

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 1 August, 1986.

Time — 10:00 a.m.

MR. CLERK, W. Remnant: It is my duty to inform the House that Madam Speaker is unavoidably absent and would ask the Deputy Speaker to take the Chair, in accordance with the Statutes.

OPENING PRAYER by Mr. Deputy Speaker.

MR. DEPUTY SPEAKER, C. Santos: Presenting Petitions . . .

READING AND RECEIVING PETITIONS

MR. DEPUTY SPEAKER: The Member for Inkster.

MR. D. SCOTT: The petition of the Manitoba Municipal Secretary-Treasurers' Association, praying for the passage of An Act to amend The Manitoba Secretary-Treasurers' Association Act.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. DEPUTY SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Mr. Deputy Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

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

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, I wish to give the House a report on a very positive meeting I had yesterday in Grand Forks with the Governors of Minnesota and North Dakota.

The meeting was arranged by the International Coalition for Land and Water Stewardship in the Red River Basin, an organization which is gaining increasing and well-deserved recognition throughout our region. The main focus of our meeting was on water management and soil conservation issues. We also discussed agricultural concerns and the general economic situation.

One of the principal issues we reviewed was the status of the United States Department of Energy's proposal to consider establishing a nuclear waste depository in the Red River Valley. Although the Department of Energy had suspended action on site selection process in Eastern United States including Minnesota, it is

apparent that we will have to continue to watch developments in Washington very closely.

Governor Perpich, Governor Sinner and I agreed that our government should continue to communicate regularly on this matter, and to share technical information in line with the agreement that we signed here in Winnipeg last February. That agreement is one of the best examples of the value of regional co-operation in recent years.

Another example is the bilateral agreement on consultation and cooperation which the Governor of North Dakota and I signed last summer. That agreement has already facilitated closer contacts between our two governments, and we are now proceeding to establishing a coordinating commission to serve as a formal liaison mechanism.

Along with this statement, I am tabling a copy of a joint release from the commission which is also being issued this morning in Bismarck, North Dakota. We expect the North Dakota-Manitoba Coordinating Commission to hold its first meeting in Winnipeg next month. As the release indicates, six major priorities will serve as a framework for the commission's initial work. These priorities are: 1, Public Service cooperation; 2, Trade; 3, Water; 4, Agriculture; 5, Tourism; 6, Transportation.

Finally, I wish to advise the House that following my discussions with the governors yesterday I'll be accepting an invitation to attend the National Governors' Conference in late August.

The Annual Governors' Conference should provide an opportunity for follow-up discussions with the governors of our neighbouring states, as well as for useful dialogue with other governors on a wide-range of economic issues of importance to Manitoba and to our entire region. I believe some of the other Premiers may also be attending that conference.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Deputy Speaker. Provincial Governments for the past number of years have attempted in various ways and forms to cooperate across our international boundary, one of the longest undefended boundaries in the world - indeed the longest undefended boundary in the world - and we have a great deal of kinship with our neighbours to the south in North Dakota and Minnesota.

Mr. Deputy Speaker, the cooperation that we're seeing between the province and those two states should indeed lead to some positive initiatives over the next number of years. If I might make some suggestions to the Premier in terms of a direction for those discussions over the next several years, I think one major area has to be the area of flooding and water control, an area that we appear - with the climatic conditions of the last two years - to be approaching, a wet cycle in our weather patterns and where water problems are

becoming more severe in Manitoba, certainly have the potential with a major drainage basin in Minnesota and North Dakota feeding the Red River and causing us potential problems in Manitoba, I would hope the Premier could focus discussions with North Dakota and Minnesota on the basis of various flood control projects. One which comes immediately to example was a proposal made in 1973, 1972, initiated by North Dakota by the U.S. core of engineers in which they were very desirous of bringing in the construction of the Pembilier Dam on the Pembina River. That dam, Mr. Deputy Speaker, would have provided a number of positive benefits to Manitoba including reduction of flooding, increase in high quality municipal water supply and indeed water supply for irrigation in Southern Manitoba in the Winkler to Altona region.

Mr. Deputy Speaker, I regret to say that in 1973, under a previous NDP administration, that proposal by North Dakota and the U.S. corps of engineers was discounted out of hand in preference for spending of capital funds elsewhere in the province, preferably Northern Manitoba and Southern Manitoba did not receive any consideration for the pursual of the Pembilier Dam at that time.

It would be my hope, Mr. Deputy Speaker, that in this new era of cooperation with North Dakota and Minnesota that the Premier would put the Pembina River Dam system on the agenda as one of the major items to reopen the discussion on construction of the Pembilier Dam in which the Province of Manitoba can enjoy significant economic benefits over a long period of time in terms of flooding and water supply and that that become one of the major focuses that the Premier takes to future meetings with those two governors and particularly with the Governor of North Dakota.

Thank you, Mr. Deputy Speaker.

INTRODUCTION OF BILLS

MR. E. CONNERY introduced, by leave, Bill No. 49, An Act to incorporate The Portage District General Hospital Foundation.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker. Could I have leave to revert to tabling of documents?

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

HON. V. SCHROEDER: I have the Supplementary Information for Legislative Review for the Department of Crown Investments.

NON-POLITICAL STATEMENT

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Deputy Speaker, before Oral Questions, I'd like to ask for leave to make a non-political statement.

MR. DEPUTY SPEAKER: Leave is granted.

HON. L. DESJARDINS: Mr. Deputy Speaker, very few Manitobans, if any, have done so much for sport or completely dominated sports as much as "Mr. Curling." Mr. Ken Watson died at the age of 82 just last week.

He had been a very successful and popular teacher and we know how successful he was in his years at Crown Life. He held the Canadian Championship three times, that is in curling, of course. He was the founder of the Canadian School of Curling, the first winner of the Elmer Freytag Award for the curler who has done more for international curling. He had received the Order of the Buffalo from the province and the Order of Canada from the country, Canada. Of course, he was one of the first ones in the Canada Sports Hall of Fame, in the Canadian Curling Hall of Fame.

I know that you, yourself, Mr. Deputy Speaker, and all the members of this House would like to join me in offering my heartfelt sympathy to his family and his many friends.

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

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

We, on this side of the House, thank the Minister for his statement and are pleased to join in and agree with his remarks. Mr. Watson, without question, was one of the greatest curlers in Canada and was one of the first curlers to make Manitoba known as the home of so many Canadian curling champions that have followed him and we're pleased to join in the remarks of the Minister.

ORAL QUESTIONS

MTX - Disciplinary action in Saudi Arabia

MR. DEPUTY SPEAKER: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Deputy Speaker.

Yesterday, in answer to questions I posed to the Minister responsible for the Manitoba Telephone System, he indicated that indeed MTX employees were disciplined in Saudi Arabia, and I quote his answer: "My understanding is that it was some application of a cane, but in a very gentle fashion."

Mr. Deputy Speaker, I would like to ask the Minister responsible for the Manitoba Telephone System to investigate questions I posed to the then Minister responsible for the Manitoba Telephone System on July 18, 1983, and again on August 4, 1983, where the then Minister responsible, Mr. Plohman, indicated an answer to the similar question: "There has been no specific disciplinary action taken."

Would the Minister of Telephones undertake to investigate the responses to the same questions in 1983 responded to by the then Minister responsible for the Telephone System in a contradictory fashion to the way he answered it yesterday?

MR. DEPUTY SPEAKER: The Honourable Minister responsible for the Telephone System.

HON. A. MACKLING: Mr. Deputy Speaker, I wish to advise the honourable member that I think I've indicated already that there is certainly some indication that my colleague, the previous Minister, was misinformed. All of that of course will be reviewed further before the committee.

MR. D. ORCHARD: Mr. Deputy Speaker, that appearance of misinformation was confirmed by the Minister just yesterday on another entirely different topic.

MTS - misinformation by officials re MTS and MTX

MR. D. ORCHARD: Could the Minister indicate to us which senior officials of MTS or MTX appear to have misinformed the former Minister of the Manitoba Telephone System in 1983?

HON. A. MACKLING: Mr. Deputy Speaker, I prefer to deal with all of that before the committee.

MR. D. ORCHARD: Mr. Deputy Speaker, likewise, we are very anxious to have the committee reconvene on Thursday of next week, and the Minister's concern was to have complete and full information; and part of the information that we would like to have next Thursday is as to which senior officials of MTS and MTX misinformed the former Minister responsible for the Manitoba system regarding the charges and the disciplinary action taken in Saudi Arabia. That information would be most valuable for Thursday's committee hearing.

Mr. Deputy Speaker, in a new question, can the Minister indicate, now that he has confirmed disciplinary action was indeed taken against MTX employees in 1983, what charges were involved leading to the disciplinary action?

HON. A. MACKLING: Mr. Deputy Speaker, the honourable member asked that question the other day and I did indicate that I didn't know whether or not the incident involved formal charges or not. All of that could be responded to before the committee.

MR. D. ORCHARD: Mr. Deputy Speaker, a supplementary to the last question to the Minister responsible with the Telephone System.

Would the Minister determine for Thursday's committee hearing dealing with MTS whether one of the charges involved in the incident in 1983 was a charge of MTX employees working with a woman?

HON. A. MACKLING: All of those matters, Mr. Deputy Speaker, certainly can be reviewed. I have brought those concerns to the attention of the senior officers of the Telephone System and MTX and I expect that answers will be forthcoming before the committee.

I have indicated to the honourable member that I am asking staff to have the questions that they reasonably foresee, not only arising from the questions the honourable member has put and other members, but any area of concern that they believe should be reported to the committee to be available for Thursday.

I'm meeting with staff on Tuesday and, if I feel that they have not adequate information, of course, then I will advise the House Leader and we may want some further time. But I did indicate that I will endeavour to have that information ready for Thursday.

MTS - subpoenaing of employees to committee re MTX

MR. D. ORCHARD: A new question to the Minister responsible for Manitoba Telephone System.

In view of the fact that in 1983 the Minister indicates that senior management of MTS and MTX did not provide the correct information and misinform the then Minister, given yesterday that the Minister admitted in this House that senior officials of MTS and MTX did not provide him with the correct information as to the return of equipment to Manitoba, would the Minister consider for Thursday's committee hearing the subpoenaing of MTS employees involved in MTX and Saudi Arabia so that those employees may come to committee and be asked direct questions as to the involvement in Saudi Arabia, and do so without any fear of retribution for their job within the Telephone System?

HON. A. MACKLING: I know that the honourable member wants to ensure that there will be full disclosure. I have indicated to him that we're certainly anxious that there be full and complete information and I trust that will occur. I don't think there will be any necessity for the kind of legal trappings that he refers to — (Interjection) — Well, I say that as a lawyer, that I don't think it's necessary. I think we will have the kind of information that should satisfy the honourable member.

MR. D. ORCHARD: Mr. Deputy Speaker, the Minister indicates he trusts the information will be available on Thursday when just yesterday he had to inform the House he had incorrect information from those senior officials.

Mr. Deputy Speaker, my question to the Minister responsible for the Manitoba Telephone System is: if indeed he and his government and his Premier are sincerely interested in finding out the truth of activities in MTX, why would they fear the subpoenaing of MTX employees to the committee on Thursday so they can without fear of retribution from senior management in terms of their future in the Telephone System, why would they fear having those individuals at committee telling the truth about MTX and their operations in Saudi Arabia?

HON. A. MACKLING: Mr. Deputy Speaker, this Minister fears nothing, even the scathing questions of the honourable member opposite.

I think the committee will be in a position to ask the questions and get the answers it feels it needs. If there is any reluctance on the part of those who are asked to provide the information which members feel warranted, then the committee, of course, can make further decisions in respect to that.

Bill 4

Manitoba Beef Commission - change in policy

MR. DEPUTY SPEAKER: The Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Deputy Speaker. I have a question to the Minister of Agriculture.

Has the Minister of Agriculture instructed legal counsel or anyone else to prepare amendments for Bill 4?

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Deputy Speaker, we certainly are open to amendments and I have indicated there will be some amendments based on comments that have been raised by honourable members opposite and by interested parties whom we've had discussions with. I'm sure there will be other representations made to the bill and we will be open in reviewing suggestions that are made to see what kind of amendments might be made to the bill.

MR. J. DOWNEY: Mr. Deputy Speaker, when will the Minister be tabling the amendments so we can have the opportunity to see them and to see if in fact his amendments and to see if in fact they make the bill meaningless or what impact they have; when will we see those amendments, Mr. Deputy Speaker?

HON. B. URUSKI: Mr. Deputy Speaker, normally, as I understand, the processes of this House is: the amendments are brought to committee and discussed with legal counsel. At that stage of the debate, if there are other amendments put forward, they would be dealt with by the committee. There may be certain amendments based on presentations made to the committee the government may want to bring in at committee stage following hearings and representations, but clearly, Mr. Deputy Speaker, at that stage we will be dealing with all the amendments.

There will be a number of technical amendments that are made, clarification amendments that have been made, and I've spoken to the agricultural critic of the Conservative Party about the clarification of the judge's authority - certain other suggestions we've made - and at that stage, we will get into the detailed discussion of the bill.

MR. J. DOWNEY: Mr. Deputy Speaker, in view of the fact the bill will cause no end of hardship to credit unions and to the relationship between farmers and their traditional lending institutions, will the Minister now consider withdrawing Bill 4 from the order paper?

HON. B. URUSKI: Mr. Deputy Speaker, the Conservative Party of Manitoba has used the pretext this bill will cause irreparable harm to the farm community. Mr. Deputy Speaker, that pretext is just the continued stand in support of the banking industry of this country.

Mr. Deputy Speaker, instead of standing up for the farmers of Manitoba to allow a review of the farmer's financial situation, and if the banking institution does not cooperate, allow the courts to postpone the repossession, they're taking the line that if the banks don't want to cooperate, let the farmer go out. Mr. Deputy Speaker, we do not share that position.

MR. DEPUTY SPEAKER: The Member for Arthur, with a final supplementary.

MR. J. DOWNEY: In view of the fact that the Minister now has such compassion for the farm community, will he change his position on the Manitoba Beef Commission and not raise the premiums to 18 percent and collect \$35 million back from a community that can't afford it? Will he withdraw that policy?

MR. DEPUTY SPEAKER: That is not a question, is it?

HON. B. URUSKI: Mr. Deputy Speaker, I just want to remind my honourable friend that it was those members on the opposite side, a year ago, who were condemning the program and saying, will those farmers be required to repay those monies? Will the program be actuarially sound? Those are the kinds of questions that members of the Conservative Party were just raising a year ago.

A MEMBER: Show us the evidence.

HON. B. URUSKI: The honourable member, in his joking manner says, provide the evidence. Mr. Deputy Speaker, throughout the last Session of the Legislature it was members opposite who said, "Will the program be actuarially sound?" The Beef Commission is operating in a sound and prudent management of the program and, in fact, the support levels, even with the reduction, exceed the levels of support to producers that they were when the program began, notwithstanding the reduction that is being contemplated by a number of producers.

Mr. Deputy Speaker, the member says, are you going to raise the premiums to 18 percent? The program was designed to be actuarially sound. In view of the support level, producers do have the choice to make; but there's one point that the member made in this question that he should be aware of. We are not about to bail out the grain industry and the Federal Government by putting more funds into the Beef Program.

Agricultural research and development - funding to

MR. DEPUTY SPEAKER: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Deputy Speaker. It's so nice to hear again this morning how the Minister of Agriculture is going to stand up for the Manitoba farmers. My question is to the Minister of Agriculture.

Can the Minister explain to this House, in his standing-up policy, why in the next five years the Government of the Province of Manitoba will contribute \$5 million to \$8 million to research and demonstration, where our sister provinces of Saskatchewan and Alberta will spend between \$300 million and \$400 million each?

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Deputy Speaker, in terms of the research monies that the Province of Manitoba will provide through the Agri-Food Agreement, there will be, in research and development in areas of water, soil conservation and technology transfer, there will be a figure of \$38.5 million spent over the next five years.

A MEMBER: How much is federal?

HON. B. URUSKI: It is a federal-provincial agreement. It is a federal 50/50 agreement. That's what I've said. That is more than double what was spent over the last five years when those gentlemen were in office, Mr. Deputy Speaker.

If the Province of Manitoba did have a \$14 billion heritage fund, we would be more than pleased to spend those kinds of funds that the Province of Alberta may be putting into research and development.

MRS. S. CARSTAIRS: A supplementary question, Mr. Deputy Speaker, to the same Minister.

How are Manitoba farmers to remain competitive when we are putting less than 2 percent of the funding of our sister provinces on the Prairies?

HON. B. URUSKI: Mr. Deputy Speaker, the priorities of this government are balanced priorities. We are putting a certain portion of our budget into research and development and technology transfer, but our priorities are to deal with the crisis situation that farmers of this province and of all Canada face today, the financial crisis that they're in.

We don't want the Federal Government to put the farmers on a slippery slope and say, just because you're now insolvent and not negotiating, we'll give you welfare through the rural transition program and, get off the land. That is not our priority, Mr. Deputy Speaker. We will stand up for farmers; we will put money behind the renegotiations and we will attempt to save as many farmers as we can, in a balanced approach.

MRS. S. CARSTAIRS: A final supplementary to the same Minister.

Will the Minister assure this House that his department will be diverted so that they focus, not only on short-term crisis problems, some of which they're dealing with most ineffectually, but also on the long-term problems of Manitoba farmers?

HON. B. URUSKI: Mr. Deputy Speaker, I regret that maybe the honourable member did not participate in the entire discussions of my Estimates and if she would peruse the discussions that we've taken, both in terms of development and long-term development and long-term strategy, she would I think change her opinion from her question, Mr. Deputy Speaker.

MOSES - computer model for screening

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

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker.

I had taken some questions as notice at the Manitoba Energy Authority hearings and I would like to table

answers, as well as to questions with respect to the Public Utilities Committee and Manitoba Hydro. I was asked to provide the computer model which is referred to as Moses. It's in six volumes, Mr. Deputy Speaker. It's a model for screening expansion scenarios for Hydro, so I now have tabled, I believe, all of the information required. Members, I'm sure, will have a good weekend taking a look at it.

Natural Resources - tabling of Ombudsman's Report

MR. DEPUTY SPEAKER: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker. My question is to the Minister of Natural Resources and stems from the Ombudsman's Report that was released yesterday.

In the report it indicates that within the Department of Natural Resources it has been found that staff did indeed have valid grounds to raise concerns. The fact that management had reacted negatively in bringing these concerns forward, and that the management's reaction led to diversion and avoidance of real problems; and the fact, Mr. Deputy Speaker, that the senior officials within the Minister's Department have delayed, stalled and tried to cover up these allegations, my question to the Minister is: Will the Minister consider making major changes in his senior staff so that the credibility of the department can be restored and that people can have confidence again to work for that department?

MR. DEPUTY SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Thank you, Mr. Deputy Speaker.

I just want to indicate to the House that in fact Ombudsman's Report has not yet been released, but it was a press statement that was released. I do have in my possession, copies of the Ombudsman's Report that I would be prepared to table in the House today.

Certainly, in dealing with this issue, I am prepared to accept the observations of the Ombudsman that perhaps this matter could have been dealt with more expeditiously, but I think in any management position, where you are dealing with the questions of personnel, there is a large element of judgement involved.

In this particular instance, the dealing with an individual who was experiencing some difficulty not only in his personal life but in terms of the duties that he had been assigned, there was an approach being taken to try to address the issues that he was dealing with - and I think frankly we do, at any level of government, have a responsibility to try when individuals are experiencing some difficulty - to help people through those situations, that we should not look at our personnel complement as something that can be cast aside without very little consideration.

At the same time, I think we do have to keep in mind the observations that were made by the Ombudsman which indicate that this should be dealt with perhaps in a shorter period of time. That message has, in fact, been taken forward and will be incorporated into our decision-making.

Friday, 1 August, 1986

MR. DEPUTY SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker. I have a further question to the same Minister and it's based on the fact that this Minister indicated that my questions in the past have been irresponsible and overstated and he himself on Thursday, July 3rd made a statement: "I am pleased to advise the Member for Emerson and indeed the House . . ."

MR. DEPUTY SPEAKER: Is this a new question?

MR. A. DRIEDGER: Yes, it is. ". . . that we do have information from the Ombudsman and that having had the report from the Auditor there is no substance to the charges of any irregularity or fraud."

My question to the Minister is: in view of the fact that the Minister responsible for Telephones yesterday apologized to the House for the way he handled the problem, will this Minister apologize to the House, to the people in his department and to the people of Manitoba for not being forthright and not dealing with the situation in the proper manner with a serious problem?

HON. L. HARAPIAK: Mr. Deputy Speaker, I did indicate last week in this House that when reference was made to the Ombudsman's Report that my preference would be to wait until such time as the Auditor's Report was completed as well. I have not yet received the Auditor's Report but in light of the press release issued by the Ombudsman's Office I have copies of the Ombudsman's Report to table. But I think it does indicate that some of the allegations that were brought forward with respect to embezzlement and sexual harassment were not in fact substantiated. So I think there are some components of the statements made by the Member for Emerson, which have in fact been shown to be not substantiated.

We did acknowledge that there were concerns and we never denied that there were concerns with respect to the management style of the individual involved and there were undertakings within the department to address those.

I want to indicate, and this will be made available in the report for the perusal of members when I table it, that there were several approaches undertaken with the individual involved and with other members of the department to try to address, not only the question of management style, but management structure. On the basis of that I really feel no need to apologize to the Member for Emerson.

MR. A. DRIEDGER: Mr. Deputy Speaker, I have a question to the Minister of Finance.

The Minister of Finance had the Provincial Auditor do an investigation into the charges of irregularities within the Department of Natural Resources. Can the Minister indicate whether that report will be available before we go into the Estimates of the Department of Natural Resources in approximately a week's time?

HON. E. KOSTYRA: Thank you, Mr. Deputy Speaker. That report will be available once it's concluded by the Provincial Auditor and submitted to me.

Agricultural exporters (non-subsidized) trade subsidies

MR. DEPUTY SPEAKER: The Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Mr. Deputy Speaker. I have a question for the Minister of Agriculture.

Given the fact that Canada has been invited to participate in discussions concerning the possibility of forming a coalition of non-subsidized agricultural exporters in retaliation against the trade subsidy practice of the EEC and the United States, has the Minister of Agriculture informed or will be informing the Federal Minister of Agriculture as to our position concerning this matter?

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Deputy Speaker, I wish to indicate and I thank the honourable member for the question.

This matter has been raised, and was raised over a year ago. When we were faced with the hog embargo to the United States this matter was raised by the Honourable First Minister in our discussions with both, not only the U.S. officials as a concern, but with Canadian officials in terms of us as a province wanting stable and steady access to all markets without having to be faced with the type of competition that we are now faced with, both in the grain industry and in other potential areas of subsidy.

Civil Service - salary delay to part-time employees, A.-G.'s Dept.

MR. DEPUTY SPEAKER: The Member for River East.

MRS. B. MITCHELSON: Thank you, Mr. Deputy Speaker. My question is to the Minister responsible for the Civil Service.

Is it the policy of this government to delay salary payments to part-time workers in the Department of Civil Service for up to six weeks or more?

A MEMBER: Oh, it's usually much longer than that.

HON. E. KOSTYRA: Thank you, Mr. Deputy Speaker.

I would have to ask the member to provide me more detailed information with respect to the claim behind the question so that I might investigate it and provide a full answer for her.

MRS. B. MITCHELSON: Mr. Deputy Speaker, I was going to address this question to the Attorney-General but maybe either one of the two Ministers could answer.

It's my understanding that in the Attorney-General's Department, pay cheques issued for part-time workers in this department are six weeks behind. Can either one of these Ministers explain that situation to me?

HON. E. KOSTYRA: I thank the member for that further information and I will ask the commission for a report on that and then provide it as soon as it's available.

MRS. B. MITCHELSON: Mr. Deputy Speaker, to the Minister responsible then for Civil Service. Will this government take some action on behalf of these part-time employees to ensure that they are being paid on a more timely basis?

HON. E. KOSTYRA: Mr. Deputy Speaker, as I indicated, I will investigate the allegations that were made by the member and if there is a problem we will work to attempt to correct it.

Natural Resources - tabling of Ombudsman's Report

MR. DEPUTY SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Mr. Deputy Speaker, as I had indicated earlier in my comments I had copies of the Ombudsman's Report for distribution in the House.

I want to indicate that in an earlier statement that I had indicated my intention was to wait for the report from the Auditor's Department but in that the Ombudsman's Office did issue a press release yesterday, I thought it would be appropriate to table this document today. So I have copies available for distribution.

Mines inspections

MR. DEPUTY SPEAKER: The Member for Niakwa.

MR. A. KOVNATS: Thank you very much, Mr. Deputy Speaker. I would like to direct my question to the Honourable Minister of Environment, Workplace Safety and Health, the Minister who is responsible for mine safety and mines inspections.

Mr. Deputy Speaker, there's been some pretty heavy discussion and debate on the risk of working at the Hudson Bay Mining and Smelting 50-year old section of the south main mine at Flin Flon.

A union spokesman had advised that designated miners will descend into the shaft of Hudson Bay Mining and Smelting Company's Limited south main mine each day and determine if the mine is safe for the day's operation.

Can the Minister advise if the Provincial Mines Inspector at Flin Flon has inspected the mine? When and what are his observations and recommendations?

MR. DEPUTY SPEAKER: The Honourable Minister of Environment.

HON. G. LECUYER: Thank you, Mr. Deputy Speaker.

Indeed we have mines inspection staff in Flin Flon who certainly will monitor the situation carefully. But I have to advise the member the mining in question that is referred to in the articles in the press in the last few days, the whole Flin Flon mining area is under federal jurisdiction for the very reason it sits on the interprovincial boundaries, but the actual mining that is referred to where they're trying to extract basically pillars from an old mining area is actually mining that is being done in Saskatchewan right now.

That particular operation referred to is in Saskatchewan, and it's always been a problem in that regard; that there is joint jurisdiction and, in this particular case, federal, Manitoba and Saskatchewan. But the article the member refers to is for mining that is done in Saskatchewan, and I do expect the Province of Saskatchewan mines inspection also are involved in watching this particular situation.

MR. DEPUTY SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: I'd like to address a supplementary question to the same Minister.

The jurisdiction, I am told, is part of Saskatchewan's responsibility and a federal responsibility. The Minister had advised they're monitoring the situation. I don't think we can just keep passing off monitoring and we're looking into and keeping an eye on. I don't think we can just keep passing off monitoring, and we're looking into and keeping an eye on. It's Manitoba . . .

MR. DEPUTY SPEAKER: The member's supplementary . . . a preamble.

MR. A. KOVNATS: . . . miners are working in that mine.

I was wondering whether the Minister is going to do something about seeing the responsibility, even though it's not Manitoba responsibility, something is done about it before there's some safety features that take place that are going to cause some accidents and possibly even some deaths to Manitoba miners.

HON. G. LECUYER: When I use the word, "monitoring," Mr. Deputy Speaker, by that I meant inspections, and inspections to make sure the operation is done - if anything, Mr. Deputy Speaker, we would want to err on the side of caution, and certainly not take undue risks. There have been, I might add for the benefit of the members of the House, ongoing negotiations between the Federal Government and the Province of Manitoba in terms of trying to determine how this matter of joint jurisdiction can be handled. We are and have been for some time negotiating on adopting the same mines regulation to resolve some of those problems that have been there for many, many years past. I think we have reached the point where we're close to being able to say we apply the same regulation.

American Consulate - effect of closing on business

MR. DEPUTY SPEAKER: The Member for Portage.

MR. E. CONNERY: Thank you, Mr. Deputy Speaker.

Yesterday was a very sad day in Winnipeg with the closing of the American Consulate in Winnipeg, the only consulate in Canada to be closed. The past president of the Chamber of Commerce, Ed Martin, said: "It doesn't speak well for the city." He goes on to add: "From a business point, it's a crying shame. Businessmen had been able to get information on existing market opportunities in specific U.S. centres."

To the Minister of Industry, Trade and Technology, what options has he put in place now to assist the businessmen of Manitoba to do business in the United States?

MR. DEPUTY SPEAKER: The Honourable Minister of Trade and Technology.

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker.

We have been working closely with the business community with respect to the northern United States market. We've had a number of trade missions to places like Minneapolis. There are others planned for other parts of the Mid-western United States and Northern United States. We have information available on a number of areas. We're exchanging information with state governments and so on, so there's a wide variety of activities which are in place, and which are coming into existence.

Gimli Dragways

MR. E. CONNERY: I have a new question, Mr. Deputy Speaker, to the Acting Minister of Government Services.

I would hope the Minister of Business Development and Tourism would take notice. The good news is the Dragways will take place this weekend. The bad news is it will be cut down from one-quarter of a mile to one-eighth of a mile. Keeping in mind that Mr. Wareing from the Business Development Branch made a deal with IMAR to lease part of the runway, they obviously should have known the Dragways were using, and not giving Dragways an opportunity to lease the space they needed, will the department now look into resolving this issue so we can maintain the Dragways at Gimli because it's a good revenue source and creates jobs in a community that requires the jobs very desperately?

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Deputy Speaker, on behalf of the Minister of Government Services, I'll take that question as notice, and ask his department to provide the information as quickly as possible, and review the allegations the member makes.

Homicide rates in Manitoba

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

MR. G. MERCIER: Mr. Deputy Speaker, I have a question for the Attorney-General.

Mr. Deputy Speaker, as a result of the most recent slaying, Winnipeg's per capita murder rate is now the highest in the country. I wonder if the Attorney-General could indicate what action, if any, he is taking in conjunction with law enforcement authorities with respect to this problem, and particularly in view of the fact the victims of this violence in the past four or five cases have mainly been women. Women are, in particular, concerned about the violence being done to women most recently.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Deputy Speaker, the Member for St. Norbert's concern about the abuse of women and, quite often, we know the abuse of women in our society is very serious indeed and leads to a homicide. I think the members of this House are aware of the record of this government in dealing with the question of prosecuting spousal abuse which is usually the abuse of a woman, and the work we've done through Community Services in establishing shelters so we can remove abused women from a situation in which the violence might escalate. I think no government in Canada has done as much as this government with respect to protecting abused women.

With respect to the other part of the question about Winnipeg being the homicide capital of Canada, I regret very much the media has seen fit to, in fact, use statistics in that way to create the impression, which is an unfortunate one, that somehow Winnipeg is an unsafe city. We all of us know that is not true. There are areas of the city that are problematic. That is true of any city. Any homicide is a matter of regret. One homicide is a homicide too many.

In fact, what the statistics show is this - and I gave part of those statistics to the House a week ago - in 1984, Manitoba as a whole, and those are the statistics I have, for a whole year - and that's what I want to deal with - the statistic rate was 4.06 which brought us to about the third-highest in Canada in 1984.

In 1985, it dropped to 1.9 which made us about the lowest province in the country. The reason for that is adverted to by the Crime Superintendent, Wayne King, in an article in the Sun which was buried at about the last paragraph in the sensational story in the Sun. He says: "We're alarmed but when you're dealing with a small number, they jump about quite a bit." He pointed out, in the first three months of 1986, there were no homicides at all. We're now at the mid-point of the year. It might well be the case, by the end of the year - and that's when you do your assessment - the homicide rate in Manitoba is, in fact, nowhere near the top, and I suspect that will be the case, and will be indeed much lower.

I regret - I'm sure the Member for St. Norbert does as well, and I think he's right to raise the question - this kind of sensationalism which does not do anything positive to deal with the problem. We have to do everything we can collectively, both from the point of view of the Attorney-General's Department, the policing and the courts to deal with every homicide. It doesn't help, in order to sell newspapers, to sensationalize in the way both of the newspapers have recent homicides, exposing every intimate detail. That creates a perception which doesn't help. You know, one scandal rag is now in competition with another scandal rag. That does not contribute to the solution of the problem.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Order please. The time for Oral Questions has expired.

HON. R. PENNER: Mr. Deputy Speaker, you do not interrupt an answer, with respect.

SOME HONOURABLE MEMBERS: Oh, oh!

Friday, 1 August, 1986

MR. DEPUTY SPEAKER: The period allotted for Oral Questions has expired.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Deputy Speaker, simply on a point of order. I would ask that you examine Hansard when it comes out, particularly with respect to the Attorney-General's last remark, I think, where he appeared to indicate that he told you not to interrupt an answer. I think it is appropriate - in fact, it may not be necessary, maybe I should ask you to deal with it at this time, Mr. Deputy Speaker. It is appropriate for a Speaker at any time to raise a matter of order in the House as I expect that you were trying to do in view of the lengthy answer of the Attorney-General, Mr. Deputy Speaker, and I don't think members of this House would want such admonishments to the Chair to take place on any side of the House.

Perhaps through you, Mr. Deputy Speaker, we could ask the Attorney-General if he would withdraw that remark which I'm sure he will.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, indeed, I'm very glad to have the opportunity to withdraw the remark which I made.

The point that I was attempting to make, which I would ask you to take under advisement so that all of us, particularly myself, can be instructed, is: if, in fact, a member, any member, is in the middle of answering a question and the time for Oral Questions comes to an end, does that then mean that the member, whoever it is, in answering the question must not be allowed to finish the answer? I think that we would all be helped by your advice in that regard.

But, nevertheless, having said that, Mr. Deputy Speaker, let me make it clear that I withdraw any suggestion that I made with respect to your rulings.

HOUSE BUSINESS

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Mr. Deputy Speaker.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Order please.

MR. G. MERCIER: Mr. Deputy Speaker, on a matter of House Business, I would like to ask the Government House Leader if he will now confirm that he'll be calling the committee to deal with MTS on Thursday?

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Mr. Deputy Speaker.

As I indicated the other day, we would be pleased to call the committee as soon as we believe the necessary information which the members opposite have requested will be available to them previous to the calling of the meeting as they very clearly requested

on the other day and hopefully that will enable us to call the committee meeting next Thursday. Hopefully that will enable us to provide the information which the Member for Pembina and others have requested previous to a meeting which could then take place on Thursday.

If, in fact, that is not possible, I'll be prepared to again meet with the Opposition House Leader, the Member for Pembina, the Minister responsible, and determine what course of action might best serve the needs of the Opposition for accurate information and the need for the government to provide a complete picture as to the questions that are being asked.

We have been admonished, I might add, Mr. Deputy Speaker, unjustifiably and unfairly so by the Member for Pembina himself for not having had the information that he had requested in previous meetings provided to him at the committee hearing. Now, having taken that advice from them quite seriously and those suggestions quite seriously, we want to be in this instance assured that we have the information that they have requested available so they can review it previous to the meeting. We will endeavour to do that; we have indicated we will do so; and we will stand by that indication.

MR. D. ORCHARD: Mr. Deputy Speaker, on a point of order. The information, so that the record be perfectly clear, that I requested some two weeks ago at the last meeting of the MTS Annual Report was for the business plan of the investment in Cezar Industries and the joint venture in the United States. That information was available then, could be given to me today and we could indeed call the committee on Tuesday. That's not the information that the Government House Leader is alluding to. That information is available right now if the Minister would be so forthright as to table it.

MR. DEPUTY SPEAKER: There is no point of order. The Honourable Government House Leader.

HON. J. COWAN: Respecting your ruling, it does make it difficult to respond to the non-point of order. But it should be known, Mr. Deputy Speaker, that as of yesterday and as of today, the members opposite have been requesting information. As of yesterday, the Member for Pembina very clearly requested that that information be made available to him previous to the hearing. We are hoping and we are endeavouring to have that information available to them so that the committee can be called next Thursday.

There is no effort on our part not to have the committee called at that time. As a matter of fact, we would like to have the committee called at that time, but we feel we have a responsibility to provide the information that was requested. I hope that we would be able to do so. Perhaps early in the week next week, we will be able to indicate that that is the case. If not, we are prepared, as we have on all occasions to sit down with the Opposition House Leader and the members on their side who are critics for certain areas and arrange the business of the committees in the House so that it does in fact reflect their needs for information and our need to provide answers to questions that are put to us.

Hoping that we can meet in committee on Thursday, hoping that we can do so, I'd like to move ahead with the business of the day. I would also like to indicate again, that the House will not be sitting on Monday.

Mr. Deputy Speaker, for today's business, can you please call Second Readings in the order in which they appear on Page 3, 14 through 44 inclusive. Following that, can you please call Adjourned Debates on the Order Paper in the order in which they appear starting with Bill No. 4 on Page 2 and continuing through to Bill No. 45 on Page 3.

ORDERS OF THE DAY

SECOND READING

BILL NO. 14 - THE MANITOBA ENERGY FOUNDATION ACT

HON. V. SCHROEDER presented Bill No. 14, The Manitoba Energy Foundation Act, for Second Reading.

MOTION presented.

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

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker.

I'm pleased and proud to be able to place before this House today for Second Reading the Manitoba Energy Foundation Act.

This legislation fulfills a major commitment made to the people of Manitoba by this government during the recent election. In summary, the legislation sets out the allocation of profits from long-term firm export power sales. It ensures that the costs incurred by Manitoba Hydro and the Manitoba Energy Authority in making these sales are fully reimbursed and covered.

It stipulates that 50 percent of the profits received by the province will remain with Manitoba Hydro to keep our hydro rates the lowest in Canada and indeed in North America, finally, with the other 50 percent of the profits, establishes the Manitoba Energy Foundation to provide support for economic and social development in Manitoba, to develop a mechanism such as loans, loan guarantees and joint ventures. The Foundation will ensure that profits from the sale of our Hydro resources are used to build and diversify our economy, creating permanent jobs.

Manitoba Energy Foundation is to be established as a body corporate which will allow it to own its own assets, as well as invest and deal with these assets. The Foundation will be administered by a Board of Directors to be chosen from members of the Executive Council as designated by the Lieutenant-Governor in Council.

While the Board of Directors controls the policy direction and business affairs of the Energy Foundation, the Minister of Finance will be charged with the responsibility of administering its assets including investments while they are held and owned by the Energy Foundation. For that purpose, the Minister of Finance will be required to keep separate accounting records in the Consolidated Fund for the investment of those assets and income generated from them. Any investment or expenditure out of the Energy Foundation

will have to be authorized by the Lieutenant-Governor in Council.

The Minister of Energy and Mines shall submit a copy of every Order-in-Council to the Legislature on the next day it sits. Furthermore, the Energy Foundation's accounts will be audited annually by the Provincial Auditor.

Finally, two reports, one from the Minister of Energy and Mines, the other from the Minister of Finance, will be tabled before the Legislative Assembly and referred to the Standing Committee on Public Utilities and Natural Resources.

We already know the position of the official Opposition on this proposed act. They have consistently been against the development of our renewable energy resources. They have been against our purchasing and employment and training programs related to the Limestone Generating Station which have created tremendous economic benefits for the people of Manitoba. They have been against our successful record of marketing hydro exports to other utilities in North America. They were against the contract to sell 500 megawatts of firm power, signed with Northern States Power of Minneapolis. They will probably be against the contract finalizing another major firm power sale, which we expect to be signed shortly, with the six utilities of the Upper Mississippi power group.

Members opposite have often said, since the signing of the NSP contract, that there would be no profits from export sales. In June of 1984, when the NSP Agreement was signed, the Leader of the Opposition told the Public Utilities Committee, "There isn't any profit. It may almost be a break-even proposition."

Later in the same month he reiterated his comments when he said, "I'm just saying the government shouldn't say there's going to be a profit." Well, Mr. Deputy Speaker, today this government is again saying that there will be significant profits from hydro-electric export sales and that these profits will be utilized so that maximum benefits are enjoyed by Manitobans. This is the purpose of The Manitoba Energy Foundation Act.

And, Mr. Deputy Speaker, it is not just the Government of Manitoba who says that export sales will mean large profits for the Province of Manitoba, the Federal Government's National Energy Board, after thoroughly examining the NSP sale through 11 days of hearings here in Winnipeg and through their own independent analysis concluded - let me quote directly from the report: "The results of the Board's analysis for the Sale Sequence showed that Manitoba Hydro could be expected to derive net revenues of about \$385 million 1984 dollars from the two-year advancement case." And as we've discussed previously, they also calculated it would be \$365 million from a one-year advancement case.

We've often heard members of the Opposition say that somehow we were going to sell power cheaper to the United States than to our own customers, and yet when they read the report of the National Energy Board they know that those statements are false. And I go back to Page 15 of that report of the National Energy Board, a Conservative federally appointed body, and I quote from it: "The evidence showed that the proposed export price of from 67 to 98 mills per kilowatt hour over the life of the contract would far exceed Manitoba Hydro's domestic rates for large industrial

customers of approximately 20 mills per kilowatt hour in 1984, and 34 mills per kilowatt hour established for 1993.

To put that in terms that are understandable to the public, from 6.7 cents per kilowatt hour to 9.8 cents per kilowatt hour is the sale price which the National Energy Board says will be the cost to NSP as opposed to the price charged by Manitoba Hydro at that same time to similar users in Manitoba, of 2 cents per mill per kilowatt hour and going up to 3.4 cents per kilowatt hour by 2004. And to suggest at any time, in any way, that we are subsidizing when in fact a Conservative appointed, federally appointed body, an objective body, had said that we are right and you are wrong, it's just simply continuing to perpetuate an untruth.

The hearings of the National Energy Board were public and at that time the members opposite had every opportunity - every opportunity - to question expert witnesses on the profit expected from the Northern States Power sale; or to present an alternative analysis for the board to examine.

Did they bother to do this? Or did they rather sit there in the dark, rather than light a candle? They sat in the dark just as they did last evening. They asked not a single question in 11 days knowing that if they asked a question they were going to get an answer they didn't like, and then they wouldn't be able to come along and continue their nonsensical campaign.

It is recognized and accepted that there will be some level of uncertainty in forecasting the exact level of profits from this export sale and that is why extensive risk sensitivity analysis was undertaken by Manitoba Hydro. This analysis which was confirmed independently by the National Energy Board conclusively shows that profits will occur in all possible scenarios. There may be less profit; there may be more profit; but in all cases there will be profit and you've got six books of Moses to take a look at over the weekend. You've got six books to go through — (Interjection) — I'm sorry, your background on the Bible is not very good; originally there were five. But we've got an introduction for you to try to simplify it because we know that people opposite are not too familiar with that. I repeat that because I think some of the members missed it. This analysis which was confirmed independently by the National Energy Board conclusively shows that profits will occur in all possible scenarios. There may be less profit; there may be more profit; but in all cases there will be profit. I think that's a very important key to this.

So the Conservative Party, standing alone, said that no profit will result from our long-term hydro-electric exports and particularly the Northern States Power sale. But here is the Catch-22. While they say there will be no profits from the sales, at the same time and with the same vigour, they say that the profit from the NSP sale must remain with Manitoba Hydro. They say there won't be a profit but it's got to stay with Manitoba Hydro. Why? This is the obvious question. Why? If you don't believe there will be a profit, Mr. Speaker, if the Opposition doesn't believe there will be a profit, why are they concerned about what will happen to that profit? If only for appearances' sake, surely the Opposition can't make those kinds of opposite statements in the same breath, but they continue to do it and that's why they're so incredible and why they're on that side.

Our hydro-electric resource happens to be this province's greatest natural resource. It provides Manitoba with a reliable, renewable source of energy and with the lowest electrical rate structure in North America. Increasing awareness of the health and environmental problems associated with both nuclear and coal generation have made all Manitobans more conscious of the benefits we share with our Hydro system.

The advantages of our system are becoming more apparent to the utilities in Canada and the United States with whom Manitoba is interconnected. Importing Manitoba power offers benefits to our customers - well we hear this mumbling from the former Minister of Agriculture who when he was in office signed an agreement with Saskatchewan which would have ensured that there was no profit to Manitoba for a 17-year period and would have ensured that the building of the next dam would have required more cost to Manitoba and he says no loss. If the cost of that dam would have gone above \$1 billion, every penny of that would have been at a loss position for a full 17 years, and a guarantee of no profit for 17 years. Just an incredible . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. V. SCHROEDER: . . . Well, Mr. Deputy Speaker, the member talks about their record as against ours. We hear their Energy critic saying those sorts or things about northern Natives and our hiring policies up North. Northern Natives spoke, and they spoke loud on March 18 about where they stood on our hiring policies, and they said you were wrong, that's what they said. That's what Manitobans have said in four of the last five elections. They've looked at your alternatives and they've said you're wrong.

Through that firm sale of hydro power, Manitobans will obtain significant profits that can be reinvested to secure this province's future. Electricity is our renewable heritage. It is our economic comparative advantage. Manitoba has already concluded one major export sale with Northern States Power. We're now working on finalizing contracts for a second larger series of export arrangements with the Upper Mississippi power group and NSP. As well, Manitoba is actively negotiating for a third major export to Ontario Hydro.

I should just say to the former Minister of Agriculture that we offered Saskatchewan the same deal we gave to NSP minus 5 percent, because they're Canadian, and they said oh, no that's far higher than we would have had to pay under the old agreement. We'd rather have the Tory agreement. Of course, you were giving it away with no profit and, in addition, requiring that the next dam be further down the river and more costly to Manitoba ratepayers. The only thing we would have gotten out of your plan was the work during construction. We would have gotten that. We're getting that plus profit, plus ensuring that the spinoff is to the benefit of Manitoba now. We're hopeful that agreement with Ontario Hydro can be reached and we're hopeful that it offers benefits to both parties.

Members of the Legislature may be asking why if we won't begin to receive revenues from NSP until 1993 when the sale begins, why do we need The Energy

Friday, 1 August, 1986

Foundation Act now. The answer, Mr. Deputy Speaker, is quite simple. — (Interjection) — Obvious to everybody on this side. At the present time, the Department of Finance, the Manitoba Energy Authority, and Manitoba Hydro working with the province's financial advisors - Merrill Lynch, Bank of Montreal, and Wood Gundy - are examining the possibility of financing part of the Limestone Project off the books of the utility on the basis of the NSP contract.

A final decision on this has not yet been made, but it's important when trying to determine the net benefits of project financing that possible lenders have before them, legislation indicating how revenue from the sale will be allocated as well as to provide mechanisms for such financing. In addition, as with all other utilities, reliable long-term planning is essential to the efficient operation of Manitoba Hydro. Planners in the corporation need to know how revenue from NSP and other long-term firm export sales will be treated so they can ensure effective planning for the future.

Members of the Opposition have suggested that by using 50 percent of profits from export sales for social and economic development, we will be somehow skimming off something which rightfully belongs to Manitoba Hydro. I point out again if they take that position - and some of them have - that's by acknowledging that the sales will be profitable.

Going on from there, Mr. Deputy Speaker, the NSP contract is the first firm export sale concluded in this province's history. It is not as if the province will suddenly be taking away money from Hydro which it has received in the past. Hydro has never received profits, or any money, from a firm sale, because we've never had one in the past. We have told the Public Utilities Committee of the Legislature that with 50 percent of the profits from the sale, the corporation would be in a much better position than if the sale had not taken place. Now keep in mind as we're dealing with this, the Opposition has been telling us we'd be better off without the sale, shouldn't have entered into the sale.

What it did was it advanced the construction of Limestone by two years, and as I said, the NEB confirmed our numbers that by advancing the construction of Limestone, there would be an additional profit to Manitoba Hydro of \$385 million, but they were opposed to that. Again, Manitoba Hydro officials have told the Public Utilities Committee of the Legislature, that with 50 percent of the profits from the sale, the corporation would be in a much better position than if the sale had not taken place.

Former president and CEO, John Arnason, told members, and I quote: "More specifically, net revenues from this sale will enable Manitoba Hydro to have lower rates to its customers than without the sale taking place." Very clear. "Our hydro rates to our customers will be lower because of this sale. And at the same time, we will have profits to put into the building of the economy and the social development of this province."

That is the statement of John Arnason, whom the Member for Portage may want to denigrate all he wants, but if he had any decency, he would stand up and apologize for that.

Since the legislation will ensure that all of Manitoba Hydro's expenses in making export sales are covered,

there is no way the utility won't be better off receiving 50 percent of the profits than it would have been, had export sales not occurred. That is only pure logic. Since the legislation will ensure that all of Manitoba Hydro's expenses in making export sales out of this country are covered, there is no way the utility won't be better off receiving 50 percent of the profits than it would have been if export sales had not occurred.

Since 1979, when it was proclaimed, Manitoba taxpayers have contributed more than \$122 million to the ratepayers of Manitoba Hydro through The Energy Rate Stabilization Act. Therefore, it should not be considered unfair for taxpayers to begin receiving some return for this substantial contribution when revenue from NSP begins flowing into the province. The Manitoba Energy Foundation Act establishes the mechanism whereby revenue from hydro-electric export sales are received and allocated within the province. It secures for Manitoba Hydro, 50 percent of the profits from these sales, as well as repayment for any expenses incurred by the corporation in making export sales. Finally, this legislation sets up the Manitoba Energy Foundation, Mr. Deputy Speaker, a foundation which will allow the next generation of Manitoba to reap the benefits of resource development through greater employment opportunities.

Several other points in closing: There have been questions raised in terms of legalities. I'll tell members of the House that when we started off in the drafting of the bill, we had a clause in the act, the proposed act, specifically saying that this act overrode the particular clauses which have been made reference to by the Energy critic, and we were informed by Legislative Counsel that they were not necessary.

Since the questions yesterday, we've gone back and asked again for specific acknowledgement that either they are necessary or not necessary, it's an issue of procedure, it's an issue of ensuring that in the end we will have no difficulty with the law, we have every right to make the changes, the changes are changes, Mr. Deputy Speaker - and I think this is the final point that must be emphasized - these are changes that were debated during the election campaign. These are changes which the New Democratic Party said we would implement if returned to office. These are changes which we said made sense to Manitobans and there were a number of polls done with respect to the attitudes of Manitobans in terms of how to share the profits from export sales. And in every region of this province, an overwhelming majority of Manitobans agreed that not all of the profits should go to reducing rates. In every region of the province, an overwhelming majority agreed that it wasn't unreasonable to put 50 percent of these profits into reducing hydro-electric rates for Manitobans, the other half into building the economic and social base of this province.

On March 18, the people of Manitoba spoke at the ballot box with respect to this and other issues. We are delivering on this promise. I am very proud to have the opportunity to have been able to present this bill for Second Reading, and I certainly commend it to this House.

MR. DEPUTY SPEAKER: The Honourable Member for Lakeside.

Friday, 1 August, 1986

MR. H. ENNS: Thank you, Mr. Deputy Speaker.

I'm not so pleased to contribute to this piece of legislation. I think it's a piece of legislation that probably scales the heights of smoke and mirrors, wind and rabbit tracks, and yes, indeed, it fulfills a major commitment made by the New Democratic Party during, not just the last election, but the election of 1981. Mr. Deputy Speaker, that says a lot for the substance of the election promises honourable members opposite make.

Let me deal with this, the one item that the Minister concluded with in his comments. I raised no objections in my questioning the other day about the rights, the propriety of the government making changes that affect other pieces of legislation. I simply raised those questions because it indicates to me that none of them themselves, believe, that this heritage foundation Fund will ever be operative, that they themselves, understand that it's smoke and mirrors, wind and rabbit tracks, because they could have at least acknowledged that to make the act that is being introduced with such fanfare operative, that there would have to be some fundamental amendments made to other acts. That's all I asked for.

They didn't even take the time, Mr. Deputy Speaker, to acknowledge that the introduction of this act stands in basic contradiction with at least two other pieces of legislation. And you know, the fact that the Honourable Minister chose to indicate that we worry, we worry about this matter - by worrying about this matter, we are, by implication, acknowledging that there will be profits. Well, Mr. Deputy Speaker, if that's a valid position for the Minister to take in introducing this bill then I submit then, that my position is equally valid. That if there's present legislation on the books of Manitoba that prohibits any transferring of funds from Manitoba Hydro Corporation to any other agency of government, if that's of no concern to the Minister who's introducing this bill, then I can make the equally valid observation that they, themselves, realize that it's smoke and mirrors that we're talking about and no transfer of funds, indeed, will in fact ever take place.

Mr. Deputy Speaker, the Minister in his comments with respect to the bill indicated that this was an important election commitment that they were fulfilling. And I remind you of the commitments that this government made, not just in the last election but in 1981. "We can tap our resources," - I read from that great message from our Premier, Howard Pawley, "we can tap our resources of energy wisely with ManOil and Manitoba Hydro. We can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates." - And by implication, anything else. "That we will be able to fund all kinds of social programs with the profits made by such corporations as ManOil." Just as they are now holding out that they are going to do all kinds of wonderful things, create permanent jobs, by a yet-to-be foundation that is to get some profits, when? Not this year, not next year, not the year thereafter, not in 1990, not in 1991, not in 1992, the first possible contribution to this mythical fund begins in 1993 when the NSP power sale becomes operative.

Mr. Deputy Speaker, what are Manitobans being asked to buy? What have we received from the fulfillment, the great fulfillment of NDP election

promises? With ManOil, we can provide social services. Well, we have dealt with the ManOil Corporation. We Manitobans have now invested over \$10 million into that company - \$10 million - given to them without interest. You name me one Manitoba citizen who can borrow \$1,000, \$5,000, never mind a million dollars, without paying interest. Without paying interest. Well, we gave this company \$10 million interest-free, and they have managed to lose only \$325,324 this year. That's all they lost.

Never mind paying for a teacher; never mind paying for a hospital bed; never mind paving a single mile of road. How many drums of oil will ManOil have to produce before it can be said that it returns a single penny, a nickel, to the investors, to the shareholders, to the people of Manitoba who put up that money. We've got \$10 million in, we'll have \$20 million in by next year. The province is borrowing at 8 or 9 or 10 percent interest rates. Easy figuring. You don't have to be a mathematical genius to understand that that at least is a carrying charge of \$1 million a year. We are only producing between 55 and 100 barrels a day. We only make at best, with today's depressed oil prices, one or two dollars profit, if we can do that, on the actual production costs and the sale.

But, Mr. Deputy Speaker, surely that interest has to be paid before we should be trying to fool any Manitoba citizens about profits that are being yielded. That is as ridiculous as the Minister responsible for Hydro standing up and saying that Limestone power doesn't cost any more than the power generated out of Pointe du bois, Seven Sisters, or any of the dams that have been built and paid for 50, 60, 70 years ago, as he did last night.

Limestone power coming off at 3 cents a kilowatt hour is what he told this House last night. With those kind of figures, of course, you can create any kind of mythical profits that you want, Mr. Deputy Speaker.

But I ask the members opposite, when are we going to see profit out of ManOil under these circumstances? We don't produce that much oil, Mr. Deputy Speaker, in the Province of Manitoba. To pay the interest costs advanced to that company will take an awful long time. You would have to see oil prices back up to \$35, \$40 a barrel, that may happen in eight or nine years or four or five years, I don't know, but should we be gambling with the people's money that way? Because there are other uses that people expect to do with their tax money.

People of Brandon who are seeing a 20, 21 bed wing of their hospital being closed down because they haven't got money, they don't particularly want to see their elected representatives going to Las Vegas, gambling with their money, drilling empty oil wells and coming up with good ones every once in awhile, in the hope that we make a buck. People who are driving on our highways want to see our roads in good condition. They don't want to see that budget reduced by 10 or 12, \$12 million dollars this year alone - \$12 million dollars this year alone this government has struck off the Highways budget so they could stick it into an oil company that has lost us \$325,000.00. You've got to be out of your mind.

Now we're faced with Bill 14 that trades on the politics of the words "heritage," and "heritage fund," in this case, it's called an Energy Foundation. Mr. Deputy Speaker, we are all aware of where that reputation was developed. In Alberta, prudently and wisely, many years

ago, recognizing that the oil wealth, the gas wealth that they were removing from the ground in their province was a non-renewable resource, but it was a functioning industry, and through taxes - not through borrowings - but through taxes and royalties, they siphoned off or set aside a certain amount and it was called that, for a rainy day. And regrettably, that province has seen several rainy days, and they're seeing it right now because of the changes in energy policies and energy pricing around the world.

But, Mr. Deputy Speaker, that fund grew to a substantial amount, that fund was set up because there was existing activity, there was existing profits to be taxed, royalties to be collected, and to be shepherded, husbanded, for a period of time such as now when the province is making good use of those funds. Now you put that beside what we are doing here, we are first of all committing ourselves to borrowing massive amounts of money to build the Hydro project; we have made projections using the Moses model, under these and these terms, under these and these conditions, certain things will flow. But if there's one thing certain in this world, Mr. Deputy Speaker, that is that any expert will tell you to be extremely careful about predicting interest rates, money costs, predicting load growths, predicting lifestyle patterns that could considerably change some of the conditions on which projections are now being made.

But we are borrowing nonetheless. We are committing ourselves. Whether it's through special project funding or straight borrowing by the province on behalf of Manitoba, we are going to be borrowing a billion-plus, \$2 billion for this project. That is firm. What is also firm is the level of borrowing undertaken by this government has now, on three occasions, reduced our credit ratings so that borrowing costs us more.

What is also firm, Mr. Deputy Speaker, is that one can argue, as we argued last evening, and I suppose we'll never resolve that argument, as to how and from what perspective one views when a profit is indeed created.

Again, Manitoba Hydro is a corporation, heavily in debt, 50 percent of every dollar now paid on our hydro bill, or slightly higher, I'm told it's up to 52 - I use the general term of 50 cents on every dollar - does not pay back any of the dams that we've built, simply to service the debt. As we increase that debt ratio, that amount of course will continue to rise. And that surely has to be of concern to us.

So I think one can certainly take the position that it's preposterous to talk about any profits flowing at any time as a result of our generation of Hydro. Of course, the original mandate of Manitoba Hydro was to provide Hydro energy from hydro-electric sources at cost to Manitobans. And in the process of doing so, if we can contribute to keeping those costs among the lowest in North America as the Minister likes to remind us, then proceeds from any sales should continue to come back to the corporation to ensure that that in fact takes place.

I said a little while ago, Mr. Deputy Speaker, that this bill scales the heights of smoke and mirrors, wind and rabbit tracks. If that was all, I would shrug my shoulders and say, well, this is another bit of clever bit of NDP politics. And it is clever NDP politics, because people do buy it. The people want to believe - and there's

certain grounds for belief - that water and hydro resources is one of our great resources. People tend to forget that it is through management how easily those advantages can be frittered away.

The Minister likes to argue with me about my use of figures, but nobody can deny the use of the figures that between the years '73 and '77, Manitobans were asked to pay between 140 and 150 percent more on their hydro rates. We had hydro increases of 18, 22, 24, 19 percent each year. Each year. — (Interjection) — The member keeps talking having the lowest. There is reason. But our farmers, or our industry people pay more for hydro than they do in most other jurisdictions that we compete with.

MR. C. MANNES: Saskatchewan has no fuel tax.

MR. H. ENNS: Not because our rates are higher; they're lower. Because where we're located, our geography, our climate. Compared to heating a plant in southern Ontario, our major competitor on the mainland, in Vancouver, our hydro rates have to be among the lowest, and should be among the lowest so that we can continue to enjoy at least one of the few advantages that we have living in this part of the continent. Because goodness knows, we have enough other disadvantages.

We have to freight, we are farther away from ports, we are farther away from bringing in the necessary commodities — (Interjection) — you're selling it, not much profit, but anyway, the truth of the matter is that under your management of Manitoba Hydro affairs, the rates went up 140 percent. That's acknowledged. Under your management of Hydro, the rates went up 140 percent, over a four-year period of time. Over a Tory similar four year period of time the rates did not go up. — (Interjection) — Never mind, let's talk about the rates now. You guys like to confuse apples and oranges wherever it suits you.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Order please. The members will have their chance to speak.

MR. H. ENNS: Mr. Deputy Speaker, we now have a situation where it is, first of all, highly questionable whether there will be any real profits realized. It will be more questionable whether or not they ought to be utilized in this way. And this is why I say I take most serious objection to this bill because, Mr. Deputy Speaker, I recognize in this bill a recognition on the part of this government, prolific expenders that they are, that to keep on increasing traditional and other taxes is not good politics.

To have to increase income taxes or other more general taxes that we are accustomed to, sales taxes, corporate taxes, that in the long run gets them into a political bind. So they've devised a scheme whereby, through an alternate route, they hope to create a fund to carry on with general government financing of various social programs, various other economic programs, and all the programs the Minister described in the Second Reading of the bill.

Mr. Deputy Speaker, if those programs are legitimate government programs, job creation programs, just as

Friday, 1 August, 1986

the programs that we're now engaged in, the Jobs Fund and so forth, then they ought to be identified as such, up front. The money should come from the general revenue and the consolidated revenue of the province and people who are paying the taxes ought to know what they're paying for and where their money's going to.

Manitoba Hydro users, the ratepayers of Manitoba Hydro, ought to have the satisfaction, ought to have the confidence that the hydro bills that they pay whether it's an industrial user, whether it's a private user, whether it's a farmer, that he is buying power when he pays his bill. Not buying some undescribed social program; not subsidizing some other job creation program; let him do that through his general programs.

No, no, Mr. Deputy Speaker, this is the danger inherent in this bill. This introduces a new method of the government to raise money, one that it will be harder for it to be held accountable for and; secondly, particularly with the fact that if they keep reminding us that we enjoy among the lowest hydro rates, they see that there's room, there's a cushion there, that as long as our rates are not among the highest in the country, that they can increase by 10, 15, or 20, or 30, or 40 percent the hydro rates - which they will have to in any event - but can put an extra 10 percent on occasionally if they feel like it, to make good some commitment to the bill that's now being introduced.

Mr. Deputy Speaker, I think it's a wrong way to approach government financing. It fudges what ought to be clear and straightforward. We build Hydro dams to produce power. The Manitoba Hydro Act is very clear. The mandate is to provide power at the lowest possible cost to its shareholders, the people of Manitoba.

Under this government we are embarking on a pretty fudgy road. It's not clear whether we are building dams - and I'm not particularly opposed to building dams - if we can have it clearly demonstrated that the full return of the money is provided for in any future sales of that power.

But the Manitoba Hydro is being fundamentally and basically altered. If they no longer are the recipients of the revenues created by the generation of power and electricity of their plant, and that another body, the Minister of Finance through the vehicle of this act, now begins to control a significant portion of the revenue that would normally accrue to Manitoba Hydro.

Mr. Deputy Speaker, I maintain that our system has to be altered to acknowledge that fact should that happen many years down the road, because we don't have the same kind of scrutiny of Crown corporations, as we're regrettably finding out, as we dealt with the affairs of MTS and MTX. We don't have the line-by-line scrutiny between the process of Estimates through such corporations as are being envisaged, that are being set up under Bill 14.

The Minister maintains, and he covered a whole range of programs that the fund would be expected to be involved in, programs that normally would be delivered under line departments, economic development, social programs of the Department of Health, educational programs of the Department of Education, monies spent for public purposes in those areas, which are identified in the line department's Estimates can and are regularly scrutinized by those responsible for performing that service, namely, the legislators.

We don't have that same opportunity to do so with the Crown corporations that we set up from time to time and perhaps, Mr. Deputy Speaker, one ought to reflect that that may well be, not to assume too much onto myself, onto our role as Opposition critics. But perhaps that may well be why so many of our Crown corporations have gotten themselves into such terrible messes and we find out only a year later, two years later, sometimes five and six years later just how awful the financial mess is. I need not fill the record with the kind of corporations that readily come to mind.

So, Mr. Deputy Speaker, this bill ought to be opposed because of the principles involved in changing a method of providing the government with a new taxing vehicle. It ought to be opposed because to me it is a most cynical piece of legislation. Why not, if they wanted to be up front and straightforward about it, why not allow some future government, NDP government, as the profits begin to roll in, come into this Chamber and say, look, we have as a result of three years, five years of selling power to the Northern States power group, or any other group, we are now beginning to amass several millions, tens of millions of dollars of profits for the corporation, allow some future Minister of Energy to walk into this Chamber and say, this is what we intend to do with it? That's what they did in Alberta.

As the oil and gas activity picked up in that province, particularly under the capable administration of one Peter Lougheed, in the better years, his Minister of Energy, his government decided, this is what we're going to do with these profits that we're getting - these higher than expected profits that we're getting from oil revenues, oil leases, oil royalties.

Well, Mr. Deputy Speaker, allow some future Minister to come in here, even if we take for a moment the optimistic point of view that's being presented with respect to potential profits, allow some future government to come in here and present a Bill 14 when it is fact, Mr. Deputy Speaker, and when you can't have an Opposition member get up and call it smoke and mirrors.

Why are we doing this in 1986 when the first possible profits will come in the year 2000, and then it's questionable? I'll tell you why, Mr. Deputy Speaker, it's because of the cynicism, the opportunism of these people and it's because they rely on their capable propaganda machine, to convince Manitobans that somehow or other these investments are going to come back home to them with a benefit.

I just conclude, how many millions of gallons of oil are you going to have to pump and produce with ManOil before any Manitoban sees a single cent of profit? That corporation is costing us over \$1 million a year right now. I hear no denial and we're losing \$350,000 a year. We're only pumping 100 barrels of oil a day. How many barrels of oil have to be pumped before a single benefit accrues to the shareholders of that corporation? It will be well into the year 2000-plus, and then goodness knows, if the conditions are such that we have a saleable asset on our hands. Technology could prove otherwise. This is being presented to us again much as the election promise was in 1981.

Where are the resources from Hydro? Where are the resources from ManOil, that are helping to pay for the social programs in this province? They're non-existent, Mr. Deputy Speaker. This bill is a hoax, a sham and a

cynical bit of political opportunism at its best, and at its worst it's a very serious aberration in the manner and way in which governments of the future - NDP governments of the future - will be able to gouge the Manitoba Hydro ratepayers for everyday government expenses.

Thank you.

MR. DEPUTY SPEAKER: The Member for Arthur.

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

I rise to speak on Bill 14 on the first day of August in 1986 and yes, Mr. Deputy Speaker, we're sitting through the summer because the government called the legislative Session after the election and we had a lot of priority items to deal with, and we have Estimates to deal with, and the Minister of Agriculture has introduced legislation dealing with difficulties in agriculture, and we've got all other kinds. But here I just want to make this point.

My colleague from Lakeside made the point and I want to re-emphasize it and I think the public, who are at all interested in what's going on here, should just stop and ask the question, what are the legislators of the Province of Manitoba, the first day of August, 1986 debating a bill which is going to, in fact, set up a savings account - or some dreamed-about heritage fund - that the New Democrats have before their eyes? Because it has been pointed out by them themselves, if in fact there is a profit - and that's the other debatable point that's going to be worked on over this legislation - if in fact there is a profit, that it won't come about till the year 2000-and-something.

You know, Mr. Deputy Speaker, just to demonstrate how misguided this group of people are, why for the life of me are we debating a bill which has no impact, no priority, nothing to do with the daily lives of the people of Manitoba for probably 14 years if, in fact, then? What is he wasting the time of the Legislative Assembly for and the taxpayers' money for some mythical dream that he says is going to happen in the year 2000?

I, Mr. Deputy Speaker, have heard of sunset legislation but I have never heard of sunrise legislation, Mr. Deputy Speaker. We now have the dreamy eyes of the Minister of Mines and Energy, with some sunrise legislation before us. Not only sunrise, it's decades before the sun will get up on what he's proposing will happen.

Why is he wasting the time - and I call it a waste of time - before this Legislative Assembly, the taxpayers' money - (Interjection) - and I know that the Member for The Pas who goes home and has to try to justify the removal of the agricultural office and all support staff, had better be pretty careful in what he's saying because when he goes home and they say to him, gosh, we're sure glad that you're in there debating the heritage bill. - (Interjection) - The Member for The Pas says we're debating the heritage bill because by 2000 we're going to have some money to put in it. They say, you'd better have, you better have, because you've given us an empty agricultural office. That's what he should be dealing with, Mr. Deputy Speaker.

I'm not going to sit down and pass this piece of legislation because first of all it's a mythical approach. Why doesn't the Minister, if he's so sure of it, put in

the dates? Why doesn't he put in the amounts of profit that he's going to make? Why doesn't he tell the whole story that he's trying to get the people of Manitoba to believe?

I realize it's a philosophical debate and I'm not going to get into much detail on the bill, but I am somewhat objective, I somewhat object to, Mr. Deputy Speaker, the fact that we're being asked to vote for a piece of legislation that is totally on the assumption of something, totally on the assumption, for his export sales of electrical power generated in Manitoba will produce substantial net revenues. Where's the evidence? The Minister says, the evidence comes from the National Energy Board, the hearings, that's a Conservative-appointed board. - (Interjection) - That is not a true statement, Mr. Deputy Speaker, it's not a true statement at all. It was a Liberal-appointed board. He doesn't know what he's talking about. All the more reason why no one should support this bill.

The hearings had nothing to do when the board was appointed, you stupid ninny. - (Interjection) - It doesn't matter who the government is. Who appointed the board? Who appointed the board? It wasn't appointed by a Conservative party, it was the Liberal Party . . .

MR. DEPUTY SPEAKER: Order please.

MR. J. DOWNEY: It was the Liberal Party that appointed the board. It was a Liberal-appointed board. So tell the truth. Tell the truth, Mr. Deputy Speaker, tell the truth. - (Interjection) -

A MEMBER: You're right, you didn't do any. Your whole argument doesn't hold water.

MR. DEPUTY SPEAKER: Order please.

MR. J. DOWNEY: Mr. Deputy Speaker, what is the - (Interjection) - National Energy Board . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: The Member for Arthur has the floor.

MR. J. DOWNEY: Thank you, Mr. Deputy Speaker, I appreciate your comments. I was having a hard time hearing myself.

But the point is, he's basing it on the National Energy Board hearings, that that's where the profit is coming from, from a Tory-appointed board. - (Interjection) - That's not true. It was a Liberal-appointed board that was still in place, and is still in place as far as I know, Mr. Deputy Speaker.

So don't let him try to give this misleading statement. It's bad enough that he should put in this legislation and ask members to vote for something that we really have no evidence of, that there's going to be net revenue. Net revenue means that you're going to have money made from a project and there will be a bank account. But the silly part of it is, we're being asked to pass it 14 or 15 or 20 years before that might ever come about, it might never happen, and here we are we're being 15 years ready anyway. That's certainly being prepared.

That's prepared. Have your bank account ready because boy, it's going to flow in 15 years. Well, let's wait till year 14 from now to deal with this as a priority item, Mr. Deputy Speaker. We'll be here to deal with it. I don't think that the Minister will have to be.

We're doing all this, Mr. Deputy Speaker, and I want to make this point. My colleague referred briefly to it, but I want to make this point. We're doing this at a time when we have so much of a mess in the Manitoba Telephone System, and this government has this whole problem on their hands.

The Manitoba Telephone System have been in business for 70 years in Manitoba. It's a Crown corporation set up as the Hydro was to provide a utility to the people of Manitoba. Yes, to provide the Telephone System the communications that were so essential to the daily lives and the needs of the people. Well, it came along to 1982, they thought they would do a little bit of outside investing, as this legislation says, that the Energy Authority will be able to do without any controls on them, or any controls on the government, Mr. Deputy Speaker, as this Energy Authority will be able to do and I'm advising them that they look at the current experience that they're going through now.

But we have a Telephone System that had been in business for 70 years. The plant should be paid for. They've had a monopoly situation. They've been able to take the money from the ratepayers as they've needed it to maintain their business. They should have, Mr. Deputy Speaker, the plant paid for; they should have the best wages in the country; they should have the best system going; and they should have what? A heritage fund, Mr. Deputy Speaker. But what have they got? They showed us half-a-million dollar loss this year. A half-a-million dollar loss after 70 years of government being in the telephone business. And he's saying that in 15 years, Hydro is going to have some heritage fund. Well, he's setting up another MTX fiasco if he proceeds with this bill.

How dumb is this government? And I apologize if dumb is a bad word, Mr. Deputy Speaker, obtuse, how misguided - I will withdraw that, I'm sorry, I'll withdraw that because it wasn't nearly strong enough, I'll try to find another word. How misguided is this government? I just make this one simple point. Why, if you were going to invest money on behalf of the taxpayers of Manitoba, would you invest in telephones in Saudi Arabia and oil in Manitoba? Why wouldn't you do it the other way around, Mr. Deputy Speaker? Why wouldn't you invest in oil in Saudi Arabia and telephones in Manitoba?

The Minister of Energy says that's not a bad idea. It's just that simple. It's just that simple. — (Interjection) — That's right. It's not a bad idea; he agrees with my point. If you're going to invest money for the taxpayers of the people of Manitoba, please do it. Please do it in a responsible manner. The best place to invest in oil is in Saudi Arabia, and I'm sure the best place to invest in telephones is in Manitoba, even though the Minister of Telephones will now not use it, he says, don't use the telephone to tell me what's going on, send me a letter. That's what he said yesterday, send me a letter because I don't trust the telephone system.

You know, I tell you, Mr. Deputy Speaker, this is the kind of an operation that this collection of incompetents are running. — (Interjection) — That's just incredible, that's right. That's incredible.

Let's look at the history of Manitoba Hydro, because it's a corporation that each and every one of us as Manitobans have been extremely proud of. I've given this speech before, the Member for Transcona — (Interjection) — no, this portion of it I have, the Member for Transcona has heard me say it and he's well aware of it, that as a young farm person growing up in rural Manitoba, that in the early Fifties, the D.L. Campbell government did probably the greatest thing that any Liberal Government has done, and I know with all apologies to Mr. Campbell, he doesn't like to be called a Liberal. Progressive, I'm sure has to be used in that - Liberal Progressive has to be used in that. They in fact turned the lights on for Manitoba.

Manitoba Hydro's objective, Mr. Deputy Speaker, at that time, was to make life easier, to provide the kind of power that each and every one of us could have a little bit better way of life. And, yes, they provided a toaster, and they provided another electrical element or electrical appliance for your home if you in fact put hydro in, and the lights went on in Manitoba. Tremendous objective!

And that, Mr. Deputy Speaker, that objective, I'm sorry has been lost. It's been lost because of the politicization of the total hydro operation. We didn't politicize the hydro, Mr. Deputy Speaker, it's really been an underlying part of our political life, but it has been an essential ingredient to the lives of Manitobans.

Now, because of what it did - and I give more credit than ever to an individual, Mr. Duff Roblin, who had the vision to see what further development on Hydro would do - yes, Mr. Deputy Speaker, the further development of the Nelson River added a tremendous economic boost for industry and growth and development within the province.

Mr. Deputy Speaker, we then saw the Schreyer Government come along, and they saw some tremendous opportunities to do some politicizing and to create jobs in the short term; and, yes, the NDP under the Schreyer years gave Manitoba something in Hydro, they gave us 150 percent increase in our hydro bills in four years, tremendous contribution to the economy of Manitoba. They forgot though, that it was all Manitobans who were paying for it. That really, Mr. Deputy Speaker, is the legacy of that government.

Then, we had, unfortunately, all too short a years under the Lyon administration, where we had — (Interjections) — and a terrible objective that the Tories had under the Sterling Lyon Government, was that . . .

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

MR. G. MERCIER: I rise on a point of order, Mr. Deputy Speaker, I wonder if you could ask members on the government side of the House to remain silent and allow the Member for Arthur to make his contribution to this bill.

MR. DEPUTY SPEAKER: On the same point of order . . .

HON. L. DESJARDINS: On the same point of order, while you're at it, ask the members on the opposite side to be quiet, also.

MR. DEPUTY SPEAKER: On the same point of order . . .

HON. V. SCHROEDER: Mr. Deputy Speaker, on the same point or order, I'm wondering if you could turn the oxygen on for the . . .

MR. DEPUTY SPEAKER: The Member for Arthur.

MR. J. DOWNEY: Mr. Deputy Speaker, they can make all kinds of comments, the truth is truth, and it won't be found in this bill that we're dealing with, it'll be found in the speech that I am giving, and if it bothers them that much, then I would just as soon they not sit and listen to it if they're unable to take the kind of punishment that I'm giving them.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. J. DOWNEY: Mr. Deputy Speaker, my comments dealing with the history and the fact that under our administration, under the Lyon administration, of which I was extremely proud to serve, we operated from the policy and the philosophy that if you're going to use hydro to the best benefits of Manitobans, you first of all give them a break on the hydro. You give them a break on the hydro because it goes back through the traditions that D.L. Campbell set it out for. It was for the people of Manitoba to use; it was for the best economic benefits for Manitoba, as Duff Roblin established for the use in major industries and the increase of the capacity on the Nelson River. Yes, that's the kind of economic vision that we had that we developed the jobs in Manitoba.

But then we came along, and that isn't good enough under this New Democratic Party, we have to remove the rate freeze because it's for some reason not in their best interests, or their best political interests. We have to start to think now, we're going to really get worldwide with our ambitions, and we're going to start selling hydro-electric power to the United States. Even though at the same time they create a Jobs Fund to create employment in Manitoba, and they've all these great needs for employment in Manitoba, they're going to try to leave the perception in Manitoba, they're all for jobs. They're all for jobs for their own political purposes, but as far as real and meaningful jobs that could be created under Hydro and the economic developments, they can go to the United States, and then what we'll do for the people of Manitoba, we'll, 15 years in advance, bring in a piece of legislation to make them think that there's going to be some money some day so that we can again go into Saudi Arabia, and maybe we'll start a hydro system there. Mr. Deputy Speaker, maybe that'll be the next move as far as the Energy Authority is concerned.

Because that's in this bill. I'm warning the Minister, that ability is in this bill. And I'm warning him not to get a second boondoggle set up that he can be embarrassed with.

That's where we're at. That's the difference in our philosophical approach. We don't believe that you have to, through a socialist dream, set up a piece of legislation that creates a bank account that isn't really there, or probably never will be there, we don't mind, Mr. Deputy Speaker, putting the trust in the people of Manitoba and leaving those rates low in Hydro. In creating jobs in Manitoba, and leaving some money in the pockets

of the taxpayers so they can have a heritage fund of their own, known as a personal savings account, Mr. Deputy Speaker.

We're doing all this, we're leaving this perception, or the government is trying to leave the perception that there's some great aurora of funds to come flowing immediately. At the same time, what are we doing with our buildings? The University of Manitoba, what did we do with it? To finance the government? We sold it! We sold government buildings to maintain a cash flow, Mr. Deputy Speaker, to keep this Minister of Finance able to profit.

We're seeing our credit rating cut by the international spectators who are in the business of money. They're international money people who are telling us where we're at financially. We're seeing payroll taxes put on the people of Manitoba; we're seeing sales tax increases; we're seeing land tax increases, all at this time, Mr. Deputy Speaker, we're having some kind of a heritage fund.

The Minister of Health comes in with tears rolling down his cheeks as big as snowballs saying, help us, help us, help us with the Health field. Tell us how we can save money. We've told them time and time again. When are they going to start to listen? Quit wasting our time with this phony bunch of misleading kind of - sorry, Mr. Deputy Speaker, I'll withdraw that - I wanted to use a word more strongly.

MR. DEPUTY SPEAKER: The member should be careful with his words.

MR. J. DOWNEY: That's right. I want to say, Mr. Deputy Speaker, it's smoke and mirrors, or whatever my colleague from Lakeside calls it. But the point is, Mr. Deputy Speaker, all the time we have the Minister of Health, we have the Minister of Highways having \$20 million cut out of his budget, because we can't have highways in Manitoba any more. We have now lost the ability to maintain our infrastructure.

Yes, Mr. Deputy Speaker, and I noticed in a press release the other day where the town of Lundar had a big press conference with the Premier and the Minister of Agriculture prior to the election, giving them some promise of a new addition to their water and sewer system. But oh, oh, it has to be cancelled now because No. 1, the election's over, but No. 2, they don't have the money to do it. Yes, Mr. Deputy Speaker, and yet, he comes to the Legislature and sits beside the Minister of Energy and Mines, saying, I'm going to support a heritage fund. What a phony bunch of people, Mr. Deputy Speaker, a bunch of phony people.

MR. DEPUTY SPEAKER: Does the Honourable Minister have a point of order?

HON. B. URUSKI: I rise on a point of order.

Mr. Deputy Speaker, had the member availed himself of the facts, he would have corrected his statement and realized that that is not the situation at all, Mr. Deputy Speaker, in terms of the scheduling of water projects. It is the change in commitment where we have now committed more than our allocated budget in order that the entire budget can be utilized.

MR. J. DOWNEY: Mr. Deputy Speaker, I will repeat for the Minister's information what I just said, in case he's

Friday, 1 August, 1986

not sure of it. It is my understanding that the Premier and the Minister of Agriculture went to Lundar to commit themselves and their government to an improvement in the water and sewer system in a small town community in the Interlake area. — (Interjection) — It was prior to the election of this March. What one would consider a fairly opportune time to make an announcement in a riding which was fairly shaky and I guess that was the Minister of Agriculture's riding.

Mr. Deputy Speaker — (Interjection) — well, it's not his riding. That's not true. But anyway, the point I want to say is this: That now, for some reason they're unable to carry it out. Is it because they aren't able to go to the heritage fund and get any money? Well, I guess that could be one of them, because there isn't going to be anything in it if at all, for 15 years. But we're going to be ready for it. We're going to be ready for it. He can tell the people of Lundar - well, maybe he won't tell them - but we'll tell them that he's busy now preparing for 15 years down the road, but he's not prepared to take any action to live up to an election commitment, Mr. Deputy Speaker, which he's now let them down on. That's really what's happened.

He's been playing games with them, he's been playing games with the whole of the people of Manitoba. And it falls truly, truly on the shoulders of the current Premier of the Province of Manitoba, Mr. Deputy Speaker.

I just want to go through some of the positive things that I see about the thinking that goes behind a bill like this, because I think it truly augers well for the kind of thinking that would come from a Conservative Government and not from an NDP administration.

The thing, Mr. Deputy Speaker, is, we truly believe that we have got a heritage in Manitoba. We truly have a heritage in this country. And we have a fund which I think we've got to continue to preserve. I don't think we want to try to mislead the people with that kind of thinking.

We continually have the ability to expand our hydro-electric power. We should expand it on this basis, Mr. Deputy Speaker, the basis on which it has been traditionally done. You identify the need and the demand and the market and that was done by D.L. Campbell. He identified the need and the market in the farm community. The Duff Roblin era identified the need and the market in the industrial sector, and the need to expand and develop an energy base within this province for the total economics of Manitoba and Canada and the broader vision. And then we came to the Schreyer administration, who had one objective in mind, and that was the short term: the creation of employment, build for the sake of building, and the short term economic spinoffs that come. And no one can deny - I'm not standing here denying that there aren't benefits immediately from the building of a two billion-and-some-dollars generating station. My goodness, one has to stand and say, you bet there are some economic spinoffs and benefits in the short term. The job creation is there.

But what hasn't been told to us during this short-sighted approach is the insurance. And I'm going to speak just briefly in my capacity of my concern for the Native communities. For the sake of those Native communities, — (Interjection) — no, I'm serious. I want to say, for the sake of those Native communities, they haven't been given the assurance that they're going

to be treated fairly and equitably by this government, Mr. Deputy Speaker. There has been no evidence of that so far, in fact it was alluded to last night that in the Nielson Report the settlements could well amount up to some \$500 million that may will have to take place under Manitoba Hydro. It has never been clearly stated that that's not the case by this Minister.

What does that do to a heritage fund 15 years down the road? Has that been calculated into the costs of doing business for Manitoba Hydro? No, it hasn't, Mr. Deputy Speaker. So I go back to the front page where he says, net revenues. Substantial net revenues. He has enough gall to put in legislation in his name, Mr. Deputy Speaker, that he's going to have substantial net revenues. Well, I guess it doesn't surprise me because he has been what was called the Minister of Finance for four years in Manitoba under the last term of their administration, and a term that gave us \$500 million annually as a deficit, Mr. Deputy Speaker, gave us an accumulated deficit of \$2 billion, and he is talking about giving us now a heritage fund?

Well, one thing about it, he's given himself and his government a long enough lead time that there may be some fluke in what he has been doing or plans to do that it may well come about, but it won't be from their good planning, Mr. Deputy Speaker. There may be some fluke of nature.

I tell you, Mr. Deputy Speaker, this Minister has the nerve to stand here as a former Minister of Finance, and I say it again, who gave the people of Manitoba the heritage fund, a deficit of half-a-billion dollars a year under his term of his office, to the collection of some \$2 billion. As I stated during the Budget Debate, Mr. Deputy Speaker, I'll look ahead. Half of that 15 years - and I'm the same taxpayer that's going to use that hydro, as are my colleagues, as are the working people on the streets, Mr. Deputy Speaker, I'm telling you that within seven years, if there isn't something done to arrest the deficit and the loss of money that this province is incurring, it will take 10 points on the sales tax just to pay the carrying charges on the deficit of the province. That's within seven years. I've said it before and I'll say it again, and I will bet you that that comes true before there's ever a nickel flows for 15 years to put into this heritage fund.

When are you going to become a realist? The Member for The Pas is still some kind of a dreamer. He's still some kind of a dreamer. His brother, I would have thought, would have had some more knowledge of what it was all about in the financial world. They come from a basis of the farm community that you know very well that you have to be able to make money and put some aside and be able to have the economic conditions to do it; that you sure may be able to show a good reasonable profit, and have a savings account from your livestock operation, but your grain industry as it did today, the prices may drop 20 percent and it may well put you in the position of having to drain off that.

But when you're broke on both sides, as we are now with Hydro and the Provincial Treasury, how are you ever going to tell the people or sell the people on that particular point? Perception, yes. I would love to have a heritage fund, I would love to have millions and millions of dollars. It's a lovely dream. It's a dream that I would hope would come true. I would hope it would come true. But that, Mr. Deputy Speaker, is all it is. It's nothing

Friday, 1 August, 1986

more than a former Minister of Finance who's given us \$2 billion in deficit, is now dreaming that it's going to turn around and we're going to have some form of massive income through his good direction.

We won't have to worry, Mr. Deputy Speaker, because I can tell you, I'm going to be dealing with perception when I talk to the people of Manitoba, too. And this is the perception that I'm going to be leaving. That we have a government who now are trying to have the people of Manitoba swallow that there'll be a profit? At a time when I said, at a time when we've got a collective deficit in this province of just about probably \$6 billion and one created by them of \$2 billion, half-a-billion dollar deficit each year, and they're trying to say that we're going to have a savings account? It just won't wash. And the Member for Kildonan is shaking his head, that it will wash. Well, I'll tell you, he'd better be a better salesman than they are going to be on what will come out of the MTX fiasco because they aren't a very good salesman on that one.

The Minister last night used the analogy that the progress of Hydro and the whole sale was like a farmer growing a crop. Mr. Deputy Speaker, that just makes our argument. — (Interjection) — That just makes our argument. That's what he said. I'll tell you, Mr. Deputy Speaker, you talk to any farm person in the community right now, you talk to anybody and if they can tell you that they could today set a piece of legislation up, where 15 years there's going to be a profit flow into their heritage fund, they would run you off the farm, and that's what should happen, is you should be run out of the Legislature in disgrace for doing what you've done to the province for the past four years and what you're trying to get the people of Manitoba to now swallow. That's what should happen. He should be run off the steps of the Legislature in disgrace. If his colleagues don't have the courage to do it, then the public should.

If this, Mr. Deputy Speaker, isn't the biggest piece of legislation that is No. 1, not necessary; No. 2, will never in my estimation be needed because of the mismanagement of this administration — (Interjection) — no, Mr. Deputy Speaker, I would ask an apology from the Minister of Mines and Energy . . .

MR. DEPUTY SPEAKER: The Opposition House Leader.

MR. G. MERCIER: Mr. Deputy Speaker, the Minister of Industry, Trade and Technology clearly said from his seat to the Member for Arthur, just four more minutes of bullshit and I would ask you to have him withdraw those remarks.

MR. DEPUTY SPEAKER: The Honourable Minister of Trade and Technology.

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker. There are only three minutes left.

MR. DEPUTY SPEAKER: I call upon the Honourable Minister to kindly withdraw the unparliamentary word.

HON. V. SCHROEDER: Yes, I'll withdraw, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: Thank you.

HON. R. PENNER: Mr. Deputy Speaker, on a point of order.

I heard the Member for Springfield refer to me as Roland. I wouldn't want anybody to think that we're on a first-name basis.

MR. DEPUTY SPEAKER: The Honourable Member for Springfield. Another point of order.

MR. G. ROCH: Mr. Deputy Speaker, I'd like to inform the House that I agree with him.

MR. DEPUTY SPEAKER: That is no point of order. The Member for Arthur.

MR. J. DOWNEY: In concluding my remarks, I say, I take the opportunity to thank my colleagues for being prepared to listen to the concerns that I have in dealing with what I would have thought the Minister of Mines and Energy, Trade and Technology thought was a very serious piece of legislation, but apparently not.

I would hope that he would change his attitude and that when other members of our caucus and my colleagues speak, that he would pay attention because it is truly a waste of this Legislature's time to be dealing with this matter at this particular time.

Thank you.

MR. DEPUTY SPEAKER: The Member for Fort Garry.

MR. C. BIRT: Yes, Mr. Speaker, I move, seconded by the Member for Morris, that debate on this bill be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The hour being 12:30, I am interrupting the proceedings of this House.

The House is now adjourned and stands adjourned until 2:00 p.m. on Tuesday.