Resources and Environmental Management, as it was called at that time — the Deputy Minister was Paul E. Jarvis — involving him and the Minister of Energy, Mr. Don Craik. I'm pointing out, Mr. Chairman, to the Minister that Mr. Craik was not the Minister of Resources at that time. I believe about that time it would have been either Mr. MacMaster or Mr. Ransom, I'm not quite sure who was the Minister in November of 1978, but certainly at no time was it the present Minister of Energy.

I wonder if the Minister could indicate why it was his impression that there was no ministerial

involvement in these discussions at all, and why in this case there was the involvement of the Deputy Premier, rather than the Minister of Mines.

MR. ENNS: Well, Mr. Chairman, it's not unusual for different Ministers to become involved in activities that are not immediately germane to their department. I'm aware of Mr. Craik's involvement and the extent of the same. I'm also aware and have made a point of checking with the department, that the then Minister of Natural Resources, the Honourable Mr. Ransom was not involved in these discussions, and not involved in meetings with the Band in question.

Mr. Chairman, the attention came to the Department of Natural Resources. The request was brought more formally to the Department of Natural Resources on or about November of '79, that is my information, at which time Mr. Ransom was still the Minister; I assumed the portfolio in mid-January, I believe, and upon checking my departmental files that was the extent of the contact between the Shoal Lake Band and the Department of Natural Resources, the department principally responsible for the granting or the providing of Crown land that would enable the access road to be built.

My discussions with Mr. Craik further support that, yes, he was certainly interested. I don't know whether this came about partially because of some of the reorganization that was taking place involving the Deputy Minister of Natural Resources at that time, Mr. Paul Jarvis. There was, as the members will recall, a splitting up of certain responsibilities within that department. Mines and a portion of what used to be Natural Resources went over the newly created Department of Energy and Mines. I don't see anything untoward for the then Deputy Minister of Mines and Natural Resources, Mr. Jarvis, being involved in the matter. By that time his Minister was Mr. Craik, and I suppose that's how contact was established.

I reiterate what I said on the previous occasion that this matter has come up, discussions, possible solutions to the problems, letters, all of this is a matter of public record and the honourable member is putting on the record those items that perhaps have not been placed before, but none of them constitutes any decision by government or by this department a formal agreement. We simply have not arrived at that stage and for that reason I don't think it's a question of living up to agreement or not living up to agreement, concurring with an agreement. The Department of Natural Resources has not been party to an agreement with Shoal Lake Indian Band No. 40.

MR. CHAIRMAN: (1) — the Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, just to follow up on what the Minister has said in committee before and what has been reported in the press. He has been quoted as saying that it is his objective to try to settle this matter as expeditiously or as quickly as possible for all parties concerned. I would ask him to be more definite in his statement on that. I would ask him to look at it in light of what is happening at the present time and that is, as far as I'm informed the band is proceeding, along with the Federal

Government, to do a full Environmental Impact Study. I'm not quite sure what the status of that study is at the present time. But given that's in process and hopefully a result will come from that which the government can look at and determine whether or not there will be any unfavourable impact on the water supply. I suppose it's a hypothetical situation but I'm asking the Minister to indicate what he would do if the environmental impact were to show that the cottage sub-division or whatever they're proposing is to be designed in such a way as to not unfavourably impact on the water supply; will the Minister then proceed to allow access across Crown land for that particular development? Will he be doing something along the lines of the draft agreement which was sent to the Band, in terms of providing access for Manitobans to that area by way of having some shoreline along the development made available for some public use? Now it was never clearly determined in any of these agreements what the use of that land would be put to and it's something the Band had asked the province to clarify. I would think it'd be in the interest of Manitobans if there's no unfavourable environmental impact to have access to a public use area in that area of Shoal Lake, something which they do not now have.

MR. ENNS: Mr. Chairman, I suppose the short answer to that would be I'll cross that bridge when I find the river or something like that. But I should indicate to the honourable member that the department is certainly concerned about the Environmental Impact Study's results. Then as I indicated before to work in a co-operative manner with the City of Winnipeg. I can indicate to the honourable member that a meeting was scheduled with Mayor Norrie and because of Mr. Jarvis' previous involvement in it, myself and the Deputy Minister of Mines and Energy. Unfortunately it occurred on the same date of Governor Olsen's visit from North Dakota to the province and I was precluded from attending that meeting. But it would not be the department's or this government's interest to refuse a legitimate request, subject to other fears being satisfactorily allayed. It would therefore be premature on my part to speculate in a hypothetical manner the outcome of several things that are now happening. Environmental Impact Study is under way in my understanding; the results of which be satisfactory to the City of Winnipeg and if a subsequent arrangement could be arrived at that would provide access to this area that meets with the approval of the very substantial concerns that the City of Winnipeg have, subject to those concerns being met then certainly the department would take a fresh look at the situation.

MR. CHAIRMAN: I think I'll have to call it 4:30.
The Minister of Northern Affairs.

HON. DOUG GOURLAY (Swan River): If we can get some indication from the members opposite how much longer we'll be in this department; whether we'll be getting started in Municipal Affairs this evening. If so I would like to be able to notify my staff.

MR. CHAIRMAN: Have the members any indication how much longer it might be?

MR. BOSTROM: I don't have a lot of other questions, Mr. Chairman. I don't expect my involvement to be more than half an hour or so.

MR. ADAM: Mine won't be any longer than that either.

MR. BOSTROM: So it's very possible that we could conclude early enough this evening to get into another department.

MR. CHAIRMAN: Committee rise.

SUPPLY — EDUCATION

MR. CHAIRMAN, Abe Kovnats (Radisson): Committee will come to order. I would direct the honourable members' attention to Page 49 of the Main Estimates, Department of Education. Resolution 53, Clause 4. Provincial Development and Support Services. Item (m) Student Aid, (1) Salaries — pass.

The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Chairman, last day we were discussing some of the problems that have been noted and complained about by students in regard to auditing and I, at that time, read into the record a letter written by a student to the Free Press in which she compared the practice and procedures of the Minister and his department to 1984, and we all know about that novel and about the bleak futuristic descriptions put there by George Orwell.

I want to re-enforce those statements by referring to a whole series of comments that appeared in today's paper, in the Free Press, in which it said that the Audit System for Manitoba Students Toughest in Canada, is the headline. (Interjection)— Right. So you know we don't object, as I've said before, to some monitoring — which is a favorite word of the government and the Minister — and we don't object to checks being made to make certain that students are not cheating or abusing or providing inadequate information for the purpose of obtaining bursaries, scholarships, loans, etc. I don't think anybody objects to the principle that there should be some check made on loan applications but it is a matter of degree.

We also don't think that it is a very good idea to come down in an unduly harsh manner on students in comparison to certain other government programs which seem to be, if not loose, at least more relaxed, in terms of the manner in which people are treated. What I am saying in short, Mr. Chairman, is that we don't want students regarded as second-class citizens and we don't want the Minister or his agents badgering or harassing students unduly. So the principle is fine, it is the application that I want to question here, in particular, and I would like to refer to a few remarks made here in this article from spokesmen for student unions across Canada.

For instance, a survey of students in B.C., Alberta, Saskatchewan, Ontario and Nova Scotia and the National Union of Students said that they have not heard of any province other than Manitoba which goes so far as to require grocery receipts and cheque stubs dating back many years. Now I want to ask the Minister about that particular point. Is that in fact true, or is that a gross exaggeration, because I

can tell him I don't know what his habits are or what the habits are of other members in the Chamber — but I can tell you one thing — I never keep grocery bills more than a few minutes after the groceries have been put away.

Do you have a grocery bill, Mr. Chairman? May I examine it? Perhaps you could send it to the Minister and he could look at it. But that would be the interesting thing, as to whether we're talking about the groceries you bought yesterday — April 13th — Mr. Chairman, I want to say to you that this is a recent bill from April 13th of this year. — (Interjection)— Today in fact is the 13th, right. But I want to point out that it's unsigned and I can't accept it as a document to be tabled in this House. For all I know you invented this bill or fabricated the figures, so I would have to rule on your point of privilege that it is not accepted.

But, Mr. Chairman, you'll note that you happen to have a bill in your pocket but there are people who laboriously keep everything, and I tend to be a person who doesn't throw a lot of things out — there are the keepers and the throwers-away of our society — but it depends on what we are talking about. Souvenirs or programs or magazines, I'm one of those who has them going back years and I hate to throw out a magazine even if it's two or three years old. Grocery bills I fire out into the waste basket almost as soon as they come in the door.

I wonder if I could just begin my remarks by asking the Minister to comment on that. I think he's prepared to comment. If so I would then move on to a couple of other points.

MR. CHAIRMAN: The Honourable Minister.

HON. KEITH A. COSENS (Gimli): I've made several comments on this matter, but I am prepared to react briefly to what the member has mentioned today. I'm not prepared of course to react to what certain people may have said in the newspaper after being phoned because I don't know what questions were posed to them at that time.

But I would point out to the member right now, Mr. Chairman, that the audit does not request grocery receipts. I emphasize that, Mr. Chairman — and the honourable member has made a great to-do about grocery receipts — I repeat the audit process does not request grocery receipts. I would like the honourable member to perhaps supply some proof that grocery receipts have been requested.

Now, Mr. Chairman, having said that it is quite possible that a student in attempting to justify or explain some large withdrawal from a bank account may have in fact used grocery receipts as part of that justification. If that is the case then certainly that is their choice, they have decided that part of that withdrawal was for the purpose of purchasing groceries. But it is not routinely the policy of our department to request grocery receipts at all, Mr. Chairman.

I would also mention to the honourable member that there are some comments in that particular newspaper article that are highly complimentary to the program.

MR. DOERN: Mr. Chairman, a couple of points there. I want to refer back then to a letter that I referred to on Friday that was written by a student, a

Margaret Watts and what she said in her letter, and I'll just read the Minister a couple of sentences. She said, "The next time you go to the drug store, the grocery store or write a cheque, remember if you ever want to go to university that purchase may be held against you". Then she asked the question, "When was the last time Mr. Cosens kept his Safeway bill? That is exactly the kind of information students are asked to provide". I don't know what the facts of the matter are. I'm just saying that students are claiming that this is the type of information that they are being asked for. Perhaps the Minister should issue a directive to his staff, or discuss this with his staff and make certain that we're not crossing the line between what would be considered to be a reasonable check and undue harassment.

I'm saying that the reputation of Manitoba is I think suffering as a consequence. I have to remind the Minister that he not only represents the taxpayers, which is a heavy responsibility, but he also represents the students and he mustn't become overly zealous in prosecuting students because he is, at the same time, supposed to be their champion. He is one who is supposed to assist and aid students in going to university, not discouraging them or blocking them from proceeding into the halls of higher learning.

I'm telling him that his reputation as a tough guy is probably going down well in certain quarters but it is not going down well at the university. As a result to a certain extent he has given a black eye to the whole Student Aid Program from coast to coast. I want to refer to some comments made in this particular article where this sort of information was drawn to the attention of students from coast to coast, combined with the fact that Manitoba has had the greatest drop in applications for student aid in recent years. According to this article 650 students face detailed audits and probably as a consequence there was a fall-off in applications.

For instance a student vice-president from Dalhousie said, "I can't imagine that. It sounds slightly ridiculous", referring to Manitoba's reputation as being the toughest in Canada. The same student from Nova Scotia saying that it was "bureaucratically distressing". A student from British Columbia, James Hallis said, "There's nothing as bizarre as that. We're quite civilized out here".

I don't want the Minister being thought of as a barbarian or mean person, or what somebody once on TV called a baddie, a heavy. Someone from Alberta, Phil Soaper, student president said, "It's that exhaustive? Wow]" and so on and so on. Jeff Parr, who's from the National Union of Students' offices said, "They're pursuing their audit a lot more zealously than other provinces. It's pretty incredible. I've never heard of any other provinces doing those things". James Egan, who is a U of M Student Union president said that applications have dropped in Manitoba, he said 7 percent in the last year, and says that the poor reputation of the program among students is to blame.

So I'm just saying to the Minister, he I think should check out these particular articles. If these articles are misleading; if the information isn't accurate then he has a right to put it on the record. But if there's any truth to this as being heavy-handed performance

on the part of some senior civil servants or some people further down the line, then I think he should issue a directive, and make it clear that this and this is acceptable, and this and this, isn't, because as I say to him again, he has to watch his Budget, but he must represent the students as well as the teachers and the professors and the parents. It would seem that he is not protecting the students here, but he is allowing them to be used as open season by certain people within his department.

MR. COSENS: Mr. Chairman, the Member for Elmwood has never been too bothered by the facts. I think he would rather deal with newspaper articles that may or may not be based on a solid premise. Again I say, without any knowledge of what questions may have been asked, the people at the other end of the telephone, or in fact, how the questions were placed, which can certainly determine what type of answer you'll receive. I would be very doubtful that the people who were phoned had any understanding of the Student Aid Program in Manitoba as it compared with the program in their province.

I reiterate again, Mr. Chairman, that we do not set out to persecute, prosecute, any students with this audit. We are merely trying to make sure that moneys are being directed toward those who have real need. Of course, if the honourable member, Mr. Chairman, would like me to produce a long litany of cases of individual students that have been audited and what we have determined by that audit, that substantiates why we should have an audit, I would be quite prepared to do so, because if he's saying that we shouldn't do it, that it shouldn't be carried on and so on, then that's fine, Mr. Chairman, then we know his position.

He perhaps may not be saying that, but he is more or less harping on the idea, trying to produce an image that we're unreasonable, that our people are asking for things they shouldn't be. I point out to him, on this silly business about grocery lists and receipts from grocery shopping, that is not something we require, that is not something we ask for. Of course he has made a great issue of this grocery receipt. However, if someone wishes to use it to justify considerable withdrawals from a bank account, they are certainly free to do so, Mr. Chairman. Again, the honourable member uses that as a big issue, and would like to certainly balloon it all out of proportion.

I mention to him in his comparison of student aid policies across this country, that if he wishes to look at one province in particular, they do 100 percent audit before a student receives any student aid; 100 percent audit before anyone receives any aid. Now, does he consider our policies in relation to that, to be too restrictive, to be unreasonable, Mr. Chairman, where we do not follow that procedure at all? In fact, students receive their aid and the audit is conducted after they have received some proportion of that aid.

So, Mr. Chairman, I feel that the honourable member is taking a newspaper article which in fact may have distorted the picture anyway, and is further distorting the picture. If he wishes to do so, he's certainly quite free to do that, Mr. Chairman, but I say it flies in the face of the facts.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Just a couple of points that I wish to make with respect to this item in the Estimates. As you may have noticed, Mr. Chairman, in today's paper, the Progressive party did indicate its position, or the general thrust or direction in which it intends to move, insofar as post-secondary education is concerned. One of the points that we made is for the provision of post-secondary education on the same basis as public school education is provided, namely, education being universally accessible, no fee being charged to the student.

Now I mention that under Student Aid, Mr. Chairman, because this is part of a student cost at the present time. The tuition fee is one of the cost items that certainly is included in the determining level of support that a student is entitled to. So we do believe in post-secondary education being universally accessible. With that being our ultimate goal and in working toward that goal, we would look at the removal of tuition fees. We would also take a look at the cost of textbooks, which is another major cost item to the student at the present time. I would suspect, Mr. Chairman, tuition fees, you're looking at \$670 I think are the lowest fees that are proposed for the forthcoming academic year in the Faculty of Social Work and the Faculty of Arts, ranging up to \$1,260 for Dentistry and Medicine. So that would be a substantial savings to all students. Textbooks are also provided, the provision of free textbooks also provide a substantial saving to students because I would suspect that there again it would vary from faculty to faculty but in some faculties a student might spend upwards of well over \$300, \$350 a year on textbooks. If you take into account the fact that there may be some texts that a student may not see any particular need for to own personally and at the end of the year he will surrender them in the same manner as he surrenders a high school textbook at the present time. So, therefore taken into account the reusability factor of the text, the fact that they will not have to be replaced every year, I would think that the cost would be \$1 million, \$2 million a year, probably somewhere in that order.

With a view to moving toward universal accessibility I would also take a look at the cost of transportation that students have to incur to get to and from university. Student employment, rather than the cumbersome process of student aid, and the auditing and the discovering if there is a certain amount of leakage and so forth and recovering what the department might consider to be overpayment to some students; rather than enrich a student aid program which, by the way, this government has not really enriched because if you compare, if you compare the Student Aid Program for the forthcoming fiscal year with that in 77-78, I want to remind you, Mr. Chairman, that 1977-78, the Student Aid Program was \$5.1 million. Even taking into account the decline in enrolment over the past while, but it hasn't been all that great, that is the decline; but 5.1 million of 1977-78 dollars would bring you up to well over \$7.5 million in terms of 81-82 dollars. So, the program isn't as rich, is considerably leaner I would think in this fiscal year than it was four years ago.

So, rather than go through the whole process of applying for student aid and checking student aid

applications and auditing student aid applications and chasing after students that the government might feel were paid too much, I would much rather take the simpler route, when we're talking about tuition fees, we're talking about 10 percent of the university's operating costs because the public purse at the present time picks up close to 90 percent anyway through the grants that the Grants Commission pays the universities. So, rather than go the present cumbersome route, make education at the post-secondary level university accessible and the same way as it is up to Grade 12 and let the universities set their admission requirements on the basis of the student's ability and provide the essential services that the student requires; namely no charge for tuition fees, provide him with textbooks, provide him with proper housing and rather than go the student aid route provide him with a job for the summer.

I would think, Mr. Chairman, that as in previous years and certainly in the future there are all kinds of worthwhile and essential jobs that could be done, that should be done, in many areas of public activity. School divisions, municipal and city councils could employ students profitably, the government itself, and I'm sure that amongst those three public bodies and a host of Crown agencies that I'm certain could find meaningful employment for students.

So if you follow that route, Mr. Chairman, you would make it possible for the post-secondary student to have the necessary funds to attend university. You would remove the present financial barriers that exist by way of tuition fees and the cost of textbooks and so forth and thus make education universally accessible and then in terms of the Employment Program, not only will the student be the beneficiary in terms of earning a few dollars during the summer months to assist him during the next academic year, but there is also the product of the student's work which will be of benefit to the school division, to the city, to the government, to whoever the employer of the student may be.

MR. CHAIRMAN: (1) — pass. The Honourable Minister.

MR. COSENS: Could I just point out to the Member for Burrows that the fact that he refers to texts and tuition as the big expense for most students really belies what is the situation. The matter of tuition and textbooks probably amount to one-third or less than the costs that students incur in going to university, so his grand plan to abolish both those items from student's expenses would not in fact solve their financial situation. I point out to him that the average award to post-secondary students in 1980-81 was \$2,580.00. To have removed merely the tuition and textbook costs and I'm not sure if he was going to remove textbook costs or not, but at least tuition would not have done away with any financial need there, at least not all of it, it would have done away with a small proportion of that need. So, I just thought I would point that out to the member. His scheme would not solve the total educational needs of students at all.

He also mentions, Mr. Chairman, the fact that the amount of assistance provided over the years has somehow not kept up with demand and I point out to him that in 1977-78 the amount of money allocated

was some \$4.1 million. If he looks at the Estimate book this year he will find that it is about \$20,000 short of \$6 million, so we have seen an increase, Mr. Chairman, in those years of some \$2 million, which is, I would suggest, significant and has reflected the increase in costs that are incurred by student in procuring a post-secondary education.

MR. HANUSCHAK: Mr. Chairman, the Minister says that the cost of tuition and textbooks only accounts for one-third of the student's expenses. Well one-third is quite a substantial amount. You're not talking about \$40 or \$50 or \$100 or so, you are talking about something well over \$1,000 which a student pays, and I would suggest to the Minister that that amounts to much more than a hill of beans and that would be of tremendous benefit to, or tremendous financial relief to the students. Now by the Minister's own admission, that if the average level of assistance, a way of student aid, is in the order of \$2,000, well the items that I have mentioned would account for over 50 percent of the \$2,000.00. So, there again is evidence of the fact that what the Progressive Party is proposing would be of considerable relief to the students and it's not just some petty trivial amount that the Minister would like to make it appear to be.

MR. SCHROEDER: Thank you, Mr. Chairman. The other day I started off by talking about some of the difficulties students are now having because of inflation and the failure, for instance, of this government to provide adequate employment, because of the failure of this government, for instance, to stay up to date with increases in minimum wages and that type of thing and at the same time they are boosting the rates that they are paying to the students inordinately, inordinately in accordance with the cost of living. What's happened is a complete reversal of the trends that we had initiated from 1969 to 1977 toward greater equality, greater access to the universities and what has happened is a route, we're heading back the other way. There is more difficulty in access to the universities, notwithstanding the fact that there are more loans and grants available, certainly, but there are more costs for food. Talk about food, the Minister stood up a minute ago and he's been saying this all along, people don't have to account for food.

I have Audit No. 1025 here, I won't mention the name, the Minister can check it out himself. It's a letter dated January 9, 1981 from the Department of Education, Student Aid Branch, to the auditee and Question 5 in the handwriting of the writer, "Your regular monthly payment of expenses, rent, food." So they are being asked to do that. How do they do it without finding out what they pay? Are they supposed to just estimate and then have these people come back down their throats and say, where did you get that figure from? Surely if you are supposed to provide a statement as to your expenses you must provide a statement based on what you spent, otherwise there is no point in providing it. So, what they are asking for, what the Minister crew is asking for is how much people spent for food, and let's not say that it doesn't happen.

Going back further, I have one here, Audit No. 210R; this is also from the same department and a question on Page 2, "We require a letter from all

employers for whom you were employed from April 1978 to May 1979." This letter was sent on December 9, 1980, more than two years after that person would not have been working for those employers any more. When was it sent again? December 9, 1980. It arrived somewhere around the 19th in the middle of examinations and the auditee was given five days from then to reply. And that was only one of a whole bunch of questions; "Please provide a letter from the institution handling your Canada Savings Bond stating the date the asset was purchased, cash value." It provides requests, they don't like the way the passbook came in and the auditee was required to provide copies that could be read for specific dates going back some periods in time, going back more than a year. That's in the middle of exams and isn't that nice; you've got five days in which to reply; isn't that a great thing for students to look forward to; in the middle of your exams you're going to be rushing around to your bank, to the various institutions you do business with and you're going to try to figure out what your food and rental payments were for the last couple of years. What kind of a department is this? Here's one, "Your bank records for chequing indicated a cheque for a certain amount, please state the reason for this cheque?"

So, when the headlines say that this department is probably one of the tightest in Canada, they probably don't go far enough. There is nothing wrong with having adequate security, but to play Scrooge at Christmas time is going a little bit far on these things, Mr. Minister.

Now, I have another one here. This one is dated March 9, 1981, Audit No. 210R, same one, and it indicates that an individual is being reassessed and on Page 3, this is an incredible statement, "Should you disagree with the audit findings you have the right to appeal to the Student Aid Appeal Board," and there is the address given, then "Appeals must be initiated prior to six weeks before the end of classes". That letter arrived when there were no longer six weeks left to the end of classes. So now, the Minister has figured out the perfect way of insuring that his decisions will not be appealed. You simply send them out within six weeks of the end of classes and then there will be no appeal.

Now, again, we have no difficulty with proper auditing, that is a part of the function of the department when you are giving out funds. I would add that it doesn't compare with the way the same government audits when it gives away a freezer to a grocer in Treherne. They don't say, "What was your income tax return like last year? What were your food and rent expenses last month? What did you do with this cheque? Give me a complete accounting for every cheque withdrawn from your savings account for more than \$300.00." That's a favourite, Mr. Chairman, that's a real favourite. Any cheque over \$300, we want a complete breakdown. Then the Minister says we don't care about food. Of course they care about food. If they don't care about food, what's the student supposed to say? "I spent \$189 for rent, \$50 for bus or car or whatever, and ignore the \$70 he or she may have spent for food? If they don't show it, they are told, I am sure, "Well, you don't need the money, because you didn't spend this money."

So when the Minister says that they're not looking at old food vouchers, I would suggest that is certainly not the image that he is coming on with, with the students. That is not the view that the students take, the students who are being audited. The Minister can say what he wants about the fact that many of these audits have proven that students have in fact, underestimated income and possible overestimated expenses.

The fact of the matter is that the manner in which they are being conducted is unfair. Surely, anybody who is involved in an audit should have the common sense not to be demanding a time limit of several days after the Christmas exams. One other of these documents was sent right smack-dab in the middle of the mid-term exams in March. Surely, we would all agree that during those exams is not a proper time to be writing former employers and asking them to please confirm in writing, because the Minister needs this. Mr. Cosens is just waiting for this. He has nothing better to do. He wants to know if you were an employer of mine. He wants to know what I did with this \$300 cheque. Surely, during those times it would be appropriate to be at least giving people a reasonable time for response even if the letters are going out. I'd be the last one to want the people in the department, whoever they are, to just sit back and do nothing during the periods when there are exams being written, but surely, time limits can be reasonable.

Just in general, on the democratizing of access to the universities, I would commend a document entitled, "Student Loans, Making a Mockery of Equal Opportunity", which is a submission to the Federal-Provincial Task Force on Student Assistance, and was presented by the National Union of Students in July of 1980. I would recommend that to the Minister for reading, and I would hope that after so doing, he would get off this course of making education less available to people in this province, and get back on the track that we had established of making it more available.

Again, the Minister didn't answer the questions I had the first time I spoke. I asked him specifically, "What percentage increase per year there was in tuition fees in 1969 to 1977, as compared to the percentage per year from 1977 to 1981? What percentage increase in the minimum wage was there from 1969 to 1977 per year, as compared to 1977 to 1981? What percentage increase in the cost of living was there from the first set of years to the second set of years?" At the end of that, when you start looking at it, how could the Minister say in any kind of honesty, that there is the same kind of access to the university system today that there was in 1977? It simply ain't so.

MR. COSENS: The last line spoken by the Member for Rossmere is right on, Mr. Chairman, and applies to his remarks. They simply aren't so. When he talks about student employment, and he talks about those golden years when the previous government was in power, those were the years when we used to hear every summer about the problems students were having finding employment. Mr. Chairman, I haven't heard that in the last four years, thanks to some of the programs that this government has in place. We haven't heard that students are having problems finding employment, not at all. I find that rather

strange in relation to this great problem that the member mentions.

He then says we have made accessibility to the universities completely accessible, and it's very possible for our young people to attend our universities and yet, Mr. Chairman, if he would like to look at the enrolment figures for those years, he'll find that they kept declining during the last years of The Seventies; they kept going down. The participation rate kept going down.

Well, in part, Mr. Chairman, I can't blame that on policies of that government or any other government. It's due in fact to declining enrolments in the school system itself. But, Mr. Chairman, I can tell the honourable member that in spite of that, this year we're seeing an increase in this university enrolment, in the post-secondary enrolment, in spite of declining school enrolments. The participation rate has increased. In other words, the number of students out of the total number in grade 12 graduating classes who are going on to post-secondary education has increased this past year, which more or less belies the statement that the honourable member was making that policies of this government certainly have discouraged young people in this province from going on to post-secondary institutions. We have the largest enrolment in this province in post-secondary institutions that we've had for a number of years. It has increased this year, and that just doesn't sit very well with his statement that there are policies of this government that are discouraging young people from attending our post-secondary institutions.

Of course he's back on this problem of the food bills that students may have and are asked to submit. Well, Mr. Chairman, I tell him once again, as I told the Member for Elmwood, in the audit, they are asked to verify rent only. Now, if they make withdrawals from the bank of sizeable amounts, then certainly they are asked to substantiate those particular bank withdrawals, and if food bills are part of that withdrawal, then of course that follows, that they would be required to substantiate it. Otherwise, Mr. Chairman, there is no problem in that regard.

Of course, he mentions something about a document that was not legible. Mr. Chairman, it's very hard to audit something if the documents that are provided are not readable. I think that's only common sense, that they have to be something that the person doing the auditing can read. If they aren't, then the person could be asked to resubmit something in a form that can be read.

Also, Mr. Chairman, I'm advised that any student being audited can receive an extension if they request it. We're not unreasonable in that regard at all, that extensions are granted regularly, on request, that these deadlines that the honourable member would like to make sound so inflexible, do not in fact exist, that they can be extended and are extended in fact.

Of course, the appeal procedure is always there, Mr. Chairman, they are always appealable. I have some problem with the honourable member inferring that they aren't, because I assure him that any award is appealable. So he can spend as much time as he wished, Mr. Chairman, attempting to paint this particular procedure black. I have to remind him — you know, something that's been lost in this whole

discussion of auditing — is that many students through the audit process receive increased awards, because I think that the inference has been that in all cases, students' awards are decreased by the audit. Not true, Mr. Chairman. In some cases, they are in fact, increased, as they should be if the evidence points this out.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you Mr. Chairman, I'm glad to hear the Minister tell me that in all cases you can have an appeal. I pointed out a very specific case to him, in which there was no appeal possible. Now he then says, "But in all cases, you can ask for an extension." Then I would suggest that he say so in these letters of his, the letters that his department sends to these people, because if you are the recipient of a letter that says no appeal is possible after you've come to the period where you're within six weeks of the end of classes, and you only get the letter within six weeks of the end of classes, and you are a student, it may be just possibly that student may decide that he or she can't appeal, and therefore will never make any effort at appealing.

The Minister also specifically again stated that the request dealing with food never comes. Again, he says that after I had given him a specific example of a case where that request was made. Again I refer to Audit No. 1025, Question 5, and I will read a substantial portion of it in, in order to put it into context: "On the records submitted, indicate (a) What use was made of all withdrawals over \$300.00? All claims for expenses over \$300 must be substantiated with verifying documents, e.g., cancelled cheques, receipts, etc." Okay, that verifies the Minister's position with respect to the \$300, no problem. Then (b): "The source of all deposits made while attending school." That sounds reasonable. (c): "Your regular monthly payment of expenses, e.g., rent, food."

That is what this particular audit is requesting. It doesn't talk about the minimum \$300 expense. That was another item. It is talking specifically about the food requirements of this specific student. If you were the recipient of this document, then surely your reaction would be: "I have to figure out an exact amount for the food I have spent going back to last fall, or the year before, if I'm being audited for the year before." The Minister can say whatever he wants about not having the requirement of food vouchers kept, but when a student receives a document saying, "On the records submitted, indicate your regular monthly payment of expenses, including rent and food," then surely, any recipient of this document or that type of request would assume from the receipt of that request, that the answer is to be accurate.

If the answer is to be accurate, how else is it going to be done than by saving your bread wrappers or your receipts, by making sure that when you go to the 7-Eleven Store, you don't just leave the money on the table without taking a receipt back. How else will you know?

So the Minister cannot say that he is definitely wrong in fact, if he does say that a request for food vouchers is inappropriate for a student, because how else can a student answer the question going back to the previous year, and possibly the year before?

MR. DESJARDINS: Mr. Chairman, it's just a question . . . the Minister might answer it, the Minister might feel that this is a bit of an unusual request, but there was a case brought to my attention on this question of Student Aid. I haven't the details yet and I've requested that. I wonder if the Minister could extend me the courtesy of letting me know who I can get in touch with to review the situation — it was an audit — and to assure me that somebody from his department will review the case with me. I wonder if that could be done and if he can give me the name.

MR. COSENS: Mr. Chairman, if the Member for St. Boniface would provide the information to me, I will forward it to the appropriate person in my department and get him the information. This is not an unusual practice at all. I've been able to provide that service to other members of this House on occasion and I'm quite prepared to do it for him.

MR. DESJARDINS: Could I get in touch with this person and discuss the case with that person myself? Also could he explain to my satisfaction . . . ?

MR. COSENS: No trouble with that, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, I'd like to raise a few points with respect to the Student Aid Program. I'd like to ask the Minister specifically, if auditing is required by a regulation or regulations pertaining to the Student Aid Program, or is this just something the administrators do on their own, or is it really part of government policy and regulations, that there should be audits of student aid recipients?

MR. COSENS: Mr. Chairman, under the Canada Student Loan Program, a minimum of a 5 percent audit is required. We follow the same practice as the province and I believe that is the practice that has been followed for some five years.

MR. PARASIUK: Well, Mr. Chairman, I don't disagree with this audit and if it's 5 percent and it's been done for five years, I agree with it. There are some points that one can raise about the extent to which students in the crisis of exams are in a sense harassed, that's the serious matter that I think is raised and I'll get to that in a few seconds, but I couldn't help but reflect on the parallel and wonder why there is this double standard with the Conservative Government of Manitoba with respect to the audit requirement for students, individuals receiving student aid, and a situation with respect to private profit-making nursing homes, because I want to see whether there is any difference in approach with respect to the way in which this government administers this program compared to the other.

The Auditor of the province tells us that there is a requirement that private profit-making corporations involved in the provision of nursing care to elderly people should file audited financial statements, this is a government regulation.

MR. CHAIRMAN: Just to bring to the honourable member's attention, we are on Student Aid and

Auditing, but not private nursing homes. I'm not bringing him out of order if he's using it as a comparison, but I would suggest that we get back to what is under discussion.

The Honourable Member from Transcona.

MR. PARASIUK: I will very shortly, I just wanted to draw the comparison that there is a difference in approach and I want to say that possibly there should be some flexibility with respect to the way in which this government audits students, because, Mr. Chairman, they don't even apply any standards, any standards whatsoever with respect to auditing requirements of private profit-making corporations who have the facilities and keep records to provide audited financial statements. But what has happened in that area, and so the Minister of Health has told us is that, well there are some corporations that feel that they haven't got sufficient auditing expertise around to file these annual audited financial statements and we don't want to trouble them, that's the position of the government. In fact, he goes a bit further and says, well, we don't even know whether it should be the government's business to lock at how the government, how these private profit-making corporations spend the money that we spend.

MR. CHAIRMAN: Order please. I would strongly recommend that we get back to Student Aid and Auditing of Student Aid. I think that the honourable member has taken advantage of a situation of my latitude that I have allowed and I would strongly recommend again that Student Aid is the one that is under discussion.

The Honourable Member for Transcona.

MR. PARASIUK: Having pointed out the "Mickey Mouse" approach of this government with respect to something that the Auditor has pointed out in his audit report for three years running now, a very flexible approach. In fact the governments rolled over with respect to the corporations, but when it comes to the students they seem to attack him with a vengeance. I don't know whether this is a matter of guilt, that this is a matter of compensation for their inept performance with respect to the private profit-making corporations in nursing homes, maybe that's the reason, but I can't understand why on the one hand they would put down and establish these very rigid conditions requiring people to give food bills and that's what my colleague, the Member of Rossmere has been able to document, despite what the Minister says in this respect; that we've been able to document, that yes, this is what students are in fact asked to provide. Your monthly statements with respect to rent, monthly statement with respect to food, withdrawals over \$300.00. Well maybe a couple of these areas are too rigid, the food requirement, the timing of the audit is also something that should be checked and where there should be greater flexibility. I don't think that these audits should act as an impediment, should act as a deterrent, should act as a harassment to students; and if the Minister says, well no, we have to be tough and rigid with respect to audits, well we know from their experience with respect to private profit-making corporations that they are prepared to be flexible, malleable.

I think they've been far too flexible and malleable with respect to private profit-making corporations

involved in the provision of necessary care to senior citizens. Surely they could show some understanding with respect to students, with respect to Student Aid. Why the double standard? And instead of the Minister acknowledging that there are some problems, that he would try and look into these problems, that he'd try and have the government not act as harshly and not act as malevolently with respect to people —(Interjection)— yes, Tories with a human face. Instead of taking that position, this Minister has adopted the same position that his colleagues have adopted over the course of this session. Namely they've become incredibly defensive, they attack the integrity of those people putting forward the evidence that things aren't as they say they are. We've had that with the Minister responsible for Hydro, we have that now with the Minister of Education, and I can't understand why they won't be more open, more flexible, why they won't sit down and take a look and determine whether in fact there are any problems. We've asked the Minister to be more flexible, not to be as defensive, not to be as hard line with respect to the Education Funding Program, with respect to the Transcona School Division, with respect to the River East School Division. He has refused. He has been completely hard line, rigid, inflexible in that area and in this area . . .

MR. CHAIRMAN: To the honourable member, we are discussing Student Aid and I would strongly recommend that Student Aid be the subject under discussion. We seem to be going off on a tangent and I have allowed a great deal of latitude and I'm asking to please stick to the subject under discussion.

The Honourable Member for Transcona.

MR. PARASIUK: I'm talking about the inflexibility of this government with respect to a number of issues, including Student Aid and I think I've been quite on topic. I could look through Hansard with respect to other people participating in this debate from time to time over the course of the last three years, through your stewardship as Chairman and I think that flexibility has been there but I'll try to be narrower in my comments.

My point is that the government has been completely inflexible in this area. I sat through a debate this afternoon and not found the Minister saying, "Gee, I'd like to find out about that, will you send that document over, I'd like to look into that because it completely contradicts what I just said a half hour ago? That's not what the Ministers said, that's not the approach he's taken with respect to Student Aid. He has taken the approach that what I say is so, despite documented evidence to the contrary. I say this is a problem of this government, that it's a problem that exists here, it exists with respect to Hydro, it exists with respect to nursing homes and it's important for the government to change its position. The people don't want a government that is completely rigid and inflexible. No government is perfect in the way in which it administers its programs, no matter how well intentioned that program is and when a government says that we refuse to acknowledge any hardships, any misunderstandings that we are creating on the part of consumers or clients of that particular

program, because of our actions and our attitudes, then of course that well-intentioned program, which I believe is necessary, is undermined.

That's the difficulty with administrations and one of the problems with government, any government, especially when it's been in office for a little while, is that it tends to develop a siege mentality, whereby if people come forward with problems about the way in which the government's programs are being administered, the first response of a government with a siege mentality is to shoot the messenger and that's why power corrupts, because governments get terribly defensive. They treat it as a siege; anyone coming forward, whether in fact they might have been sympathizers in the past, disinterested people with a particular problem, the government views them all in the same light, that they are coming forward with these claims or problems, not because they have problems but because they want to overthrow the government and the students who are caught up with these audits, which come at the wrong time, which are inflexible, which are far too picayune in many respects. They don't want in the first instance, the second instance, the third instance, they aren't interested in overthrowing the government, they are far more interested in trying to get through the year, write their exams, get a summer job if they can, get a job at the end of their term, pay off whatever loans they might have, those are their petty concerns. They're not petty, they're very real to them, they might appear petty to the Minister, but they are real concerns of a tremendous magnitude to each of these individuals consuming the Student Aid Program.

So, when they raise concerns, when they raise objections, the Minister should sit down, determine whether in fact, if you have so many concerns being raised, there isn't some substance to their concerns. The Minister, because he is the final authority in this respect, should try and ameliorate those problems. But that hasn't been the approach taken by the Minister today; it hasn't been the approach taken by the Minister throughout the review of the Education Estimates; it hasn't been the approach taken by and large by virtually every Cabinet Member of the Conservative Government. I urge them to turn around from their siege mentality and try and govern in a more compromising manner that takes into account the particular difficulties that the administration of any program encounters, because if they don't do that, what they are going to do is undermine public confidence completely in the programs in many respects this government is carrying on that were first implemented by the New Democratic Party Government of Manitoba, which were carried on and at least weren't completely cut out because obviously the public had a great deal of appreciation for those programs, realized that they were necessary and wanted them continued, and the Conservatives may in fact have also agreed that these programs were necessary or could have been too afraid at the public backlash to cut them out entirely. But in any case they have continued, and surely it's in the best public interest generally to ensure that they are administered better and the only way that will happen is if the Minister is prepared to look seriously at any particular cases, of problem and difficulty brought forward by individuals, by the

media, by members on this side of the Legislature in order to improve the delivery of that program. We've not had that attitude to date on the part of the Minister and I'm sorry about it.

MR. COSENS: Mr. Chairman, I find the last statement of the Member for Transcona rather odd. I've just finished responding to the Member for St. Boniface and telling him that I would be quite prepared to look at a particular case that he has and we would certainly review it and if there were any irregularities we'd be prepared to look at them. That has always been the case, Mr. Chairman, and I have had, I would suggest, three or four referred to me over the last few months and I have looked at these and discussed them with our staff to make sure that they are following the usual procedures and that in fact there was nothing irregular in those cases. I also say to the Member for Transcona that it is interesting that of the seven cases that were referred to the Ombudsman of this province, he thought nothing irregular in the practices being carried out by the Student Aid Branch as far as the audit was concerned.

I might say that the Provincial Auditor, and I don't have his report before me, Mr. Chairman, at this time, also not only saw nothing irregular but felt that the process was vastly improved over what it had been a few years ago and mentioned this in his report.

So we have three cases, Mr. Chairman. I have looked at some of these personally, the Ombudsman has looked at seven cases, the Provincial Auditor has looked at the process and has found nothing irregular, in fact has provided some praise of the process, and yet the honourable members seem to feel that they have here an issue that will result in the overthrow of the government. Well, I say to them they are riding a dead horse. We will not be unreasonable; we are not in the business of harassing the students, not at all, Mr. Chairman; we will treat everyone fairly and justly and if they think that they can make an issue out of this, I say to them, carry right on. I might say that the public reaction is, are you only doing a 5 percent audit, you should be doing 100 percent audit. This is the public reaction that I have been receiving and honourable members opposite may keep grinding away at this particular subject and trying to make a mountain out of a mole hill as much as they wish. I assure them that we will look at every aspect of the program, if in fact there is any area, and I haven't had one proven to me as yet, where we are being too stringent, then we will reassess that. I might say again on these food costs, Mr. Chairman, that is exactly what we ask for, food costs, but not the receipts. Now, it is quite possible that someone will interpret it in that way and say, well, if they're asking for food costs, I have to provide receipts. We're not asking for the receipts; we're asking for the costs and certainly, Mr. Chairman, I think we can all well imagine that people who work with this type of thing all of the time have no problem in determining whether someone's estimate of their food costs is reasonable or not.

To say that students don't know what they spend on food is not true either, Mr. Chairman. Most students keep a fairly close track of what they are spending while they are attending university, usually because in most cases, they don't have that much to

spend. So they know if they're spending \$80 a month on food or \$100 a month on food and certainly people within my department who work with students all the time and students in this particular situation have a very good idea of what is a reasonable cost for most people as far as food is concerned or in fact rent or any other particular category. It's gained through experience, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman, I've listened with interest to the Minister's reply. I heard the Member for Transcona say specifically that he doesn't object to the audit and in fact agrees that an audit is a necessary adjunct to this type of program. I said the same thing. He suggested that you do the same thing in other areas so I would suggest, Mr. Chairman, that the Minister not try to draw us into a position where we are opposed to checking on how we spend public money. What we are saying is let's do the same thing for others.

Now, in the audit itself, what we are saying is, be reasonable. Now the Minister has finally admitted that we are asking questions about food costs and I'm just kind of curious about that because in the applications there are certain definitions. There are definitions of tuition and fees which are those reported not by the student but by the institution, there are miscellaneous allowances and there are local transportation allowances. Very specific, \$4.00 local transportation allowance, not \$10, not \$3.00, not based on driving a Caddy or a Volkswagen, 4 bucks a week. We don't object to that. Now, at room and board, it's \$65 a week if you're not living with your parents. It's not \$60, it's not \$80, it doesn't talk about steaks or Christmas cakes, it talks about \$65 a week and it talks about \$40 a week if you're living with your parents, so there are very specific numbers.

After that, for the student to keep a record of what he or she is spending for food for the purposes of the Minister's audit seems rather silly. What purpose could there be? If you're calculating this thing on the basis of \$65 a week room and board, then so be it. Mr. Chairman, through you to the Minister, is he checking to see whether there's somebody on a diet and, if so, maybe they can save a few bucks on it. This is part of the forum, Mr. Chairman, this is a part of the calculations that the department itself says this is how we arrive at how we give your award, if any. I happen to have one in front of me here that was rejected on the basis that this student just simply had too many resources. This is a student who estimated ahead of time that she would be earning in the summertime some \$600 or \$700 but I suppose in this day and age that's not a bad income for students; \$549 plus other student resources of \$1,213 and student assets -- now this was a rich one -- at \$41.00. That was the student's assets.

So it seems to me, Mr. Chairman, that it is inappropriate for the Minister to be answering our specific criticisms of the program by simply standing up and saying we are opposed to audits. We are not opposed to audits. I suggest that it's inappropriate for the Minister to answer by saying, ah, but the Ombudsman looked at these things and he said

there was nothing wrong. I suggest the Ombudsman looked at the figures and agreed with the calculations. That's not astounding. If you have a bunch of accountants and other clerks working on these figures, I would be astounded if the figures were in fact wrong. Did the Ombudsman address himself to the issue of a person not being entitled to an appeal? Did the other individual, the auditor, if it was within his jurisdiction address himself to the issue of whether or not people were being given the right of appeal? Those are the questions, not the question of whether the regulations have been or have not been breached by the auditors. The Minister is well aware that when you set up the framework for auditing there is frequently a substantial amount of power given to the auditor and there's a substantial amount of discretion. It would be absolutely astounding to me if in fact the auditors of these applications had gone beyond that extraordinary jurisdiction even under the guidance of this government.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, in listening to the debate I agree that the public is supportive of the auditing which is being carried out and some of the difficulties that the government is faced with, regardless of government, the governments will be faced with people, for whatever reason, believing that they are harassed and asking that remedies be taken.

I want to thank the Minister and through the Minister to his staff that any specific case that I've raised relative to any of the programs that I've had the cooperation of the staff in resolving the problems. But the debate, Mr. Chairman, I think begs the issue and what we're talking about is having people who are able to take advantage of post-secondary education in the public interest attending university. Because what we're talking about is, the House is being asked to vote an appropriation. We're taking money from the taxpayers of the province and allocating it for a specific purpose and this specific purpose which is before the House is to provide in the public interest post-secondary education. Because Student Aid, that's the nub of it, that is the basis of the program, is that there is a public interest involved that we as Manitobans are better off by having made available post-secondary education. Sometimes where we are we have to look from whence we came to really appreciate where we are, I believe. It used to be that any deserving Manitoban, deserving in the sense that they had demonstrated academic ability, usually had access to some public support be it through bursaries in the private sector, through scholarships in the private sector, or some small amount of public funds.

In North America, by and large, this has shifted and people make the judgment it's a good thing. I don't know if we can make that case or not that this is a good thing. It used to be as a result of the pressure put on people that they tried a little harder, that's one case that people make. I don't know if that is true. Some people make the case that by making it more accessible we have more people avail themselves of it and they try harder and as a result

the public benefits. I don't know if this is true. I don't even know if we're in a position to evaluate it but on the assumption, Mr. Chairman, that there is still a public interest in having post-secondary education available to those people who are able to benefit from it and therefore be of benefit to all of us that we should move towards solving that problem.

I want to thank the Minister for providing me the answers and the answers that I sent to him, his staff providing him with the answer to the question, what are the administrative costs of Student Aid? We have \$628,900, that's for Salaries, I'm sorry; and Other Expenditures, \$160,000, so that is roughly \$800,000 in administrative costs relative to Student Aid.

The second question that I asked the Minister, what is the cost of write-offs relative to loans? This I'm not too sure of because of the federal-provincial relationship, but the Minister provides me with the . . . I'm not trying to trap the Minister; I appreciate the answers — \$164,000 outstanding on these loans, so we're talking roughly in the neighbourhood, assuming that the \$164,000 would be ultimately written off. That may well not be the case but we're talking roughly of about a million dollars in costs to providing Student Aid. This is a relatively high percentage of the total program in administrative costs and I think that the Minister has no other alternative but to carry out the audit function which he has been carrying out but I agree with the official Opposition in their position that this procedure should be carried out in other sectors as well, because it is in the public interest to audit public moneys to see that they are in fact spent in the public interest.

But, Mr. Chairman, this whole question of education and how we make it available and why we make it available is the issue before us at the present time. We're talking about dollars and we're talking about the government doing it this way and the former government doing it that way but they're still after the same thing, making post-secondary education available with public funds because we say it is in the public interest so to do. Now, I have to put in juxtaposition to that idea, another point in the public interest, that we have since the mid-Fifties given education a lot of publicity in its "stay in school, get a good education and get a good job." This has been more or less the thrust of people involved in education. The parents tried to keep their kids in school to get their high school education and that you could go on to post-secondary education; everybody would be given the opportunity. But, Mr. Chairman, one of the things that very little public attention is given to is the fact that there's a misinterpretation in the phrase that everybody can get a post-secondary education, to believe that anybody can. Anybody can be a doctor, anybody can be a lawyer, anybody can be an engineer, anybody can be anything which is available through a post-secondary education. This is not the case.

MR. CHAIRMAN: Order please. The hour is 4:30, I'm interrupting the proceedings for Private Members' Hour and will return into committee at 8 o'clock this evening.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please, we're now under Private Members' Hour. Monday's Resolutions are the first order of business. We're dealing with Resolution No. 16. The Honourable Member for Ste. Rose has two minutes to complete his remarks.

RESOLUTION NO. 16 — CROW RATE

MR. A.R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Speaker. In the two minutes that I have left to complete my remarks, I first want to commend the National Farmers Union on their lobby to Ottawa. As I mentioned in my previous comments, as time goes by, we are learning more about the transportation problems in Canada. I commend the National Farmers Union on their presentation, the brief that they presented to Ottawa, to the members, to the MPs, was extremely well researched and very comprehensive with a lot of information, technical information, contained in that brief. I would advise all members of the House to try and obtain copies of that presentation that they made. I know that there is a presentation at the present time that the members of the National Farmers Union wish to present to members of this Legislative Assembly but I'm not sure whether it's the same transcript as the one they presented in Ottawa but it was certainly very very well documented and well researched. I certainly congratulate them on that.

The other points are that I believe the problem is really not the Crow rate any more, but it's rather the problems of the debt of the CNR, which was originally transferred over from the C.P. to the C.N. I believe that if we could resolve that problem, the debt that is now carried by CNR, which cost them \$3 billion a year to carry, if that could be resolved I believe that there could be a general reduction, Mr. Speaker, in all countries.

MR. SPEAKER: Order, order please. The honourable member's time has expired.

The Honourable Minister of Agriculture.

HON. JAMES. E. DOWNEY (Arthur): Thank you, Mr. Speaker. The resolution which we're speaking on at this particular time presented by the Honourable Member for Ste. Rose is one which has been a position or a resolution that is being pretty much understood by the rest of the farm community. I believe the position of the New Democratic Party and the position of the Farmers Union has been pretty much consistent over the past quite a number of years, and to maintain or to continue on that particular position has, I believe, as history or the very recent records will show a major breakdown in the actual movement of product out of Western Canada.

Some three years ago now, I believe it was in the fall of 1978, the First Minister of this province when meeting with the Prime Minister and all of the rest of the First Ministers from the provinces in Canada, our Premier indicated to that general meeting of First Ministers that one of the major things that could be done to get on with development of the economy or improving the Canadian economy was to get on with the job of resolving some of the short-term and some of the long-term transportation problems of the grain industry.

Mr. Speaker, I'm very pleased indeed to see some positive developments take place from that particular meeting, again the meeting that was held in Winnipeg in January of 1979, where we saw the two levels of government, the Federal Government, the Provincial Governments from Western Canada, as well as the people from the industry and the transportation companies assemble here in Winnipeg, right in this very building, to discuss transportation issues. I will agree that at that particular time there wasn't any major discussions taking place on the actual statutory rate issue, but in fact there were a lot of shorter term commitments made, particularly those that were influential in getting on with the job of moving some of the grain stocks that were sitting in Manitoba or on the farms in Manitoba and in Western Canada.

What had to happen, Mr. Speaker? There had to be some objective discussions take place. Something, Mr. Speaker, that has not come from the members opposite. They take that old head in the sand position of maintain the Crow rate, the statutory rate, and they sit and leave the people of Western Canada without any alternative. That, I don't think, Mr. Speaker, is in the best interests of building a country or building an industry that is going in a responsible way.

Certainly, Mr. Speaker, it's very politically attractive to go to the farm community and ask the people in the farm community if they want to pay more money to move their grain or do they want to maintain the statutory rate that has been in place for historical times. I'm a farm person and I don't want to pay any more money for moving my grain off of the Prairies than I am at this particular time, Mr. Speaker, but I think we have to be realistic.

What does his resolution say, Mr. Speaker?

WHEREAS the Conservative Government of Manitoba has promoted changing of the Crow rate in such a way to provide a compensatory rate for grain transportation which would be paid by the farmer to the grain transportation company and the short fall between the statutory rate and the compensatory rate being picked up by the Federal Government.

What we are saying, Mr. Speaker, or what he is saying and I would have to check the press release out that he's referring to; I would say, Mr. Speaker, he would have a more meaningful resolution if, Mr. Speaker, he would have put in there that the Federal Government proceed to pay the farmers through the Canadian Wheat Board for the hopper cars that they have already in place. Because what has actually happened, Mr. Speaker? The farmers are now paying more money than what the statutory rates say they should. There has been a change in our statutory rate. \$90 million of farmers' money has now gone into rolling stock to help move the grain off the Prairies, so in fact the statutory rate has already been broken. He can't come forward with that old head-in-the-sand position of the New Democratic Party and the Farmers Union position that nothing should be changed. In fact it has been changed, Mr. Speaker, and he as a member and a believer of the organization, the Canadian Wheat Board, as I'm sure the majority of farmers are in favour of the Canadian Wheat Board, but they were the ones, Mr. Speaker, that have already moved to break the statutory rate.

The Federal Government themselves have been responsible for adding equipment to the system and not living up to the statutory rate by purchasing hopper cars, by renting hopper cars. We as a government by leasing hopper cars to put in the system to help move grain, Mr. Speaker, was not living up to what the Statutory Rate Agreement said should be done.

The Government of Saskatchewan, Mr. Speaker, who are firm believers in maintaining the statutory rate or the Crow rate as it's been known have helped to break the law or to not live within the statutes of this country. The addition of their 1,000 cars, Mr. Speaker, has added a cost to the movement of grain which has to be calculated. The 1,000 hopper cars that the Alberta government have put in the system, Mr. Speaker, to help move grain have further removed us from that old position of a statutory rate. So let's deal with it in real true facts. Let's not drag out a bunch of statements that say to the farmer, we don't want to change the statutory rate, we want to preserve it for the farmers of Western Canada because if you make any changes you're going to have to pay more money to move your grain.

Mr. Speaker, they're already paying more money to move their grain directly through the Wheat Board — it's the farmers own money, \$90 million and it's already changed the cost of moving grain and all the other additions. Whether it be the Federal Government or the Provincial Governments, their additions, through taxpayers' money, have changed the statutory rate.

So let's deal with it up front, Mr. Speaker, let's not play cheap politics and try to say to the farm community that you're not going to have them pay more money for the movement of grain, because it's past, Mr. Speaker, it's nothing more than a dead political issue. Farmers want to get on with the job of negotiating better service, but they don't want to pay more money; we don't want them to pay more money. If they have to pay, Mr. Speaker, we have to do two things; we have to make sure that the difference between the statutory and compensatory rate, which we have maintained, has to be paid by the Federal Government because there is an obligation for them to do that — they're obligated to do it. But how should that be done, Mr. Speaker? It should be done in a way which will guarantee service to the farm community and not just the grain farmers of this country, Mr. Speaker, because when the statutory rates issue or the statutes for transportation were put in place, why weren't the rates for all our processed goods put in that particular statute? Why weren't the rates for our livestock producers put in that particular statute, Mr. Speaker? Because, Mr. Speaker, at that particular time we wanted a reasonable rate to move products from Eastern Canada to Western Canada to help develop the farm community. At the same time what was the trade-off? The trade-off was to give the farmers of Western Canada a cheap rate or a reasonable rate, a fixed rate, to move their products to export position.

I think we've reached a time, Mr. Speaker, in our Canadian history where we have to deal with it openly and up front. We can't continue to try to fool the farm community that they're going to be able to maintain a statutory rate and pay the same prices

that they paid for the past 75 years, when in fact they are now paying more, Mr. Speaker. I've indicated how much that they are paying either through the Federal Government tax money or directly through the Canadian Wheat Board. Mr. Speaker, if the system doesn't be corrected, if we continually see a breakdown and a lack of service to the farm community, where are we at?

So, Mr. Speaker, I think instead of putting forward a resolution like we see the Member for Ste. Rose putting forward, we should have seen in that resolution:

THEREFORE BE IT RESOLVED that the Federal Government pay back to the farmers of this country the \$90 million that they've put in hopper cars.

Because it is their responsibility. Mr. Speaker, if we had of seen that kind of a resolution come forward, then I think that we could have seen fit on this side of the House to support it. But to take the position, Mr. Speaker, that they want to retain a statute that is not in the best interests of the Western Canadian people, but in fact will be a long-term detrimental position to take.

Well politically in the farm community I would have to admit, Mr. Speaker, that it is a difficult and a tough political position to take that the farmers of this province or this country should be allowed to discuss, at least discuss the statutory rate. That's what our position is, Mr. Speaker, that we have to be prepared to negotiate it. The position that has been continually put forward by our government, Mr. Speaker, that we didn't want any change either, Mr. Speaker, unless the benefits of those statutory rates be kept for the farmers of Western Canada. But we didn't put our head in the sand, Mr. Speaker, and suggest that not to discuss change and at least select some alternatives, that in fact we wouldn't be doing the farm community justice.

Let's go back. Why would farmers immediately support the New Democratic position on this particular issue? The reason they would support the New Democratic position or the Farmers Union position on no change to the statutory rate is because the first question that they asked the farmers is: Do you want to pay more money to move your grain than you now pay? I think it's something like 14 cents a bushel to move the grain from this part of Manitoba to export position. Automatically, and I am the same, I'm a farmer as well, I would say, no, I don't want to pay more money to move my product. But at the same time, Mr. Speaker, the elevation charges for grain to move it from a pit 50 feet in the air down into a hopper car, Mr. Speaker, has gone up from some 5 cents a bushel in the very recent past to now almost 18 cents a bushel to move grain 50 feet in the air and down into a hopper car. Mr. Speaker, I think there has to be some realistic negotiations take place, but I do believe, Mr. Speaker, it is the responsibility of the Federal Government and the Provincial Governments to sit down and work out with the agriculture community what could be a meaningful objective.

What has happened at the federal level, Mr. Speaker? At the federal level we have seen a split Cabinet. We have seen the Minister of Transport, who would like to move forward with a Task Force to

have the agriculture community discuss openly and fairly what really the objectives could be or what really the farm community want.

We've had, Mr. Speaker, and I think it's very important that we put this on the record, we have the Minister of the Canadian Wheat Board or the Senator who's responsible for the Canadian Wheat Board, and let's just take a look at some of his historical background. I believe he originally was one of the main supporters of the New Democratic Party. He was a past member of the Farmers Unions. What are we hearing from him today, Mr. Speaker? We're hearing from him that he takes that same old Farmers Union position and the New Democratic position, not what I would consider the Liberal position from what I'm seeing from the Member for Fort Rouge who has been a part of a Liberal position on the statutory rate. We have seen, Mr. Speaker, a Minister from the Cabinet of the Trudeau government, a Senator who was appointed, who wasn't elected by anyone and he takes that Farmers Union, New Democratic position; one which is a safe political position as long as you don't tell the farmers the whole story, as long as you ask them the question, whether they want to pay more money for moving the grain or don't they. They'll naturally say certainly they don't want to pay more money. But if you tell them that they already are paying more money and that they should sit down and make sure they get service for that money, then I think it would be a different issue, but they only tell them half the story, Mr. Speaker.

Getting back to the Federal Government position, we're all aware of the fact or should be that the Federal Government's responsibility is to come forward with their objective — not individual Cabinet Ministers coming forward and saying, it's doing this for you or it's doing that for you, our position is to no change like the Farmers Union or it's to change like the Federal Minister of Agriculture says, it will help your development in Western Canada which it would, or the Federal Minister responsible for Transport coming out with a task force proposal. What we need, Mr. Speaker, is not what the Prime Minister is now telling us, not what the Prime Minister is saying, "Well if we could get a consensus of the Western Provinces, then we would be prepared to move." Why isn't he prepared to listen to us on our consensus with the Constitutional issue, Mr. Speaker? Where's his consistency, Mr. Speaker? He has to lay before us what his objective is, and what their objective is as a Cabinet, not as individual Ministers.

Mr. Speaker, I have no difficulty in going to the farm community and saying there should be open and meaningful debate and discussion on what we want to achieve if we were to make changes within the statutory rates. One thing we want to make sure, that the benefits are retained for the farmers of Western Canada, and that any changes that are made are put into statute.

It's also important, Mr. Speaker, to note — and I think there are some prime examples that we can now start to point out — we see the members of the New Democratic party wanting to maintain a position, a position of a statutory rate where they continue to move the raw products out of Western Canada at a subsidized rate. It costs 14 cents a

bushel to move the rapeseed or the canola seed from Harrowby, Manitoba, where CSP Foods are building a new plant, and what is that doing at Harrowby? That new plant will employ 80-some people. A \$40-some million investment, Mr. Speaker. If they maintain the statutory rate, Mr. Speaker, as the members opposite would have it, there wouldn't be 86 people or 80-some people working there. The tax base that that CSP Crushing Plant is going to provide for that local community and that municipality, the tax increase, all the homes that will be bought in that community, the development of the industry in that area; will help that community tremendously. But what do the members opposite want to do, Mr. Speaker? They would like to see, and this could happen, one elevator agent, one elevator agent could assemble all the rapeseed or the canola seed that is going to be produced for that plant. One person could work in one elevator and load all that raw product and ship it out of the country to where? To Japan, where all the development and the processing of the margins and the oil seeds will take place? Removal of some 86 jobs from a rural community in Manitoba, and the members opposite want to hang on to that kind of a policy? Where are they at, Mr. Speaker?

They pound their desks and say they're the great protectors of labour and job creation and they have enough nerve, enough audacity to stand up in this House, and promote a resolution like the Member for Ste. Rose has put forward? Where do they stand, Mr. Speaker? No changed Crow rate? I don't believe, Mr. Speaker, that we should change the Crow rate and put the farmers in a vulnerable position to higher freight rates, particularly when it comes to dealing with the inflationary costs that are going to have to be dealt with.

But let's look at the total picture, Mr. Speaker, let's not keep our head in the sand like the Member for Ste. Rose, and by the way, the Member for Ste. Rose, if he'd have introduced a resolution that would have said, that all the processed goods and all the livestock products and all the agriculture commodities that come off the prairies should be included in the statutory rate, should be included in the same rate as now the statutory rates for our statutory grains are, then it might have made some sense, Mr. Speaker, and then we could have dealt with it. But, Mr. Speaker, they're only playing what I would consider cheap politics to the farm community and, Mr. Speaker, if we were to return to where we were with the movement of grain in 1978 and 1979, with a ball-up of grain sitting back on the farms, the lack of cash that's flowing into the farm community, the lack of employment opportunities that can be created with the development of industries in Western Canada, that comes from the production of agriculture goods. If, Mr. Speaker, we are to continue to maintain that kind of a level of employment which is disastrous as far as to continue moving our raw products out at a subsidized rate, and not include our processed goods, Mr. Speaker, then it will not do anything for the further development of Western Canada, and it will not do anything for the further efficient use of energy, which I believe has to take place.

So, Mr. Speaker, for a party on the other side of this House to come forward with a resolution that, no

change in the statutory rate, even if, even if we could assure the farm community they were going to maintain the benefits, which has been our position, Mr. Speaker, and don't let them try to go to the public and say that it isn't, because our position is, that if any change were to be made we have to be assured of service and we have to be assured that the benefits are retained for the farmers of Manitoba and Western Canada, and let me say, Mr. Speaker, we are not afraid to go out and debate it openly and honestly in the farm community.

Therefore, Mr. Speaker, I cannot support the member's resolution from Ste. Rose.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. WESTBURY: Yes, Mr. Speaker, here we go again, I'm trying to be my party's expert on agriculture again. (Interjection)— I think I'll get the Minister of Highways to write that down and sign it so I can use it in the future.

Mr. Speaker, I think I was challenged by the Minister of Agriculture to get up and try to announce the position of my party, on Crowsnest. I want to remind the Minister, however, that when the Prime Minister, not very many weeks ago, asked for Provincial Governments to let him know whether they wanted the Crows rate situation changed or not, and we asked in the House what the Minister was going to do about it, he indicated that they weren't going to notify the Prime Minister and I personally think that was a mistake. I think if we're going to talk about cooperation and collaboration, then we should be doing it and when the Federal Government asks for a reaction from the Provincial Government, regardless of political considerations and party considerations, I think we should be big enough and man enough, if I may use the expression, to do that. (Interjection)— All right, I will improve the phrase; woman enough to do it, Mr. Speaker. I was talking in language I thought they'd understand.

Mr. Speaker, what I have to say is, that the Liberal Parties on the prairies are not unanimously joined in their attitude towards the Crowsnest. We had a Western Policy Conference which I attended last year and it was clear at that meeting that the Saskatchewan Liberal Party has a different feeling about the Crowsnest than the Manitoba Liberal Party or the Alberta Liberal Party, and this is perhaps the reason that we're hearing from the Minister responsible for the Wheat Board, Senator Argue, and his position differs from the Manitoba Liberal Party's position.

His position seems to be from where I'm looking, more of a Saskatchewan position. The Manitoba Liberal Party, Mr. Speaker, is not married to the idea of an unchanging and unchangeable Crowsnest Pass situation, and that's really what I wanted to say. My advisors have supplied me with a great deal of information which educates me on the matter of the Crowsnest rates. I am not going to submit that at the present time, but I did feel that I had to clarify the point, that the Liberal Party in Manitoba takes a different position, from that of the Federal spokesperson for the Wheat Board on this particular matter, and I wanted to get that on the record, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Highways.

HON. DON ORCHARD (Pembina): Thank you, Mr. Speaker.

Mr. Speaker, it's always very nice that the House has the opportunity to debate the National Farmer Union position on all farm issues, and I want to thank the Member for Ste. Rose for once again bringing their position to the House in the form of this resolution.

Mr. Speaker, I might start out by making a couple of comments on the resolution itself. The second "whereas" is to give the Member for Ste. Rose credit, is using poetic licence to the nth degree, where he attributes to the Conservative Government of Manitoba to be promoting the change of the Crow rate in such a way as to provide a compensatory rate for grain transportation which would be paid by farmer to the grain transportation company, in the shortfall, and the shortfall between the statutory and the compensatory rate being picked up by the Federal Government. That one doesn't to me make sense and maybe I miss what the member was getting at there, but I don't know of a position by the Conservative Government of Manitoba which would provide the compensatory rate being paid by the farmer. I don't know of that position by the Conservative Government of Manitoba.

Perhaps in closing this debate, the Member for Ste. Rose could indicate at what juncture that position was laid out by this government. I'd be very interested in knowing it and hearing it and I suggest to you, Mr. Speaker, that he can't provide that information because it's not correct, and that the Member for Ste. Rose is using a little bit of fluff here to get some emotions raised in the rural community against any open and logical discussion of the Crow rate.

The second "whereas" is equally questionable; "Whereas it is apparent under this scheme that the farmer would eventually be paying the full compensatory rate." Well, I missed my colleagues remarks, but I know that they dwelt with the Federal Government involvement in the settlement of the Crow rate, and I want to at this time, Mr. Speaker, give the Member for Ste. Rose a little bit of history on the Crow rate, and I hope that he might be able to benefit from it, because I know I did when I finally got the information on the Crow rate and what it entailed and what it meant.

Most people in Western Canada, and indeed Canada don't understand the background of the Crow rate. They don't understand as to what it stemmed from; why it was introduced by the Federal Government of the day. They don't understand it but they have gotten a certain number of misconceptions, which no doubt the Member for Ste. Rose perpetuates, that the railroads were given the land to build a railroad and these number of things that they constantly drag up in the Crow rate debate and really, Mr. Speaker, they're totally unrelated. They don't have any correlation to the Crow rate issue in itself.

The Member for Ste. Rose is saying something, but I can't quite hear what he is saying, and he indicates he's going to say it when he speaks on this.

The Crow rate, Mr. Speaker, was established in 1897 by statute and it was a rate at which commodities were to be hauled to one port, and that being the port of Vancouver, from

approximately, and here's where my memory failed me, approximately 200 and some points, delivery points in Western Canada, on the prairies. Now since that time the Crow rate has evolved into a rate which has not significantly changed since 1897, as a matter of fact, I believe it's the same, but I won't be quoted on that. It may have changed slightly. (Interjection)— In 1927, I'm advised by my colleague, the Member for Springfield, that it was changed. But since the inception of one port and approximately 200 and some points of delivery, it has expanded into four ports: Prince Rupert, Churchill and Thunder Bay have been added to Vancouver, and every green delivery point in Western Canada, and including the Peace River District of B.C., are now included under the umbrella of the Crow rate, and that, Mr. Speaker, was not what the original Crow rate Agreement was, that the Members want adhered to. That was forced upon the rail-carrying companies and there were several of them at that time by statute by the Federal Government.

That was not the original agreement as I mentioned. I think if you give the offer to the railroads, if we stick to the original agreement, they'd gladly go back to some 230 and some points to Vancouver alone as the original agreement said, and take their lumps, but that isn't what the agreement is today. I want to point out first and foremost that it was the Federal Governments of the day, and there were several of them that had to deal from time to time with the Crow rate, that made the changes that brought in the rate in the first place and further amended it at later dates up until about 1928-29.

Now, Mr. Speaker, what we are trying to do today is to move grains to markets in 1980 using a 1925 rate of compensation. Now separating ourselves from what the background was and what the motivation was at that time, just drawing ourselves slightly apart from that and using our good common sense as farmers, as westerners and as Canadians, we have to ask ourselves, does that make logical sense to ask a group of people whether they be a corporate organization or whatever to perform a task in 1980 at 1925 compensation rates? That flies in the face of logic, Mr. Speaker, and I think that is what more and more and more farmers and farm organizations are saying.

In Manitoba I believe that there are some 14 or 17 farm organizations that are supporting discussions on ways to change the Crow rate. There is one notable organization that I know of that is not, Mr. Speaker, and I referred to them earlier on and thanked the Member for Ste. Rose for bringing their policy, their agricultural policy position to the House, and that's the National Farmers Union. They are the only one that I know of that is against any change or any discussion change with the Crow rate. I must admit, Mr. Speaker, that compared to the other 14 or 17 farm organization their membership pales into insignificance because they do not represent as many farmers as probably any one of the organizations that want to see the Crow rate resolved has in its membership. So that we do have farmers and farm organizations recognizing the problem that we have in grain transportation in Western Canada, and that being that there is no incentive to perform the task of moving grain to an export market.

The Member for Logan being an old railroad man, he'll have been faced with the argument for years — the Crow rate did not allow the railway companies to put their efforts into grain transportation.

I guess the next question that has to be asked and that farmers are asking right now and coming up with the answer is who is benefiting and who is not benefiting from lack of resolution of this whole Crow rate debate which has gone on for years? Now where is a farmer better served, Mr. Speaker? Is a farmer better served in today's cost of production, in 18 percent interest rate, to have his production sit in a bin on his farm for two years because it cannot be moved or cannot be sold? This bears in mind, Mr. Speaker, in a time when we are told that the world grain market will absorb 50 percent more than we're currently producing. Now those two facts fly against the logic of one another. First of all we're saying that we can sell 50 percent more than we're currently producing and on the other hand we've got farmers who have two and three-year old inventories sitting on their farm. The bottleneck, Mr. Speaker, traditionally and even the Member for Ste. Rose will recognize this, has been the transportation system. It hasn't been able to deliver the quantities of grain that western farmers have been able to produce. Even the Member for Ste. Rose will admit that is a problem.

Now, knowing that that is the problem, what should be addressed, Mr. Speaker, in resolving that problem? Should it be a MAP proposal like the last resolution that the Member for Ste. Rose — no, the Member for Gladstone brought in; the Member for Ste. Rose was quite disgusted about it. Should it be a proposal where we admit, through the back door, that yes, we have an inability to move the grain, therefore, we will bring in a program to pay the farmer to store it so it's a little less onerous on him, at 18 percent interest? That isn't the way to go, Mr. Speaker, and that is what farmers across Manitoba, Saskatchewan and Alberta told the Advisory Committee of the Canadian Wheat Board in discussion of that MAP resolution, that that was not the way to go. They told members of the Wheat Board and farmers, every single day of the week, will tell anyone who asked them that the solution to grain production and marketing is transportation — move the grain and we'll produce it. I'm a farmer; I'm telling you that. I'll produce all the grain you want on any given year if it will be moved. Mr. Speaker, in my own farming operation, I've changed my production patterns, not because I wanted to grow another crop — a special crop that takes more management is harder to grow — but because I knew that that crop could be moved. And how, Mr. Speaker? Quite often by truck, by truck to market. Once again, I adjusted my production schedule to the available transportation.

The rail transportation system is the one that can move grain in volumes to an export market that demands those grains and volumes, but we have a circumstance where we haven't had the dedicated effort by the transportation companies, I don't believe, over the past 20 years, to move the grains. We have seen it in evidence for 25 years now. The branch lines have been declining; repairs on them have not been kept up; we have branch line abandonment as a serious predicament in rural

Manitoba, rural Saskatchewan, and rural Alberta; the rolling stock has been depleted in the grain fleet. It was just through a quirk of luck that we lasted through the Fifties and early Sixties, because as specialized cars were created and removing box cars from the need to move lumber and fertilizer and other commodities, more box cars were sprung in and available to the grain handling system, so that we had the problem, but it was not one that had to be addressed because it was being addressed by the natural evolution of other transportation modes within the rail system, where new cars were created for specialty transportation functions, leaving more box cars to the grain transportation. But when we got to the 1970s, Mr. Speaker, the crunch hit us, and even the Member for Ste. Rose would have to admit that the crunch hit us then. What did we see various governments doing, ours included, in the last few years? What have they been doing? They've been buying rolling stock. To do what? To move grain. We have been buying covered hopper cars, by the Canadian Wheat Board, the Province of Alberta, the Province of Saskatchewan, and the Federal Government all have been buying them. The Government of Manitoba leased them, a very wise move — a very wise move.

Mr. Speaker, why have governments had to dedicate money towards rolling stock for the movement of grain? It's because the transportation companies have decided not to. They have decided not to, Mr. Speaker, because I would suspect their investors, and one of them is a Crown Corporation, have said to them, well, if you cannot make the rate of return to justify the investment, put your money where it will give you that kind of a rate of return. Canada is still a free enterprise nation, Mr. Speaker. Canada is still a country where profit is not a dirty word, except maybe to the Member for Ste. Rose profit would be a dirty word. I'm quite sure he will explain it to us. (Interjection)— Yes, yes, now we get into the excessive profit and anything, Mr. Speaker, over a dollar is an excessive profit to the Member for Ste. Rose, so we know where excessive profits fit in with those people.

But the railroads haven't made those kind of investments because the rate has been guessed by Snavely to be some several times below the cost of performing the function of grain transportation. So what are the railroads going to do faced with the obvious restriction of limited capital? They are going to put their capital where the return is the greatest and currently, Mr. Speaker, there are four commodities, a minimum of four commodities, which are more profitable to move by the railroads. One is coal; another one is potash; another one is sulphur; and the other one is mineral concentrate. Are we going to sit by, Mr. Speaker, and allow those four commodities to take up the available surplus capacity to the west coast and not have grain as part of that last 15 percent of railroad capacity? If we followed suggestions by the Member for Ste. Rose and, I assume, his caucus; I assume this is the one issue that the NDP caucus is unanimous on. We have to hope that; we don't always know, but we have to hope that. Are we going to have grain left out, Mr. Speaker, of the last 15 percent of growth in rail capacity in Western Canada. I suggest members on this side of the House don't want that to happen. So

let's ask ourselves what we have to do to bring grain transportation and let's face it, Mr. Speaker, we're talking about feeding the starving people of the world, something that theoretically socialists are always worried about and concerned about. But it would appear from their stance on the Crow rate resolution of the Crowsnest rate that they want people in the Third World to starve by not getting our grains, because what they want to do, Mr. Speaker, is to perpetuate a system which has blocked and stymied the movement of grain to starving people in the Third World and in the world by perpetuating a 70-year-old freight rate.

Mr. Speaker, that doesn't meet with their normal humanistic, or alleged humanistic desires in the socialist party. My colleague indicates it is alleged and that's all it is, because they have no more concern for the people of the Third World than anybody in Russia, for instance, has any concern for them.

Mr. Speaker, the true solution to moving grain, to putting our farmers on a productive basis where they can make proper production decisions and can make profitable production decisions is to solve the transportation problem. You are not going to solve it, Mr. Speaker, by throwing federally-purchased box cars at it, farmer dollar rail cars at it that the Canadian Wheat Board has bought on behalf of me, as a producer, in Western Canada. We're not going to solve it by allowing branch lines to deteriorate. No. But one way we are going to solve it, Mr. Speaker, is to resolve the issue of insignificant or not sufficient compensation to the railroads. We have never shied away from that position that the railroads, as any intelligent observer will agree, are not receiving sufficient compensation to move our grains, therefore they are leaving them in the bins on the farm at 18 percent interest to the producer.

We firmly believe, Mr. Speaker, that in resolving that compensation issue to the railroads that there are two parties involved, the original signers to the agreement, that being the railroads, and the Federal Government. The Provincial Government of Manitoba did not sign and write up the statutory freight rate agreement. It is a Federal Government problem and the Federal Government must indicate what they are willing to do to resolve the compensation issue to the railroads. To date, Mr. Speaker, I am not aware, and if my colleague the Minister of Agriculture is, he will correct me when I sit down, I am not aware of a firm proposal as to how the Federal Government plans to resolve the Crow rate and we are waiting anxiously and diligently to hear that and when we do hear that, Mr. Speaker, I will assure you that members on this side of the House, representing the farm community, will deal with that fairly and equitably and with the interests of Manitoba farmers at our heart.

MR. SPEAKER: Order please. The honourable member's time has expired.

The Honourable Member for Winnipeg Centre. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Thank you, Mr. Speaker. I would like to thank the Member for Winnipeg Centre for his benevolence in letting me speak.

I listened with interest to my colleague, the Minister of Transportation, and in realizing the

tremendous grasp that he has of his portfolio and stretching it over the whole of Western Canada, it is one thing that he does realize, that there are other places besides the constituency of Ste. Rose for roads, and that seemed to be something that was sadly lacking for many years.

It is also interesting, Mr. Speaker, to see the ardent desire on the part of the New Democrats across the way, they stand up many many times and profess their great love for agriculture and we have heard everyone talk about the Crow — we don't know whether they are talking about the Member for Ste. Rose or some other thing — but the Crow was mentioned many times.

The resolution, of course, projects the thoughts of the New Democrats and the fact that, to read the last couple of lines on it, "This Assembly supports retention of the Crow rate in its present form." Well, that may be fine for that particular group of people because they're not going to grow any grain and they're not going to be selling any grain, but for those of us that are involved in the business, we have seen what has happened, the whole rolling stock of the railroads have been allowed to deteriorate, and the reason they have been allowed to deteriorate of course is because they just weren't being properly paid for the product they were moving. No one particularly will do something without getting paid for. Nowadays there is quite a substitute or quite a bit of competition in the fact that, as some of my colleagues have mentioned before, the movement of coal, of sulphur, potash, lumber, etc., have moved into a paying position whereby grain in many cases hasn't been. It makes up the bulk of the product moved but it also is not paying off to the degree that it should.

We, of course, believe that the Federal Government should pick up some of the responsibility, the major end of the responsibility, for the movement of our grain. It is a resource. We, as farmers, have been storing it on our farms without cost to the people of Canada and we would like to see it moved and we would like to see the Federal Government participate in the movement of our grain along the same line as shall we say the development of the airport north of Montreal called Mirabel. Here is something, Mr. Speaker, where a subsidy is being paid on every passenger that uses that airport. Hundreds of millions of dollars were wasted to start off with building the place. They are now paying \$30 a head to subsidize every passenger that's using it. We're dropping hundreds of millions of dollars. Here again, I do think that it would have been, and, I'm not saying that it shouldn't have been done, the Federal Government have, of course, their right to put there money wherever they want to.

But, I would hope that they would also recognize some of the responsibilities to the farmers of Western Canada, in that when we have made the effort to help ourselves and my colleague mentioned before \$90 million of Canadian Wheat Board money, which is the farmer's money, went in to buy rolling stock. The Government of Manitoba leased cars; Saskatchewan bought cars; Alberta have bought cars.

We have to face the fact also, and I'm not sticking up for the railways entirely, but I do understand their position, and there is no point in us saying that the

CPR was given grants of land and they got this, that and the other thing. That is something that is passed and it doesn't matter what you do, you at sometime or another have to up-date your thoughts and we've got to get ourselves in a position where our product is going to move and it's going to get into the marketplace and we've got to have some assurance that if we do pay the railroads to up-date and move our products that there is also some guarantee of delivery on it. This is the thing that will hurt us.

We do have a very serious cash flow and Manitoba, I expect, is probably the worse, not because of anything except climatic conditions, and I don't mind saying that there have two very slow crops and this year, of course, doesn't look that good. I see the Member from Ste. Rose is smiling and he probably thinks that it's a great joke because knowing the doom and gloom of my honourable friends across the way, he probably thinks that he might get a vote if there is no crop. But, it's quite nice to see him so happy.

Something that hasn't been mentioned in many cases, or in any cases, has been what has happened to the other facilities or whatever you may call that are involved in the transportation system. No one has mentioned that the cost of the seaway has gone up probably 300 percent since it was established. Nobody has mentioned that the port charges for handling have gone up. Nobody has mentioned the other costs of grain handling have gone up, storage, etc. at the terminals, cleaning cost, the whole bundle, but still we expect one segment of the transportation system not to move our product for any more money. I don't know where it's going to come from but it's got to come from some place. As I mentioned before, if we have that kind of money to put into Mirabel Airport, I would expect that the Federal Government would meet the responsibilities and start looking at, instead of dragging their feet — we can understand of course that the Federal Government do not have a very great representation in the West. They are using the excuse, of course, that there is no consensus among the three western provinces to get together and come forth with a united proposal. How big a consensus do you have to have? We know where we're at. We're developing the transportation system; we're developing the boxcars, but we seem to be lacking in, and we're lacking in federal leadership in every phase that we enter into. We've had no leadership in our economic matters; we've had no leadership in our grain moving facilities; we've had no leadership in anything, except we've had a Prime Minister who said we should have a two nation theory and we should divide the country to start with, then we should bring in a Constitution that makes serfs of the state through government appointed judges and that to me is just not governing the country but the will of the people still dictates that that's the way it wants to go, so that's the way I guess, the way it will be.

But, to talk again, Mr. Speaker, of uping production to 30 million tons in Western Canada in the next five years between now and 1985, to me is absolute rubbish. I don't think it can be done. Number 1, we've had no guarantee that there will be cash flow to do it. Number 2, our input costs have gone out of sight and there is no way this year is a perfect example of what is happening. Our farmers

are sitting back, they are not buying fertilizer; they're not buying anything, the odd piece of new equipment, that is all. The reason being that they are afraid of cash flow. We're also afraid of labour strike through the Great Lakes system and we do have a quite a degree of labour strife at the present time in West Coast system, but the input costs can no longer be carried at 20 percent interest to have a product that we do not have moving into the system quickly, efficiently and the only way that will be done, Mr. Speaker, is through some further compensation for the railroads and to sit back as this resolution says, you know, let me read you another portion of it:

WHEREAS the Conservative Government of Manitoba has promoted the changing of the Crow rate in such a way as to provide a compensatory rate for grain transportation which would be paid by the farmer to the grain transportation company and the shortfall between the statutory rate and the compensatory rate being picked up by the Federal Government.

Well, you know, that, of course, is usual NDP Farmers Union philosophy dreamed up possibly by a fellow that is now the Chief Commissioner of the Wheat Board, who is a retrain and doing a whale of a job to do nothing as far as the grain transportation movement or anything else goes. He fits right in with that honourable gentleman across the way.

Another thing you'd have to look at is the ease with which potash, coal, etc. are loaded. I had the opportunity last Fall of watching them load a ship load in Thunder Bay with potash. It took two trains to load that particular ship. They were unloading cars every 90 seconds. The turnaround time on one of those cars was two days. Anywhere in the system practically it take about over 20 days plus to move grain. We're just not efficient in any segment of it. We are striving to come back, but we kind of let ourselves slip back into the Dark Ages whereby nothing was being upgraded, nothing was being done to move the system along. Right now we're involved, you talk about the Crow's rate, we have a perfect example at Prince Rupert where there is no consensus of agreement to get the machinery in place and to go back to my argument again of moving 30 million tons of grain, if we could grow it, which right now there is a hesitancy on the part of the farmer not only in Manitoba but in Saskatchewan and Alberta also to say, look it, we'll make the effort but we've got to have some assurance. We're willing to do our part, we've already put \$100 million into buying boxcars through the Canadian Wheat Board. We're willing to do our part but we've got to have some assurance. We would like some assurance from our federal government that says, okay, we're willing to put as much money or close to as much money into the transportation system in Western Canada as we are into Mirabel Airport.

It's serving more people and it's certainly is moving capital. If it hadn't been for the grain exports that Western Canada has put into our economic system, I can tell you that our debt of \$15 billion each year would be a very miniscule thing.

MR. SPEAKER: Order, please. Order, please. The hour being 5:30 when this subject matter next comes up the honourable member will have 9 minutes.

Monday, 13 April, 1981

The Honourable Government House Leader.

MR. MERCIER: I move seconded by the Minister of Government Services that this House do now adjourn and resume in Committee of Supply at 8:00 p.m.

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