

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 14 April, 1982

Time — 2:00 P.M.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. D. James Walding (St. Vital): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY T. STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has adopted certain Resolutions and they've asked me to report the same and ask leave to sit again.

I move, seconded by the Honourable Member for Rupertsland, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions may I direct the attention of Honourable Members to the gallery where we have ten students of Grade 12 standing from the Elmwood High School. These students are under the direction of Mrs. Lyon and the school is located in the constituency of the Honourable Member for Elmwood.

On behalf of all of the Honourable Members of the Legislature I welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING LYON (Charleswood): Mr. Speaker, in view of the extremely unfortunate fire that occurred in Brandon yesterday resulting in the loss of a million dollar facility and several hundred head of beef cattle, a loss not only to the Manitoba Pool but a loss to the farmers of western Manitoba of its principle gathering and auction point for cattle, I wonder if the Minister of Economic Development could advise the House whether or not she, or her department, have been in contact with the Manitoba Pool or with the City of Brandon to determine whether or not the good offices of the Government of Manitoba might be helpful in alleviating and ameliorating, to whatever extent is possible, this loss to southwestern Manitoba which occurred yesterday?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A.R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Speaker. We are, of course, very disappointed and concerned about the tragic fire that occurred early this morning in Brandon which destroyed the Auction Mart and barn facilities of the Manitoba Pool. Upon hearing this on the news this morning I immediately asked my staff from the Department of Co-operative Development to get in touch with the Pool people to offer our assistance and to discuss with them any assistance that the department could provide, because of this serious fire.

Unfortunately, all the Pool people that were involved, management, were all at the fire and we have not been able to contact them, up to this point in time, but we are still trying to contact the people, the managers of the Pool who are involved. We will certainly make a statement to the House if one is warranted. I understand that the facilities and the livestock are insured according to press reports, but we are attempting to have staff discuss with them to see what the province could do.

MR. LYON: Mr. Speaker, I thank the Minister for his comment and would ask him, as a supplementary question which would involve his colleague the Minister of Labour, as to whether or not his Department of Municipal Affairs or Co-op Development or the Department of Labor, would be in touch with Manitoba Pool, as well, with respect to the loss of employment occasioned by this unfortunate fire of a fair number of full-time employees in Brandon who, of course, will have no employment until the facility is rebuilt?

MR. SPEAKER: The Honourable Minister of Labour.

HON. VIC SCHROEDER (Rossmere): Thank you, Mr. Speaker. Yes, the Departments of Labour and Economic Development are currently discussing specific responses to these kinds of situations. The Department of Labour has not contacted the Pool Elevators at this point but someone from either my department or the Department of Economic Development will shortly be doing precisely that.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. (Dave) BLAKE (Minnedosa): Mr. Speaker, I don't know whether I should direct it to the Minister in charge of the Environment or the Minister of Co-Op Development. My question would be, in view of the large number of animals that were lost in that unfortunate fire, will the rendering plant facilities at Brandon be able to handle this number of animals within the time required or what other arrangements will he make to dispose of the dead carcasses?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. JAY. COWAN (Churchill): Mr. Speaker, I'll have to take that question as notice. It's a good point

and I think the inter-departmental committee which is involved in that area should address that issue as soon as is possible. So, at this time I'll take it as notice and report back to the member who requested the information as soon as is possible.

MR. BLAKE: I thank the Minister for that answer, but in view of the fact that the temperature is now sixty-some degrees, they'll have to do some pretty fast action before it becomes a problem with the carcasses.

MR. COWAN: Yes, I can assure him of the quickest action possible and I will get back to him as soon as we have more definitive information to provide to him.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, in view of the fact that the Government of Alberta has seen fit to reduce royalties to stimulate the exploration and production of oil and natural gas in that province, can the Minister of Energy advise the House what steps he will be taking in Manitoba to encourage oil exploration?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUKE (Transcona): Mr. Speaker, I've been meeting with representatives of the oil industry over the course of the last four months and I've never had any representation from them that they felt that they had to have any type of stimulus by way of tax or royalty reduction. But, Mr. Speaker, I have an ongoing process of consultation with them and we are discussing ways in which we can promote further exploration and development of the oil industry in Manitoba, especially with a view to maintaining as much of the wealth created by any oil development within the Province of Manitoba, and that'll certainly be the subject of ongoing discussions. As the Member for Turtle Mountain knows, Manitoba's royalty rates had been lower than that of Alberta up to the recent announcement by the Premier of Alberta.

MR. RANSOM: Mr. Speaker, I wonder if the Minister of Energy and Mines could advise the House what negotiations or discussions he has had with the Government of Alberta with respect to possible financing of the Western Power Grid or Limestone Station through the Heritage Fund.

MR. PARASIUKE: Mr. Speaker, that matter has been raised in the course of our discussions and negotiations with the Alberta Minister responsible for negotiations on the Western Power Grid. The matter of financing has been said to be a topic that was separate from the negotiations and they informed me had never in fact been discussed by the Ministerial Committee negotiating the Western Power Grid to this date. When we raised the matter of financing as being one of the very important matters in the Western Power Grid development, they said that matter hadn't been raised at the Ministerial Committee but they felt that it would be an appropriate matter to be raised

with the Alberta Government after the first set of negotiations were concluded.

MR. RANSOM: Mr. Speaker, I wonder if the Minister of Energy and Mines can advise the House whether or not the Alberta people negotiating the Western Power Grid, on behalf of the Government of Alberta, have indicated whether or not there is a deadline for decision-making with respect to the need to develop one type of electrical facility or another?

MR. PARASIUKE: Yes, Mr. Speaker, we have been informed that the deadline for any type of final agreement was two years; that they were hoping, as we are, that we could negotiate an agreement in principle and on principles sometime in the summer. That is the schedule to which we are working, they are working and the Saskatchewan Government Minister is working and we are on schedule. Right now we have a Saskatchewan election in progress which has indeed slowed down the Ministerial meetings somewhat but we hope that in very short order that we will be back with discussions at the Ministerial level on this and, indeed, we are proceeding in good pace.

MR. RANSOM: Mr. Speaker, due to the fact that the Interim Agreement that had been recommended by the three Ministers of the western provinces last fall would have resulted in the early commencement of construction on Limestone; recognizing that a final agreement might still have taken two years, can the Minister advise the House at this time how soon he expects construction on Limestone to begin?

MR. PARASIUKE: Mr. Speaker, whatever was agreed to between some officials and some Ministers last fall was never indeed presented to any of the Cabinets of the three prairie governments involved in those discussions. When we took office and asked whether in fact this had received any Cabinet review and approval we found that in no province had that been the case. So, Mr. Speaker, to say that there was something in place is to mislead the public of Manitoba.

What we are indeed doing, as we have said we would do during the course of the campaign, over the course of the last year, Mr. Speaker, we said we would proceed with the orderly development of Hydro and that entailed pursuing the developing of markets; that entailed pursuing the development of a set of plans so that Northern people could participate fully in the development of our Hydro potential in the North. Those things are proceeding, Mr. Speaker. I can't predict the exact date that construction of Limestone would take place but we are hoping that could begin within a year, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D.M. (Doug) GOURLAY (Swan River): Thank you, Mr. Speaker. I have here a letter dated March 24th, addressed to the Minister of Education from the Town of Swan River. I'd like to quote from it, part of it: "The Council of the Town of Swan River is concerned about the large increases in the town's 1982 budget."

POINT OF ORDER

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

HON. ROLAND PENNER, Q.C. (Fort Rouge): Yes, I have a point of order, Mr. Speaker. It is not in order for a Member of the House during Question Period, to start what might or might be a question by the reading of some document that is apparently, but not obviously, preparatory to a question. He can ask the question in general based on the document, and if necessary refer to the document in paraphrase but you cannot read into the record, a document in question period, on that basis.

MR. SPEAKER: Order please. The Government House Leader has brought up a good point and without checking our rules or with Beauschene, it would seem that the matter of reading a letter in question period could well be an abuse of the time of the House and probably not what question period is designed for.

The Honourable Member for Swan River.

MR. GOURLAY: Thank you, Mr. Speaker. I will abide by your judgment in that case. However, I still have a question to the First Minister of this House.

On March 24th, the Town of Swan River wrote a letter to the Minister of Education regarding the excess increases in school levies in the Town of Swan River. Dollar-wise the increase amounted to \$240,000, an increase of 23 percent. That letter was written on March 24th. I checked with the Secretary-Treasurer of the town this morning; they have not received any reply from the Minister of Education. I understand that the First Minister will be in Swan River on Monday and will be meeting with the town council, and in view of his widely publicized document before the election, that the property tax burden would be eased, I'm asking the Premier, when he meets with the Town Council of Swan River on Monday what information he's going to provide the Council in view of their severe concerns of the excess of increase in school taxes in 1982?

MR. SPEAKER: The Honourable First Minister.

HON. HOWARD R. PAWLEY (Selkirk): Mr. Speaker, I think any discussion that I have with the Swan River Council is one that I should first have with the Council in fairness and courtesy to the members of the Swan River Council.

MR. GOURLAY: Well, I'm sure, Mr. Speaker, that the First Minister will be faced with this particular question, and certainly I would hope that he would be able to give some relief to the matter of the excessive increase in school taxes. So, I'm sure that he will be faced with those concerns.

I have another question that I'd like to direct to the Minister of Northern Affairs, to see if he can advise the House at this time as to when we can expect the signing of a new Northern Development Agreement in co-operation with the Federal Government.

MR. COWAN: I had indicated to the member when he

asked this question a week or so ago, that I was at that time attempting to arrange a meeting with the Honourable Herb Gray when I was in Ottawa to discuss this matter with him. I did arrange that meeting and I was assured by Mr. Gray during the course of that meeting that the Federal Government would stand by its commitments that it has made in the past in respect to the Northlands Agreement and in respect to the special ARDA Agreement. We have decided that it would be appropriate for the Ministers to meet sometime in late April or early May to discuss this at the ministerial level. I'm looking forward to that meeting as I assume Mr. Grey is, and I will be able to report back to the House at that time with more explicit detail as to where those negotiations are going.

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

MR. J. WALLY MCKENZIE (Roblin-Russell): Mr. Speaker, I have a question for the Honourable First Minister. I wonder, can the First Minister advise the House if he or any of his government have had any discussions or meetings with CSP Foods at Harrowby, related to the serious problems the oil-crushing industry faces in western Canada before the Crow Resolution was placed on the Order Paper of this House?

MR. PAWLEY: Mr. Speaker, I'm not going to answer on behalf of the Minister of Transportation and the Minister of Agriculture. They may very well have had discussions.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. SAMUEL USKIW (Lac du Bonnet): One of the points that the Member for Roblin-Russell misses is the fact that the same people that own the crushing facilities on the prairies are also the producers of other grains other than rapeseed. Therefore, the tradeoff doesn't put any dollars in their pocket. If you give up the Crow you make it more attractive, Mr. Speaker, for the crushing industry but the net loss . . .

MR. SPEAKER: Order please. Order please.

The Honourable Member for Turtle Mountain on a point of order.

MR. RANSOM: Yes, Mr. Speaker, the member was asked a question as to whether or not he had met with representatives of CSP Foods. The Minister is attempting to debate some sort of question that hasn't been placed before the House, Mr. Speaker, and I suggest that is an abuse of the time of the House.

MR. SPEAKER: I'm sure it would not be the intent of the Honourable Minister to waste the time of the House.

The Honourable Minister of Government Services.

MR. USKIW: Mr. Speaker, I believe that members opposite would appreciate the fact that the question that is being addressed, and that has to do with how the Crow rate proposal and our response, how that

fits in with the canola industry. The fact is that the tradeoff on that issue is not beneficial to the producers of this province.

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

MR. MCKENZIE: Mr. Speaker, I regret very much, I didn't ask the question of the Honourable Minister of Transportation, I asked it of the First Minister of this province. Has he met with the executive of CSP Foods? Yes or no?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, we have met on several occasions with the CSP people and they've been explaining to us the nature of their problem with regard to transportation costs. Their problem is not solely related to the Crow issue. It's related to the policy of subsidy that is coming from the Alberta and the Saskatchewan Governments, which currently are subsidizing the cost of railway cars. So, their concern is not . . . they want a parity situation where they're not at a disadvantage with their competitors. They have not taken a specific position on the Crow question.

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, I would like to thank the honourable members for their warm response. Mr. Speaker, I've have had discussions with Mr. Siemens from the constituency represented by the Honourable Member for Rhineland pertaining to the Harrowby situation. My understanding indeed from Mr. Siemens is similar to that that is expressed by the Minister of Economic Development.

I'd like to note, Mr. Speaker, that indeed we have discussed the Crow with many Manitobans, some favourable, some opposed. I wonder, Mr. Speaker, just how many Manitobans the Leader of the Opposition and other members discussed their positions with prior to the Leader of the Opposition supporting a position to eliminate the Crow rate?

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, with your permission I'll be happy to answer the question. Unlike my honourable friend, Mr. Speaker, I'm happy to answer questions in this House. I don't duck them and pass them onto the women in the House.

MR. SPEAKER: I'm sure the Honourable Leader of the Opposition would appreciate it would be an abuse of the time of the House to answer questions.

Order please. Order please. Order please.

The Honourable Member for Roblin-Russell.

MR. MCKENZIE: Thank you, Mr. Speaker. It's not in the record that the First Minister has met with Mr. Siemens. Now, can the First Minister advise this House of any assurances that he may have give CSP

Foods or Mr. Siemens regarding the crushing industry and the serious problems that they face at this time regarding the Crow rate?

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, I had discussions with Mr. Siemens and those discussions were not of a nature that I think that it would be proper for me to divulge today.

Mr Siemens requested no assurances from the provincial government. Unlike the members across the way I don't think it ever crossed the mind of Mr. Siemens or those that he represented that he wanted some sort of assurances from the Government of the Province of Manitoba. We had a very good, a very open, a very fruitful discussion and, Mr. Speaker, in fact, I sensed that the question pertaining to canola was not necessarily directly related to the Crow.

Mr. Speaker, I only wish the honourable members across the way would debate the Crow Resolution in this House. Why are we pussyfooting around, Mr. Speaker? If they want to debate Crow, Mr. Speaker, we'll be pleased to call the Crow Resolution in a few minutes time, so we can have adequate debate in this House on the Crow.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, now that the First Minister perhaps has regained his composure, has shaken all of the wet and rain off his little wet hen feathers and has gotten himself back into shape and is prancing about his own little chicken coop again, can the First Minister who has been loudly declaiming about the speaking abilities or the speaking frequency of members on this side of the House with respect to a resolution that was put on the Order Paper a week or so ago, would he kindly advise the House as to when he intends to speak on the Crow Resolution and give us his view on the Crow Resolution? Mr. Speaker, is he going to speak before the Saskatchewan election on the 26th or is he going to wait till after?

MR. PAWLEY: Mr. Speaker, I do admit to the Leader of the Opposition that I do feel strongly about the Crow rate. I do feel strongly pertaining to the future of transportation of grain in Western Canada. I do feel concerned as to what indeed the elimination of that Crow rate might do insofar as the farmers and others in the Province of Manitoba. I make no apology for that, Mr. Speaker, I feel strong in connection with that particular issue.

Mr. Speaker, our position is well-known because we are the government that tabled the resolution. I didn't think there was any uncertainty as to the position that indeed the Government of the Province of Manitoba has taken. Mr. Speaker, there is uncertainty as to what position various members across the way are taking pertaining to the Crow. Mr. Speaker, we have heard conflicting noises from across the way. In fact, noises that must be somewhat embarrassing to the constituents of honourable members across the way. We do know where the Leader of the Opposition stands; he's made his position very clear. He's in

favour, Mr. Speaker, of getting rid of the Crow, but other members have been less certain as to their position.

MR. LYON: Mr. Speaker, in the best of good spirit, I think which should accompany debate in the House on what is truly the first day of spring, and being warmed by the fact that I saw six flights of Canada Geese this morning and a couple of Mallard ducks, all of which, Mr. Speaker, is guaranteed to improve one's mood until one gets into the House and hears funny statements from the First Minister about our position on the Crow, which will be stated in due course.

Mr. Speaker, I would like to hear from the First Minister, who perhaps, and understandably, was not in his place last night when his Minister of Agriculture uttered a statement to the following effect; that private ownership of land has nothing to do with farm production.

Would the First Minister of this province tell us that statement reflects the position of his government with respect to private ownership in this province now?

MR. PAWLEY: Thank you, Mr. Speaker. I think it's very very clear. The Honourable Leader of the Opposition appears to be desperate to duck debate on the Crow. Instead, Mr. Speaker, he is grabbing, indeed, on the basis of some statement he's taken out of context pertaining to something that was said by my Minister of Agriculture. Let that honourable member discuss the Crow.

MR. LYON: Mr. Speaker, I hesitate to rise on a point of order on a statement that was just made by the First Minister, but I was here last night and his Minister of Agriculture was here last night. The House and the record will show what his Minister of Agriculture said last night; not only about private ownership having no effect on production, but that the Soviet system would inevitably be the system that we would have in Manitoba. That's what he said. Mr. Speaker, far from taking his words out of context . . .

MR. SPEAKER: Order please. Does the Honourable Government House Leader have a point of order?

POINT OF ORDER

MR. PENNER: On a point of privilege, the Minister of Agriculture is not in the House. A serious allegation has been made about a statement attributed to the member. That statement, to the best of my knowledge, I was here for part of the time, was not made, nor would it have been made by the Minister of Agriculture. When the record of the proceedings are available, then if the Honourable Leader of the Opposition wants to ask a question of the Minister, the Honourable Leader of the Opposition may do so and the Minister of Agriculture may reply.

Further, on the question that I'm raising, it is clear from Beauschene that it is not proper to ask, in the House, a question about what took place in committee when that committee has not reported to the House.

MR. SPEAKER: The Honourable Leader of the

Opposition on the same point of order.

MR. LYON: Yes, Mr. Speaker. On the point of order, my honourable friend, who is relatively untutored in the manner in which Parliament conducts its affairs, says that committee was not reported upon. That committee reported when the Member for Flin Flon made the report and it was accepted here before the Question Period started today, Number one.

Number two, my comment on the point of order was with respect to this point: The First Minister indicated, and I said I rose with hesitation, the First Minister indicated that I was taking words out of context. Mr. Speaker, Sir, I wasn't taking them out of context and I made a speech last night as did a number of my colleagues, based upon this outrageous comment made by the Minister of Agriculture last evening.

So I say, Sir, I'm quite prepared, if the First Minister will withdraw the suggestion that there was any quoting out of context, I'm quite prepared to wait until Hansard is in your hands, Sir, and then we'll see who was quoting out of context and then my honourable friend, the First Minister, will have to answer on behalf of his government as to whether or not his government subscribes to the rather outrageous views about private ownership, and to quote the words of the Minister of Agriculture last evening, or to paraphrase them, Mr. Speaker, the inevitability of the Soviet land tenure system coming into Manitoba.

MR. SPEAKER: The Honourable First Minister to the same point of order.

MR. PAWLEY: Mr. Speaker, I'm anxious in fact to provide a response to the questioner or statement, whichever it is, of the Leader of the Opposition. What we do note on the part of the First Minister is the usual kind of ploy —(Interjection)— the Leader of the Opposition. Mr. Speaker, I said that because I'm thinking of the kind of statements that the Leader of the Opposition, when he was First Minister of this province, uttered during the last 10 days of the election campaign leading up to November 17th.

The Leader of the Opposition then, when recognizing indeed the desperation of his political situation, started to brush with the red paint. Again, Mr. Speaker, we're noting this afternoon, when the Leader of the Opposition is anxious about the reflecting that is rightfully taking place pertaining to their lack of position in regard to the Crow, attempting to divert attention of this Chamber and of Manitobans from their lack of policy by engaging, Mr. Speaker, in a scandalous attack upon the Minister of Agriculture.

MR. SPEAKER: To the point of order which was raised, it is quite true that the Hansard is not yet available of what was said in Committee. The Minister alleged to have made the remarks is not with us to clarify those remarks.

In the meantime, perhaps it might be better for members to wait until those remarks are in print and available to all members. In the meantime, the Leader of the Opposition may ask his question.

MR. LYON: Mr. Speaker, then I would ask the First Minister and I give him notice of this question. Will he,

on behalf of his government, read the Hansard in question from the Agricultural Supply Debate of last evening and comment upon the two statements to which I have alluded that were made by his Minister of Agriculture with respect to, first of all, private ownership and secondly, the alleged inevitability of something akin to the Soviet system coming into Manitoba?

MR. PAWLEY: Mr. Speaker, I read all the Hansards as they come out, but I note, and it's rather interesting that the Leader of the Opposition is shifting his ground; shifting his ground in the question he just uttered to myself in relationship to the earlier question.

Obviously, Mr. Speaker, the Leader of the Opposition again, as I mentioned earlier, is desperately attempting to divert attention from the lack of policy that is demonstrated by the Progressive Conservative Party of Manitoba, by Her Majesty's Loyal Opposition across the way, in that they appear to have no policy, no policy pertaining to the Crow rate; no policy and therefore try to desperately attract attention to some other frivolous red herring.

MR. LYON: Mr. Speaker, will the First Minister take as notice the question that I have asked with respect to the statements, the outrageous statements, made by his Minister of Agriculture last evening in Committee and will he speak on behalf of his government with respect to its attitude toward private land holdings and farm ownership in this province in a clear voice, and if he finds that the statement, Sir, that we alluded to, as made last evening by the Minister of Agriculture, are not in accord with the tenets and with the beliefs of his Party, will he ask that Minister to resign?

MR. PAWLEY: Mr. Speaker, the position of the government pertaining to the private ownership of land, in fact, is enhanced by the firm position that we're taking in connection with the Crow rate. It is our very concern that the family farm and the private family farm ownership be retained in Manitoba, throughout western Canada, that this government - and I'm please to say also, the Government of the Province of Saskatchewan, indeed, all Opposition parties in the Province of Saskatchewan - appear to be supporting the Crow, unlike the situation that appears to be existing in the Province of Manitoba when we can't find out from the fluff across the way as to what position the honourable members are adopting pertaining to the Crow.

MR. LYON: Mr. Speaker, to get back to the first flurry of questions which apparently the First Minister has seen fit to disregard or to meander and red herring around, when, Sir, does he intend to speak on the resolution that his Minister of Transportation has introduced relative to the Crow rate?

MR. PAWLEY: Mr. Speaker, the responsible Minister has already spoken; he is awaiting some debate in this Chamber pertaining to the Crow. It's certainly my intention to engage in the debate pertaining to the Crow early next week after I've heard from some of the honourable members across the way, quite frankly, Mr. Speaker. I'm anxious to hear from the Leader of the Opposition, Mr. Speaker, the former Minister of

Agriculture. I'm very very anxious to speak after I've heard some comment from across the way that I can respond to, Mr. Speaker. Unlike honourable members across the way we are keen and our position is on the table; it's open to all Manitobans. Where's yours?

MR. LYON: Mr. Speaker, well that of course leads me into another line of questioning, given that the Honourable First Minister's position with respect to the Crow is on the table, with respect to the resolution tabled by his Minister, the Minister of Transportation, will he make sure then, Sir, that the position of his government vis-a-vis private ownership which goes to the heart of freedom in this country is also on the table after he reads Hansard and reads the outrageous statements of his Minister of Agriculture of last evening.

MR. PAWLEY: Mr. Speaker, I say to the honourable member that insofar as the private ownership of farmlands, the position of the New Democratic Party, the position of the Government of the Province of Manitoba is well-known. It is our interest, indeed, in strengthening and giving added support to the family farmer in the Province of Manitoba. Mr. Speaker, it is unfortunate indeed that private ownership and family farms in Manitoba has been weakened, weakened indeed by policies that have been contrary to the family farmer, that have been pursued indeed by the previous administration in this province. I don't think there's any mystery. Mr. Speaker, I do not find any mystery wherever I travel in Manitoba as to our position in connection with private ownership of farmland. I do find mystery in Manitoba wherever I travel as to the position of honourable members across the way on the Crow.

MR. LYON: Well, Mr. Speaker, now that we're getting in dribs and drabs from the First Minister's statements that are apparently in conflict with those statements of his Minister of Agriculture of last evening, would the First Minister now go a step further and tell us that if he and his party, who so strongly believe in the family farm as they say in all of their publications and as they say in the speeches he makes to the Brandon Chamber of Commerce and elsewhere, why then, Sir, did his government suspend, No. 1, loans by the Manitoba Agricultural Credit Corporation for young farmers to buy farmland and, No. 2, why did they suspend the program that was in place of permitting Crown land to be sold to private farmers in Manitoba for private ownership?

MR. PAWLEY: Mr. Speaker, because we had instances, indeed, where, in fact a large amount of land in one case, 21 quarters, and other instances where there has been inequitable distribution of funds insofar as farm programing is concerned. Mr. Speaker, if we are indeed to protect the family farm in the Province of Manitoba the policies that must be devised by a Manitoba Government must be such as to benefit family farms, in general, not just a few larger farmers but the general farm population in the Province of Manitoba, so we do not find land being gobbled up by a few agribusinesses, but indeed that we strengthen the position of the family farm in relationship to agribusi-

ness in the Province of Manitoba.

MR. LYON: Well, Mr. Speaker, given the fact that there are in excess of some 30,000 farmers in Manitoba, a good number of whom had applied during the past four years to buy leased Crown land which they had leased from the government for many years, and given the rather odd caveat that has been applied by the First Minister with respect to why he has suspended those sales of lease Crown land, and no answer as to why he has suspended loans for the purchase of Crown land, would the First Minister tell us, in his wisdom and with the full flow of his ideology, what he regards as a proper number of quarters that could be sold to the average farm family in Manitoba? What is his Socialist idea of how big a farm should be in Manitoba?

MR. PAWLEY: Mr. Speaker, what we are dealing with is a question of equity. Obviously, the Leader of the Opposition doesn't understand the meaning of the word equity. I would suggest that the Leader of the Opposition might want to check with his dictionary as to the meaning of the word "equity." It is my understanding the Minister of Agriculture, indeed, has been discussing this in committee, Mr. Speaker. I fail to understand why the Leader of the Opposition again appears to be so anxious to divert attention from what is the real issue that is before us, and that is the Crow.

MR. SPEAKER: The Honourable Attorney-General.

MR. PENNER: Yes, Mr. Speaker, yesterday the the Honourable Member for Turtle Mountain, the Opposition House Leader, asked me a question about the number of bills yet to be introduced and I'm happy to be able to respond to that question. Of course, this is just an approximation. It is my estimation now that there are approximately 22 other bills coming up the pipe of which about six or seven are major, the others are relatively minor. I realize, of course, that words like, relatively minor, may be placed like any other tree on the boulevard of broken dreams, but that's the estimation I have at the time.

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

MR. McKENZIE: Thank you, Mr. Speaker. I have another question for the First Minister, Mr. Speaker. I wonder can the First Minister advise the House if he or any of his Ministers have had any meetings with the Federal Minister of Transport or the Government at Ottawa regarding Ottawa's well-known and long-standing assurance that discrimination against the oil seed processing industry in this province and across western Canada would be terminated and that processed oil and the raw seeds would gain equal transportation rights with eastern Canada? Have any meetings been held with Federal Transport or the Government of Canada regarding these matters.

MR. PAWLEY: Mr. Speaker, I would have canvass each of the Ministers. I know there have been discussions with Federal Ministers, as to whether that particular topic was discussed I don't know. I certainly

know, Mr. Speaker, that my Ministers have discussed with Federal Ministers the question of the Crow and our concerns pertaining to the Crow.

MR. SPEAKER: The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Speaker. I'd like to offer a question in line of questioning of the Member for Roblin-Russell and I'm wondering, in view of the fact that his government is totally opposed to any change in the Crow rate, and knowing full well that the Provinces of Saskatchewan and Alberta have gone on record as being prepared to subsidize the movement of canola products, is this government prepared to do that?

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, that is a matter of policy. I could, indeed, be much more enthusiastic about answering the question if we had been left with larger sums of money by the government that we replaced.

MR. SPEAKER: Order please. The time for Oral Questions having expired. I can inform the honourable members that a transcript of last night's Hansard should be available later this afternoon for members wishing to see it. It will be available in my office.

The Honourable Member for La Verendrye.

COMMITTEE CHANGES

MR. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, before the Orders of the Day I'd like to make some substitution on Committees. On Public Utilities the Member for Roblin-Russell for the Leader of the Opposition; and on Privileges and Elections the Member for Assiniboia for the Member for Turtle Mountain.

MR. SPEAKER: Agreed. (Agreed)
The Honourable Government House Leader.

ORDERS OF THE DAY

ADJOURNED DEBATE ON CROW RESOLUTION

MR. PENNER: Yes, Mr. Speaker, would you call the adjourned debates on the Crow Resolution standing in the name of Mr. Enns.

MR. SPEAKER: On the proposed Resolution of the Honourable Minister of Government Services.
The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I'm pleased to have this opportunity to participate in the Resolution before us; it's a Resolution that deserves to be before us, Mr. Speaker. I wish to thank the Honourable Minister of Government Services and Transportation for providing this forum for debating this Resolution. You see, Mr. Speaker, the subject matter of the grain transportation, grain rates, movement of grain, while it's always been in the back of everybody's mind, but not being nearly as clearly

understood, not nearly as clearly appreciated, how fundamental it is to all of what makes Canada tic and, of course, particularly Western Canada, Mr. Speaker. So I have to compliment the Minister for providing us with a forum for discussing the subject matter of the Crow and I think we can refer to it. The fact that we refer to it as the Crow in itself tells you how far we have moved the consideration, the concern for grain movement into our everyday language. When we now speak of the Crow most people, even our urban cousins, recognize what we're speaking of. So the Minister of Transportation, as I indicated, needs to be complimented for allowing us that opportunity.

Mr. Speaker, let's also keep very much in mind what we are talking about is the movement of grain, the movement of grain off farms into port facilities and to the off-shore markets of the world. That's really what we're talking about. Mr. Speaker, I can assure you at the outset that the Conservative Party historically, traditionally and, in particular the Conservative Party and the group that I'm part of now, has possibly shown a greater concern than has ever been demonstrated, particularly by any provincial organization, during the past 16-17 years that it's been my privilege of having had some participation in public debate on the matters of agriculture.

Mr. Speaker, I would also want to say at the outset, and I think it needs to be said to express a very genuine degree of confidence in the person of Dr. Clay Gilson who has been designated to deal with the matter. Dr. Gilson, of course, is no stranger to Manitobans, no stranger to the agriculture community across this country and Dr. Clay Gilson has in many, many ways contributed in a very substantial way to the betterment of agricultural policies, not only in the Province of Manitoba but, indeed, for all of Canada. I take this moment out to, first of all, acknowledge the difficult task that Dr. Clay Gilson has accepted and to appreciate his particular capacities as having been a person that I've had the privilege of, from time to time, working with; who has been a builder of many of the better agricultural programs that have been introduced for the benefit of the farmers in Manitoba. So, I can't find anything wrong with the Federal Government's selection of Dr. Clay Gilson to fulfill this very important task.

Mr. Speaker, I indicated earlier, and I'm sincere when I say this, that I compliment the Minister of Transportation and Government Services, my friend the Honourable Member for Lac du Bonnet. I say this, Mr. Speaker, because I was in the House when he introduced the Resolution and have had the occasion to reread his speech. I thought he presented it in a very responsible way. He avoided rhetoric that often accompanies this subject matter. Oh, Mr. Speaker, he did not lose all his fine-honed sense of politics to take a few well-delivered jabs at anybody that was standing around and listening but, all in all, when you read through his comments, digest them, I do compliment the Minister for both his style and the way in which he handled the subject matter.

Mr. Speaker, any discussion of the Crow can't avoid a discussion of the CPR and the Minister quite rightly took a good deal of time in the presentation of the Resolution, in discussing, indeed, giving us some historical background of the CPR. Mr. Speaker, I can't

find fault with too much of what the Minister said about the CPR. The CPR, of course, has been the subject matter of a great deal of rhetoric here in the prairies; some of it justified and some of it not. I recall, perhaps the most recent expression about that age-old prairie habit of kicking the CPR when there was nobody else to kick was perhaps best demonstrated by a CBC drama production that was produced just a few years ago sponsored and supported by the National Farmers' Union. It was not a bad play, by the way, it played in various rural towns here in Manitoba, it hit the road to Esterhazy and to all the cultural highlights of the Province of Saskatchewan, that province that gave birth to Sarah Binks the great literary poet that we, of course, appreciate with such genuine affection here in the prairies.

But, Mr. Speaker, what the Minister said about the CPR was accurate, I believe, I haven't particularly checked the historic record to see whether all the i's were dotted or whether all the t's were crossed. But there is no question when he indicates that historically the Government of the Day - by the way, Mr. Speaker, our government that made this country of ours, John A. MacDonald's government of the day - he took them to task slightly for having chosen the route that they chose to do what he acknowledges was nation building but through the vehicle of a private company. Again, Mr. Speaker, there is no question of the Minister's facts which indicates that the CPR did receive the very substantial benefits, both in cash, in land and in certain taxation privileges, all of which the Minister points out in his opening comments with respect to this Resolution.

Mr. Speaker, I want to talk about this point for one moment because I don't dispute the facts at all that the people of Canada, through their government, gave substantial amounts of money to the CPR at that time to build this country. What I wonder about, Mr. Speaker, is will there be a legislator or a parliamentarian a hundred years from now standing up in an Assembly like this, or in the House of Commons, that will have the same kind of comments to make, and to be able to make some of the comments I am going to make about the CPR, about the \$2 billion investment in Petro-Canada. Will it? I'm hoping it will on behalf of the taxpayers of Canada, we are told that that is a modern day requirement in nation building.

Mr. Speaker, my hope is that 100 years from now that will be proven true. Surely we should get more out of a \$2 billion public tax-supported investment than perhaps to have computerized robots fill up our gas tanks, even if they are bilingual, they probably will be at that time, and/or fine looking red and white gasoline stations. Not producing an extra quart of oil, mind you, but simply dispensing it. I say that, Mr. Speaker, because what the Minister did not quite indicate, I thought quite fairly, was the contribution that the CPR did, in fact, make to the nation building of this country. Mr. Speaker, that railroad built this country and that's not too much of an exaggeration. I won't repeat the historical background that the nation faced with respect to holding onto its Northwestern Territories but all our history and our education about early parts of our country supports that point of view.

Mr. Speaker, the CPR, of course, went on to become one of the outstanding big corporations,

companies, employers of many thousands of Canadians. And I would think that for a moment, even just a moment, members opposite can forego their problems when they talk about big companies, that even at this particular time they will recognize when jobs are important that that is a contribution; that that is a benefit to the people of Canada, yes even a hundred years later after having been given substantial benefits by the people of Canada in the first place.

Mr. Speaker, the CPR, of course, did many other things that were above and beyond their government charter; they were a very fundamental tool in the settlement of the prairies. Mr. Speaker, allow me to speak - I very seldom speak about personal matters - but it was by virtue of the CPR extending credit to my family that my parents came to Manitoba. In the 20's, Mr. Speaker, 1923, 1924, 1925 people like my parents who, by the way, had suffered through and lived through the upheavals, the social upheavals, the revolutions of the USSR, partly, Mr. Speaker, because they were social democrats. They believed that they could nonetheless find a way of working in that system. But then along came kindly people like our present Attorney-General's father and decertified them as teachers. My parents were both teachers and in 1926 they were both still teaching in the USSR but were asked at that time by the State to sign a document that adhered to their atheistic point of view, from a government point of view - my parents being of a religious background refused to sign that document - their teaching certificates were decertified and it was a very fast way of becoming unemployed and without an occupation in that country. So my parents were among the last, during the years of 1925, 1926, 1927, 1928, of a substantial number of Mennonites that came to Canada. Mr. Speaker, how did they come to Canada? Two gentlemen that I well remember, elders of our church, a Mr. Friesen and Mr. Toews, negotiated with the management of the CPR, here in Winnipeg and in Toronto, for the extension of credit - because there were no dollars - the extension of several millions of dollars of credit to bring a group of some 25 to 3000 Mennonites into Manitoba at that time.

We used to call that the Reise-Shuld (travel debt) and I can always remember as a child my parents talking about the "Reise-Shuld," that they and several thousand Mennonite Settlers incurred and were owing to the CPR when in the mid-twenties they came to this country from the USSR. I'm sure my colleague, the Member for La Verendrye, as well as Mr. Schroeder, the Finance Minister, parents experienced the same, probably had the Reiseschuld too.

But, Mr. Speaker, what I'm saying is that it took that group of Mennonite settlers some 15 to 20 years to pay off a travelling debt of some \$2 million that was extended to us, not because we were rich and powerful and influential people, we were penniless immigrants that couldn't speak the language, that were prepared to come to settle in the prairies, prepared to work on the farms, very often on rented farms. But, Mr. Speaker, that was also the kind of role that the CPR played in the nation building of this country. I thought, Mr. Speaker, that when the Honourable Minister dealt with it - he indicates on page 1092 of Hansard that - Mr. Speaker, one should not miss the point

and he is speaking about the benefits granted the CPR, this was all in the context of nation building and at the time it was a deal that was struck that would, hopefully, benefit Canada as a nation.

Well, Mr. Speaker, I was moved to make the remarks that I just made in my personal case, in the case of making it possible for my parents and many other people that left the USSR at that particular time. It was a very substantial benefit to have credit extended to me and several thousand others of my background to be able to come and settle in this free country. So, I took exception to the rather light way in which the Honourable Minister suggested that hopefully there might be some benefits accruing to the country by this extension of land grants, credits and cash to the CPR.

Mr. Speaker, I'm no apologist for the CPR; the CPR doesn't need any apologists. The CPR deserves to be kicked when it needs to be kicked; the CPR has been kicked a lot, sometimes not always when it deserved that. But I simply say that when we debate an issue such as the Crow, which spans virtually the life span of this country, that one should at least take the time to acknowledge both the privileges and benefits received by a donor or by a receiver as well as the benefits that have accumulated and come back to the nation as a result of those privileges granted. I repeat, Mr. Speaker, I hope that there will be a legislator or parliamentarian that can stand up in a chamber like this a hundred years from now and say that the people of Canada will get as good a deal, as good a return, as good a benefit, out of the \$2 billion that we pumped into Petro-Canada; I hope they can. That's looking in the future, I certainly can't foresee that but I think, Mr. Speaker, that it's not an unfair analogy to make, to express that hope; just as there were no doubt those persons who criticized Sir John A. MacDonald when he granted the CPR \$25 million in cash or when he gave them several million acres of land; and just as the Minister that introduced the Resolution suggested that possibly wasn't the way certainly he would have gone about it had he been in Sir John's position. We know how they would have gone about, Mr. Speaker, they would have gone about it as their friends and supporters in Ottawa are going about it in the \$2 billion investment in Petro-Canada. I hope it pays off, Mr. Speaker. For the sake of Canadians I hope it pays off. But I say I think we deserve a little better than simply the few benefits that I can currently think of that might accrue to us.

Well now, Mr. Speaker, let's get onto the subject matter of the Crow. I can't say too strongly, at the outset, that no Conservative politician, no Conservative member need ever apologize to anybody, least of all honourable members opposite, about our position on general matters that concern the agricultural community period. I say this and let's understand, in this particular issue, of course, we are talking, as we often talk when we talk about agriculture, we are talking about federal problems and federal matters. I have to remind honourable members opposite, Mr. Speaker, that, unfortunately to the detriment of western farmers, there hasn't been that many Conservative administrations in Ottawa in the last 60 years. Bennett, for one short term; Mr. Diefenbaker for a short five-year period; and Mr. Clark for a nine-month period.

Now, Mr. Speaker, this subject matter is up for debate for one reason, because they and their allies got together with the Liberals and put the present Prime Minister into office and that's why we're debating the Crow. So, let's not have them come and talk to us about our position, the party of John Diefenbaker; the party that has brought in programs of such great significance like the ARDA programs of the 60's; the party that has always responded to the legitimate concerns of western agriculture. Mr. Speaker, there is not a worthwhile agricultural program in place that a Conservative administration, either federally or provincially, has not initiated; not a single program. Name them. I can name you a few that other parties have tried to initiate and we had to get rid of in a hurry. Do you remember that LIFT Program that we had a few years ago where the Federal Government was going to solve the grain problem by having us sow alfalfa all over the fields. Western farmers got X-number of dollars to sow the fields, fill the acres of Canada and western Canada with alfalfa. That was the then Liberal Government's response and suggestion as to how to solve the problem of grain movement.

Well, Mr. Speaker, we know the kind of programs that emanate from honourable members opposite. Mr. Speaker, it's been tried in so many different jurisdictions, they obviously believe that they can eat their way out of the grain problem through their beef program. Again, I hope they succeed, Mr. Speaker. I doubt it, it's been tried in so many different jurisdictions, it's been tried with so many different nuances to the kind of programs that the Honourable Minister of Agriculture is now introducing. Well, Mr. Speaker, I think the point has to be made very clearly - and I say this with an absolutely clear conscience - that no Conservative at any time, on any platform, needs to embellish his record, the party's record with respect to its long-term concern, its long-term attention, its long-term dedication to the farming problems of western Canadians. That is a matter of record, Mr. Speaker, a record that I'm very proud of. Mr. Speaker, speaking of that record, - and I don't want to detract from the comments that I know my colleague, the former Minister of Agriculture, will want to make, he can, better than I, tell you about this particular group's record in recent years, in the four years that we had the privilege and responsibility of doing something about the movement of grain in Manitoba and in this country. The Minister has spoken about it; I'm sure he'll speak about it again. Mr. Speaker, that was a particular effort on the part of our First Minister, on the part of our Minister of Agriculture, that was unequalled in recent times with respect to the effort. I can only liken that, Mr. Speaker, to our friend, the Premier of Saskatchewan's lame-duck effort at bringing together some forces recently. He finally found out that nobody really wanted to come and he had to call it off. That was not what took place, Mr. Speaker, in the cold January months, a short time after we took over office in '77, because we were concerned, in January about the problems of grain movement in this country.

Well, Mr. Speaker, having mentioned Premier Blakeney, what does Premier Blakeney say about the Crow, the godfather to honourable members opposite who, particularly on most matters, they still like to

concur with. I have just a few quotes from the Honourable Premier Blakeney and I would like to put them on the record, Mr. Speaker. When the Federal Government was introduced, the Premier of Saskatchewan suggested this: "Obviously they," meaning the Federal Government, "wish to have the matter debated and for that I do not criticize them. I think that the issues involved should be better known." I agree with the Premier of Saskatchewan and that's what I said when I originally rose to speak. I think the service that the resolution is doing, in making the whole question of grain movement more familiar with more people, is extremely important and for that the Minister of Government Services has to be congratulated. So, the Premier of Saskatchewan concurs with that comment by saying that a number of these issues have to be resolved and he encourages the ensuing debate. He goes on to say that: "The perception of our Government" - speaking about the Government of Saskatchewan - "really is that the farmers ought to keep the benefit of the Crow rate." Well now, Mr. Speaker, if I haven't heard my colleague, the Member for Arthur, say that once, I've heard him say that a dozen times. Do you want to go back in Hansard and find how many times that particular expression has come from the then Minister of Agriculture, the now Agriculture critic? I repeat, and this is what the Premier of Saskatchewan says: "The perception of the Saskatchewan Government really is that the farmers ought to keep the benefit of the Crow rate." Mr. Speaker, he also says: "We must make another narrow point. In this discussion it is very important to distinguish between the current level of the Crow rate and the principle of having a statutory rate."

Mr. Speaker, obviously the Premier of Saskatchewan recognizes that there may well have to be some movement, that there may well have to be some concern. But again, I think I share that position with the Saskatchewan Premier that I'm concerned about a statutory rate and about its maintenance in that form.

Going on to quote the Premier on one further item, he says: "Some people take the position that there ought not to be a rate for the movement of grain set by the Government of Canada. With that position we are absolutely and unalterably in opposition." Well, Mr. Speaker, I am sure that when the deliberations that are currently under way with Dr. Clay Gilson's group, and I believe that we are not talking months or years, I think, if my memory serves me right, he has been asked to have that report in on or about the 1st of May which is just about upon us, another 15 days or 16 days, that those kind of fundamental concerns will be built into that report. Certainly I'm not prepared to move in any direction until I start seeing what they are talking about. All I can tell you, Mr. Chairman, is that the positions, the concerns, that Premier Blakeney has expressed on different occasions; the concerns that my colleague, the Member for Arthur, has expressed on different occasions with respect to the Crow. The simple fact is that this party, my group, certainly would not stand for additional penalties being placed onto the grain farmer at this particular time would be totally unacceptable to us.

So, Mr. Chairman, I'm pleased to have had the opportunity of speaking on this Resolution. I think the Resolution will provide for some interesting commen-

tary from different spokesmen both on that side and on this side. I express, I reiterate my confidence in the kind of work that I know Dr. Clay Gilson is capable of providing on matters such as these and I remind the honourable members opposite that it is a responsibility of theirs if they choose to use the resources of the government, as the Minister has indicated, to send out the troupes, send out the Department of Agriculture to promote various points of views. We can't stop them from doing that, Mr. Chairman, nor is it our desire nor is it our will.

Mr. Chairman, our job, as the Opposition, is to judge the kind of programs that are being put forward from time to time, whether it's a provincial program or, to a lesser extent, a federal program, and then to pass our comments to try to influence decision-making with respect to amending them in such a way that they become more acceptable to the constituents that we serve and to the constituents that know we serve them best.

MR. SPEAKER: The Honourable Minister of Government Services.

MR. USKIW: Yes, would the honourable member permit one question?

MR. ENNS: Yes.

MR. USKIW: Is the Honourable Member indicating support of the Resolution?

MR. ENNS: Mr. Speaker, the Resolution that's before us has a great deal that commends itself to me. I will await the kind of debates that are going to take place in this Chamber; possible changes of mind that the Minister may have on some of the issues as they are debating the issue, but certainly that is the purpose and reason for debate, particularly on a resolution of this kind; and more importantly, Mr. Speaker, as I mentioned, I suspect that before we vote on this Resolution we will have heard from several important sources that could affect positions on this resolution. (a) We can be having initial reports in from Dr. Clay Gilson and, quite frankly, Mr. Speaker, I place more reliability on the work of Dr. Clay Gilson than I do on all the agriculture experts that the Minister of Transportation has behind him; secondly, Mr. Speaker, as has already happened, there is new information, even on this subject, coming up from different sources. We had a situation, which the pool organizations brought to the attention of Dr. Gilson just last week, that indicates a very substantial error in one of the earlier reports, the Snavely Report, having to do with some \$200 millions that may well alter the support that the pool organizations are taking on this.

Mr. Speaker, it's not the kind of an issue that you simply take a black and white position on. The issue is far too important for that.

MR. SPEAKER: Are you ready for the question?
The Honourable Minister of Municipal Affairs.

MR. ADAM: I wonder if the honourable member would entertain another question?

MR. SPEAKER: The Honourable Member for Dauphin.

MR. JOHN PLOHMAN (Dauphin): Mr. Speaker, I am pleased to rise on this very important issue, an important issue I believe facing Manitoba and Rural Manitoba and particularly the farmers of Manitoba. I am, frankly, shocked by the lack of concern that has been shown by this Opposition since that Resolution has been introduced, frankly shocked by it; by the party that says they speak for the farmers, that is now sitting back, notwithstanding the rhetoric that was thrown around just a few minutes ago by the Member for Lakeside, they are now sitting back and they want the farmers to sink or swim on the issue of the Crow rate, Mr. Speaker; that's where they are right now.

I think it is one of the gravest issues, Mr. Speaker, to face the Manitoba farmers and rural communities in many years here in Manitoba. It is, to a certain extent, Mr. Speaker, very clear what is happening, what is being proposed and it is a very grave issue for the rural communities in Manitoba, notwithstanding what the Opposition says about it. The farmers in my area know what it is going to do to them and I have arrived at my opinion from meetings with them, from talking to individuals, from letters and calls and every kind of information that you can think of. I believe I've arrived at a decision on the Crow rate that is based on what the people of my area believe in and the people of Manitoba need and that is much more than we can say for the fence sitters over on the other side, Mr. Speaker.

The very existence of many of our small farms in rural communities may be threatened by the proposed move of the Federal Government to change the Crow rate and to abolish the statutory Crow rate. I fear that such a move could be disastrous for Manitoba and I believe the past record of the Federal Government and the CPR gives us very little to feel secure about. There is very little sense of security that we can have if the Crow rate is abolished.

As recently as June 6th, 1978, the then Honourable Otto Lang stated: "The Federal Government is maintaining the statutory rate on grain as the traditional right of prairie farmers." And yet barely 3-½ years later, on February 8, 1982, the Honourable Jean-Luc Pepin says, speaking on behalf of the Federal Government, the Government of Canada believes that the statutory rate on grain causes the railways to suffer heavy losses on the movement of grain; and that consequently the railways do not have sufficient financial resource to undertake the large scale investments required to expand the railway system; that parliament should pass a law to assure that the railways will be paid adequate compensation for moving grain; and that the new framework should promote increased efficiency and economy in the operation of the grain transportation system, Mr. Speaker. So what he is saying, that they would replace a law that protects the farmer with a law that protects the railways. So much for the traditional rights of prairie farmers, Mr. Speaker.

In the interests of farmers and the rural communities, Mr. Speaker, all of the members here must take a tough stand on this vital issue. We must not yield to the CPR and the Federal Government. Manitoba farmers are being bombarded from all sides at this

time with increased costs, interest rates, lack of return on products, machinery costs, fuel and land costs. I think that is borne out if I refer to a CP story entitled: "Arden, Manitoba," where a Mr. N. E. Jensen, an agricultural engineering consultant, who has recently updated a 1977 study to reflect the Ottawa-Alberta Agreement said that "for every \$1 increase in the price of crude oil the cost of gasoline and diesel fuel goes up by 1 cent a litre or 3 cents a gallon; the cost of nitrogen fertilizer goes up 1.8 cents a kilogram; phosphate up .5 cents; and potash .4 cents. The cost of pesticides goes up between 7.5 cents and 15 cents a kilogram." He also said that "for every \$1 increase in a barrel of crude a farmer's cost of production goes up 50 cents for each finished hog, \$3.20 for each beef animal, \$10 for a dairy animal, 1.2 cents for each broiler chicken and .6 cents for a dozen eggs." That's what he said about costs. And he also said that by 1986, when crude prices for old oil have increased by \$39 a barrel, it will cost the farmer \$27.30 more to raise a hog, \$124.80 more for a beef animal, \$390 more for a dairy animal, 47 cents more for a chicken and 23 cents more for a dozen eggs. That's what it's going to cost and that's only on fuel alone.

As well he said that by 1986 it will cost farmers \$39 more an acre to grow grain on stubble and \$18 more on fallow, and that's only on fuel costs, Mr. Speaker. A farmer from Arden, Manitoba, Mr. Jim Deveson said that many small farmers already have made efforts, Mr. Speaker, to become more efficient and remain viable. They've acquired bigger equipment to get more work out of a litre of gasoline and applied more fertilizer and chemicals to produce more grain. But when you look at the price of this bigger equipment \$100,000 and up for a combine, Mr. Speaker, you get a little concerned about the economics and this is what Mr. Deveson said, even a section of land isn't going to be anywhere big enough to carry the cost of this high-priced machinery. He said actually it is not so much a matter of refusing to be risk-takers in the terms of farmers but that they'll be bankrupt and we'll be hearing more about that all the time.

MR. SPEAKER: Order please. The Member for Lakeside on a point of order.

MR. ENNS: Mr. Speaker, simply, I wonder if you could ask my unruly colleagues here to do some of their talking elsewhere I'm having difficulty in hearing the member.

MR. PLOHMAN: I would agree with the Honourable Member for Lakeside that his colleagues are being very unruly and it's very difficult to hear in here and to speak. You know, it is interest rates, then, Mr. Speaker, that the farmers are being bombarded with, lack of return on products, machinery costs and fuel costs, land costs and the opposition knows this. I believe that the opposition knows this, they talk all the time about the problems; every day they talk about milk and cheese and beef and hogs, problems that they say have come upon this province in the last five months because they did nothing to solve them over the last four years. Mr. Speaker, they ignored them or else they could not see them through their acute protracted restraint 19th Century doctrine. So they could

not see those problems, suddenly they are here.

But where do they stand on the Crow, Mr. Speaker. Despite the fact that the Member for Lakeside just stood up on the Crow, he didn't say anything on it. Are they going to keep their heads in the sand, Mr. Speaker, until the Saskatchewan Provincial Election is passed because the Conservative Party in Saskatchewan has joined the NDP there and come out that they are in favour of retaining the Crow rate. Is this group going to stand now against the Crow and be afraid to stand up against the Crow to show their true colour because they don't want to embarrass their counterparts in Saskatchewan is that what they're trying to do? Is that why they sit on their hands, this party that says they're the saviours of the farmers in Manitoba, they sit back on their hands now because they're afraid to embarrass the Saskatchewan Conservatives. I suppose maybe your true colours will come out, Mr. Speaker, after the Provincial Election in Saskatchewan.

I want to examine for a moment the Crow rate, Mr. Speaker, in terms of the history a little bit, the CPR and certainly what it did for farmers in the CPR over the years. The Member for Lakeside says that Mr. Uskiw's presentation was free of rhetoric. I know we cannot say the same for the Member for Lakeside in his statement but I hope he will bear with me when I discuss some of the history of this and, in his terms, it will probably be termed rhetoric but I certainly feel that those facts are necessary when talking about this issue, Mr. Speaker.

The CPR was formed in 1880 to build the trans-continental railway which it completed in 1885 and it completed it with the assistance of the Federal Government, in terms of \$25 million at that time, 25 million acres of land - not several million as the Member for Lakeside said a few minutes ago - 25 million acres of land, 12 million of which the mineral rights were retained by the CPR, tax concessions, monopoly privilege for a number of years, tariff duty exemptions on construction materials for the rail line and exemptions from all taxes on all stations, station grounds, workshops, yards, rolling and capital stock. Mr. Speaker, too often people talk only of the benefits that the farmers got from the Crow rate and they ignore what the railways got out of the deal. And those benefits I mention, Mr. Speaker, were only the original subsidies received by the CPR. That is not taking into consideration the billions of dollars in subsidies they have received since that time and there have been billions, Mr. Speaker.

After the completion of the railway it was apparent that the farmers could not afford to use the railway because of the high cost. Professor Adam Short is quoted from 1894 saying "so high are the freight rates on Canadian Pacific Railway that the old system of freighting with horses and wagon was revived in direct competition with the railroad" and this was in 1894 "and is reported to be a profitable enterprise." It was also observed at about the time that in order to promote settlement of the prairies it was necessary to devise some means whereby the Canadian grain producers growing grain in the heart of the Canadian country, could compete with their major competitors in the other parts of the world, countries that were much closer to the seaboard, or were subsidizing the

growers, the grain producers in their countries, Mr. Speaker.

So, there is two major reasons why the Crow rate was necessary initially. Manitoba farmers were largely the benefactors of the Crow Agreement because the original 289 shipping points included in the original Crowsnest Agreement were located in Manitoba, because Manitoba, of course, was settled before Saskatchewan and Alberta. So, most of the points were in Manitoba. So, we have a right now, I believe, for traditional reasons to be particular indignant about changes in the Crow.

When the Crowsnest Agreement was suspended in 1918 and then reaffirmed in 1922, it was applied by the railways only to eastbound grain through Thunder Bay from all existing shipping points and only to the original 289 shipping points on grain being shipped to the west coast. In 1925 the most significant turning point in the history of the so-called Crowsnest freight rates took place, Mr. Speaker, because at that time Parliament unilaterally imposed a national policy by statute or law against the term statutory rates was born, but at that time in 1925, only applied to east-bound goods. It wasn't until 1927 that the Crowsnest Law, as it now was, was extended to cover once again export grain going to the west coast as well as the east.

Now, 55 years later, Mr. Speaker, it is rather ironic that the Federal Government says that the Crow rate must be abolished for all grain both to the east, to the west, to the Port of Churchill in order that the railways will have more money to upgrade the facilities and the rail lines to the west coast only. It is ironic too, because the rail lines do not need to be upgraded to Thunder Bay at this time and 95 percent of Manitoba's grain is transported to the east through Thunder Bay. Therefore, it is immediately obvious, Mr. Speaker, to anyone, I believe, that the major federal argument and the argument of the CPR has no basis in fact, and it does not apply. If the Federal Government insists on abolishing the Crow rate, one of their main arguments is totally irrelevant for Manitoba particularly. The least that Manitoba could expect is that the statutory Crow rate to Thunder Bay should not even be considered, Mr. Speaker, on the basis of their arguments be considered for change. Using the Federal Government's own statement of variable rates taken in its broadest sense, that rates do not have to be the same for equal distance in various regions of western Canada, a principle that we on this side of the House do not accept, Mr. Speaker. But, using that argument of variable rates which they put forward and they're initiating, a principle that we do not accept as I said, and using the 1925 precedent which applied to Crow rates only to grain moving to the east, the way could be paved and the case could certainly be made for retention of the Crow rate to Thunder Bay, even if it is changed to the west. But, certainly the Federal Government could not oppose that change in principle.

The mere fact that this case can be made, Mr. Speaker, with their own arguments demonstrates the illogical way that the Federal Government is proceeding in this matter. I merely point that position out. I, as with all members here, I hope and I believe insist that the principle of equal rate for equal distance does, indeed, continue on grain travelling to the east; grain

travelling to the west and grain travelling north to the Port of Churchill in Manitoba, and that it continue to apply that statutory rate and that equal rate for equal distance at the existing statutory rates.

Let us look at the CPR, Mr. Speaker. The original CPR Company has grown to be Canada's largest corporate conglomerate; largest, CP Limited with internally generated investments and profits made from hotels, from airlines, mining, manufacturing and so on, of \$2.3 billion. Yet the CP Rail, the Canadian Pacific Railway Company, does not have access to these investments and to the profits from these investments. It has denied access to the millions of dollars of profits earned from investments from diversification that was allowed by the Federal Government and the people of Canada, in exchange for a statutory rate and a secure rail transportation system in Canada. That was a trade-off. But now the railways and the government want to change one half of the deal, the farmer's side of it. Why should Manitobans and Manitoba farmers be asked to subsidize to a greater degree, CP Limited, that giant conglomerate with all that money? In addition to the original subsidies the CPR has already been subsidized all through history; 8,000 and more hopper cars from the Federal government, the people of Canada and 600 million to 800 million in the form of branchline rehabilitation, as well, of course, as billions more in the form of direct subsidies to the CPR.

So, what should be happening now instead of raising the Crow rate? The Federal Government should be taking steps to enable the CPR to tap into those millions and billions of dollars of profits in CP Limited. That's what should be taking place now. But what does the Federal Government do, supported by Joe Clark and the Conservatives in Ottawa, what does he do? — (Interjection) — Yes, I'll tell you what he does — the same Joe Clark Conservatives . . . I should say that we were just hearing from the Member for Arthur last night and the Member for Lakeside saying that they were the saviours of the farmers, that they were the synonymous with the Crow rate and what is best for western Canada and with the farmers. But, where are they now? Where are the Federal Conservatives now? Why are they not making a noise about this to the Federal Government? Where are they right now? They are just laying silent with their heads in the sand just like the provincial Conservative Party here in Manitoba. You know what they're advocating? They want to dump the bill on Manitoba and western farmers and ask the farmers in the small rural communities to subsidize CP Rail. That's what they're doing.

But, why do the CPR and the Federal Government, Mr. Speaker, say that the Crow rate must go? Why? Because they say that they have to upgrade the rail lines to handle increased capacity, but the facts are they do not have to upgrade the railway to haul grain; they have to upgrade the railway to haul coal and sulphur and potash to the west. The export of these commodities will increase tremendously over the next number of years to 1990; as a matter of fact, 250 percent for coal alone. They are the major cause of the projected under-capacity of the rail lines, Mr. Speaker. Certainly, the rail lines must be upgraded, but the Federal Government should require that it be

done without a gun to their heads at this time. It should be done now and it should be done by allowing the CPR to tap into those huge corporate profits of CP Limited, or alternatively the government is to put in the money if a subsidy must be paid as it has been over the years by the people of Canada, then the people of Canada must receive some direct equity in the CPR. We must get something for our money out of it.

It is my contention that the Crow rate is as necessary now as it ever has been. One of the major reasons why it was first implemented, why it was necessary originally, was to assist farmers, Mr. Speaker, to be competitive with grain producers in other countries. Certainly that holds true now, more so now than ever before, when other major producing competitors of ours, other major producing countries like Argentina and Australia, provide subsidies to the grain producers and the USA subsidizes the Mississippi/Missouri water system.

In addition, the grain producing regions in these countries, Mr. Speaker, are much closer to water transportation which is much cheaper than rail. This gives Canada's major competitors a distinct competitive advantage in the sale of their grain. With the rising cost of fuel, as I said earlier, machinery costs, interest rates and relatively lower produce prices, it is a simple matter of dollars and cents, Mr. Speaker. Manitoba farmers can simply not afford to pay more for the transportation of their grain. That is the simple issue here. It's a simple matter of dollars and cents they cannot afford to pay anymore.

The Tyrchniewicz Study shows how farmers in the parkland region of Manitoba would be affected if the Crow rate were removed. The Tyrchniewicz Study shows that and I use that as an example, Mr. Speaker, the parkland area. The most relevant case study or scenario shows that at four times the present Crow rate, which would be about \$2,000 or more per average permit-holder in the parkland area, and with the 1985 rail configuration and production within 20 percent of the present level, that net losses for small parkland farmers — net losses under 240 acres — their net losses would increase by \$562,000, about 26 percent per farmer and I say net losses would increase because they are already in a negative position.

The medium-sized parkland farmers between 240 to 759 acres would lose \$1,606,000, Mr. Speaker, or their net income would decrease by 47.7 percent, almost 50 percent loss, cut, in their net income, Mr. Speaker. Larger farmers over 760 acres would lose 28.6 percent of their net income, of their profits. This would result in a net loss to the parkland area farmers of over \$6.5 million per year.

The Honourable Member for Morris apparently quoted in the Free Press just last week that the Tories would support an attempt by all parties involved, to come to the table to see if a compromise can be struck. Well, four times the Crow rate is already a compromise because if the Federal Government were to adhere to the Snively Report's recommendations of 25.4 percent profits for railways — and of course we have just heard that the Travacon Study recently commissioned, shows that they are overestimating, that the Snively Report overestimated the losses of the CPR by over \$200 million — but if they were to

adhere to the Snively Report's recommendations of 25.4 percent profits for railways, the rail transportation rates would be much higher, indeed 10 to 13 times the Crow rate. So four times the Crow rate is a compromise, Mr. Speaker.

I say that we cannot and the farmers of Manitoba cannot afford that kind of compromise, four times the Crow rate. So what kind of a compromise is the Honourable Member for Morris giving us? What is he proposing? Are they proposing to sacrifice the farmers of Manitoba in a compromise? How much do they want the farmers to shell out for increased rates? They don't say, Mr. Speaker, and yet he also said, "we will not be so stupid as to sell out our birthright."

Well, what birthright is he talking about? Is he calling the Crow rate a birthright? If he is, Mr. Speaker, then he's saying he's prepared to compromise his birthright and I'd like him to explain that. These kinds of ambiguous statements, Mr. Speaker, are all we're getting from the Opposition, from the official spokesman from the Conservative Party in Manitoba it seems, the Honourable Member for Morris. He isn't — (Interjection) — well he's the only one who made a quote, Mr. Speaker. That's what he said right in the Free Press.

I want to go back to the Tyrchniewicz Report, Mr. Speaker. In addition to the spin-off effects that would result in a net loss of 238 jobs in the parkland area, \$9.4 million in lost incomes and \$10.3 million in lost gross sales in the parkland area. That's at only four times the Crow rate. Mr. Speaker, the losses in the parkland area would be staggering according to the Tyrchniewicz Study, nothing short of disastrous and this is only at four times the Crow rate. This is only the parkland area of Manitoba, it is not the whole province, Mr. Speaker.

In addition, with the advent of variable rates which the railways and the Federal Government seem to want, Mr. Speaker, there would be further nightmares, nightmares for regions like mine and all areas of Manitoba. Branch lines would fall victim quickly; branch lines such as the Winnipegosis subdivision which has already been proposed for abandonment and that we are attempting to save. That would be a victim first, Mr. Speaker, as railways offered preferential rates at choice locations.

Small communities in Manitoba teetering now because of business failures and closures, high interest rates, lack of doctors and recreation facilities that we've seen in the last four years in Manitoba, Mr. Speaker, and the closing down of many family farms under the previous administration, the small rural communities that are teetering now would certainly go under. Their very existence which is already threatened, the very effect of these negative factors could be accumulated, that they would go under at this point, Mr. Speaker.

I don't believe the honourable members want that. I don't believe that they want that, Mr. Speaker. — (Interjection) — No, we don't want that over on this side of the House, I don't believe they want that, Mr. Speaker, so we must stand together and that's what I'm asking these people, we must stand together. That is our only choice. No variable rates and no increase in the Crow. We must stand together for strong revitalized rural areas in Manitoba, Mr. Speaker. That's what

we stand for. What do you stand for? There's rhetoric all over, Mr. Speaker, there's all kinds of rhetoric but no facts and they don't say where they stand. The Tyrchniewicz Study shows clearly that significant crop diversification will not take place if the Crow goes. Significant crop diversification will not take place because market conditions will determine the degree of diversification. Changes in the Crow rate, Mr. Speaker, will not improve the market situation for special crops.

Even though the Member for Pembina — well, I won't refer to that — advocated last night, Mr. Speaker, during the Department of Agriculture Estimates here, even though the Member for Pembina advocated increasing the Crow rate to improve crop diversification, production of special crops, that's a backward approach that they take. That's the kind of backward approach the Member for Pembina uses in this House. He said, Mr. Speaker, stick it to the farmers and that will force them to diversify, that's what he said. He said he was going to stick it to the farmers and make times tougher; then they'll diversify; then they'll grow these other crops. That was the extent of his logic last night, Mr. Speaker. We don't go for that on this side of the house; that logic doesn't go here. And, Mr. Speaker, there would not be significant crop diversification and not significant increase in livestock production, the Tyrchniewicz Study shows that.

Let us not fall for the Federal Government red herring that increased rates, Mr. Speaker, are indeed needed to improve the transportation system. How can they justify removing the Crow rate to Thunder Bay, when two-thirds of the entire western statutory grains move through the Thunder Bay ports, and 95 percent of Manitoba's grain flows that way?

There are more contradictions in the federal proposal, Mr. Speaker. On the one hand they say that in order to export grain it is necessary to upgrade the railways to improve the transportation system. They say to do this they need higher rates, full compensatory rates to do that. On the other hand they say higher transportation rates will keep the grain in Manitoba and thus lower the domestic cost and, of course, improve livestock production, and increase livestock production in this province. Which do they really want — increased exports or lower domestic prices? And as a matter of fact they may not have either. One study, the Harvey Report, recently suggests that the grain production will actually decrease in the western provinces and Manitoba. And neither of the objectives of greater exports or lower domestic prices will be realized to any degree.

They cannot have both, Mr. Speaker. Their arguments simply do not hold water. I don't buy it and none of the honourable members on that side of the house should buy it, Mr. Speaker. The Federal Government says that they will demand performance guarantees, that seems to be the crutch of the argument here, movement of grain and they need performance guarantees. The Federal Government says that they will demand performance guarantees in return for compensatory rates for the railways.

Let me quote from the Honourable Sam Uskiw in his letter on March 26, 1982, to the Honourable Jean-Luc Pepin, he said: "I must admit that I'm very skeptical about performance guarantees by the railway com-

panies, whether that relates to service, investment, rate adjustment or disclosure of costs and revenues. The Government of Canada has always had and has today, all the statutory instruments and administrative machinery required to demand performance in the railways."

What has been lacking is the political will; it is lacking not only by the Federal Liberals but by the big brothers in Ottawa, Joe Clark's Conservatives as well; the political will to exact that performance from the railroad; the record speaks for itself. The history for passenger services, branch lines, boxcars; the supreme indifference of the railway companies to the obligations placed upon them by Parliament to serve the needs of the Canadian communities is legendary. The plain fact is that with the approval of the Government of Canada both CP and CN Railways are operating with the aim to make profits. It is also a fact that time and again, the profit motive comes into conflict — that is the key — with the need for service, as seen by the communities. There is nothing wrong with profit, we're talking about the conflict that it causes. The experience from one end of the country to the other has been that such conflicts are resolved in favour of the profitability of the railways. By insisting that the railways receive adequate compensation for everything they do you make performance guarantees superfluous and hence meaningless. The railways will perform when it is profitable to do so and if the service is not profitable performance will slip. So, where then do we get our guarantees, Mr. Speaker, that the proposition talks about, that the grain will move if the Crow rate is abolished? "The verbal contracts that we get from the CPR, Mr. Speaker, are not worth the paper they're written on," in the words of the Honourable Member for Minnedosa.

Mr. Speaker, our farmers cannot afford a compromise in this issue. Any negotiating and compromise should be done by the railways. It should be done to force CP Limited to provide access for CP Rail to its credit rating and its \$2.3 billion in internally generated investments; it should be done to determine the equity position that people of Canada should take in the CPR for the billions of dollars of subsidies it has received over the years, for the billions of dollars more that it is asking in the years to come, an equity position. And failing that, I feel, Mr. Speaker, negotiations should take place to take over the CPR and place the responsibility for the rail transportation system under one rail authority in this country.

That is where negotiations should take place, Mr. Speaker, but not for the farmers, no. It should cost them not one penny more, Mr. Speaker. Let us not allow another bad deal for the west, let us stand up together here. All of you on the other side, Mr. Speaker, the honourable members on the other side, let them stand up. The Member for Swan River who is in the Parkland area and who is not speaking up for the farmers there who realize what it's going to do for them, and the Honourable Member for Roblin-Russell, Mr. Speaker. Where are they standing on this particular issue? They have said nothing on this issue. And all the members of the opposition — they can stand up on the metric question, Mr. Speaker, but they can't stand up on the Crow. And the Member for Lakeside he spoke today but he didn't say anything about the

Crow. He said, "We will caucus on that situation," a week ago. Well I say, Mr. Speaker, let them caucus all they want but the farmers they represent just as the farmers I represent, Mr. Speaker, are counting on us on this issue and we must stand up together, Mr. Speaker. We cannot accept the change in the Crow rates. Our rural communities cannot survive. The Crow rate must stay, Mr. Speaker.

MR. DEPUTY SPEAKER, Jerry T. Storie (Flin Flon): The Honourable Member for Morris.

MR. MANNES: As the Member for Lakeside submitted to a question I'm wondering if the Member for Dauphin would do also.

MR. PLOHMAN: Mr. Speaker, I assume that the Honourable Member for Morris will make his case when he speaks and I'd be happy to see him do it.

MR. DEPUTY SPEAKER: The Honourable Member for Roblin-Russell.

MR. McKENZIE: Mr. Speaker, I move, seconded by the Honourable Member for Minnedosa that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Would you call No. 16 now, please.

ADJOURNED DEBATE ON SECOND READING

BILL NO. 16 - AN ACT TO AMEND THE FATALITY INQUIRIES ACT

MR. DEPUTY SPEAKER: On the proposed Motion of the Honourable Attorney-General, Bill No. 16 - An Act to amend The Fatality Inquiries Act.

MR. DEPUTY SPEAKER: The Honourable Member for St. Norbert.

MR. G.W.J. (Gerry) MERCIER (St. Norbert): I have no objection as to this Bill proceeding to Committee.

QUESTION put, MOTION carried.

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: No. 17, please.

BILL NO. 17 - THE PROCEEDS OF CONTRACTS DISBURSEMENT ACT, 1981

MR. DEPUTY SPEAKER: No. 17 on the proposed motion of the Honourable Minister of Government Services, Bill No. 17 - The Proceeds of Contracts Disbursement Act, standing in the name of the Honourable Member for Virden.

MR. HARRY GRAHAM: Thank you, Mr. Deputy Speaker. One of the basic rules of debate on Second Reading of bills, Mr. Speaker, is it gives you the opportunity to talk about the philosophy and the purpose of the bill without referring to the particular sections in that bill. In this particular bill I have to question why the Minister would want to bring into the Legislature a bill of this nature? I really don't know why the Legislature is dealing with a bill of this type. Apparently there is some money that the province has not paid to the contractor for work that has been done for the province, and I would suggest to the Honourable Minister that money should be paid.

If there are outstanding claims against it that is a problem for the courts. The Legislature, in my opinion, Mr. Speaker, is a court of last resort, not the court of first resort. I would suggest to the Honourable Minister that the affairs that he is dealing with in this bill should probably be handled in a court rather than in this Legislature. It causes me some concern, Mr. Speaker, because if we start to establish a precedent, and I realize that it has been done on two or three occasions in the last hundred years, we have at odd times brought in bills of this type. But I suggest that by doing it this way there is probably going to be a greater tendency on the part of people involved to say, well, if we have any trouble we'll just submit a bill to the Legislature, and we will end up very shortly doing the work of a court if this continues. So, I am somewhat concerned about why this problem has been brought to the Legislature to be solved. I think there are other avenues where it could be solved and probably solved in a better manner than by members of the Legislature passing a bill of this nature.

I know that when we are finished debate it will go to Committee and then we can ask more detailed questions of the Minister, and when he replies he is closing Debate. So I just pose these as questions to the Minister. He obviously must have some pretty valid reasons which, so far, he has not given us in his opening statement. In reading his statement, he did not indicate that there was any dire emergency that the courts couldn't solve in this thing. In fact, I think maybe he said the opposite; he said that the amounts involved were rather small, in one case it was less than \$2,000, and he thought that possibly all that money would be eaten up in lawyers fees. Well, Mr. Speaker, I don't think that should be a concern of the government. The primary concern of the government is to pay the money that they have held back and it's a debt they owe; they should pay it. If it's a holdback on a contract and they don't know who to pay it to, then pay it into court and let that decision be made there. Here we are taking from the court a decision-making power which I believe, belongs to the court and we are attempting to solve that problem in the House. I suggest to you that should not be the role of this Legislature. So when the Minister is closing debate, or when this goes to Committee, there may be further consideration given to the suggestions I am making at this time.

I thank the House for the opportunity of these few minutes.

MR. DEPUTY SPEAKER: The Honourable Minister of Government Services.

MR. USKIW: Mr. Speaker, I appreciate the questions that have been posed by the Member for Virden, however, I would like to advise him that the procedures that are now in motion through this bill are procedures as a result of the recommendation from the Attorney-General's Department as to the methodology of disbursements of holdback funds. In essence, what the bill does is puts the funds into the hands of a Trustee and the Trustee will then make a decision with respect to the distribution of those funds after a period of time where claimants have had an opportunity to make their claims against those funds.

There is still an opening for anyone to challenge that decision or the decision and distribution of those funds to the courts. So the courts are still going to be involved if it is the course chosen by any of the claimants, but the methodology here is pursuant to a recommendation of the Attorney-General's Department, Mr. Speaker.

QUESTION put, MOTION carried.

MR. DEPUTY SPEAKER: The Minister of Health.

MR. DESJARDINS: Mr. Speaker, I'd like to move, seconded by the Minister of Agriculture that 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 Flin Flon in the Chair for the Department of Agriculture and the Honourable Member for The Pas in the Chair for the Department of Co-operative Development

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - ECONOMIC DEVELOPMENT AND TOURISM

MR. CHAIRMAN, Harry Harapiak (The Pas): We'll call the Committee to order. We're on Economic Development and Tourism, Page 40, 1(b), Executive. The Honourable Minister.

HON. MURIEL SMITH (Osborne): Thank you, Mr. Chairperson. It's indeed a privilege to be here to present the Estimates of the Department of Economic Development and Tourism to this Committee of the Thirty-Second Legislature. I would remind the honourable members, Mr. Chairperson, that this is my first Session sitting as a member of the Legislative Assembly and I would hope that any errors of procedure or privilege would be credited to this fact, rather than deemed a discourtesy on the part of the government.

There's a consensus that the present state of the economy is poor in Manitoba as well as generally throughout the industrialized world. I suspect, Mr. Chairperson, that this consensus now includes even the honourable members opposite. I would have liked my presentation of the Estimates to reflect fully my department's response to this now acknowledged deterioration of the economy; however, the time between the formation of the present government and

the presentation of Estimates has been too short to allow a comprehensive review and assessment of existing programs and the re-direction of resources, staff and funds to the new initiatives planned. Neither was there time to assess the total effort to be directed at the government's Economic Development objectives or to identify existing resources throughout the government and determine what additional resources, if any, might be required. As a result, Mr. Chairperson, the Estimates before us are Estimates that have been tailored for a process of transition within the Department of Economic Development and Tourism. That transition is underway. We're in the process of making the transition from one approach to economic policy, an approach which, incidentally, is being increasingly discredited, to an alternative approach to economic policy; a new, energetic and activist approach; an approach far more in tune with our times and our present economic problems.

I want to make it quite clear that such a transition cannot be made overnight, not if it is to be accomplished in a responsible and humane manner. We are not working magic. Neither are we putting on a flashy public relations show with great flare but no substance. We are undertaking the serious task of re-organizing and re-directing the resources of government in line with a new set of Economic Development initiatives, and this process will take some time. The process has begun. The requisite reviews are in progress in consultation with numerous public and community groups. The process will continue during this Session and it will lead up to the 1983-84 Estimates preparation in the fall of '82. We are well underway but we will not be able to undo the damage done to government's planning capacity over the past four years within four months. We must evaluate our present capacity, redirect where appropriate, build up capacity where necessary and lay a sound foundation for a new economic policy in this province.

What I propose to do in this review, Mr. Chairperson, is to begin by bringing the Committee up to date on the organization and policy changes that have been made to date and then open this review for questions from members.

The department has an expanded responsibility to lead government initiatives in Economic Development. This responsibility goes beyond the previous restrictions to industrial small business and tourism development. In this lead role the department will be responsible for identifying opportunities across the broad spectrum of the economy to ensure that none are lost because of gaps in departmental jurisdictions or because a comprehension process for screening all potential opportunities available to the province is not in place.

Accordingly, several changes in responsibility and emphasis are being implemented. Responsibility for Strategic Planning and Economic Development will be assumed by an Assistant Deputy Minister. This function will develop planning systems, along with rigorous evaluation techniques and practises, to be followed by all line divisions within the department. In addition, the new function will search out and identify all opportunities available to the province for economic development and propose an appropriate strategy mix for public and private participation.

The Economic Research and Analysis Branch, formerly Economic and Operations Research, will assume broader research responsibilities to support the activity just described and to provide the valid data and assumptions needed for decision processes.

The Manitoba Bureau of Statistics will expand the Manitoba Business Assessing project to include Industrial Services. In addition, the Bureau will initiate work on developing a set of Manitoba economic accounts to provide more timely and accurate provincial data on production income, spending by sector and for co-ordination within the Department of Finance on policy simulation impacts.

The responsibility for Trade Development will be combined with Industrial Development. This branch will now concentrate Trade Development activities on the market of some 80 million people living within 1,000 miles of Winnipeg.

The Regional Benefits Branch, formerly the Industrial Benefits Branch, has been charged with ensuring that all activity, not just major capital projects, will lead to the highest Manitoba content and participation. In addition, a new government procurement policy will be proposed by this branch to ensure that purchases by government services and agencies are used as instruments for both economic and social development consistent with good purchasing practises.

In the Small Business Development Division, consulting services offered to small business will be upgraded and advanced in keeping with the tougher economic climate and new developments in sound business practises. There will also be increased emphasis on cash management and on seeking out trading opportunities.

Consulting services will include formal analyses and documentation. Systematic follow-up procedures will be instituted for review to assist with implementation and to confirm the effectiveness and success of the actions being taken.

In addition, Mr. Chairperson, I want to emphasize that we regard the location and distribution of economic development within the province as critical. This is an important part of our government's objective, that the benefits and costs of economic development be fairly shared by all Manitobans. Consistent with that goal we feel that support for economic development initiatives must be widely spread; must involve as many people as possible; must be community based; must come from the bottom and work its way up. To that end, additional support for the Regional Development Corporations was announced in the Throne Speech. There will also be a study of the role of the RDC's, the first I am advised since 1973, which will lead to recommendations on their future development and support requirements. This will be part of an ongoing commitment to public outreach and consultation on economic development matters to which this government is dedicated.

Travel Manitoba has also completed a comprehensive planning training exercise and has developed a 1982-83 operating strategic plan designed for match-up with Destination Manitoba, the Federal-Provincial Tourist Development Sub-Agreement said that the Capital assistance provided for in these programs can go forward.

Turning now to a review of policy initiatives since the Legislative Assembly last met, Mr. Chairperson, the most widely-known initiative is no doubt the Small Business Interest Rate Relief Program. While this program is not large, Mr. Chairperson, and might in fact require additional resources, an additional value, which may be overlooked, is the value of the review itself by the principle, the lenders and the department consultants. I am optimistic that the program itself and this consultative process will prove effective in reducing the incidence of failure whether closure or bankruptcy.

One other initiative, we will proceed with the second part of a two-part Industry Development Fund recommended by the horse-racing industry. This will channel an additional 5 percent of exotic wagers to the industry for improvement.

The last phase of a three-year grant to the Faculty of Engineering will be made. This support will be provided for the Faculty through the Manitoba Research Council to strengthen it in the areas of industrial and computer engineering and also microelectronics. Again, through the Manitoba Research Council, we will authorize new initiatives in the applications of biotechnology and computer-assisted design and manufacturing. The technology services offered by the Industrial Technology Centre will be more sharply defined and focused for improved match between the services offered, the needs of clients and avoidance of services that just duplicate those already available from private consultants. A cost-recovery schedule has been developed which will ensure that government funding requested is consistent with the ability to satisfy clients and reduce the need for public support. The services offered by the enterprise development centres will also be audited by an outside consultant to identify strength and effectiveness. The report will help federal and provincial governments to reach informed conclusions as to what directions to take under a new or extended agreement or separately when present agreements expire.

I've outlined already some programs this government will be continuing and as well some specific initiatives that have been taken. But I also indicated, Mr. Chairperson, that both our review of the programs of various departments and the formulation of our policies is far from complete. Nevertheless, I do want to report on the broad outlines that our policies will take. A major change in the context of which provincial economic policy will be implemented is federal-provincial relations. In this area, I can say that we recognize there are economic and political strains being generated in Confederation. This is not new and we see the ongoing definition and resolution of such strains to be the substance of federal-provincial relations. We are not interested in administrative competition or in setting up win/lose situations, rather, we want to see responsibilities so allocated as to maximize the effectiveness of the programs, both the development and delivery for Manitobans. Then, of course, fiscal resources commensurate with these responsibilities must be similarly allocated.

While, of course, different Ministers hold different views on what the appropriate allocation is, the important point is that this is negotiable in the context of the principles of confederation and is, in fact, not a threat

to confederation, but an exercise in what confederation is all about. I am convinced that technology will be an increasingly important element in economic development and I have already outlined some measures that will be continued and strengthened and some new initiatives that have been approved.

More broadly, the government will seek a more significant and active role for the Manitoba Research Council. It will be charged with reviewing broadly what is happening in science and in the dissemination and application of science here and elsewhere. It will examine the role of the post-secondary institutions, the different levels of government and the private sector for recommendations as to how science can and should be adapted to serve Manitobans and the Manitoba economy.

Capital formation is another critical element in Economic Development, Mr. Chairperson. It determines the kinds of livelihood we will have, where in the province and the level of technology that will be applied. Capital formation cannot be left to the wash of market forces or the whim of large corporations. The government intends to participate significantly in capital formation. Limited fiscal resources means that subtle incentives cannot be relied on exclusively, Mr. Chairperson. Rather, we intend to participate directly by means of Crown corporations, joint ventures and encouragement to the private sector in a conscious strategy for growth under a mixed economy. I want to assure this Committee, Mr. Chairperson, that it is intended that the public ventures will be run as successful businesses, either by a Crown appointed management in the case of Crown corporations, or by private management in the other cases. Accountable enterprise is our objective and acceptance of responsibility for both economic and social performance.

Now, answers to questions, Mr. Chairperson.

MR. CHAIRMAN: Member for Minnedosa.

MR. BLAKE: Mr. Chairman, a point of order. To start off with there's a large number of staff. I wonder if the Minister might introduce the staff to us so that we might know what departments they represent.

MRS. SMITH: I would defer to my deputy to do that, honourable member.

MR. CHAIRMAN: Committee approves. (Agreed)
Deputy Minister introduce them then.

MR. DEPUTY MINISTER, R. S. Thompson: Seated behind me, Bob McFee from Finance Administration; Wally Mialkowski, Director, Finance Administration; Bill Cruse, Director, Economic Research and Analysis; Wilf Falk, Director, Manitoba Bureau of Statistics. Further along: Ian Blicq, Assistant Deputy Minister, Strategic Planning. And at the back we'll start with George Hayes, Assistant Deputy Minister, Industry and Trade Development; Dave Sprange, Director, Regional Benefits; Bob Yuel, Assistant Deputy Minister, Travel Manitoba. Across the aisle: Bill Barbaza, Director, Development for Travel Manitoba; Tom Gilmore, the new Director, Interest Rate Relief Board Branch; Les Tough, General Director, Small Enterprise Development; Hugh Eliasson, Director, Inter-

Agency Negotiations, Liason; Ted Dupley, Director, Rural Incentive Program under Enterprise Manitoba. Across the aisle: Brendan Carruthers, Travel Manitoba; Bob Bridge, Director of Marketing, Travel Manitoba; Neil Nixon, Senior Planner for Travel Manitoba and Development; Neill Allison, senior analyst in the Strategic Planning Branch; Bruce Docking, Director of Small Business Development.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. I thank the Minister for a very good outline of the department. I must say that the areas that are new within the department that the Minister has mentioned, such as the Strategic Planning Branch, was well on its way to being established and I compliment the Minister for putting that forward. The Strategic Planning Branch is one that can be of tremendous amount use to the department and to the government if the proper analysis is done as to the industries that would suit Manitoba geographically and would suit Manitoba's best needs, as far as employment is concerned, and also be able to identify businesses that may think that Manitoba is the best place to be, but is not. That certainly is not something that we like to admit but Manitoba is not the most suitable place for some industries to locate. The Strategic Planning Department will be exceptionally in this respect.

I noticed that the given breakdown of the department in the Estimates is slightly different from last year although the funding, in total, is a little less when you take out the grants to the Manitoba Horse Racing Commission. I would say now that I will be asking for, and possibly because of the change, if the Minister could supply us with a structure of the department as it now stands.

The Minister has come forward and said that there are going to be energetic and activist approach to economic development in the province and said it can't happen overnight. It will be some time before these policies are in place and they will be built on a sound foundation. I would also mention that the Minister has made reference to Crown Corporations and that indicates to me that there are going to be more Crown Corporations than we had presented to us in the Throne Speech Debate. If the government's intention is to go into the manufacturing industry or go into being the employer in the Province of Manitoba in a large way, I would suggest that we are taking a very drastic step backwards as far as the building of the economy of the Province of Manitoba is concerned. It has never proven successful in this province; it hasn't proven successful in other provinces to any great extent; and it has not been as good as working with established people in the marketplace. I notice the Minister has mentioned joint ventures. Joint ventures can be good if they are with people who understand very thoroughly the industries that you are going to go into joint venture with and understand the markets. The government does not have — and I repeat — does not have the expertise to operate these businesses, and they do not have the experience behind them that is required to be into the marketplace in this day and age. The competition at the present time is such that

you need experienced people, and you need to work with experienced companies.

The Minister has said — and again I repeat — new policies, energetic activist approach. I think that there's certainly a necessity for the Minister to explain to this Committee and to the people of Manitoba just what these approaches are going to be; what these policies are going to be; how they are going to be put in effect. And to say it's only four months is not good enough, because obviously there has been some work done in the last four months deciding the direction and policies that the government is going to take. The remarks that we have heard regarding the capital which would be put in place or used to encourage industry to come to Manitoba, would only be on the basis that the company would go where the province thinks they should go and that's a very desirable thing, but it just won't happen. It will happen if the government decides to put most of the money in; it will happen if the government has the control over the business. But it won't happen when you're dealing with industries who will take their time and use their research, which in many cases is more extensive than the government has available to them; they will say, "If we have to go to that particular place in the province we will not participate."

I can assure you that there are other provinces very willing, waiting and eager, Mr. Chairman, to entice businesses to come to them. We're in a competitive market today. All around you within Canada and United States we have countries competing with countries, states competing with states, provinces competing with provinces and if the Minister has had the time to go through the files and take out the information that is available to her, and read the amount of incentives that are being placed by other provinces before the manufacturing industry today, she will find that you are in an extremely, as I said, competitive market.

The neighbours to the west of us, I know, have given low interest loans or offers for low interest loans and do not specify, they may start out to but don't end up insisting that the business or the company will locate where the government says they will locate. So, the formation of the capital that the government is going to put in according to the Minister will only be put in on the basis of, you might say, the decision of the government of what the company is supposed to do, will not work in this competitive area we're in today. When the Minister speaks of the economy the way it is, that is even more of a reason why companies will not go some place where it's not going to be profitable for them to go. That has been proven, Mr. Chairman; it's been proven with DREE in many cases, when DREE has only put forward funds on the basis of regional development or on the basis of saying where the company has to go. We have had many disastrous effects and bankruptcies or businesses that just had to fold up because of that. We see in Ontario today that is happening in many cases where DREE, or the Ontario Government, has enticed companies to build in areas where it just wasn't plain economically a good place for that company to go.

So, that particular type of a policy which is close to being dictatorial will not encourage companies to come knocking at Manitoba's door. They will go and knock on the doors and work with the provinces that

will work more closely with them from the point of view of what is the best place to be for return on investment. The Minister doesn't seem to realize that is the reason for companies being in business and its return on investment and if it's not there they are not going to invest.

Mr. Chairman, the Federal Government relations that the Minister speaks of, I sincerely hope that it continues as well as it has in the Province of Manitoba. We have had tremendously good relationships with DREE; we've had tremendously good relationships with the Department of Industry and Commerce of the Federal Government in the Province of Manitoba, but during the latter part of last year, or nearly all of 1981, the Federal Government was flexing its muscles and really in many cases were saying that we really don't have to deal too much with the provincial government, we have staff here ourselves and we are going to show the people of Manitoba that it's the Federal Government that's doing all the work, not the Provincial Government. The Federal Government was also saying that we are going to get credit for what we do. I note with the news releases that come out from the Province of Manitoba now, we have another new form of news release, whenever it's a federal-provincial development it must be put out on a different type of news release than is used by the provincial government. I guess that's not too serious, while I think it's rather petty of the Federal Government. I don't really think that it should really matter who gets the credit, let's put it that way, it doesn't matter who gets the credit as long as the people of Manitoba benefit.

I personally had stood on platforms and complimented the Federal government for their efforts and I complimented them for the efforts and the money they allotted to Manitoba as far as DREE was concerned. People have to realize that the criticisms that were sometimes cast upon us, that it was DREE that was doing all the work, I can assure you that the staff of the Department of Economic Development had done 90 percent of the work because, to make a DREE application, you must say that you want to come to Manitoba, you must name the street and you must prove to them that this is a good place to be. The staff of the department did that very efficiently and so 90 percent of the work of convincing people that Manitoba was a good place to invest wasn't done by the Federal Government although because they put the money in they wanted all the credit. They were working towards, as I mentioned, their own staff doing these jobs and in many cases starting to ignore the staff of the provincial government. If that type of direction by the Federal Government continues, I can assure you that it will not help the Province of Manitoba because people who come to locate within your province want to deal with the provincial people. So, I would say to the Minister that she should impress on the Federal Government that the Province of Manitoba should be deeply involved in all of their ventures that are taking place within this province.

Mr. Chairman, I would like to repeat that I think that the Minister and the government has the obligation to tell us just what these policies are; what type of businesses that you are going to go into. You have mentioned the Biotech, that's in research, but you have

mentioned computer. If the government's intention is to go into these businesses, I think that the people of Manitoba should know that the provincial government is going to go into business as an ownership. I can say, Mr. Chairman, that there is not an awful lot wrong with a government analyzing very thoroughly every application that they have come before them from industries wanting some type of incentive. The analysis has to be for the benefit of the people of Manitoba. The analysis, on the other side of the fence, has to be in many cases saving businesses for the Province of Manitoba. I'm not one here to say, and I must say that I think the Minister was absolutely right in following up my decision not to go into the seed zucchini, the decision had been made and the Minister chose to take another few days to look at it and the same decision was arrived.

We don't bail out businesses that haven't got any future but we do analyze businesses such as Superior Bus which, if the government had not stepped in and given some assistance to the tune of \$150,000, with the assistance that was received from DREE, the Town of Morris, Manitoba would have lost 150 jobs and an industry. The decision to step in to save those jobs was only on the basis that the company would be expanding and creating more jobs in the future for the Province of Manitoba. Under those circumstances I think that is definitely the government's role to assist to do that, to save jobs. The Alcan Plant was another one and I certainly hope the decision that Alcan made to come to the Province of Manitoba will be upheld by them and I would say that if it's not there'll be a loss of about 125 jobs in the City of Winnipeg which would be completely unnecessary from the point of view that they intended to turn that plant into an international printing plant capable of competing on the market all over the world and expanding it to the point where it would create even more jobs within the province. Those areas are where the government should be when those things happen.

The other areas are where we believe, sincerely, that a company is going to create jobs, new technologies and long-term future for the people of the Province of Manitoba. The instance that I speak of is Northern Electric where we worked with that company very sincerely to have them come to Manitoba on the basis that they would increase their employment from 250 to 720 jobs. Those type of things, the government can be involved in from the point of view of training and looking at costs that the company would have by going somewhere else. On many occasions the company will go someplace else and they will tell you they will go somewhere else if there is not some participation by Federal and Provincial Government. Under those circumstances if it's analyzed by a Strategic Planning branch that this is good for Manitoba, I think the government should participate.

There was discussion towards the end of last year that there should be a fund of money set up that could be used for this purpose if the Minister and the Lieutenant Governor in Council, after having analyzed all aspects, could use if they thought it would be for the benefit of the people of Manitoba. I see nothing wrong with that, Mr. Chairman, I can assure you that other provinces are doing it. All you had to last October was

fly on Air Canada or PWA and look at the ads from SEDCO in Saskatchewan, the Saskatchewan Economic Development Corporation. And if you read the initiatives that they have put before or used within the province, you'll find that it's kind of ironic that the Saskatchewan Government has been the major source of loans, loan guarantees, equity financing for business in the province since 1963. And its business is booming according to the recent SEDCO experts, to finance approximately \$75-million worth of developments this year versus 28 million next year.

So, there is no question that the other provinces are doing it and I've mentioned that, I believe sincerely that there should be some approval somewhere that this Minister, after all of the analyses, should be able to go to the Lieutenant Governor in Council and not have to say to them, "I need this money." She should be able to say to them, "I need some of the money that is appropriated to me." That appropriation should be there.

So, Mr. Chairman, I would just end up by saying that I really believe that the Minister has to explain to us the absolute and firm decision that the government is going and the Minister has said there is firm decision for the government to go into business. We should know what businesses they are and what strides have been taken to do so.

Mr. Chairman, I would ask now and I don't need it now, but when we get to the area of the Canada-Manitoba Industrial Development Sub-Agreement - Enterprise Manitoba, and when we come to Travel-Manitoba which is another agreement, as the Minister knows there are six sections to the Enterprise Manitoba Agreement and there is approximately six again, five, which are outlined in the agreement as different types of programs which funding is allotted to each program; I would ask if the Minister could supply us before we get to that section, the rundown of what each section of the program will have allotted to them in this coming fiscal year.

MRS. SMITH: Yes, Mr. Chairperson, I want to express my appreciation to the Honourable Member for Sturgeon Creek for the very thoughtful response that he has given my opening statements. I appreciated the careful way he went through the separate points that were made and I want to express at this time, not only my appreciation for his attitude and manner, but to express my hope that this will be the tenor of our discussions, because I fervently believe when we all put our different perspectives together we're most likely to come out with a better solution for the people of Manitoba. I could go through the points that you have raised at this time. My personal preference would be to deal with them as we come up with them at the appropriate time, line by line, but I am willing to proceed in whatever way the Committee wishes.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Chairman, the Minister referred in her opening remarks to a new initiatives plan and to a new activist economic policy and the fact that she has the responsibility to lead government initiatives. Mr. Chairman, I would like the Minister, if she would please, to expand

on those remarks and to give us some greater detail of the new initiatives plan and the activist economic policy.

MRS. SMITH: Mr. Chairperson, I said that we would analyze carefully what opportunities there were and look at the pros and cons of dealing with them in a Crown corporation method, a joint venture, or indirect encouragement to private-sector activity. The reason that we call our approach a more activist and positive approach is that we very much believe it's the joint impact of public and private investment that's going to produce the best results in Manitoba. You may feel that your own record in that regard was not perhaps so different than what you see proposed by us. I suspect that's because the realities of today's economy are such that it's very difficult to escape from the need of a joint public and private investment route, and although the ideological approach of your own party was such that private investment was somehow more productive and public investment was more inclined to be wasteful or put in on soft types of projects, not creating real jobs or real benefit.

I think, in any event, that you yourselves followed a fairly mixed strategy. I think what will characterize our difference is a greater willingness to go in with public investment, but not just to wave the public-investment flag. We will only do it if, after analysis, we feel that more benefits will accrue to the people of Manitoba by doing that. Our priorities in the short run are clearly to follow through with our election promises and they were a mixture of emergency economic programs, which we've gone through in some detail in the House, and the beginnings of a basic strategy. We've chosen to emphasize at least in the early years of this term, the energy and primary resource field for major investment. We do not anticipate a high level of public investment in the secondary sector. We do have federal-provincial programs in place which make available to us certain funds from the Federal Government and earmarked funds from the province, and we will be allocating those in the best way we can. At the same time we'll be building up the capacity to identify opportunities where we think public investment would make sense in the future.

To be quite frank, if we don't find opportunities that stand up to our kind of analysis, we won't do it. We're not committed to doing it just for the sake of having a record of private corporations. So, I don't know whether this will set your fears to rest but I can assure you that it's the careful analysis looking at social and economic factors; looking at the benefit that will stay in the province. So often when your party looks at private investment coming in they look at the jobs created, the taxes generated, the goods produced and these are, of course, gains. They don't always take into the equation the amount of infrastructure at public expense that is provided, the direct infrastructure, the education and health care provided for the employees. They don't take into account usually the profits that leave the province and, while we believe in a fair profit for capital invested and for work done, we don't believe in undue profit. So, what we want to look at is whether it makes more sense to try and attract an outside company in to do something, if they are interested and we can attract them, or whether it makes

sense to offer a partnership deal or to set up our own.

We don't believe in the dearth of talented people with expertise and experience who would be willing to work for a Crown Corporation. We believe that the kind of people who have management skills, who have financial skills, who have production technological skills, are people who are trained, both through job experience and through formal education, and that they look for jobs where they can get a chance to do something with their expertise and where they get good working conditions and we think that public corporations are quite as capable of offering that kind of opportunity as private corporations.

We also think that public corporations would have more permanent attachment to the economy of Manitoba; they wouldn't tend to have what we call a foot-loose character. If the world economy or conditions, say, in other branch plants of a large corporation, change Manitoba would always be subject to those plants leaving and we would have no control over it. So, although we recognize there has to be some of that type of development in the province, we would like to increase the mix, loading it somewhat more towards the public ventures where we have more control residing here in Manitoba. So it will be on those twin benefits that we will be hinging many of our decisions. Is there more long-term control residing with the people of Manitoba and can it be clearly demonstrated that more benefits can be retained here in Manitoba?

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Just a quick question, then we're going to adjourn it. Could the Minister expand on her vision of what fair profit is?

MR. CHAIRMAN: As long as it's short because we've got about two minutes.

MR. MERCIER: The question is short but I don't know how long the answer will be.

MRS. SMITH: I think that it's industry, Mr. Chairperson, honourable member. I think the answer is specific to an industry and we would look at the pattern, the pattern of re-investment, the kind of value added, the skills required and so on. I guess that we would be looking enough to survive inflation and give some plowback. If it's an industry that's growing rapidly, particularly if it's an industry willing to invest back into the Province of Manitoba, and we could get general agreement, I think if you want to talk in long-term invasion I would hope a time would come where the employees and the employers and the owners can sit down, the operators, and agree on how much should get plowed back in for the good of the industry and investment, how much should be taken out in fair profit and how much should be put into wages. I know it's not a specific answer but I think it's only fair to say that it would have to be based on the particular industry.

MR. CHAIRMAN: When the House adjourned it was agreed that both sections of Committee and Supply would rise at 5 o'clock, so Committee rise.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): This committee will come to order. Continuing with the Agricultural Estimates. I would direct the honourable members attention to Page 12, Item No. 7, Agricultural Land and Water Development Division, specifically, No. 7.(d)(1) Salaries.

The Honourable Minister.

HON. BILL URUSKI (Interlake): Mr. Chairman, indeed I feel a bit sorry that I wasn't in the House this afternoon for question period as I was speaking to the Annual Meeting of the Manitoba Hog Producers' Marketing Board and, as I understand, the Leader of the Opposition made or took some umbrance to remarks that I supposedly made last evening, Mr. Chairman, something to do with supporting the Soviet tenureship of land and the like.

Mr. Chairman, I want to tell you, it was the Leader of the Opposition in his speech who raised that whole spectre. None of the members on this side, not myself, who raised the spectre of Soviet ownership. He, I gather, and I wasn't here, now honourable members will correct me, tried to ask my Premier whether our policy was to follow the Soviet policy, whether we were opposed to private land ownership in the Province of Manitoba. Mr. Chairman, I went to the Speaker and the Speaker said that he would have remarks. I went and the Speaker provided me with a copy of the remarks that I made last night, Mr. Chairman, after the Leader of the Opposition spoke. The members will be able to have copies, I'm sure they can go to the Speaker's office and receive the same as I did, Mr. Chairman.

Mr. Chairman, in my remarks, when I spoke about ownership of land and land being rented in the Province of Manitoba, I told the honourable members that I had statistics going back to the year 1977 and that approximately 30 percent of the agricultural farm lands in Manitoba were rented and that no matter what we were about or what we were going to do, rental of farm land is a fact of life and is ever-increasing. Mr. Chairman, I indicated in my speech and I want to quote, I said, "No matter how much and how desirable it may be that the agricultural land be spread amongst as many people as possible, in terms of individual owner-operators," which I would think is the most desirable form, Mr. Chairman, but let's face it the fact of the matter is that the majority of farmland, or at least one-third of farmland in Manitoba, and I have the 1977 statistics, but I'm sure it has moved a long way in the past four years, that farm land in Manitoba, and it's becoming more and more of a practice, not out of necessity, because only those with great wealth are able to own farmland in the Province of Manitoba.

Mr. Chairman, obviously the Leader of the Opposition was miffed. He made a 40-minute speech last night dealing with land ownership in the Province of Manitoba and I gather the media didn't give him the coverage that he wanted so he wanted to put in a big scare to the farmers of Manitoba to say, look, I didn't get the darn coverage, now I have to create some kind of kafuffle. I have to create a smokescreen and make some kind of accusation so that I can at least get some

media coverage. Very fine tactic, Mr. Chairman, but the fact of the matter is, it is hogwash and the hog producers of Manitoba — if I'd have known I'd have told him about it, Mr. Chairman. In fact, I spoke and I want to quote a bit further, I said, "the very system that the Leader of the Opposition speaks about, that he is so opposed to, Mr. Chairman, we will eventually come about and what happened in the Soviet Union," I said, "we are slowly coming about to that." Mr. Chairman, I indicated that I said — (Interjection) — I didn't say it was good, I said that fewer . . . Well, Mr. Chairman, let's go on. We are moving a full circle. Their hangup — we have great freedom for those who have a lot of money in their pockets; those who have all the freedom in the world to buy up all the land that they want. That's the kind of freedom that the Leader of the Opposition speaks of, Mr. Chairman. I used those words and I said the farmers of Manitoba are moving gradually into a rental situation. They are, in fact, whether it's private or public, Mr. Chairman, it's still a rental situation, not by design, not by desire, but because of the system we are in. Isn't that a fact of life?

Mr. Chairman, the statistics show that almost one out of every two farmers leases land, rents land in the Province of Manitoba today. A third, more than a third, 33 percent, and that's moved from the 30 percent that we had in '77, of the agricultural land in Manitoba is rented, Mr. Chairman. No matter how desirable it might be here are the facts. But, Mr. Chairman, the Leader of the Opposition didn't want to be confused by the facts. He wanted to create a smokescreen, Mr. Chairman, or at least attempt to create an aura of fear that somehow this government was now going about and going to be involved and take over all the farmland of Manitoba. We're back into the 1977 debate and I guess, Mr. Chairman, we'll be at it, and I said that again, I guess we're back to the misrepresentations that we had in '77 and I guess they will continue from the Leader of the Opposition and members on his side.

But, Mr. Chairman, that Leader will not last very long. Members on his side will certainly treat him with the kindness that they have treated other Conservative Leaders in this Legislature and in national politics. They know how to handle their Leaders quite well, Mr. Chairman; they know very well how to handle the leadership of their party. Mr. Chairman, so the smokescreen and the act of desperation on behalf of the Leader of the Opposition today was certainly that, an act of desperation, and it's because I guess he thought he made a major speech in terms of land ownership and land policy very well. He did, but I guess somehow he didn't get the coverage that he wanted so he had to scuttle it somehow and create a kafuffle in here to at least be able to divert attention, Mr. Chairman, to the issue that he missed out on last night. That's really what has happened.

But, Mr. Chairman, whether the government becomes involved in assisting farmers and giving them an option which they had until 1977 in terms of at least assisting young farm families into the farming sector, that option was taken away. The only option now available is as I said last night, if you've got the almighty blue, pink or whatever colour that you need in order to purchase farmland, Mr. Chairman, if you

have that you have either rich parents, rich in-laws or outlaws or whatever the case may be, and a friendly banker, those are the only ways that one can enter farming today. —(Interjection)— A laundry licence, no. Mr. Chairman, those are the only ways.

I spoke to the Honourable Member for Portage last night, he should remember. I mentioned him last night and I asked him how many of his young people in the Portage area, if they didn't have parents or relatives who were able to pass on the farm, how many were able to begin farming at the price of land in his area, Mr. Chairman? But that's the specter that will be created if there isn't an issue, Mr. Chairman, not even an issue. Even if we have to bend the truth a little bit, such as the Leader of the Opposition did last night in terms of imputing motives to myself, he's the one, Mr. Chairman, that raised the whole specter of somehow members on this side being supportive of the Russian system and try to impute that. Mr. Chairman, that is about stretching it as far as one could stretch it. That is stretching it to the limit.

But the fact of the matter is, Mr. Chairman, and I don't back away from what I said, I said that we're going a full circle in history, that land is controlled by fewer and fewer people and we are moving in that direction. —(Interjection)— Well, you don't like our circle, Mr. Chairman, but isn't that what happened historically? That has happened over and over again and we're moving that way —(Interjection)— No, we're not, Mr. Chairman. Why have we lost the numbers of farmers that we had, gradually year by year? We haven't even in the last four years, been able to at least stem the tide because, Mr. Chairman, obviously it makes no difference to the members on the opposite side as to the limits and the size of farms — let's go, let the whole system roll.

We are attempting by our policies, to protect the family farm and not erode it, Mr. Chairman. The policies that we have brought in, in terms of the assistance to the farm community, in terms of the legislation that we will bring in, we know what kind of legislation and how land has been purchased by dummy corporations. We know that all their legislation and their rhetoric in this House saying we support the family farm. It is being eroded. The numbers of farmers are decreasing. There are no policies for those people who do not have the financial means to enter farming. There is no option, Mr. Chairman.

The only option they have is if they have, as I said, wealth, and land is being controlled by fewer and fewer people, Mr. Chairman. We are historically going to be going — it may not happen in my lifetime, Mr. Chairman — but history tends to repeat itself. So, Mr. Chairman, those remarks that the Leader of the Opposition tried to raise, the specter that he tried to raise this afternoon, is certainly I would say, low, very low, in terms of the imputation of motives that he tried to do so on myself.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Chairman, the Minister said something that he often says, when it comes down to the ownership of land, that ownership of land will only be accom-

plished by the rich, the privileged few, the sons of the wealthy and the usual — and I almost hesitate to use it — but the usual Socialist diatribe that we've heard from the Member for Interlake and some of his colleagues over the past few years when they attempted to resolve in their rose-glasses fashion, some of the deemed inequities they see in the farming business.

Now, Mr. Chairman, we could get into quite a long discussion about the history of land ownership in this province. Of course, everybody today believes and I make no bones about it, probably to start a farm from scratch nowadays would be somewhat difficult. I don't think it's any more difficult today though than when the parents of my colleague, the MLA for Lakeside, moved from Russia in the mid-'20s, rented land and started on a rented-land base and developed family farms that are scattered throughout Southern Manitoba. I don't know whether it's any more difficult today than it was for them in the mid-'20s. Mr. Chairman, you're shaking your head or you're nodding your head, saying it is. I suggest you don't know whether it is or not because you don't have the historical background of 1925.

Mr. Chairman, I just want to mention to the Minister of Agriculture and to the Minister of Municipal Affairs because they're the only token farmers that the N. D. Caucus has right now that I was to a farm auction and it was a dealership inventory reduction sale. At that sale, there was equipment that was up for rent and it was quite a variety of equipment from new to old from good to bad. Mr. Chairman, a person — and there is land available for rent throughout this province now as there has been always — and today a person could commence a rented-farming operation, owning the equipment used to farm that rented land for a lot less dollars than you could have a year ago, two years ago, or three years ago and I submit that just possibly, it could be as easy today to get into the farming business as it ever has been in the decade of the '70s.

You know, Mr. Chairman, I want to tell the Minister of Agriculture that in 1972, in the midst of the doldrums of farming where crop prices were very very depressed, where markets were restricted, I made a decision to leave a very good-paying job in Alberta, to do what? To buy farmland in the Province of Manitoba close to where I grew up and to commence a farming operation. Mr. Chairman, I want to tell you that when I ran the numbers, calculated my budgets in 1972 to justify to the bankers and to MACC and to FCC why they should lend me the money to start farming, those numbers did not work out. It was a foolish move for me to leave a salaried job with good job security, I might add, Mr. Chairman, and I made that choice in 1972 knowing that the economics weren't there.

I was told when I moved, by people who saw the job I had and what seemed to be a successful position in a company, they told me I was a damned fool for leaving that and coming farming because they had suffered for the last four years in the farming industry, but I didn't really take the advice seriously because I believed that in the long run I was making the correct decision, because I was doing something that I wanted to do.

I have to tell you, Mr. Chairman, that it was a good move but it didn't look good when I made it. I was foolish to make it at the time. But do you know what

was the salvation? And this why we are debating with this Minister what his philosophy on the ownership of land is as it applies to Crown lands, and what his philosophy and what his government's philosophy is going to be in the administration of the Manitoba Agricultural Credit Corporation. Because I want to tell you, Mr. Chairman, I approached the Farm Credit Corporation for a mortgage and the Farm Credit Corporation said: "Yes, we will give you the money but first of all, you've got a father who owns x amount of land, and to lend you the money to start farming, we want to tie up every single acre of his land." And I said, "I will not comply with that kind of a circumstance. I believe the proposition I'm putting forward has more merit than that," and I dropped FCC. Do you know what was my salvation in 1972 and the first four months of 1973? It was the Manitoba Agricultural Credit Corporation, because they took a look at the application I was making and said: "That has merit," and do you know what they did, Mr. Chairman? They loaned me a 29-year, long-term loan at an interest rate that's reviewable every 5 years to allow me to get started in farming on land that I own, and I own today. Do you know what is ironic about that, Mr. Chairman? In less than three months after my loan was approved, that NDP government, under the now Minister of Transportation changed the rules and regulations of MACC so that I could not have bought that land and had a mortgage from MACC. When they did that and they deprived the opportunity of other people in the same circumstance as me to start farming with the assistance of Manitoba Agricultural Credit Corporation on land that they have an opportunity to own, that's when I became very, very interested in politics, Mr. Chairman, and thanks to that policy decision by the ND Government in 1973, I was elected to this House in 1977 to fight for the rights and privileges of land ownership in the farm community. That's why I will be here as long as I have a breath in my body fighting for that kind of right of land ownership.

Mr. Chairman, when we have Ministers of Agriculture in the present ND Government saying to us in debate, from his seat last night, "What does the ownership of farmland have to do with the production of food?" Mr. Chairman, when we are to that sad and sorry state of affairs in the Province of Manitoba where the Minister of Agriculture, the person who guides the economic future and well-being of the farm community in this province, asks the question from his seat, "What does the ownership of land have to do with food production," I am shocked, I'm dismayed, I can't believe that man is Minister of Agriculture and I don't believe that the First Minister should leave him there, because under his tutorship and guidance, agriculture will become a nothing industry in this province. It will not grow; it will not bring in young people; it will not see the land-base of our young farmers established firmly in ownership. He will revert it back to the kind of policies that helped in a large measure to un-elect those people in 1977, and I make specific reference, Mr. Chairman, to changing the role of MACC from providing long-term loan money, a policy I believe that, Mr. Chairman, you would agree with, so that the eventual result of that long-term loan policy would be the ownership of that land by the person to whom you loaned the money and he would

have his name on the title and be a proud owner of farmland in the Province of Manitoba. But, under the previous administration, under the Schreyer administration, under the tutorship of the Member for Lac du Bonnet's Minister of Agriculture, that changed. That opportunity was not available. And if you think, Mr. Chairman, that we on this side of the House representing the farm community as we do, appreciate hearing comments from the Minister of Agriculture as to his lack of belief that the ownership of farmland has anything to do with food production in this province, we are going, Mr. Chairman, to resist any move he might make to change the ownership, the tradition of ownership of farmland in this province that founded the province; that has made the province grow; that has made agriculture the backbone of the province; that has given us food production beyond the needs of Manitobans and indeed, beyond the needs of Canadians and allowed Canadian producers of agricultural products to feed a starving world. If he thinks we are going to sit back . . . Mr. Chairman, I notice you are going to knock the gavel. I'll continue after 4:30.

MR. CHAIRMAN: It's now 4:30 and time for Private Members' Hour; therefore I am interrupting the proceedings and the Committee will return at the call of the House. Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. Time being 4:30, Private Members' Hour.

The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, there doesn't seem to be anything on the Paper for Private Members.' There's been an agreement that suggests that you adjourn the House with the understanding that we will go back in Committee until 5 o'clock instead of 5:30

MR. SPEAKER: If that is agreed by the members, it is moved by the Honourable Minister of Health and seconded by the Honourable Minister of Municipal Affairs that the House do now adjourn. Is that agreed? Agreed and so ordered. The House is accordingly adjourned and will stand adjourned until 2:00 p.m. tomorrow afternoon (Thursday)

SUPPLY - AGRICULTURE (Cont'd.)

MR. CHAIRMAN: The Committee will come to order. Continuing with the Agriculture Estimates, I believe the Honourable Member for Pembina had some time remaining.

MR. ORCHARD: Thank you, Mr. Chairman. Having the feelings that many of us on this side of the House representing the farm community have, and, Mr. Chairman, I submit to you that those feelings we have are why we are elected by the rural constituencies of Manitoba. So, I think we speak with some authority in representing the farm community of Manitoba on the issue of land ownership, and when we see this new ND Government come in and, as of January 1st, stop

all approvals of mortgages through MACC and indicate that it's because the MACC has run out of funding; when they pass special warrants for this, that and the other thing, they don't take the opportunity for MACC but they use that as an excuse, Mr. Chairman. And it's not only that they didn't approve those applications because they didn't have money; they stopped any processing of them. Those applications received on the 20th of December are in exactly the same position today they were then. Maybe in the last week -- I should correct that, maybe in the last week since we've passed that Capital Supply, the \$26 million, they might have advanced. This Minister did not have MACC process those or give them approval pending. The very knowledge that before March 31st he was going to have the spending authority to lend, he didn't continue with approval of them, he stopped them. Mr. Chairman, he left those farmers who were applying for legitimate loan assistance from MACC, he left them in the lurch for three months using the weak excuse that he didn't have money, knowing full well the money was coming. That's the kind of attitude that we are now coming to expect from the Minister of Agriculture in dealing with the farm community.

Mr. Chairman, what we will see from this Minister over the next several months, he may wait till the House is out because I don't think he's got the constitution fortitude to tell us in here in front of the cameras in question period what exactly he's going to do with MACC in providing long-term loans for the purchase of land, I submit that he will change that to the land-lease program. Mr. Chairman, here's the logic he will use and he will use this on you as a member of the N.P. Caucus. He will use it on - well no he won't use it on him - but he will use the logic that we have to have an affordable land base for the young farmers, and he will use the second item of logic that there is only one way to do it, because if a farmer, a young farmer, has to pay - and let's just pick a figure out of the air - let's say \$500 per acre for farmland. The interest rate at some 16 percent amounts to \$80 per year interest alone and no young farmer can possibly pay that kind of rent, therefore, the only solution we can offer is that the government own the land and we will lease it back under land-lease at something like \$25 an acre, roughly a third of the interest cost; and he will use that, Mr. Chairman, as a logical argument to proceed to state ownership of the farmland.

Well, Mr. Chairman, I want you to suggest to him, when he brings that proposition to Caucus, that there is one other way to do it. That if he's interested in providing a land base at \$25 per acre, when the land costs \$500 per acre, all he simply has to do is discount the interest rate to the young farmer to the start-up farmer down to 5 percent and let the farmer for five years own that land at a discounted interest rate. The cost to the farmer is the same, the net result is the same, you get a young farmer started farming. There is only one fundamental and philosophical difference and that being that the young farmer owns the land and not the state. And, Mr. Chairman, if you believe in the freedoms of land ownership in this country, as I believe you do, you will make that suggestion to your Minister of Agriculture when he comes to you offering land lease as the only possible way that young farmers can become tenants of the land and, under

his program, they will be tenants on the land and they will be tenants to the government.

Now, Mr. Chairman, I know that you will bring that kind of wisdom to the caucus discussion and I only hope that the Minister of Agriculture brings it to caucus because I think there are the odd bright light in that backbench that will resist the kind of state ownership effort that the Minister of Agriculture will indulge in, supported by his frontbench, and even supported by the Minister of Municipal Affairs, because he doesn't believe in anything but the land lease program either.

Now, this was the first area of concern that was identified to us, Mr. Chairman, when the Minister of Agriculture stopped the loan program to young farmers through MACC under the weak excuse that there was no money, he even stopped processing the applications, he dropped them, he left them in the lurch.

The second thing that this Minister of Agriculture has done, Mr. Chairman, is he has eliminated further sales of Crown lands to the long-term lease holders who want to farm it. Now he is saying that it's under review. Well, Mr. Chairman, it's under review and it could be under review for the next 3-½ years until that government is defeated and the net result will be that no long-term leaseholder of Crown lands will have the opportunity to own the land that he's developing his ranching and farming operation on. And, once again, the clear difference between the way we administered the program and the way they will administer it is the philosophical difference that we believe the farming community should have the right, indeed, should be encouraged to own their productive land. That is a philosophy not shared by the Minister of Agriculture and his colleagues of the Treasury Bench. That causes us a great deal of concern because ask any long-term leaseholder whether he would prefer to lease the land or to buy it as he had the opportunity to do whilst we were government. You know what he'll tell you? He'll tell you, I want the option to buy it; I want to own that land so I can make the necessary improvements on it that are going to be for the benefit of my family farm, for the benefit of extra returns that I can get out of it to provide a better lifestyle for my family, a better education for my children. He will want to own the land and improve it to a greater productive level. And this, Mr. Chairman, is the whole essence of farm and agricultural policy in the Province of Manitoba, to increase the production of agricultural commodities, to increase the wealth in the farming community, to increase the level of profit in the farm community - I hesitate to use that word "profit" because members opposite in the government don't like it but that is the essence of agricultural policy.

This Minister, in his statements last night about which system of land ownership he would prefer to see and which he says is inevitable for Manitoba, is not the vision of Manitoba that I have or my colleagues in the Progressive Conservative Opposition. We don't hold the vision that the state must own the land; we hold the vision that built this country and built this province that free individuals should be able to own the land on which they are going to set up their family farms and they should be able to improve that

land for future generations, to increase its productivity and to increase the viability of agriculture in Manitoba, and to increase the wealth in this province that has the opportunity to be shared by all; that's the vision that we have of agriculture in the Progressive Conservative Caucus. I only wish it were shared by the Minister of Agriculture and his colleagues on the Treasury Bench.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. MANNESS: Thank you, Mr. Chairman, I would like to rise and speak on this particular issue also. I won't review too many of the comments made in detail by the Member for Pembina but I would like to ask, specifically of the Minister, for my edification if possible, where he does stand, will he come clean on this private ownership of land issue because the facts are stacking up and they're stacking up to a point where they're going to fall. Just having been in this House for a short period of time these are some of the ones that I've gathered and I'd like to list a few of them to you.

I've heard the Minister indicate that they're going to eliminate the sale of Crown-leased land, at least it's under review. I won't say anything more about that. We know also that they're reviewing the lending policies of MACC and one wonders whether, in fact, that institution will grant lending monies for the purchase of land anymore. In Natural Resources, we've heard that Minister indicate yes, he can see again the government owning prime agricultural land.

I didn't hear the comments of the Minister last night. I wasn't here. But the alleged comments, at least, would lead one to believe that, in fact, he really questioned the ability of those that owned private property to out-produce those that, in fact, leased their land.

MR. CHAIRMAN: The Honourable Minister on a point of order.

MR. URUSKI: Mr. Chairman, the honourable member is again imputing motives. I went back and I checked with the Speaker with respect to the remarks that were presented and I even gave a copy of those remarks to his colleague, the Member for Arthur. So, Mr. Chairman, the member should well know what was said last night and read Hansard.

MR. CHAIRMAN: The Honourable Member for Morris on a point of privilege.

MR. MANNESS: Well, I apologize. I haven't seen Hansard. I've been waiting for it to arrive on my desk. You may wish to rule, Mr. Chairman, I haven't had the opportunity to read that and put my interpretation into the remarks. But, I did say "alleged." I did say that. I wasn't accusing the Minister of saying that. So, will you accept that? Thank you.

That then being the fourth item on the lists of concerns that are mounting and that's the point I'm trying to make. Of course, the fifth one, I suppose the most serious in the minds of not only the members opposite, but of all the people in the country, the fact that this party nationally would not support the Conservatives in their attempt to include property rights in the new constitution, leads one to reach the fact — it's

undeniable — that, in fact, this government and these people do not want to see private ownership of land maintained. I think the Minister should again attempt to demonstrate to us where he stands on that issue. Does he want, does he expect a much greater percentage of the prime agricultural land in this province to eventually become government owned?

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Chairman, I welcome the opportunity to participate in this debate, because it is truly a fundamental question that I'm sure that many of the members of the Opposition and members of the government as well will be looking at this issue very closely, because it really is fundamental to the way that this province has been governed in the past and the direction that it might go in the future.

The statements made by the Minister of Agriculture last night, I find, Mr. Chairman, to be incredible; incredible, coming from the Minister of Agriculture. The first of the incredible statements that I find, Mr. Chairman, is the one that the Minister made from his seat last night, and if he didn't make this statement from his seat, then I would like him to stand and say that he didn't make it, because he said last night: "What has ownership got to do with production?" That was the comment that he made from his seat last night, Mr. Chairman. We stood in this House and we questioned it; we repeated it. My colleague from Lakeside — (Interjection) — Mr. Chairman, would you ask the Minister of Agriculture to allow me to speak since I have the floor? My colleague from Lakeside asked him to put it on the record. He gave him the opportunity to deny that's what he said, and he did not deny it. He said from his seat: "What has ownership got to do with production?" Then we went on, Mr. Chairman, and what we have before us now is a preliminary draft of Hansard. The two pages we have before us cover some of the debate that took place afterward. It said, Mr. Chairman, for instance, the Minister said, and I quote: "The issue is not ownership." That came from his statement following a statement made from his seat, "What has ownership got to do with production?" which is fundamental to why western agriculture is productive and why agriculture in communist countries is not productive.

The member grimaces when he hears that kind of comparison made. It's the truth, Mr. Chairman, it's the truth. Ownership is everything, whether it's private ownership or whether it's state ownership, there is a fundamental difference whether the honourable members opposite choose to accept that or not. He said, Mr. Chairman, "The issue is not ownership; it's how well the land is managed; how well the land is cared for in the terms of food production, Mr. Chairman, while the honourable members may wish to say that land ownership is the question." Mr. Chairman, indeed we say that land ownership is the question, indeed we do. We don't for a minute deny the importance of how that land is managed. In fact, I would argue, Mr. Chairman, that the land is better managed when it is held in the hands of individual people, of private ownership, than it is in the hands of government. That's the statement the member made,

Mr. Chairman.

Then, he goes on and this is the one that I find — and I'm not trying to overstate this case for a minute, Mr. Chairman — (Interjection) — Mr. Chairman, these socialists opposite don't wish to acknowledge that they're socialists and every now and then when their philosophy creeps onto the record they try to deny it. But this is the sort of statement, Mr. Chairman, that frightens me, quite frankly. He said, and I quote again: "Is there a great hangup that the members have whether the owner be in Toronto or in Switzerland or it be the people of Manitoba owning and operating their own land? What's the hangup, Mr. Chairman?" What he said, "the people of Manitoba owning and operating their land." Not people, not individual people, owning and operating land; the people owning and operating their own land, Mr. Chairman.

Now if the Minister didn't mean to say that, then he should make some very clear statements about what his policy is and what his government's policy is because when you couple these statements together, Mr. Chairman, it makes me wonder. But I will acknowledge that at one point he threw in that he thought the owner-operator system was the best. But, Mr. Chairman, that's a one liner in several pages of presentation that goes the other way. He said also, Mr. Chairman, and I quote again: "The very system that the Leader of the Opposition speaks about that he is so opposed to, Mr. Chairman, we will eventually come about, and what happened in the Soviet Union we are slowly coming about to that." Mr. Chairman, we do have a hangup about that system. The Minister of Agriculture says that we will eventually come about; that system will eventually come about and what happened in the Soviet Union, we are slowly coming about to that.

Well, Mr. Chairman, that is an absolutely incredible statement to come from the Minister of Agriculture. Mr. Chairman, the Minister is laughing about it and some of his backbenchers scoff at that, they laugh at it. I listened to the whole speech, Mr. Chairman, what the Minister said is on the record. I find that frightening and I'm sure that many other people are going to find it frightening when he says that the system in the Soviet Union will eventually come about. What I want to know then, Mr. Chairman, what still we have to hear from the Minister is, will he do everything in his power to see that sort of system doesn't come about? Is he dedicated to seeing that we have private ownership of farmland in this province? Is that what he's dedicated to, Mr. Chairman? I would like to hear it because I don't think so. When he says, what difference does it make whether the state owns the land or whether someone in Toronto owns the land, Mr. Chairman, to me that betrays such a lack of understanding that it's incredible. He's asking what is the difference, Mr. Chairman?

Does he not realize the opportunity for abuse? The power that is put in the hands of the state when they own the land; when they say who has the right to work the land. Who has the right? That's the tool that is then placed in the hands of the government. I don't care whether it's your government or a government of some other stripe, when you put that tool — (Interjection) — yes, it will because we know that the government over there is philosophically attuned to hav-

ing the state own the land and that they regard the Soviet system of land holding as being inevitable. Mr. Chairman, when you put that tool in the hands of government you create the opportunity for tremendous abuse because how are you going to determine who gets the land? Who is going to get the land to work?

I hear the members opposite, Mr. Chairman, and I've heard them on several occasions when they have been questioned about, why did they freeze the Crown land sales? Every now and then you hear it come up from their seat. You don't hear it so often from the Minister who is speaking but you'll hear them say, 21 quarters of land; 44 quarters of land, that's what they object to. Not that they necessarily sold one quarter of land, that seems to be all right but if you get to 21 we know that's highly questionable, and if you get to 44 that is totally out of the question.

Now, Mr. Chairman, when you couple that philosophy — and this is a situation where these people have worked that land, they have leased that land for years and the government found it satisfactory to lease to them — what they find objectionable is that they should own it. Now, they've had a lifetime lease. They can lease it as long as they want and that's all right. They can lease 21 quarters, they can lease 44 quarters, but they can't own it, that's what concerns these members opposite. If they have that kind of policy, Mr. Chairman, they begin to make the decision then on how much land a farmer can work because when they cease to make money available for people to buy land and when they take land out of the plot of land that is available to people to rent; out of the plot of land that is privately owned, whether it's by Canadians by the way in Toronto, or whether it's Canadians in Winnipeg or Balduer or Vancouver or wherever, once the government takes that land out of circulation and reduces that plot that's available, then there is an important segment of the agricultural system which has been crippled.

That is one right now that allows the farmer, if he begins with a quarter section, to go out and compete to get more land to be able to work, he's going to be able to rent it from a person who doesn't live there from another Canadian, he's going to be able to rent that land. If he can be efficient, Mr. Chairman, and if he can pay the price to rent that land, then he's going to get it. That's what this comes down to, Mr. Chairman, is efficiency in agriculture. The freedom of people to own and operate their land leads in the marketplace to an efficient agriculture. What this Minister is saying is that he is prepared not only to sacrifice the freedom of people to own their land because he regards the Soviet system of land holding as inevitable. He is also prepared to sacrifice the efficiency of agricultural operations by interfering in the system and telling individual people, how much land they can have; how much you can operate.

Well, Mr. Chairman, forgive me if I am frightened by the policies that I hear this Minister put forth, but I think anyone who has had some reasonable exposure to productive agriculture will begin to understand the significance of what this Minister is about. And I see him go also, Mr. Chairman, couple this with the present Beef Stabilization Plan where we know that the Minister has been out looking at feedlots to buy. Now,

Mr. Chairman, the Minister no doubt is going to say at the moment, oh well, we wouldn't want to own that feedlot, we would only put that in the hands of the cow-calf operators, we would allow them to go together. In fact, Mr. Chairman, it's coercion that they would be forced to go together to build a feedlot or to buy a feedlot, perhaps financed by the government, because the government is going to begin to make their management decision.

Mr. Chairman, I understand there's agreement to . . .

MR. CHAIRMAN: In accordance with the rule of the House, the hour being 5 o'clock, I am leaving the Chair.

Committee rise