

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Wednesday, 11 February, 1981**

Time — 2:00 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . .

**PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

**MR. SPEAKER:** The Honourable Member for Virden.

**MR. MORRIS MCGREGOR:** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again. I move, seconded by the Honourable for Portage la Prairie that the report of the committee be received.

**MOTION presented and carried.**

**MINISTERIAL STATEMENTS AND  
TABLING OF REPORTS**

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

**HON. HARRY J. ENNS (Lakeside):** Mr. Speaker, I have pleasure in tabling the Annual Report of the Department of Natural Resources, year ending March 31st, 1980.

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. KEITH A. COSENS (Gimli):** Mr. Speaker, I have the pleasure of tabling the Annual Report of the Department of Education. Also, Mr. Speaker, the Annual Report of the Universities Grants Commission and the Annual Financial Report of the University of Manitoba.

**MR. SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

**ORAL QUESTIONS**

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, my question to the Minister of Economic Development: Can the Minister of Economic Development advise whether or not there has been received an application from CCIL, Canadian Co-op Implements Limited, to the government for further financial assistance, further to the loan which was provided to CCIL in late 1977 involving the federal government and the three prairie provinces?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANKLIN JOHNSTON (Sturgeon Creek):** Mr. Speaker, there certainly hasn't been through my department. I believe if the Leader of the Opposition directs his question to the Minister of Co-ops, he may have more information on it. There has been nothing through my department.

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, just to correct one aspect of the question, the Manitoba Government, approximately two years ago, issued a guarantee for \$2.8 million. Several months ago the Co-op Implements required additional capital to keep their operation going and at that time several of the guarantors, including the other provinces as well as the federal government, took a little lesser position with regards to the total involvement and therefore the company could continue to go.

It is my understanding from the representative that we have on the board, which is looking at the loan guarantees, that Co-op Implements is looking for another guarantee of something in excess of \$10 million from the three provincial provinces. They're looking, I understand, at a package of about \$35 million from members, from different Co-ops, as well as the federal government. The negotiations are under way and I am not at any liberty at this point in time to indicate that any decisions have been made.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, then I want to ask the Minister responsible for Co-ops, his answer referred to a few months ago, of Manitoba and the other provinces taking a little lesser position. Could the Minister define what he meant by a little lesser position?

**MR. BANMAN:** Mr. Speaker, our position as far as the security of the particular guarantee, we waived some of the guarantee rights that were given to us at that time. In other words, reduced our exposure with regard to — or increased our exposure with regards to that guarantee so that we allowed them to go ahead and borrow an additional \$10 million on the assets that they had.

**MR. PAWLEY:** Mr. Speaker, can the Minister advise whether or not, in view of the greater exposure from reducing the amount of security, whether indeed the moneys that are advanced by the Manitoba Government are now properly secured?

**MR. BANMAN:** Mr. Speaker, as well as they can be, it's a guarantee as I mentioned before. At that time when we increased our exposure with regards to that guarantee by the tune of, I think, something like \$600,000, the other prairie provinces as well as the Federal Government all agreed to go along with that particular move at that time.

As I mentioned, it allowed the corporation then to go out and borrow an additional \$10 million against some of the assets that they owned.

**MR. PAWLEY:** Then, Mr. Speaker, the Minister has indicated that the security has been lessened, warrants further questions in that area which we will be able to pursue later, but I would like the Minister then to advise the House what is the amount of money that is presently requested of the Government of the Province of Manitoba by CCIL in addition to that which they have already received?

**MR. BANMAN:** Mr. Speaker, under the previous agreement \$7 million was divided between the three prairie provinces, Manitoba's share of that being \$2.8 million in the form of a loan guarantee. The current requests for additional capital by CCIL is for \$35 million. The Co-ops are being asked to provide \$10 million of that; the members of the CCIL are being asked to provide \$5 million, the Federal Government is being asked to provide \$10 million and the provinces, the three prairie provinces are being asked to provide another \$10 million. The split between the provinces is something that hasn't been decided on, these figures have just been given to myself. We have not discussed them, but these are the proposals as presented by CCIL.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, the Minister indicates that the split has not been decided upon. Can the Minister advise whether or not then agreement has been made in principle to the advancing of further moneys by the Province of Manitoba?

**MR. RANSOM:** No, Mr. Speaker, as I mentioned before, these figures have been just drawn to my attention. They have not been dealt with by the government. It is my understanding at the present time that the representatives for the Province of Manitoba are talking to our counterparts in the other two provinces that have been involved and to the Federal Government.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAMUEL USKIW:** Mr. Speaker, I wish to ask the Minister for Co-Operative Development whether or not, given the fact that Manitoba has, that is the government has, a representative or representatives on the board, whether their representative is satisfied as to the operations of CCIL to the extent that our representatives would be recommending additional funding?

**MR. SPEAKER:** The Honourable Minister.

**MR. BANMAN:** Mr. Speaker, as I mentioned before, I was just apprised of this this morning and I understand that the requests only came in this morning, so everything is very preliminary at this point.

With regards to the representative that we have dealing with this matter, that particular individual is not a member of the board of directors but has rather been the liaison person dealing with the board and with the three other provinces and the Federal Government.

I am in no position at this present time to make any further comment on that because as I

mentioned, I have just received this information and will have to look into it further.

**MR. USKIW:** Mr. Speaker, given the fact that the Minister indicates that we have had, since 1977, a liaison person on the administration of CCIL, then it seems to me that the Minister ought to be — perhaps he is but doesn't want to yet reveal — fairly current as to the status of the company and whether or not their new request is indeed, whether we should in fact, give positive consideration to that request since that particular individual should have been in contact with the Minister on a very current basis for the last three years.

**MR. BANMAN:** Mr. Speaker, there are several things that have to be looked at very closely. No. 1 is the exposure of the Co-op movement as a whole with regard to this particular venture. There are a few other things that have to be ascertained before we can do a proper evaluation. One of the problems that they've been trying to tackle, the company has been trying to tackle, is to try and get their depots in rural areas under the control of local boards and local directors so that it becomes more of a local co-operative rather than having the central co-operative administer it. So there are a number of changes that have to take place before I'm going to be in a position of making a statement on it. I'm going to have to have all that information updated for my consideration.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet with a final supplementary.

**MR. USKIW:** Yes, Mr. Speaker, I would like to ask the Minister whether he can indicate to the House as to the purpose of the new request, whether it is to again refinance a company that is still not viable, notwithstanding the assistance that it has received in the last three years, or whether the request is to finance expansion and new product, or whatever the case may be. Is it going to involve greater job opportunities or are we simply trying to again bail the company out from a situation of the past?

**MR. BANMAN:** As I mentioned, I re-emphasize, Mr. Speaker, that I was only made aware of this several hours ago and I haven't had an opportunity to look at the whole situation, but I can assure the member that we will have a real close look at it and make sure that we're not involved in a situation where we're just, for a short term, trying to prop up a company that is not viable.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Mr. Speaker, I'd like to direct a question to the Honourable Minister of Co-Operatives. Is it not a fact that given the basis of calling a spade a spade and using the same accounting principles, which determined the profit and loss position, and more often it was a loss position, of the Manitoba Development Corporation, the 2.8 million plus interest over a period of two years, plus all of the other public monies that have been put in by the Federal and other Provincial Governments, would be shown as a loss, as a

reserve for losses, and would be shown as a loss to the people of the Province of Manitoba, given exactly those accounting principles?

**MR. BANMAN:** No, Mr. Speaker.

**MR. GREEN:** Would the Minister undertake to have the Auditor advise us whether or not when a similar advance was made by the Manitoba Development Corporation, and when there was no security for the loan, or the security for the loan was removed, that that amount was put in as a reserve for losses, and shown as a loss to the Development Corporation, and that this amount would be treated in exactly the same way if those accounting principles were used?

**MR. BANMAN:** No, Mr. Speaker.

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

**MR. GREEN:** He would not undertake to have the Auditor do that, because the Auditor would undoubtedly, Mr. Speaker, show exactly what I am saying.

Mr. Speaker, the Minister has indicated he won't have the Auditor do that, his answer is no. I ask then, the Minister, to tell me whether the public of this country, at the federal and provincial levels, having advanced \$15 million several years ago, now being asked to advance another \$30 million, which together with interest would show our investment to be roughly \$60 million in the non-secured area, and given as an interest-free loan, having taken that position, Mr. Speaker, — and I'm not criticizing it because I said that Conservatives would have to do it and they are doing it — is it not sensible that we do what any other person who is investing that kind of risk capital would do, and take our share of equity in the company in a proportion to our investment.

**MR. BANMAN:** Mr. Speaker, first of all, I have no hesitation in letting the Provincial Auditor look at this, and I assure you that he has, but the premise that the Member is working on is wrong. We did not give them a loan. We gave them a guarantee. Now the Member said Interjection No, there's a basic . . .

**MR. SPEAKER:** If the honourable members wish to carry on a debate, I suggest they do it . . . Order please. Order please. I suggest this debate be carried on in a proper . . . Order please. Order please. Order please. May I suggest to honourable members if they wish to carry on a private conversation, they leave this Chamber and carry it on in the hallway.

The Honourable Member for St. Boniface.

**MR. LAURENT L. DESJARDINS:** Mr. Speaker, I'd like to ask the question to the Acting Minister of Community Services. We have a bill in front of us, Bill No. 9. I'd like to know if those receiving the blind pension are being paid or were paid for February.

**MR. SPEAKER:** The Honourable Minister for Health.

**HON. L. R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, I'll take that question as notice and check with the Minister. It may be very similar to one that

was asked and answered in the House a couple of days ago, I don't precisely recall. On that basis I'll take it as notice.

**MR. DESJARDINS:** Well, Mr. Speaker, then I would ask leeway in this House to explain the situation. I can assure you it is a non-political but rather — (Interjection)— well alright if you don't want to give it you accept the responsibility.

Mr. Speaker, my suggestion was that the Minister's not here and therefore I wanted to ask if Bill 9, if we would proceed with Bill 9. We on this side would be ready to co-operate if need be, and ask for second and third reading at this time to make sure that the blind people be paid now, immediately, because it's the 11th of February.

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker if I might respond to the Member for St. Boniface. I understand the Minister of Community Services has a speaking engagement. If he returns in time I intended to call introduction of that bill and we would be pleased to proceed as quickly as members opposite will allow.

**MR. DESJARDINS:** We would like to thank the House Leader, but what happens if he's not here. The suggestion is that we proceed anyway, it's administration. There is not going to be any controversy, but that we enable the government to pay these people as soon as possible.

**MR. MERCIER:** Mr. Speaker, I fully expect the Minister to be here.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MRS. JUNE WESTBURY:** Thank you, Mr. Speaker. My question is addressed to the Minister of Education. I wonder if he would tell us please whether his Department has a definition of deafness which they apply to children in the school system in Manitoba.

**MR. SPEAKER:** The Honourable Minister of Education.

**MR. COSEN:** Mr. Speaker, I am quite sure that they have definitions as to the degree of deafness that may apply to a particular student.

**MRS. WESTBURY:** Well, Mr. Speaker, does that mean then that they don't have any definition that they apply or do they have a definition that is applied across the board to all children, or is it defined according to the people in the individual school, or how does the department arrive at a figure as to how many deaf children there are in the school system in Manitoba, and would the Minister please give us that figure?

**MR. COSENS:** Mr. Speaker, I'd be quite pleased to provide the honourable member with that information. I will bring it into the House.

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

**MRS. WESTBURY:** Yes, at the same time I wonder if the Minister would advise the House as to the training that the staff at the residence of the Manitoba School for the Deaf receive to prepare them for the work that they are doing please?

**MR. COSENS:** Mr. Speaker, I could go into that in my estimates in some detail because it certainly varies according to the particular job that the individual may be doing on that particular staff. If the member is prepared to wait until I get into my estimates, it could probably be handled there.

**MR. SPEAKER:** The Honourable Member for Fort Rouge with a further question.

**MRS. WESTBURY:** Yes, a further question to the Minister, Mr. Speaker. Studies in the U.S. and Canada indicate that about 20 percent or more of deaf children have emotional problems. Could the Minister tell us whether the School for the Deaf has any resident psychiatrist or psychologists?

**MR. COSENS:** Mr. Speaker, it's my understanding that we do have the expertise there to deal with children with a variety of particular needs.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. USKIW:** Thank you, Mr. Speaker, I wish to ask the First Minister whether or not the Government of Manitoba has given a definitive position as to where it stands on the question of the statutory grain rates in that the Government of Canada, as I understand it, is very near a decision on that question. And if the government has given a definitive recommendation on that question to the Government of Canada, could the Premier indicate to the House just what that position is?

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON (Charleswood):** Mr. Speaker, I would ask the Honourable Minister of Agriculture if he might respond to that question.

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, the member has indicated that the Federal Government are close to some form of a decision. He has more information than we have on this side of the House. Our position basically has been that if any changes were to take place that the benefits of those statutory rates remain with the farmers of western Canada, No. 1, but I'm about the position right now that some of the dealings we've seen in Ottawa, that I could take the position that there's very little information available. They are moving in the direction that they want and I think at this particular time we could support no change until we know exactly what way the Federal Cabinet are deciding to go.

**MR. USKIW:** Mr. Speaker, could the Minister of Agriculture indicate whether or not any formal submission has been made to the Government of Canada on this question, given the fact that the

question, it appears, will be settled within a matter of months?

**MR. DOWNEY:** Mr. Speaker, to my knowledge, and maybe the Minister of Transportation would have more information on this, but to my knowledge we haven't been given the opportunity to give a formal submission to the Federal Cabinet.

**MR. USKIW:** Mr. Speaker, I would ask the Minister of Agriculture whether he would not confirm that the Minister in charge of the Canadian Wheat Board has been touring the prairie provinces of late and has asked for submissions from all interested parties on that question, on the basis that a decision was imminent and that the direction for the prairies on rate freights will be one that will be long standing and will effect very much the economics of prairie agriculture, depending on which way the decision is taken, Mr. Speaker.

**MR. DOWNEY:** Mr. Speaker, I may again say to the members of this Chamber that when he refers to his friend the Minister responsible for the Canadian Wheat Board who has had some long term affiliation with members of his particular political affiliation or his farm background, I may also add that the Minister who is supposed to be responsible for the Canadian Wheat Board was also supposed to be responsible for the Federal Government Herd Maintenance Program which is a complete shamble.

**MR. USKIW:** Mr. Speaker, would the Minister at least agree that the Government of Manitoba will be making its position known in the very near future so that its position will be a contributing factor to whatever is decided by the government of Canada?

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

**MR. ENNS:** Mr. Speaker, the other day I took a question as notice from the Member for St. George and the Member for The Pas, I believe, having to do with the trapping season of lynx in the northwestern portion of the Interlake. I am pleased to indicate to the honourable members that having met with a delegation of trappers, that I have by today amended the regulation and extended the season to February 28th, as per their request.

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

**MR. SAUL CHERNIACK:** Mr. Speaker, I would like to address the Honourable the Attorney-General who yesterday undertook to inform the House about the status of the proceedings relating to the CFI Inquiry by the Swiss government, and I might tell him I listened carefully yesterday on the TV station to hear again what he said, and I would like him to respond to the question I asked yesterday as to whether or not the special prosecutor is acting under the authority of the Attorney-General and with his concurrence in asking for voluntary submission of evidence and in the interests of the people of Manitoba. I listened carefully. That answer was not given yesterday and I feel that I would like to have it so I would know how to conduct my own plans.

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, the answer is yes.

**MR. CHERNIACK:** Mr. Speaker, I now thank the Honourable Attorney-General who obviously is saying that what is being done is being done with his concurrence, his authority, and that he believes it's in the interests of the people of Manitoba for this evidence to be taken. Would he then give us the report that he undertook to give us in relation to the status of the proceedings and when it is likely to take place, in view of the fact that I have not received any confirmation of any kind as to when I'm expected to be there?

**MR. MERCIER:** Mr. Speaker, there are two appeals to be heard before the end of the week, I believe Friday afternoon, with respect to this matter and after that matter is adjudicated upon then the appropriate instructions will issue to the Member for St. Johns and other witnesses who in the main have volunteered to give evidence.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** Thank you, Mr. Speaker. My question is to the Minister responsible for the Department of the Environment, and I would ask the Minister if he can inform the House if he has requested and/or received a report on the hydrogen-sulphide leak which took place at Symington Yards on February 9th, and if so, is he prepared to table that report in this House?

**MR. SPEAKER:** The Honourable Minister of Consumer and Corporate Affairs.

**HON. GARY FILMON (River Heights):** Mr. Speaker, I have requested a report and am in possession of a report and will be pleased to answer any questions the member might have on the incident.

**MR. COWAN:** Thank you, Mr. Speaker. I would reiterate my question to the Minister. Is he prepared to table that report so that we can have the opportunity to review it and thereby ask any questions which may arise out of that study and research which has already been done by his department?

**MR. FILMON:** Mr. Speaker, I have some information provided for me and some notes that I took in discussion with my staff members. I repeat that I'd be prepared to answer questions of the member on it.

**MR. COWAN:** Thank you, Mr. Speaker. It's obvious that the Minister is not prepared to table that report which he has said that he has in his position.

I would ask the Minister responsible for the Emergency Measures Organization, and I would ask him if he can outline the activities and the participation of the Emergency Measures Organization in the closure of certain sections of Highway No. 1, and the evacuation of specific areas in proximity to the leak, if he can provide us with details as to what participation the provincial Emergency Measures Organization had in that closure and suggested evacuation?

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

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, the leak was noticed by a worker at Symington Yards and was reported to Emergency Measures. Following that report to Emergency Measures, the CNR response team — and I might add for the benefit of my honourable friend that the CNR does have a response team that replies to requests of this nature. In their examination of the particular problem they discovered it was a leaking gasket on the valve which could be repaired very quickly, and the repair was carried out. There was in the early stages some fear that the possibility existed that there could be a problem so the traffic was blocked off. That order was later rescinded and traffic was allowed to continue but the quantities of the chemical that had escaped were very minimal. There was no danger whatsoever, but EMO the environmental branch were on standby all during the course of the alert.

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

**MR. COWAN:** Thank you, Mr. Speaker. My supplementary is to the Minister. He neglected to mention any details about a possible evacuation and my reports of the events suggest that there was an evacuation although they do not give the extent of that evacuation. I would ask the Minister if he can inform us if Emergency Measures Organization was involved in that evacuation; who made the decision for that evacuation; and also if he can give us more detail as to the extent of that evacuation.

**MR. JORGENSEN:** The extent of the evacuation, Mr. Speaker, was quite minimal. Workers of the CNR working downwind from the leak were evacuated for a period of time.

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. KEN MacMASTER (Thompson):** Mr. Speaker, in asking for a day to get the answers to the members question from Rossmere yesterday in relationship to the lay-offs of employees with Eatons, appropriate notice was given, was received. The company did live, in fact, up to the intent and the spirit of the legislation and in fact in some particular points exceeded the requirements of the law in the Province of Manitoba.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Attorney-General with reference to the conduct of the Swiss proceedings. In view of the fact that in response to my questions yesterday, the Attorney-General appeared to say, and I could be corrected by reading of Hansard, but my recollection is that he said that the Court quite properly did not permit the investigative procedure that is not available to the RCMP in Manitoba to be available to the Swiss authorities, can the Attorney-General tell me why under his auspices that decision is now being appealed by the Crown?

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, I apologize to the member or any other member with whom I may have left that impression, Mr. Speaker. As I indicated yesterday, I think in response to the last question from either him or the Member for St. Johns, I undertook to review the status of these proceedings and I have indicated already that the appeal from both sides will be heard on Friday afternoon of this week.

Mr. Speaker, as I did indicate yesterday, one of the difficulties, which appears to be a complicating factor, is the Swiss procedure itself. I point out to the member for Inkster, Mr. Speaker, that in fact one of the persons involved, Mr. Reiser, has already lost an appeal to the Supreme Court of Switzerland, where he appealed an order requiring the Canton of Thurgau to investigate Canadian complaint with a view to prosecution of himself, Mr. Zingre and Mr. Wuest. So that one of the difficulties is the difference in procedures, Mr. Speaker, and that will be resolved, as I have indicated, on Friday afternoon of this week in the Court of Appeal.

**MR. GREEN:** Mr. Speaker, while I'm sure everybody shares the desire of the Attorney-General to bring wrongdoers to justice, does the Attorney-General consider it appropriate that after perhaps 15 years being obliged to follow a Swiss procedure in Manitoba, which permits the Swiss to do in Manitoba what we have renounced the right to do, in order to conduct an investigation which may lead to a prosecution, which may lead to an acquittal as was done in Hungary. Is there not at some stage a time to look at these proceedings and say, is this really practical? Because, Mr. Speaker, in order apparently to get the Swiss to do this, we have had to compromise our manner of investigation and change it to one of near inquisition of witnesses in our country, which we wouldn't do for a criminal prosecution in our own country. Is there really some need at the present time to assess just what the practicality and what we are losing by engaging in such proceedings?

**MR. SPEAKER:** Order please. Order please. I realize the importance of this matter to the Honourable Member for Inkster, but I suggest to him that debate on the subject be properly held within the departmental estimates.

**MR. GREEN:** Mr. Speaker, I was not debating and I really would respectfully request you to look at the question. Mr. Speaker, I might say that some people are given three supplementaries; some people one. I am now on my first supplementary question. I am merely asking the Minister, whether at some stage it becomes appropriate to look at the practicality of what is being done and to see whether we are losing something, that is, losing what has been regarded for many years as protection for our own citizens and as the proper way of which to conduct an investigation in order to pursue a will-of-the-wisp?

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, let me clarify part of that matter. Firstly, let me point out to the Member

for Inkster, Mr. Speaker, that all of the witnesses, certainly all of the Canadian witnesses, involved in this procedure had prior to the commencement of any court procedure voluntarily agreed to give evidence to the two Commissioners from Switzerland. So when the Member for Inkster talks about protection accorded to Canadian citizens, Manitoba residents, I make that comment Mr. Speaker.

With regard to his main question, I do agree wholeheartedly with him that there certainly does come a time when the whole processes in Switzerland and Austria, world-wide processes have to be examined, and a decision has to be made as to whether or not there is any value in continuing.

**MR. GREEN:** Yes, Mr. Speaker, a final supplementary. If the people in Manitoba have willingly indicated that they will answer questions, and I congratulate them for doing so, and I think that is exactly what they would do, then why do we have to get a court order permitting them to be subpoenaed and asked questions. Why do not the Swiss solicitors come here, do what the RCMP would do, phone the member for St. Johns, phone myself, phone anybody else, just as the Tritschler Inquiry phoned me, and just as I would do if the police came conducting any other investigation, and get these answers? If they have voluntarily submitted, why do we need a court order?

**MR. MERCIER:** Mr. Speaker, as I've tried to indicate, this results from the Swiss legal system. May I point out to him and to other members of the Assembly, Mr. Speaker, some of the history of this and see if it helps.

Criminal charges have been laid again in Manitoba against Reiser, Zingre and Wuest. Switzerland will not extradite any Swiss citizen. The Extradition Treaty of Switzerland sets out that Switzerland may prosecute Swiss citizens in Switzerland for offences committed in Canada. Canada, at the request of Manitoba, has requested Switzerland to prosecute these three individuals. The Canton of Thurgau in Switzerland, and further to the Canadian request, has appointed two judges, Dr. Hirt and Dr. Beeterman, and written to our Chief Justice of our Court of Queen's Bench requesting that they be appointed Commissioners to take Commission evidence under oath.

Again I point out, Mr. Speaker, the Canadian citizens have volunteered to provide this evidence. Whether or not the court will issue the order for the Commission will be determined in the Court of Appeal this Friday afternoon.

I say to you, Mr. Speaker, and the Member for Inkster, that in the main this results from Swiss procedures which are somewhat different. In view of the voluntariness of the Canadian citizens, it would appear to me and I would think it would appear to the Member for Inkster that their rights have been protected.

**MR. SPEAKER:** The Honourable Member for Rossmere.

**MR. VIC SCHROEDER:** Thank you, Mr. Speaker. To the Minister of Labour and I thank him for his answer, could he now advise as to how many people

were laid off at Eaton's and over what period of time, and as to whether that figure includes those people nominally transferred to Toronto or Edmonton or other branches a great distance from Winnipeg?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, the number that I have is between 50 and 100 and it's closer to the figure of 90, and eight weeks is required in that particular instance. Eight weeks notice.

**MR. SCHROEDER:** Thank you, Mr. Speaker, I would just ask the Minister to also answer the second part as to whether or not that number includes those nominally transferred to other branches who most likely will not be going, and while I'm at it, could I also ask the Minister precisely what action was taken by the Province in response to this layoff? Were these people contacted, has there been any action taken by his department to assist them in obtaining alternate employment in Winnipeg or Manitoba?

**MR. MacMASTER:** Mr. Speaker, we have been working with the company, with Canada Manpower in attempting to contact alternate employment sights, assisting the people in relearning, I should say, I suppose, preparation of resumes. The company has agreed, through discussions, that time should be given to these people to seek other employment during the course of their notice time, on site Manpower Counselling Services have been provided for these people.

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** Mr. Speaker, a few days ago the Honourable Member for Fort Rouge asked me whether the province has insured that the X-ray calibration monitoring device is to be developed despite the failure of Indice Electronics Ltd. Mr. Speaker, I can advise the honourable member that Indice Electronics had obtained manufacturing and marketing rights to the X-ray calibration monitoring device from the Medical Products Institute. Those rights now have reverted back to the Medical Products Institute and the Institute is now actively searching for a new company to assume manufacturing and marketing of that device. That's the current information on the subject, Mr. Speaker. There seems to be some reason for optimism that the Medical Products Institute will be in a position to conclude serious negotiations with one firm on this matter which they are pursuing at the moment.

**MR. SPEAKER:** The Honourable Member for Rossmere. I apologize, I may have cut him off; with a final supplementary.

**MR. SCHROEDER:** Thank you, Mr. Speaker, a further supplementary to the Minister of Labour. Could he advise as to how many notices there are currently in his possession under The Employment Standards Act, how many of them are active currently and how many he received in the past year?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I think the Member for Rossmere will appreciate, and I think the last part

of his question was — in the last year? Well, I have explained this in the last Session to the Member for Rossmere and I will attempt to do that again. There is, on occasion, not often but on occasion where notice is received by our department and unions are notified, particularly in relationship to companies who have a cyclical sort of an operation where they have their highs and their lows in manufacturing farm implements, that type of business. We do on occasion, and I'm glad it's very seldom, receive them, and in a large number of cases the procedure is never implemented. So if the Member for Rossmere wants a precise sort of bit of information, if he could, Mr. Speaker, be more precise now that I've explained the system to him and just refreshed his memory from last year, then I'd be quite pleased to attempt to answer his questions in that regard.

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

The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, firstly let me indicate with respect to Bill No. 9, the bill is retroactive. The Minister obviously has been held up at his speaking engagement and I point out the bill is retroactive and we'll determine, Mr. Speaker, later on this afternoon when he returns and discuss with him the offer of the Member for St. Boniface and perhaps that can be taken advantage of later today or early tomorrow.

Mr. Speaker, with respect to estimates, let me just indicate to the House that following the Department of Economic Development in the committee room outside the House, the Departments of Fitness and Sports and Co-Operative Development will follow the Department of Economic Development.

Mr. Speaker, I move, seconded by the Minister of Natural Resources, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of Economic Development and Tourism and the Honourable Member for Crescentwood in the Chair for the Department of Agriculture.

#### **CONCURRENT COMMITTEES OF SUPPLY SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM**

**MR. CHAIRMAN, Morris McGregor (Virden):** I call the committee to order. We will turn to Resolution 48. 1.(a).

The Member for St. Johns.

**MR. SAUL CHERNIACK:** I was just wondering if the Minister was prepared but I guess he is, and therefore I'd like to refer to the Throne Speech and to the statement which reads, "My Ministers will be monitoring the effects of high interest rates on the small business sector". Could the Minister explain just what it is that he is doing in this regard?

**MR. CHAIRMAN:** The Honourable Minister.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** The department has a small business section of the department and we are continually in touch with small business. And when we used the word "monitoring", we definitely are watching the effects of high interest rates on small business. There is no question that the high interest rate situation at the present time is one that creates inventory problems for small business. And we are at present, as far as the department is concerned, when we are especially called in or when we are calling on small businesses to advise them in the high interest rate situation at the present time, that they have to be very cautious with their cash flow because of that situation. And also because of the effect, especially in the rural area in 1980 that the drought had on retail sales is another area that we have taken into consideration as another problem for small business in the rural area.

**MR. CHERNIACK:** Mr. Chairman, on the specific, is the department advising and encouraging small business to cut down on its inventories?

**MR. JOHNSTON:** No, Mr. Chairman.

**MR. CHERNIACK:** Is the department advising small business to get in their accounts receivable more rapidly than the normal course?

**MR. JOHNSTON:** Mr. Chairman, I don't think we would say more rapidly, we would say to make sure that their accounts receivable are coming in as they usually have and not to let them get too far behind, if at all, but we do not go in and suggest that they increase their procedures regarding collections unless we were felt the advice was such that they'd have to get it in for the financial reasons that might be causing them trouble, and that happens. Many times, even your banker will tell you to start collecting your accounts receivable faster.

**MR. CHERNIACK:** Mr. Chairman, that reasoning of course applies in good times and bad times and low interest rates and high interest rates, to make sure that your accounts receivable do not get too old to be able to collect them, but I'm thinking in terms of the monitoring of interest rates to see whether, for example, it may be to the benefit of a small business to postpone paying its accounts. To let the accounts payable go up if they do not carry interest with them and many accounts, I believe do not. And that could be a problem for the creditor, although it may be of benefit to the debtor. So I'm trying to really, Mr. Chairman, find out from the Minister what positive proposals the department makes in relation to this specific undertaking of monitoring the effects of high interest rates. In other words monitoring, he used the word watching instead of monitoring, isn't very useful, I should think, unless there is a resultant program and maybe, by sheer coincidence, today is 2 months since the Throne Speech stated that the Ministers will be monitoring. So I'd like to know, aside from watching, what positive programs have resulted from the monitoring?

**MR. JOHNSTON:** I wouldn't know, I don't think you could say that we have any positive program. A positive program would be in the nature of having

some sort of a program that would be a subsidy on interest rates. There is no program of that kind. We are watching small business in the province. We are watching the interest rates within the province and we are supplying consulting services to small businesses at requests and certainly if we know of some one business who needs this type of service we would offer our services. They don't have to accept them.

**MR. CHERNIACK:** Well, Mr. Chairman, I wonder if the Minister can tell me what other Ministers are monitoring and to what extent there is a co-ordination between the various Ministers who are monitoring the effects of high interest rate on small business sector.

**MR. JOHNSTON:** I'm not completely sure of what's happening in all the other departments. The departments that would be involved in the small business would be mainly our department, the Department of Labour would have some interest in it.

**MR. CHERNIACK:** Co-op.

**MR. JOHNSTON:** Yes the Co-ops would have interest in it.

**MR. CHERNIACK:** Consumer Affairs.

**MR. JOHNSTON:** Yes.

**MR. CHERNIACK:** I've not explored any other possibilities, but we now have 4 ministries that the Minister identifies as would be interested in the monitoring, that is, his own department, Labour Co-ops and Consumer Affairs and yet he says he's not aware of what they may be doing. Is there not a co-ordinated effort to measure the extent of the affects of high interest rates so some program can be developed, even though he says there is no positive program in that respect?

**MR. JOHNSTON:** Mr. Chairman, the monitoring of high interest rates is not a task which is made so different between one department or another. We know the interest rates; we know the problems that small business are having with it; we know the problems that consumers have as far as high interest rates are concerned, they don't spend as much money because of the interest rates. It doesn't take a lot of monitoring to know the problem. What it takes is a time consuming work with small business to assist them in consulting with them in the best way we can to advise them the best way to handle this situation. There are many many small businesses within the provinces that are doing very well handling the situation.

**MR. CHERNIACK:** Mr. Chairman, the kind of work that they would be doing then would not be much different than they would be doing if it was not a question of high interest rates but maybe a question of shortage of labour, or shortage of materials, or high exchange rates or anything else. Is that not a correct assumption? Would they be working less, let's put it that way?

**MR. JOHNSTON:** Mr. Chairman, working less?

**MR. CHERNIACK:** Yes.

**MR. JOHNSTON:** I don't know what the . . .

**MR. CHAIRMAN:** The Member for St. Johns had maybe further explain.

**MR. CHERNIACK:** Yes of course, I should elaborate on that. Would that portion of the department that deals with small business have less of a program to offer or maybe even fewer people involved in doing the work if there was not a problem of high interest rates that is referred to in the Throne Speech?

**MR. JOHNSTON:** There will be much more then by the department of small business. As far as we're concerned we'll be much busier. The Brandon Small Business Centre, the Winnipeg Centre, there's a Dauphin Centre, and they will definitely have much more work this year because of the high interest rates, and there is no question that we intend to look towards the situation of probably having more people coming for requests for assistance or advice.

**MR. CHERNIACK:** Mr. Chairman, does the Minister mean financial assistance? He said for assistance and advice. Is there a difference between the two terms, assistance and advice?

**MR. JOHNSTON:** No, if he wants to use one term, assistance from the point of view of consulting to help them with their business.

**MR. CHERNIACK:** Mr. Chairman, I never did believe that it was a meaningful sentence in the Throne Speech, because we could all monitor high interest rates, but the important factor was not just monitoring the high interest rates but rather the words, the effects of high interest rates on the small business sector. I am not really aware that the Minister has given us any description of any type of program that would be offered to the small business sector or to any persons affected by high interest rates, other than to watch yourself, try not to incur higher debts. But they are not suggesting that they reduce inventories; they are not suggesting that they try to get their accounts receivable in faster than they normally would, and therefore, I am not aware from what the Minister said that there is any specific program that is being suggested or plan of action as being suggested to the small business sector as a result of the knowledge acquired by the department from the monitoring of high interest rates, and frankly, I would have thought that monitoring the effect would involve a program that would come out of government that might say, we will subsidize, to some extent or other, high interest rates payable by small business; or we will, in some way, postpone the payment of the higher interest rate to another time; or we will let you build in something into your financial structure that will let you overcome that temporary problem. What I'm wondering about is whether it is possible that the government is accepting high interest rates as being something about which it can do nothing and is therefore holding the hands of small business who have a problem and saying to them, well, don't let anything get out of line. Because that's the only thing I gathered from the Minister.

I do believe that it's not a subjective conclusion I formed, but rather based on what he has said, and

that is that there is really nothing that the government is doing to alleviate the burden on small business placed on it by high interest rates.

**MR. JOHNSTON:** Mr. Chairman, the member assumes that every problem in every business is exactly the same and it might be cash flow, it might be inventory, it could very easily be accounts receivable, there are many different situations that arise which certainly people that are working with small businesses are capable of sitting down with the person across the table and discussing his particular problem. As far as having a subsidy on interest rates is concerned, is the honourable member suggesting that we should have a subsidy on interest rates when the purchasing is being done? There may be a subsidy, it could be programs such as some other provinces have looked at, as well as ourselves; there's a subsidy on interest rates as far as expansion; or possibly the starting of new business, something of that nature. But is he actually saying that the province should subsidize the interest rates for all small business in the Province of Manitoba when they are purchasing?

**MR. CHERNIACK:** Mr. Chairman, I am suggesting to the Minister that what he said earlier about various businesses having different kinds of problems, like cash flow or accounts receivable, or other problems of the kind he described, are of course what his department is expected to do. But nothing of the examples he gave would be resultant only from the question of high interest rates. The things that he says his department is doing are the things that the department would be doing anyway, even if there were no high interest rates. Now he's asking me for suggestions, and he's already said that there have been various attempts or considerations given to variation of interest rates. And it may well be that just like his own government recognizes the difference, the validity of a difference in income tax based on small business and big business, that in the same way the government could become involved in an interventionist way into assisting people who are suffering from high interest rates. One of the simplest things, recognizing that interest rates are established by the Bank of Canada, it would cost this government nothing if they got involved in discussions with the Bank of Canada to discuss whether or not the Bank of Canada is doing the right thing insofar as interest rates are concerned. I am not aware that this Minister nor any other Minister of this government has made any public statements of guidance or advice to the Bank of Canada relating to high interest rates which it ought to be able to do if it indeed has been monitoring the affects of them, then they ought to be in a position to say to the Bank of Canada, we think you are doing the right thing, or we think you are doing the wrong thing. I will just elaborate just a little bit. It so happens that I haven't even finished reading an article in today's Free Press by Professor Ruben Bellan on the question of interest rates, and I know that Bellan has been high critical of the government for its program and has in his time been critical of the NDP also for certain aspects of its program, so that I supposed he can be considered to be a person who is not politically motivated. He talks about interest rates. As I say I haven't even finished

reading the article, but let me remind the Minister that the main justification for the Bank of Canada's maintaining a high interest rate is to keep abreast, more or less, of the interest rates payable in the United States less the Canadian dollar drop in value more than it has. In view of the fact that the exporting industries of Canada and small business are beneficiaries when the Canadian is less in value, I would like to know whether the Minister has looked at the aspect of the impact on the economy by a lower value of the dollar than it is now, which is somewhere in the low 80 cents, I think, of the US dollar. Would it be advantageous if it were say 75 cents or better if it were 88 cents, and what is the Minister's position on that?

**MR. JOHNSTON:** The position hasn't changed since the member questioned me in the House, Mr. Chairman. The balance of the advantages of having a lower dollar for export sales have to be weighed very very seriously with the costs of the importation of products, or parts, or whatever you want to call them to manufacture products within the province for reshipment, or the products that have to be brought in for resale within Canada. So that balance has to be very very closely watched by the Federal Government and I don't think the dollar should be as low as it is right now. I think it should be higher, although we do have advantages for having a lower dollar than in the United States.

**MR. CHERNIACK:** Mr. Chairman, the Minister's desire to see the dollar goes up, if one looks at it the way the Bank of Canada does, would suggest that interest rates should go even higher than they are now, and in that way to increase the value of the dollar. Does he support that?

**MR. JOHNSTON:** No, Mr. Speaker, not any more than I would like to see the dollar go further down which would cause just as many problems.

**MR. CHERNIACK:** Mr. Chairman, that is my problem, trying to realize or understand what the value of monitoring the effects of high interest rates is, if the Minister would like the dollar to go up, but doesn't want to take the consequences of higher interest rates, he doesn't want the dollar to go down anymore than it is now, which is always a danger if the interest rates do not follow the U.S. And it means to me and you know it doesn't really mean to me but it makes me wonder whether there is really a policy in the government in relation to interest rates or in relation to exchange or in relation to any of the problems that are being considered on the national level. After all this province should have a say and should be listened to when the Federal Government establishes policy. And surely as this department, which is monitoring the effects of high interest which should have an opinion and should be presenting a problem. And I should be presenting a proposal or an argument. Because I understand, the Minister says yes we're seeing what's happening, we're going into the small business area, we're encouraging people to talk to us, we're encouraging them to tell us their problems, which I know are not just high interest rates. We are doing all that but that is a reaction. It is not a policy or a program of any positive nature. It's reacting to a problem and the

conclusion I come to fortunate, I have no choice to that, is that there is nothing that's being done that would be different than if there were a labour shortage or any of the other problems we've already referred to. And I challenge the Minister to indicate to us whether they have a policy on interest rates, whether they have a proposal on dealing with interest rates or whether all they're doing is reacting to the problem by holding the hand of the people affected and advising them on how they can create a greater efficiency in their business.

**MR. JOHNSTON:** I think the answer to that is, is my department is reacting to a problem that's national or international to help the small business in Manitoba.

**MR. CHERNIACK:** Mr. Chairman, that is really what I would expect the Minister to say. That they recognize the problem is greater in extent, greater in geographic extend that Manitoba, of course it is, but so are many of the problems that Manitoba has faced, but we have been very highly critical of this government for creating a climate in this province which has actually resulted in a reduction in population. People going away. And that is a direct consequence of this government's policy, rather than a result of the international situation and I come to my conclusion and stated that the monitoring of high interest rates is lip service, that it was intended to imply more than it does; that it was intended to make people concerned Manitobans, believe that there was something that would be looked at from a government which is monitoring the effects of high interest rate and what it really is doing is offering its services to advise people who come to them with a problem which may be affected by high interest rates and telling them how to conserve their efforts or to watch their cash flow, whatever that is exactly. Watching cash flow means paying later, receiving earlier, making sure you've got money available rather than borrowing. But you know that has impacts on others and is really not of any positive nature, although they help the individual. The reason I say that it is lip service is because I believe that the pious statement in the Throne Speech that the Member for Burrows referred to rather strenuously the other day, saying that the Ministers do not believe that government can afford to stand back as though what happens in the economy were not his concern, and then seemed to suggest a switcharound which the Member for Burrows called socialistic, and which I would never do. I don't think that, Mr. Chairman, even in jest would I suggest that the government had even an understanding of what is socialistic, much less try to step in a line of that nature.

But there is a clear statement that says, accordingly my government will play an active and flexible role within the economy, which to me means that because of the government's obligation to encourage development that it will do something and when it says will do, it implies that it's something a step beyond what it has done.

To me that was a window dressing statement to serve the times of the impact of recession to tell Manitobans that the government now having done whatever it proposed to, having found all that fat that it claimed it would find, is now going to step in

and do something. And although I haven't been here throughout these estimates by any means, I am certainly not aware that the government has defined any role for it that it will play in this year in the area of this department that it hasn't been playing up to now.

Is the Minister saying that there is a departure in some way, or an extension of his department's function in the marketplace or in the economy than there was last year?

**MR. JOHNSTON:** Mr. Chairman, I have said that the role of the department is to work with small business and advise them as much as possible and we expect that there will be a very large role to play in the coming year, which would be caused by high interest rates and other problems.

**MR. CHERNIACK:** Mr. Chairman, that bald statement is probably one that the Minister would like to reflect on because the whole Throne Speech gives the impression that there's going to be a great buoyancy to the economy. All these mega projects are going to turn the economy around in Manitoba and make it much more favourable, and what he said was, that you expect continuing high interest rates and problems of that nature, that will make the department work harder. If this department is one which reacts to problems, then I agree with the Minister, it will have to work harder this coming year than it did last year because the problems seem to be getting worse and not better.

So, the way he answered my question, I have only to assume that there is no new thrust, no extension, no plans by this department, to deal with the problems of today and tomorrow other than what they did yesterday and the day before yesterday. And that is the conclusion with which he leaves me and I don't think he's made any effort to convince me otherwise.

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Chairman, I would like to say that this debate has been very interesting and I think that the whole policy thrust of the government has shown to be failing because they are not dealing with the fundamental problems of the Manitoba economy. That is true of the First Minister and it is true of the Minister of Economic Development. He holds one of the key portfolios in the administration and he is doing the same kind of thing that his leader is doing.

The First Minister is running up and down Canada poor-mouthing the Prime Minister. He is going over to England to stir up the British Tories. This is his response to the problems facing Manitobans today. What is the response of the Minister of Economic Development and Tourism? He's making movies and TV commercials. He's going to tackle the problems of Manitoba's economy by image-making. He's spending \$62,000 which I think is universally recognized as a complete waste of money.

I always have to use as an example Fred Cleverley. When Fred Cleverley says it's a waste of money, it must be pretty obvious because Fred certainly has supported the Conservatives for God knows how long, but he among many others, he among many others has said that this kind of expenditure is a

complete waste of taxpayers' money. Then the government tells us they're spending \$10,000 on a fishing movie by the Shakespeare Tackle Company that nobody ever heard of —(Interjection)— so they are going to give, a British crew comes in, says we're going to make a movie, and they give them \$10,000 to get the North American rights.

I want to tell you, Mr. Chairman, that the North American rights to that movie aren't worth two cents. The Minister has taken a gamble, he simply, as far as I'm concerned, has given somebody \$10,000, they said this movie is worth 60,000, we'll give it to you for ten and we'll throw in the North American rights. I guess the reason the Minister really went for this was it included Mexico. Or did it include Mexico? Or does he have an option to buy the rights to Mexico, or to South America? That's what I would like to know.

Mr. Chairman, he also made a movie called Jack's Thing. And I still don't know what that movie is all about.

**MR. JOHNSTON:** No, he made the movie called Jack's Thing.

**MR. DOERN:** He made the movie called Jack's thing. Well, you're the distributor for that movie which is in the archives but everybody's disowning that movie and I can see why, Mr. Chairman. Out of all of these amounts of money being spent, why is this money being spent in an attempt to cheer people up, in an attempt to avoid, dealing with the hard questions of the Manitoba economy. And yet they make a movie for \$2,000 in House which seems to be satisfactory, which resulted in \$6,000 of free air time, and seems to have been adequate to do the job.

So, what are the problems facing the government and the department and the Minister? The problems facing them are heart problems, in the economy there is unemployment and outmigration, there are bankruptcies, there are for sale signs, the Minister has struck out in that area. When it comes to tourism, the best that he has done is to hold the figures. If you discount, in terms of inflation, it seems that there has been no progress made by the department in what is probably the easiest area of all to promote. Surely at a time when the dollar is discounted 20 percent, when the price of gasoline is rising and so on, surely we can show better figures than we are showing in Manitoba today.

So I say, Mr. Chairman, in conclusion, that the issue in Manitoba today is the economy, it is not the Constitution. But we have a government and a First Minister that thinks that by talking about the Constitution that they are solving the problems of the Manitoba economy. And what has happened, of course, is that the Lyon Government has failed in regards to the economy and the Trudeau government has failed in regards to the Constitution, so if the people of Manitoba are looking for villains then they can vote against the Liberals federally and against the Conservatives provincially because all we have now is a smoke screen.

You have a government which said that they were going to take a laissez-faire position before they got into power and they did. They did do that, and they carried out their promises in that regard. It was going to be a non-interventionist, Adam Smith, 1776

position in regard to the economy. What was his famous book again? I can't even think of it, the Wealth of Nations by Adam Smith. It's now 200 years old but apparently it's the latest in Tory thinking. My colleague says he'll wait for the movie which undoubtedly will be produced by this particular Minister and he'll buy the North American rights and he'll pay somebody a couple of —(Interjection)— well, I don't know, I'm not going to touch that one, Mr. Chairman.

Mr. Chairman, Manitobans want an active government. They need an active government, they want an active government, they have a government which is passive to the problems, and they have a First Minister and a Cabinet which is running away from the fundamental problems of Manitoba. I have been sitting right here for the past three years and I have been watching what has been happening and I tell you that the government has failed the people of Manitoba on the economy. That has been what has happened. I will leave the statistics to my colleague from Brandon East. He will reel off and rhyme the statistics.

So I say in conclusion, Mr. Chairman, that this whole debate that's going on in Manitoba, the government is ignoring fundamental realities and they're dealing with the Constitution. I say to you if the First Minister, the Honourable Sterling Lyon, is so interested in federal politics, Mr. Chairman, he should resign as Premier, he should run against Lloyd Axworthy, then he should run against Joe Clark for the leadership, and then he can spend most of his time battling the Federal Liberal Government. But until then, until then, his responsibility is to stay in Manitoba and take on, and try to meet the challenges of Manitoba and to stop this ridiculous policy of his of running around the country, stirring up trouble, poormouthing the Prime Minister and planning trips to Britain so he can work on the British Conservatives on the Constitution because he doesn't know what to do and he doesn't have the policies to deal with what is his real responsibility, namely the welfare of the people of Manitoba.

**MR. CHAIRMAN:** The Member for Brandon East.

**MR. LEONARD S. EVANS:** Mr. Chairman, I'd like to ask the Minister some questions about the proposed helicopter factory for Gimli, Manitoba, and ask the Minister, who made a couple of statements on this matter last year, whether the German interests that made it known to the governments and to the people at large that they were interested in building a helicopter factory at the Gimli Industrial Park, whether those interests are still willing to go ahead or willing to proceed with such a facility.

**MR. JOHNSTON:** There is no change. My statements that I made last year said that when the company decides, if they decide to come to Manitoba, they would have to come on the basis of having their own capital, etc. We have made the offer of a good rental accommodation in Gimli because we have the buildings there, and also the Federal Government would have to assess if they wanted to put any money into it, that hasn't happened, and the company, while they still seem to show some interest, they haven't been able to move forward and make the capital investment to do it.

**MR. EVANS:** I understood that the province, and perhaps the Federal Government was cost-sharing it, but that the province was interested in seeing a feasibility study done, or some type of economic or marketing study perhaps, in relation to the possibility of having this helicopter factory, and I wondered whether the Minister could tell us whether the study has been completed and what the results of the study were.

**MR. JOHNSTON:** The study was completed, as you know the helicopter is slightly a different design from the standard helicopter. The study that was completed on the feasibility of the helicopter was done by the Federal and Provincial Government. The marketing study would have to be done by the company and the company hasn't done a marketing study that would satisfy the Federal Government, and the basic results of the study is that the market for that particular helicopter would not be as great as the company projections. So under those circumstances, if they want to go ahead, they'll have to go ahead on their own.

**MR. EVANS:** I would gather then, from the Minister's remarks, that the study was sufficiently unoptimistic in its conclusions to dissuade himself and the Province of Manitoba from becoming involved financially, if such a possibility existed.

**MR. JOHNSTON:** The Province of Manitoba had never any intentions of becoming involved financially unless the feasibility study showed that it was good, that they could produce a marketing study that would satisfy the Federal Government, that they could satisfy the Federal Government to put a large amount of money into it, and that they could satisfy the Federal Government as far as getting approval for the helicopter is concerned in North America and other countries. All of those things had to be taken into consideration and there's an awful long ways from that and the Province of Manitoba at no time made any offer, other than to help with the study and offer some buildings in Gimli that we had vacant at a reasonable rent if and when they decided to come to Manitoba.

**MR. EVANS:** Is the Minister and his department still in communication, still in contact with the German helicopter company, and are they planning to continue to be in touch with them in case there's a possibility of some development?

**MR. JOHNSTON:** The better way to put it is, they are in touch with us, they contact us or write us every once in a while saying they are still are trying to put a package together, as a matter of fact, to produce the helicopter. We still take the same position.

**MR. EVANS:** Inasmuch as the principals of the company made it very clear to the public at large through newspaper statements last year that they simply had to have governmental investment, if you like, public investment, in order for it to go ahead, and inasmuch as the feasibility study did not indicate the possibilities to be as optimistic as those principals had indicated, and inasmuch as we just heard the Minister's statement, I gather we can take

it then that there will be no helicopter factory developed in the Province of Manitoba at Gimli by this company. In other words the matter virtually is finished, or the matter is really dead, I would suggest. Is that a fair assessment?

**MR. JOHNSTON:** Not dead if the company still has the confidence that they have in the helicopter and they can find enough financing to do it or they can satisfy the Federal Government, or they can get the approvals for the craft, then all of those things may come to fruition but it doesn't look very promising.

**MR. EVANS:** Are there any indications that the company is having at least some success in getting capital? I gather that they are still looking for money but I am wondering whether there is much of a — what are the chances of them obtaining sufficient capital, sufficient investment moneys for this project?

**MR. JOHNSTON:** I am not aware of where they are trying to get money now. They only inform us that they are still trying to finance the project. I doubt if they would get any support from the Federal Government and certainly if the Federal Government is not involved, they are the experts, have much more expertise in aircraft than we do and I would doubt very much at the present time if the Federal Government is interested in financing any part of that project.

**MR. EVANS:** Did I understand the Minister from his earlier remark to say or to infer or to suggest that the market for helicopters in North America is not a promising market? I don't want to put words in his mouth, I am simply trying to get an impression here that the market, I think he indicated, situation was not as optimistic as the principles of this company had thought, but I'm asking — I know he suggested that — but I am asking just what is the state of the market for helicopters in North America?

**MR. JOHNSTON:** The market for helicopters is good in North America and as a matter of fact in most places of the world but there is a tremendous amount of competition in the helicopter business and this particular helicopter doesn't even have certification at the present time.

I don't know why the member keeps worrying about it. We tried very hard to investigate a possibility of an industry in the Province of Manitoba and we are doing that all the time. This one does not look like it will come to fruition.

**MR. EVANS:** Did the Minister's department make the initial contact with this German helicopter company. In other words did we go after them or did they seek out the department in the first instance?

**MR. JOHNSTON:** Through the Federal Government they were interested in manufacturing the helicopter in Canada. We then became involved because we were interested and had space to be able to do it, and then our discussions started from there.

**MR. EVANS:** I gather then they approached the Federal Government and the Federal Government advised them of a possibility of the Gimli location, if they wanted to proceed. Is the department making

efforts to interest any other company that might produce helicopters or aircraft in Manitoba?

**MR. JOHNSTON:** Yes.

**MR. EVANS:** Could the Minister elaborate on this?

**MR. JOHNSTON:** I cannot elaborate on that at the present time.

**MR. EVANS:** I gather then if the Minister can't elaborate either it's so preliminary there's nothing much to elaborate on, or he is very close to some deal, or close to fruition and therefore that you are in a negotiation stage and it's not in the best interests of the possible development to discuss it.

**MR. JOHNSTON:** That is correct. We are in competition with other people for the industry.

**MR. CHAIRMAN:** Is the Member for Brandon East finished? The Honourable Attorney-General.

**MR. MERCIER:** Mr. Chairman, I wanted to make a few brief remarks in response to the Member for Elmwood whose remarks I don't think should be allowed to remain on the record undisputed.

Mr. Chairman, he attempted to make a point that the Premier was solely interested in constitutional matters and I point out to him and it's clearly on the record as far back as 1978 at First Minister's Conferences on the Constitution, our Premier clearly took the position that economic matters were of higher priority and should be addressed both by the Federal Government and in consultation with meetings of Ministers on Economic Development or Finance Ministers and he maintained that position this past September when the First Ministers met again in Ottawa, indicating that clearly the first priority of Federal and Provincial Governments in this country was the economy.

I point out to him again, when he refers to the Premier's trip to England, the main purpose of the trip was for economic purposes, and that the speech on the Constitution was only incidental to that whole trip.

It may be, Mr. Chairman, that the Member for Elmwood and his party are somewhat embarrassed inasmuch as they have no position on the Constitution. Either they don't care about the issue or they are unable to take a position as a party. I point out to him that it is an issue, that unfortunately because of the Prime Minister's attitude in this country, has to be dealt with by all Provincial Premiers in one form or the other, and they have all taken positions in one form or the other. Premier Blakeney, for example, has travelled across the country much more so than our Premier has taking his position on the Constitution to audiences all across the country.

Mr. Chairman, I make these remarks simply to point out that it has been a long-standing position of our Premier that the Federal Government should address the economic situation in this country, particularly something like interest rates which so drastically affects this province as well as other provinces. We have filed a brief with the joint House of Commons Senate Committee indicating to them that our position is they should patriate the

Constitution. The Premiers are prepared to discuss and attempt to arrive at agreement on an amending formula and then all of the other amendments can be made in Canada and discussed here and end the divisive confrontation that exists in Canada as a result of the Prime Minister and the Federal Governments attitude towards this issue.

Clearly, Mr. Chairman, the Premier has often in the past indicated the economy is the most important issue in this country and should be receiving priority, but he has to deal with this situation that the Prime Minister, despite the positions of six provinces involved in legal challenges to the Federal Constitutional process, and two other provinces, Saskatchewan and Nova Scotia, who have made the most strongest statements before that federal committee opposing the federal process. Those six plus two oppose the whole federal process and a position has to be taken and the issue has to be dealt with, and if anyone is to blame for the constitutional issue taking so much time and attention of politicians in this country. It's the Federal Government and the Prime Minister, not our Premier.

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. DOERN:** Mr. Chairman, the Minister says in measured tones which are preferable to the inflammatory remarks of his leader on this question, that his government recognizes that the economy is the number one problem. And you know I say to that, that actions speak louder than words. You say that but that's about what it amounts to. I don't see any proof of that. I don't see the First Minister of this province devoting his time and attention and directing his budget and his policies to the economy. I see him running up and down attacking the Prime Minister in an inflammatory way. I see him in a huge picture in the Free Press yesterday holding his nose or thumbing his nose or whatever he's doing and I say that you have to look. You have tweaking his own nose perhaps. I say that you have to look at the amount of time and attention that he's spending on the constitution in relation to the economy. My impression is it's got to be 10 to 1 or 100 to 1. I don't see him doing anything. Of course that's my impression, absolutely, but you know, pick up the papers. Watch television. Sit in the Legislature and see what kind of comments are made and what kind of responses come from the government in regard to the problems of Manitoba.

Now the Minister says that it was only an accident that the First Minister spoke on the constitution in England, that he went there to raise money and he went there to get us a —(Interjection)— Pardon? Oh, it was incident, I'm sorry, I wrote down incidental. All right, so you know, it's not a big mistake, Henry, it's not a big mistake. Incidental; I know what incidental means. It means that it wasn't major. It just happened. It was kind of a by-the-by lesser important, not main reason that he went to England. It was incidental. Just sort of happened. Well, you know, I say, who are you kidding? Who are you kidding in that regard? And you know, I say that you should let Joe Clark fight his own battles. Maybe you don't have enough confidence in your Federal Leader. Well you know I think the provinces should be involved but I think there is an undue amount of time being spent in Manitoba, in a way that I don't

find to be historic. I don't find the position, the position being taken by the Manitoba Government to be. —(Interjection)— Mr. Chairman, I'm trying to . . .

**MR. CHAIRMAN:** Order please. One speaker at a time.

**MR. DOERN:** I'm trying to direct my remarks to the Attorney-General and I'm simply saying, I'm simply saying that I find it . . . Mr. Chairman, I simply stated that the main battleship be fought in my judgment by Joe Clark and that I don't think — (Interjection)— of course I understand federalism. Mr. Chairman, I understand what is going on, that's the main thing. I know what's going on. I know that the First Minister of this province is attempting to divert attention from the problems facing Manitobans. He's trying to make an end run and that is I think obvious to everybody. And if it was incidental, that the First Minister of this province went to England, if that was incidental that he spoke on the constitution as opposed to the economy, then what is the Attorney-General going to say when they go for a week or for a number of days. It won't be incidental then. It will be quite clear what is being attempted there as well. They'll be trying to drag in the British backbenchers into this particular affair. And I think that's a dangerous thing to do. I think that's a very dangerous thing to do. Mr. Chairman, I simply say that, you know, there is on this particular issue a prairie fire burning, isn't there, and the First Minister of Manitoba's pouring gasoline on that fire. And I'm not sure that is in fact what he should be doing. I think he should be putting a Manitoba position and I don't see a Manitoba position being put. I see an anti-Liberal position being put anti. And I'm looking for someone to strike a Manitoba position in line with our history and tradition. That has not been done and I think that is still something that I am hoping that our party will do very shortly and when we strike that position maybe you can fall in and support us on that matter, because as far as I'm concerned, there is no bloody way I'm going to support your position on that matter.

**MR. CHAIRMAN:** 1.(a)— The Member for Brandon East.

**MR. EVANS:** I'd like to ask the Minister whether his department has investigated and concerned itself with — investigated isn't the right word — but analyze, and concerned itself and co-operated with the CCIL Company. We've heard that it's in need of some additional financing and a statement was made that they were to seek help from the Federal and Provincial Governments as well as their own members. Has the Department of Economic Development been at all involved with the company in its current problems?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** We have been involved as I've mentioned with the company when we were working with them as far as coming to Mexico with us and helping them develop markets in that area. As the Minister mentioned today in the House, the proposal just arrived this morning from CCIL and it will be

examined and it will be discussed by the Economic Development Committee and a position will have to be taken after discussion with the other provinces as to whether they want to become involved and the Federal Government become involved. We have worked with the company to put them together with other markets, but we do not do the marketing for CCIL.

**MR. EVANS:** I appreciate the fact that the department will not, or does not concern itself directly with marketing but the department does have expertise in the area of agricultural implements. At least they used to have and it seems to me that it was fairly common practise for departmental officials to be very in tune with the major, some of the major companies, Versatile, CCIL and a few other, smaller ones. And I would have thought that the Minister would have been apprised if there was some sort of a problem on the horizon, that the Minister would know in advance what kind of difficulties a company such as CCIL might be experiencing and would know just what it is that they need monies for. And I appreciate the official proposal has just come forth today but I would imagine, I would have thought that the expertise in the department and therefore the Minister would be somewhat aware of the problems facing the company. Now, I'm not surprised in view of the fact that there's been a draught and there's been a cutback in real farm income perhaps. I don't know how much but certainly it hasn't been expanding. If anything it's contracting and therefore it's going to have a negative impact on the farm machinery business as it has done in the past. In fact only a couple of years ago CCIL, or was it a year ago, had some trouble, but Versatile too has had trouble. Back in 1970 Versatile had a lot of trouble for the same reason, that farmers didn't have the money to buy the equipment and therefore ultimately those orders or inventory piled up and it backed right up to the doors of Versatile and it was about to be closed down by the Bank of Montreal, its banker, who was ready to call the loan so to speak, and I am very pleased that through the MDC by virtually co-signing a note, I suppose you'd call it, it was a co-signing specifically, it was the sending of a letter, by one simple letter we were able to keep the doors open. It didn't cost us any money. Even the legal fees were paid for by the company and the company incidentally didn't take any money but we did persuade the bank from not proceeding to close the business and we were very fortunate.

I appreciate the fact that the agricultural implement industry in Manitoba is one that is subject to a lot of fluctuation. It's the nature of the beast so to speak. I was wondering if the Minister couldn't enlighten us more on what is the problem at the present time. As I said, I know there's been a problem with farm income, but is there something else about that company? It seems to have more trouble for example than Versatile. Is it because of the different product line, or is it management, or just what is it? Why is CCIL now coming again to the governments for help?

**MR. JOHNSTON:** Mr. Chairman, I repeat they have come for an enormous amount of money, a large amount of money. The Minister just got the proposal

this morning. Now if that proposal has in it their plans for expansion, their plans for new products, or their plans future development of efficiency of the products they have now, I haven't been informed of it and the Minister has not had the chance to look it over at this time. The problems that CCIL has had during the past year is the same problem every other farm implement dealer has had and I might say that the management, the president, Mr. Tate, who had taken over the reins I think about two years ago, or a year-and-a-half ago, in that area, has put together an excellent management team and they run very efficiently, even because of the drought problems and the lack of sales caused by it. I have not seen the proposal that they have presented to the Minister.

**MR. EVANS:** At any rate, I appreciate that the Minister told us that before, that he has not seen the proposal, but he is also telling me that he has not been apprised of the problems of CCIL by his own department, because as I suggested, the people in the department, the people who are experts in agricultural equipment, and there are a couple, I would have thought had their fingers on the pulse of the company in the sense of knowing something about the general health of the industries that they are studying, that they are supposed to be close to. I am surprised that the Minister isn't more knowledgeable about CCIL's position than he is.

**MR. JOHNSTON:** Mr. Chairman, I don't know why the member would be surprised. The company is being run efficiently. Their problems were because of the drought. They took account of themselves when the money that was given to them or loaned to them by the three provincial governments and the Federal Government. They have been operating efficiently. They have had drought problems the same as everybody else. We have not seen the proposal or the reasons for the request for the extra money, and our farm development people and the Department of Agriculture are very aware of that company, and it has been operating efficiently. If it hadn't been I don't know that it would have survived the drought problems. But they have, and they have come to government with a new proposal. Now whether it's because they have new products that they'd like to develop, or whether they feel that they need a larger expansion at the present time, I don't know, but we will be looking at their presentation.

**MR. EVANS:** Could the Minister advise why is it that the Government of Manitoba increased its exposure on the previous guarantee? There was a guarantee made along with guarantees offered by the other prairie provinces, but I understand from the Minister of Co-op Development in his reply to an answer today in the Question Period, that the province has increased its exposure, therefore the risk has gone up. Exactly why did this have to happen?

**MR. JOHNSTON:** I think that you'd be better to ask the Minister of Co-ops who has handled that. I wouldn't like to answer that question for fear of not being accurate on the basis of another Minister's responsibility.

**MR. EVANS:** All right we will ask the Minister of Co-op Development some of those questions.

On the matter of another industry that's been in the news recently. Aluminum Company of Canada, we understand that a preliminary study is under way and I wonder whether the Minister can advise when that preliminary study is expected to be completed, and secondly, whether that study also concerns itself with environmentalist considerations?

**MR. JOHNSTON:** With what service?

**MR. EVANS:** Environmental considerations?

**MR. JOHNSTON:** The study to date has been on the feasibility of coming to Manitoba. The environmental studies — they have worked with the Environmental Department. The Environmental Department has been apprised of the aluminum company's intention. They have seen the smelter that is in Grand Bay. All of those particular discussions that should be carried out regarding the environment to this point have been done. I have no doubt when the preliminary study is finished and if they go on to the next study that they have been saying would have to take place before a smelter is built, there will be extensive environmental studies done, working with the Department of Environment. The company is very aware and conscious of environment. The company even has a farm around its smelter in Grand Bay, where they keep very close touch with everything that happens around that smelter. Those types of things will all have to be investigated much more thoroughly than they have, but there have been discussions on environment in the preliminary study.

**MR. EVANS:** What areas of Canada is the company also looking at for this type of a smelter. In other words what areas are we competing with?

**MR. JOHNSTON:** The company at the present time is not nearly as far ahead with any preliminary studies for anywhere else in Canada other than Manitoba. They have properties in northern Quebec, but they haven't got preliminary for anywhere else in Canada other than Manitoba. They have properties in northern Quebec but they haven't got preliminary studies as they have in Manitoba for their properties in northern Quebec.

**MR. EVANS:** Perhaps they're not engaging in any studies on these other areas at this time, but my understanding from the news reports, was that Manitoba was one of two or three locations that they could locate a smelter. For example, without exactly pinpointing where, I was under the impression that Quebec was a possible site also because (a) it has a lot of cheap — I don't know how cheap it is compared to Manitoba power — but it has a lot of excess hydro-electricity from the James Bay development, No. 1. No. 2, they've had experience in that area already of producing aluminum and No. 3, which is more important, Quebec, of course, is on the sea coast, it's on the ocean and that bringing in of the raw material, which has to be brought into Canada is a very expensive item, so if you can locate your plant which has to be located near the source of the electricity as well, if you can locate it on the waterfront, on the ocean, on a sea shore, then you're looking at lower transportation costs because water transport is still the cheapest form of transport we

have, other than pipeline, and pipeline of course is very specialized.

That's why I can understand why the people at Churchill would be interested in this because they are our ocean port. They do have difficulties with the weather and of course we've been told by the Minister previously that the companies did look at this, but because of the problems of weather and other logistics that it was not practical. I'm sure if Churchill were, say, 500 miles south of where it was and still on the water then that would be probably the better location. Better than an inland location, because if you're talking about inland, you're talking about rail costs and rail costs are certainly more expensive than water transportation costs.

So I'm surprised that they are not looking at a Quebec location as another one of some options, because I don't know of any big corporation that wants to make an investment decision on location of the plant that doesn't look at options. Alternatives are the name of the game. You look at your options, and then eventually make a decision.

**MR. JOHNSTON:** Mr. Chairman, the newspaper report that the member is referring to, I believe, was a question in the House by Mr. Uskiw. I think if the member would get that newspaper report and read it thoroughly he would find that it was a French company that was interested in looking at an area of Quebec. I think he would find that the investment they were referring to in Quebec is the one that Alcan just made, the one at Grand Bay, they just finished a plant. I think you have to realize that Alcan has made a very thorough study of freight rates and they are still interested in the Province of Manitoba, very interested in the Province of Manitoba and I can only refer to the speech of Mr. Cross that he has given in Manitoba. They have examined it very thoroughly. Does the member really think that he doesn't want the plant here, should we quit working with them?

**MR. EVANS:** Has the company requested of the government, as part of its study, information on what the hydro costs will be; in other words, has the company sought out information on the costs of electricity that they would be looking at here?

**MR. JOHNSTON:** I answered that the other night. The company is in discussions with Hydro and Department of Energy regarding energy costs and water rights, etc., in the Province of Manitoba. The Department of Economic Development made the approach to Alcan and we worked with them for close to six or seven months while they examined Manitoba thoroughly. We have had two people working with them, we would arrange or give them lists of consultants to use in Manitoba, we put them together with the environmental people, we assisted them with some office space while they were working here, we offered to do any research we could for them, all of those things were done by the Department of Economic Development. Now the negotiations are for — and I don't really think the member is suggesting that the Department of Economic Development is going to do the hydro negotiations. The Department of Energy and Hydro will be doing those negotiations.

**MR. CHAIRMAN:** The Member for St. Boniface.

**MR. DEJARDINS:** Mr. Chairman, on that point, the Minister, of course, I think we agree that the negotiating will be done by Hydro, but I think nevertheless that on that negotiating team there should be somebody from the Minister because you've got to know what you're ready to offer companies or what you will offer companies. I think it has to be part of the policy of the Minister's department also, the main negotiating has to be done with Hydro but I think that this Minister should have a lot to say on that. I think the Minister is saying it's being negotiated now, if there is a policy of reduced rate on electricity and so on, we'll make this announcement. I would understand that, I think we've got to do everything we can to get these people settled, especially when they're going to produce jobs, but I think we have to be very careful.

I remember being an alderman in St. Boniface and talking about Swifts and people like that, that came in and they had fixed assessment. There was no money being made for a long time and practically as soon as their time is gone they're gone. And I think if you remember the Imperial refinery also on Henderson Highway, that's been the same thing.

I would hope that if there's any concessions given to them that are not given to other people that are good corporate citizens in Manitoba, I think the Minister just can't say, well somebody else is going to go and do the negotiating, I think he has to take a vital interest himself as representing this department and I think he should have something to say on it because then it might tie his hands or force him to do something else, or subject him to criticism by some of the people that might not get the same break.

**MR. JOHNSTON:** Mr. Chairman, the company hasn't asked for any concessions. If the department, and certainly from my own point of view I'm very interested in the negotiations. The presentation of the negotiations will come, as you know, to Cabinet, and I certainly would be disappointed if the negotiations were such that we couldn't have it and I would be very, very concerned, but I'm also of the opinion that we're not going to give the province away. And the negotiations are very, very intense negotiations. You're talking about a company, you say that they're going to pick up and leave tomorrow if . . .

**MR. DESJARDINS:** I didn't say that, Mr. Chairman.

**MR. JOHNSTON:** But they could, maybe.

**MR. DESJARDINS:** Yes.

**MR. JOHNSTON:** They're going to put a \$500 million investment in, and pick up and leave tomorrow?

**MR. DESJARDINS:** Mr. Chairman, let's get this straight. I certainly wasn't making any accusation. I would love to see them here. I think they would produce jobs, but I wouldn't want to say anything at this stage that would sound as if they're not welcome here in Manitoba by all people of Manitoba. I'm just suggesting that the Minister should be involved because it is something that concerns his department. And I say yes, the possibility is there.

I'm sure that when we made this deal up north, CFI here, we thought it was a good deal all around. When the Province of Newfoundland made a deal with Quebec, they thought it was a hell of a deal and they're paying for it now. And the Minister said if they're going to put in certain money, I think there has to be more than that, I think there has to be a guarantee. How much would it cost to build the plant on Henderson Highway — I think it's Henderson Highway — by Imperial Oil? How much would that cost . . . and they left. They pulled out. I am just saying that this is something difficult and the only advise that I'm giving, if I am giving any advice, is that he should take part in negotiating, not just rely on somebody else to do it because then that might tie his hands, or that might set him in a direction that might not be of his choosing.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. JOHNSTON:** I would just like to say that I am involved and the whole presentation of the negotiations for Hydro which is handled by Hydro and the Department of Energy will be presented to us. I can tell you things such as it's \$500 million in excess of that. The Grand Bay plant there was approximately 28 percent of the materials purchased in that area of Quebec, something like 62 percent of the products used in the plant were in Quebec, the balance were outside of Quebec. We have done assessments on the basis of what Manitoba manufacturers could supply, which would be very large. We could probably do as good a job as any province. All of those things are being taken into consideration but we are not being asked for one cent to build a refinery.

**MR. DESJARDINS:** The Minister, I think said, that they are not asking for anything special and I couldn't help by reading — that's all I have, the information that I read in the newspaper — that they were after a preferred rate, that they were looking at this and it was clear to me if to nobody else that they would move here only if they had a special rate.

**MR. JOHNSTON:** Any discussions that take place on the rates as I said will be presented and they must be to the benefit of all parties.

**MR. CHAIRMAN:** The Member for Rossmere.

**MR. SCHROEDER:** I'll defer to the Member for Brandon East.

**MR. CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** The Minister indicated that this matter is before or has been before the Cabinet Committee on Economic Development of which he is a member. I wonder if he could advise whether that Committee of Cabinet has laid down any guidelines to Hydro with regard to this particular proposition. In other words, are there any guidelines laid down, for example, that the electricity should not be sold below cost?

**MR. JOHNSTON:** Not by the Department of Economic Development. I don't know how often I have to say it. They are in negotiations.

**MR. EVANS:** I didn't say the department, I said the committee, the Cabinet Committee on Economic Development.

**MR. JOHNSTON:** The negotiations are being carried on. When the negotiations are ended the proposals will be presented to Cabinet. I think the member knows that.

**MR. EVANS:** Precisely who is doing the negotiating? Is it representatives of the Cabinet Committee? Is it the Minister of Energy? Is it the Hydro people or just who exactly are doing the negotiations?

**MR. JOHNSTON:** The Minister of Energy and the Hydro people are doing the negotiating.

**MR. EVANS:** My question was, and I will repeat it then, is the Economic Development Committee of Cabinet, has it laid down guidelines for negotiations? It seems to me that you can go to negotiations indeed and make a deal eventually but usually your negotiating team has a set of guidelines, and I am asking whether the guidelines include the dictum, if you like, that Manitoba Hydro should not be sold below cost to the aluminum company or indeed any company.

**MR. JOHNSTON:** No, Mr. Chairman, the guidelines from the committee or from the government at the present time is that there must be an arrangement suitable to both parties, Alcan and a second party, who are basically the people of Manitoba.

**MR. EVANS:** Is there any guideline regarding long-term fixed rates on electricity? My colleague from St. Boniface referred to the matter of Newfoundland selling very very cheap Labrador power to Quebec for a long period of time. It looked like a good deal then, but years later with inflation it looks like a very poor deal and Newfoundland wants to get out of it. Have we alerted ourselves in not entering a long-term arrangement which would require fixed rates of electricity so that the cost of electricity, let's say, would not be any different 20 years from now for example than it is two or three years from now?

**MR. JOHNSTON:** I am sure that the arrangements that have been made throughout many areas of the world have been looked at and those all are being taken into consideration and the negotiations are carrying on to the benefit of both parties and there must be an arrangement on that basis. I don't know what more I can say to you.

**MR. EVANS:** It goes without saying, Mr. Chairman, that negotiations are carried on for the benefit of both parties. I mean that's what it's all about. You each look after your own interests, but it's not unusual for guidelines to be set down by a government to its negotiating team, whatever the negotiations may be, whether it's with the Civil Service, or whether it's with some large enterprise, that requires, let's say a large amount of electricity, as it is in this case. For what ever it is there's usually guidelines laid down to the group or the committee or to the representatives of the government. What I was simply seeking, and I presume that the

guidelines are of course to look after the better interests of the Province of Manitoba. That goes without saying, but I was wondering specifically whether there was any prohibition on entering into an arrangement whereby there would be long-term arrangements or long-term contract for electricity to be sold at a fixed rate or a rate that could not be adjusted through the years. That was my specific question.

**MR. JOHNSTON:** Negotiations or agreements that are in perpetuity are no benefit to either side. They can probably be broken at any time. The negotiations are taking place on what is going to be the best arrangement for the people of Manitoba. The company will be also looking after presenting their interests, presenting what they have to have and they will have to be ironed out between the two parties.

**MR. CHAIRMAN:** The Member for Rossmere.

**MR. SCHROEDER:** Thank you, Mr. Chairman. Although I missed the first part of this discussion with respect to the aluminum, I can sympathize with my colleague from Brandon because we do have some real concerns about the bargaining power of the current government of Manitoba at this time. They are facing an election within the next year or year-and-a-half whether they like it or not and you people are desperately attempting to find something with which to try to get back in the good graces of the voters. You have been trying to tell them for the last year that they have never had it so good and they don't believe you and now you are hoping to use this type of development to pull your fat out of the fire and I have some doubts as to whether that will be successful but I am concerned that you people and especially the Minister of Economic Development will be involved in some form of give away in order to attempt to buy votes in the next election. I don't believe it will work, but I would like to canvass another area that has concerned me for the last several years.

When you came into power you did away with basically the lending function of the Manitoba Development Corporation, and that is a policy decision that you had campaigned on, and I can't say that there is anything wrong with your doing that based on your promises. However in this last year or year-and-a-half you have been lending money out to at least several corporations which are involved in this province. One is Interdiscom and the other is K-Cycle Engines. I am just wondering how many other loans, as the Member for Inkster points out, there is CCIL, and you know there are a lot of other corporations in this province who could use loans or loan guarantees in order to improve their ability to operate or in fact to expand their operations in the province. And other individuals and corporations in this province are really wondering what is going on. Why is it that one company can get a loan out of this government but the next can't? Why is it that Interdiscom out of all of the high technology corporations who would be interested in working in this province, gets a loan from this government and other corporations who may have similar skills and technology are not in a position to get any funds, any loans from this government? Why is it that you

have this kind of a selective approach? Is it only your friends who are getting funds, on what basis?

It used to be that the MDC was available to those who met certain specific public criteria. It used to be that if you met those criteria then you were entitled to a loan which you should pay back hopefully from the profits earned as a result of that loan. Now, under your government, certainly you have eliminated the lending function of MDC but in its place you have set up a backroom bargaining joint where nobody knows what the rules are, and I don't think that's fair to business in this province. I think that if you are going to lend money out then you should tell us, tell the public, tell the corporations what the rules are and there may well be other corporations, other than the ones who have received funding from your government which can use those funds in a similar fashion or maybe even in a better fashion, maybe a more advantageous fashion to the province. I can understand the Minister saying that there is only so much money, but that is a heck of a way to be passing out money just simply on the basis — not on the basis of any established criteria, but simply on the basis of who manages to convince the Minister in the back room that he is deserving of a loan. I think it is highly improper.

I would suggest as well that there are at least several millions of dollars that this government could utilize toward loaning to corporations and I am referring specifically to the money that they are giving away under the Enterprise Manitoba project, under which people are given grants as opposed to loans. I would ask the Minister whether he can explain for the benefit of corporations interested in obtaining capitalization, what the criteria are on which companies get money from this government?

**MR. JOHNSTON:** I think I answered that last year or in the House, I'm not sure, to the honourable member. The Province of Manitoba is in competition with many other provinces and states in the United States. They all have in many cases very large programs or funds of money available for incentives towards enticing industry into the province. We in Manitoba are a DREE province and when somebody comes to us and says what does Manitoba have, what incentive does Manitoba have, we would be very foolish if we did not use DREE. In fact we wouldn't be doing the people of Manitoba any favour. In fact we would be letting them down if we didn't use money made available to us by the Federal Government before we used the provincial money. So we are a DREE province.

Secondly, as I said, we would take a look at any presentation that is made to us on the basis of whether they qualified for DREE. If they did and they said that they needed more, we would sit down and have discussions with them and take into consideration whether it's an industry that is going to provide jobs, comparable jobs to the amount of money that is being requested, whether they'll be here for a long time, whether they are a good corporate citizen and especially if they fit into the electronics or the six sectors that we have gone into. We have not made any under those circumstances at the present time.

He mentions the K-Cycle. It was a grant of money to build a building to have the test facilities for engines. We have the mortgage on the building and

we have the chattel on the equipment; we are secured on that money.

In the case of Interdiscom, it was done through the Manitoba Telephones and it is basically a research program at the present time. They have not started to market any products, it was research. I don't regard those as the same as grants or loans, so the honourable member says we don't have a specific policy or a fund that we use at the present time. No, we don't. Any proposition or proposal that would come to us, we would look at very thoroughly, but let me just say to the member, I'm looking right here at four and-a-half pages of new investments in this province in 1980 that has been done and our investment in the province in manufacturing is up 29 percent over last year. So when the member talks about the Enterprise Manitoba, the Enterprise Manitoba Program that he refers to is \$44 million and only \$5 million is in the forgivable loan or grants, as he called it, area. Two million is what the province put in. That money was made available under negotiations with the Federal Government to assist small industry in rural Manitoba. The members of opposite say we should take equity. Well, if we have 135 companies and we have 50 percent up to \$30,000 in that company, that we should really start having a bookkeeping system on those small loans. We are better to make the forgivable loan the way the program designs the forgivable loan and it's forgivable in two stages. The company must have put in and done what they said they would do when they made their presentation and their sales forecast to us to get that loan and Enterprise Manitoba.

**MR. CHAIRMAN:** (1)(a).

**MR. JOHNSTON:** I might just say to the member that discussion of not having confidence in our negotiating because we're going into an election is just plain rot.

**MR. CHAIRMAN:** The hour of 4:30 having arrived, will the Committee rise for Private Members' Hour.  
Committee rise.

## SUPPLY — AGRICULTURE

**MR. CHAIRMAN, Warren Steen (Crescentwood):** Order. We are on Resolution No. 13 on Page 12 of the Estimates, 7(a)(1), Salaries under Agricultural Land Water and Development Division.

The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I wonder if the Minister would give us an overview statement on the program in question.

**MR. DOWNEY:** Mr. Chairman, I guess if the member is looking for something to work with I can provide him with a little bit of information on an overview statement. I'll endeavour to keep it fairly brief.

First of all, I want to, Mr. Chairman, compliment the work in which the Associate Deputy and ADM for the Department of Land and Water, the effort that an individual who's with us today, Mr. Ed Hudek who put a full-time effort into the work that he had to do

last year with the adverse weather conditions, I believe that as Chairman of our Drought Committee he performed a commendable job in administering programs to do with both the water pumping and anything that fell within his jurisdiction — certainly a devoted individual and I want to make those complimentary comments at this time, as well as the additional staff who works for him and for the department. But I think the major responsibility fell upon him and he responded as a responsible civil servant.

The Agri-Water Program includes development of water sources for individual farms, communities and small rural communities. We believe that kind of service should be provided to our rural communities where it has soundly financial basis there and in fact that on a per capita grant basis that if those towns are desirous of proceeding that there should be some provincial money available to support them. Through those kinds of programs may I add that we have seen some of the smaller communities throughout the province be able to provide sewer and water that they normally wouldn't be able to enjoy as a mechanism to help increase their living standard. So I'm pleased that we're able to have a program that does support them, as well as the development of source supply for some of the farms that are unable to do it on their own.

I'm sure that the program of Dugout Pumping whatever the weather conditions are there has been an ongoing program that will not be altered.

I think it's also important to note, particularly when the Member for Roblin is in his chair, we should also comment on the work that is being done with the community of Roblin, the town of Roblin and the Shellmouth R.M. We are quite aware of some of the historical problems and difficulties, the Shell River R.M. We are quite aware of some of the difficulties that that community and municipality had in establishing how they would get rid of the effluent from their community.

Through our Agro-Man Agreement and through a pilot project we have introduced an irrigation project which will use the effluent to produce agriculture products as well as remove the waste product from a town, not putting it into the river but in fact using it as a productive tool for the farm community. I think we can look for it to be used as a demonstration project as well as something of major significance to that whole town and community.

Under the Water Services Board I may also say that we have the responsibility of administering the Northern Water projects, providing water and sewer for the communities in Northern Manitoba by and large which is cost-shared with the Northlands Agreement. Within this department we also have the Agriculture Crown Lands. We have a Crown Lands Clearing Program which is on an ongoing basis, the development of Crown lands for agricultural use. We also of course are carrying on with our policies of sales of agriculture Crown lands. May I stop, Mr. Chairman, on this particular point — that I as the Minister do not feel that we have moved as aggressively as we should have in this area; that there are some administrative hang-ups in certain areas and I would be proposing that in the coming weeks and months that we'd be doing some review work with the Minister of Natural Resources and see what

some of the difficulties are. Because we do have a number of our MLAs who are concerned about some of their constituents who have made application and the time process.

I know the Minister of Finance who has previously had experience with this situation has stated many times, and I certainly was in agreement with him, that it's a matter of changing the mechanism, turning them around from where there was no sales policy of Crown land and giving them a new direction and of course I think it's a matter of moving with responsible action instead of just getting into what you might call a wholesale sale position. But I think, Mr. Chairman, we have experienced several months now of sales, I think we can look for some more aggressive developments in those areas and will be working towards that end. Because it is very frustrating I must say for some of the farm community who have expected to purchase some of their lands to find out that for some reason that in their estimation is not justifiable, may not be sound and I think that we have to either change some basic guidelines or rules or else allow an appeal mechanism to work that might in fact give them some sense of satisfaction.

In the area of our basic land development I think it's a matter of continuing on. The Member for Ste. Rose indicated the other day that his concern was to do with the continual application of fertilizers and chemicals to our soil base, what effect it has on a long-term basis. I think that the professional people within my department as well as the people at the university have a pretty good handle on this and if in fact there were some difficulties that appeared to be of concern then I'm sure that those people would direct my attention to that and action could be taken.

I think it's also a major concern that we continue to further emphasize those kinds of soils that are acceptable or adaptable to irrigation and that we have to endeavour to try and provide or put into place irrigation reservoirs or reservoirs for water conservation so that in future years we do not find ourselves in the position that we were in this year, with an extreme dry condition or extremely droughty condition and very little water reserves held back. So I think it's a matter of working with the people in Water Resources as well as our staff to continually make sure that we have the agriculture land base, the water resource and it be used in a responsible and productive manner and not, as I've heard the term of certain cases, not mine our soils but to improve our soils through practical and modern agricultural practices.

Within this allocation falls the area of our Farmlands Protection Board. We've indicated in our Throne Speech that there will be some changes made and look forward to further opportunities to debate it at that particular time. We have in the past year hired a full-time investigator to try and enforce the intent of the Act and I'm sure that with some of the evidence that is being brought forward it will be helpful in some of the changes that are going to be proposed. Again, I believe that it is our responsibility to work with the Federal Department of Water, of PFRA, both in the area of water development projects and/or projects that are interrelated, which I know we have last year opened the project near

Dauphin where there was a joint program put in place to provide that town with additional water supplies.

I found it quite interesting when we went to open the facility with the Minister from the Federal Government who is also responsible for administering the drought programs, when we landed in Dauphin that particular day, it was like landing in the Garden of Eden because that particular area around the airport had received a tremendous amount of rainfall whereas the rest of the province was drying up and it was very difficult to explain to him some of the extreme difficulties that we're having throughout the province. But those are the kinds of things that happen. It was an interesting discussion that was being held because it did look extremely good in that area.

But anyway I just want to say that I think that the department who have been administering this have done a good job and I think that the programs that have been provided for the farm community, on an ongoing basis, there are some new initiatives, but basically the Water Services Board have been carrying on their responsibilities over the past number of years. I would look forward to some constructive debate from the members opposite on this part of the department.

**MR. CHAIRMAN:** The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I thank the Minister for giving us at least an outline of what is happening. I would like to, however, pursue the question that I think is on the minds of many Manitobans throughout the countryside, and that is whether or not the department is in a position to indicate just what kind of a moisture pattern we are facing this coming year, this coming summer. Given the fact that we have had such a severe drought area a year ago, and the Minister knows very well what I speak of in that certain sums of money have been spent to try to reduce the impact of the drought last year, to what degree has moisture been replenished since that time and on a regional basis are we still facing that kind of a problem? The reason I indicate that, Mr. Chairman, is that we are witnessing at the moment a substantial lack of moisture during this winter period. Most of the Manitoba countryside is fairly naked, that is, a complete lack of snowfall.

Perhaps my opinions are somewhat dated there, I haven't flown across the province recently but when I did not too long ago, there certainly wasn't any surface moisture noticeable anywhere and that the heaviest snowfall seemed to have occurred around this part of the province, here in Winnipeg, which is in itself to date insignificant. So perhaps the Minister could give us an idea as to whether he views the current moisture levels as being a continuation of a drought cycle and which may result in very serious problems for that same group of people essentially that have suffered so much last year, or whether he believes that we have somehow, in some way been restored to a more adequate moisture supply. Perhaps he has some figures and analysis done by the department to indicate just what the prospects are.

**MR. DOWNEY:** Mr. Chairman, I appreciate the member's questions on the moisture conditions. The

most up-to-date information that we have available from the Department of Environment and from Agriculture Canada is that basically Manitoba moisture levels in a broad sense of the word are generally about average although I through some personal discussions with individuals through the different parts of the province may report that the central region, the area represented by the Honourable Member for Portage, and down into the central area, the central part in the area of Miami possibly and Carman where there appears to be a deficiency in soil moisture, in the sub-soil moisture in particular.

They, last year, were extremely hard hit by the dry weather. Last fall, their moisture levels increased in the extreme southwest region of the province; there has been also more snowfall there in the latter few weeks. In the northwest region of the province, it would indicate that they have adequate supplies of moisture. In fact, as I indicated in my opening remarks, in specific areas there it appeared that they had an abundance even last summer although it was a very isolated situation. In the Interlake area, I would say that the northern part of the Interlake as we've experienced some excessive moisture and difficulties caused by that, I would say their moisture reserves have increased somewhat, but the southern part again being of probably a drier than usual situation. The eastern region, as the member is I'm sure aware of himself also, I would say is in probably a normal moisture condition situation.

In general, I think probably we have an adequate amount of moisture for good seed germination, something that we lacked last spring. I do think that we will require more moisture to give us some ponding of water, more snowfall to give us adequate ponding of water to provide moisture for hay and our grasslands which generally depend on our early rains and our spring runoff to develop or to produce a good hay crop. I think that was evident last year with the extremely dry spring starting in the first of April through to the first of July, there basically wasn't any rain to produce the first or second crop alfalfas. That situation I would hope has changed somewhat this year and one or two good March snows with a lot of moisture in it could reverse that situation to quite a large extent.

But to get back to the more general comment that we have from the people who are responsible in this area for reporting, that on a basic statement, that the province has basically adequate or normal amounts of moisture being reported. I guess it's also fair to indicate that if in fact we could count on a normal spring that, as I indicated, normal germination should be expected and hopefully we wouldn't follow the same kind of pattern as last year. I believe it was about this time last year that we were experiencing an omega omega high that moved in over this part of North America and just refused to move until sometime after the 1st of July. That I don't believe is the situation at this particular time.

**MR. USKIW:** Mr. Chairman, the Minister does confirm then the suspicions that I've held for some period of time and that is that the weather pattern in the central region is still a problem to us and that indeed if it continues we will again be faced with a very serious situation in that it would be the second year in a row, so to speak, that those same people

will have to endure a lack of moisture resulting in lack of productivity, resulting in lack of cash flow. I just don't know how long, given the fact that agriculture is so capital intensive these days, how long that can be sustained without some tragic financial results, Mr. Chairman.

I think farmers are able to cope with one bad year but if they get two bad years in a row it could present a very serious financial situation for a good number of them and especially if it's the same areas I've indicated before. It seems to me the government ought to have some sort of plan to cope with that possibility. Perhaps the Minister has a contingency plan which he has not alluded to. Last year I recall the debate in this Assembly when questions were raised relatively early in the season, the government was not in a position to give any definitive answer as to what their contingency plans were. Hopefully they have learned from that experience and the Minister is in a position to indicate to me today that they are keeping a close watch on the situation and perhaps would indicate what contingency plans are in place should we have the same situation in that central region of Manitoba that seems to be the problem area.

**MR. DOWNEY:** Mr. Chairman, I can indicate to the honourable member that in my opening remarks I did make some comments generally in the opening of my Estimates that if we were to run into a similar situation, God forbid, that we would be quite prepared to move in the same kind of a responsible manner as we did last year. However I am somewhat more of an optimist than the member opposite and I'm sure he feels the same way that we do not want to see that kind of a situation develop again, and if we do at this particular . . . for the last while the department have been requested to review the programs and see how well they've worked and by and large we have seen I would say a fairly reasonable response to them and sufficient assistance to the farm community.

On a financial basis the member also points out that if the same area were to have a reoccurring drought situation like the central region then it would certainly impose extreme hardship two years in a row and that again would be hoped that those people would give consideration to obtaining all coverage that they could get through crop insurance or if in fact they were in a position of protecting themselves in other ways then should make those management decisions.

We have had and will be having meetings with the Federal PFRA to I'm sure I would be directing staff to make a full assessment of last year and what has built up to this last year and that brings us to the point of what I also mention is some more work to be done in the area of irrigation. We have an Agro-Man agreement where there's a contract signed with the University of Manitoba where they are in fact doing a fairly major irrigation study for us to identify areas that could see expanded irrigation, but at the same time my friend opposite has to understand, and I'm sure he does, that there have to be waters available to do that kind of thing. I would like to see more development with the Natural Resources Branch of development of ponding of water, some particular major projects that would in fact establish those kinds of reserves for runoff water and I also

am aware that my colleague the Minister of Finance has instructed the Water Commission to do a full review or to come forward with some recommendations on water permitting for pumping of water out of the ground water reserves that we have in the province.

So there is ongoing work done and to be specific about next year there are reviews taking place of last year's program. I however have to say that with the moisture conditions and the situation the way it is today, as I said I'm an optimist and I would hope that the farm community wouldn't have to endure what they put up with last year and if that were the case then we would, as we did last year, move with programs as the situation called for and that of course was the introduction of Pumping Programs in a more extended way and the writing off of the cost of per farmer charge on the dugout filling as well as the Transportation Program and possibly the introduction of another Greenfeed Program. But at this point I think we would be just as well as we are doing to review last year's activities and to put in place contingency plans.

One other major point that I say should be of course put on the record and that it I will be continuing to discuss with the Federal Government through their PFRA group a program that works the same as if certain areas of the province run into a flood situation, that we don't have to spend a lot of our time arguing, discussing whose responsibility it is, that in fact there is an agreement where that funding would take place. I have had some discussions with other people on this, particularly in a brief way with other provinces and I think that should be continually worked on and will be working to that end where we have an ongoing agreement where we run into major difficulties, as well as the Crop Insurance Program, because there are sometimes difficulties that arise that all situations cannot be covered.

**MR. USKIW:** Mr. Chairman, the Minister is indicating to the committee that existing programs of course will continue to be in place to deal with that possibility, the possibility of intervention on the part of the province, to assist those people that might get caught again in a situation of lack of moisture.

I quite frankly have something much different in mind, Mr. Chairman, and I want to make a suggestion to the department to the Minister, and that is that if you go back and look back about three decades, if you reflect back over three decades prior to the last couple of years, I think you would agree that the prairie region has had a fairly consistent weather pattern. But in the last couple of years it seems we've broken that consistency and some of the predictions that I have read indicate that we are not to expect any great degree of consistency into the future that there are some very massive climatic changes taking place. I don't know whether the Minister has the capacity in his department or at least whether the Environment people have the capacity to try to monitor and project what is in fact shaping up so that we can be somewhat futuristic as to what is taking place and what contingency measures from a technical point of view might be undertaken to try to cope with those conditions.

As we have built up over the years, Mr. Chairman, measures and facilities to cope with excessive water

supply or moisture such as the floodway, the Portage Diversion and a whole host of other major water arteries designed to move water rather quickly so that we would reduce the effects of flooding during excessive moisture periods, whether it be from snow or rainfall, it seems to me that it makes equal sense to perhaps build in some insurance through technology for the reverse condition. My question really has to do with whether or not there is a practical approach to that in that could structures be built on major arteries of water in Manitoba, especially in the area that seems to be hit last year and perhaps this year, permanent structures that would hold back substantial runoff, gate structures if you like, dam structures if you like, that could be opened or closed. In other words, a fairly flexible facility in a number of locations that would actually store most of the runoff during the spring period in a dry cycle, so that we don't empty our waters into Lake Winnipeg in the first couple of weeks of our spring period and then find out that we have a massive shortage of water supply later on into the summer.

It seems to me that would be a project worth looking at perhaps by the department itself but certainly in conjunction with the Government of Canada, with PFRA, who are still involved in such programs, Mr. Chairman. Perhaps the Minister has done some of this, I don't really know. Well, I do hope that he might be able to indicate whether any such structures are being considered, have been built or are to be built on the major waterways within Manitoba with a view towards conservation of water supply. I think I'll leave it at that for the moment and pick it up again if the Minister has some answers to those questions.

**MR. DOWNEY:** My colleagues behind me are certainly supportive of me. They would like to pass this item, but I can't let the opportunity go by to compliment the member on his conservative-type thinking. I think he's been listening for a while and the message is finally starting to get through to him that basically he does understand that there is a responsibility of another department, that being Water Resources, that are responsible for the waterways and the movement of water within the province. Probably those questions I would appreciate also being discussed during those Estimates because I think it's a matter of getting as much support for the type of action that is required.

There is drought sensitivity study now being carried out by the Department of Natural Resources and by PFRA on Manitoba. I think that there are definitely some projects within Manitoba that should be implemented. I know that a lot of studies have been conducted and are sitting on shelves that would in fact do those very things that the member is recommending. I also know that there has been some difficulty with certain staff members within different departments that have not been as progressive in their thinking or as anxious to move as they maybe should be when it comes to the development of — I'm not saying specifically and I know that when it comes to the Engineering Department that they want to make sure they are fully studied and that they know the impacts. I have to say that is a responsible way of going but I do know of certain projects that there has been a desire

for throughout rural Manitoba for a long time. I think that the member is quite correct when he says there should be work done or consideration given to some of these projects that can in fact remove some of the danger that, not only the farm community, the cities of Winnipeg, Portage la Prairie, Brandon, that depend on these major waterways for their domestic water; that it is a responsible way to go to pond the water in the ravines or the reservoirs and the tributaries and save it and let it go as the water is required during drought periods or through the normal process of the season. So that in fact we aren't allowing or don't continue to allow the valuable resources that are in our possession at one time to slide through in about one month of the year causing extreme difficulty.

As I say, there is a major program study started into with Natural Resources and PFRA on a drought sensitivity study. I'm sure again, there will be again and I say this because I know there are some projects that have been identified that possibly should be proceeded with. As the Department of Agriculture, I'm fully supportive of them because in most cases they will in fact enhance our rural communities, our water supply systems for our towns and of course eventually if there is enough water available for irrigational purposes. So there is a general interest by the total community for these kinds of works.

**MR. USKIW:** Mr. Chairman, perhaps I'm too optimistic. I would have thought the Minister was in a position to indicate or illustrate for us two or three projects that are in fact at least in the planning stages, given the fact that we've had that bad experience of a year ago. But obviously the Minister is only indicating that he has yet to bounce a few administrative heads together in order to get some consensus between departments. Mr. Chairman, I'm not surprised at that because I understand how the system works but it seems to me we ought not to let another year go by with the disastrous results of last year without having done something in this regard. Surely other departments should take notice of the urgency of doing these things. This business of talking, you know, it's the old manana game. You don't have to fix the roof when it's not raining and when it's raining, you can't. That's really what the Minister is telling us here this afternoon, that we haven't got our act together yet but hopefully we're going to. I don't know who is the drag on the question, Mr. Chairman. The Minister of Agriculture says it is not he, so therefore it must be the Department of Resources that is holding him up.

**HON. BRIAN RANSOM (Souris-Killarney):** What project have you got in mind?

**MR. USKIW:** I'm sorry, I didn't hear the interjection of the Minister of Finance.

**MR. RANSOM:** What project have you got in mind?

**MR. USKIW:** Mr. Chairman, I could list dozens of them if I had —(Interjection)— that's right. No, I agree with the Minister of Agriculture. We didn't have that condition and of course we didn't deal with it. We were no different in that regard but we did experience last year for the first time since the

Thirties. Mr. Chairman. Last year we did experience a very severe drought condition and the climatic conditions, at least they appear to be in one region, to be very much the same again. At least in that region there should be some public works undertaken to conserve as much of the moisture that we have in the area and that we not allow the indiscriminate runoff of water supply during the first month of our runoff period. We should try to hold back as much of that water as possible. That can only be done through the building of structures, Mr. Chairman, that work two ways; that allow the waterflow in excess moisture periods and restrict the waterflow in periods of shortfalling in moisture supply. They are probably expensive structures relatively speaking but overall perhaps not as expensive as the kind of money that is spent in a scattered-gun approach in drought relief programming. I would think that in the long haul they are good investment dollars, Mr. Chairman, that we are talking about.

It brings to mind another area, Mr. Chairman. This, just a few months ago, I picked up at an airport, the Wall Street Journal, just for something to do and there was a fairly lengthy story about the whole question of water needs in the United States, in the midwestern states. It was quite interesting, Mr. Chairman, because it indicated what happens if you don't pre-plan the use of these kinds of resources. It talked about a huge irrigation district just to the south of us, Mr. Chairman, which was developed over a number of years and without proper research done as to water supply, underground water supply, for the irrigation project. I'm not talking about Garrison, Mr. Chairman, I'm talking about underground supply for irrigation purposes. I wish I had the document here, I could make reference to it but, Mr. Chairman, because the irrigation district was established, it resulted in quite a push on land values within the boundaries of that district. Any piece of agricultural land that had access to irrigation to water supply or aquifer water, the value of that land just went way up two or three times. Many people bought lands based on the assurances of the irrigation district that they would be able to irrigate their soil to maximize their production. What has happened in the last few years there, Mr. Chairman, is that the aquifer has dropped, the water supply has been substantially reduced. Many people were told that they could not irrigate their land in the last few years and consequently they were unable to produce even an average crop without that kind of water source. So their land values, not only have they dropped, they can't even sell their properties because they are worthless if they can't produce. The nub of the story was that there is a big push-on to spend something in the order of \$20 billion as I recall the figure, Mr. Chairman, in an effort to bring water supplies in from either the Great Lakes by way of either canals or huge pipelines or from northern parts of Canada. Those are the two options that were being looked at as a proposal to be presented to the Government of the United States in order to restore the viability of this huge irrigation district.

So we can't take lightly, Mr. Chairman, the fact that water supply is indeed a very important resource and that we ought to be planning in the long term as to its use and its conservation and so on.

I don't know just what the government is doing in Manitoba. We don't have a large irrigation community in Manitoba yet, but I believe that there is a substantial amount of it done in the region in question, the region that is facing a second year of low moisture conditions in mainly the central region. The Portage area and the area to the south of Portage is where most of our irrigation is carried on at the moment and I would hope that we don't indiscriminately encourage people to expand that without doing the necessary research, underground water table research, in order to assure that the investments that are being made in that area based on the assumption that there is a water supply that those investments are sound, Mr. Chairman, and that we don't get into the kind of problem that I just illustrated that is a real problem in some of the mid-western states. So, Mr. Chairman, I would want to know from the Minister just what the rules of the game are with respect to the use of river water for irrigation purposes, with respect to tapping of underground water aquifers for irrigation purposes and how that is being monitored by the Department of Agriculture or Water Resources as to the best use of it in terms of the overall public interest.

**MR. DOWNEY:** Mr. Chairman, that question would be better put to the Minister of Natural Resources who has the responsibility for that administration.

**MR. CHAIRMAN:** (a)(1). Salaries pass.  
The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I don't accept that answer. I believe that the Minister of Agriculture has a fairly strong complement of people that are charged with the responsibility of water development and research into its availability, and into new methods of making water available to communities and farms in Manitoba, and therefore he cannot get off with the idea that I should talk to another Minister. The very purpose of setting up the Water Division in the Department of Agriculture was to do just what I am talking about, Mr. Chairman, and that is to develop ways and means and to work with the other department, the Department of Water Resources towards making sure that the water resource is used to the best advantage of Manitobans as a whole, but in particular where agriculture is concerned to the best advantage of the producers of agricultural commodities in Manitoba.

In Southern Manitoba where we have the current problem, I think the obvious is that we must at least do something to assure the maintenance of herds should we have another serious problem this summer and the other is to maintain the needed water supply for irrigation that we have in the vegetable area and the special crop area, Mr. Chairman. There are some fairly exotic irrigations systems that have been built by quite a number of our farm people in that area and they should be satisfied that the government has the overview on the whole water question and that the government is in a position to assure them that the taps will not quit running during the critical period when they must have their water supply, Mr. Chairman.

**MR. CHAIRMAN:** (e)(1) Salaries pass.  
The Member from Lac du Bonnet

**MR. USKIW:** Mr. Chairman, I would like to ask the Minister whether he could give me an idea of just what the policy is at the moment as to the use of streams and underground water aquifers, what the permit system is if there is one, how the allocations are made and so on? I haven't received an answer to those questions.

**MR. DOWNEY:** Mr. Chairman, I've responded to the member that that authority falls within the Department of Natural Resources. However I can indicate as I indicated earlier in my answer that there is a No. 1, a Drought Sensitivity Study being carried out by the Department of Natural Resources and PFRA and I'm confident that those people, who are professional people both within the Department of Natural Resources and PFRA and the staff monitoring that'll be done by our department, that in fact they will have recommendations on the surface water and other areas. Also the Minister of Natural Resources several months ago announced that the Water Commission would be doing a review and bring forward a report on the ground water supplies and the recommendation on policy changes that are needed to do in fact what the member is saying. You have to make sure that there is water supplies there and available to those people who want to irrigate. But I'm sure the individual is also well aware of the fact that on our Water Services Board, that's responsible for providing of water for a lot of the communities in the province, has a representation both from the Department of Agriculture and also Water Resources, Municipal Affairs and Environment.

The other point that I should make, and to try and keep it as brief I can, is that I think that it is a matter of doing some long-term planning and making decisions on those projects. It's also a matter of having the financial capability of doing those kinds of things and I, Mr. Chairman, feel that after we've had some time we have to definitely prioritize the use of the money in the projects that we enter into. I have to say that I think at this point it's certainly time to proceed with some projects, but I'm sure the honourable member opposite is also aware that you don't build these projects overnight and I'm not going to stand here today and be critical and say that if he'd built some water reservoirs last year that we wouldn't have had the same kind of difficulty. I can't say that, I'm not going to because in the year that it's a dry spring you just don't build those structures; it takes some time to put them in place and he's well aware of that and there's no point of us doing a lot of debate in that area. But it is a matter as far as I'm concerned that has to be dealt with, the fact that there's no point of encouraging people to get into irrigation unless they can be assured of either ground or surface water — that is being addressed, I've indicated that it's being addressed. We as a department have got a complement of people who are working in that area.

As far as the call on water is concerned, I don't think there's been any major changes, but basically, first of all, the human consumption or potable domestic water is the No. 1 requirement for water in this country. Then basically industrial use that would be used to support either food processing or that kind of priority, and then of course we have the fisheries resource that has to be considered. We have to have our water available to support that

industry or adequate levels in the major reservoirs. Then, of course, we have irrigation and recreation and I would have to say that I would put irrigation quite a lot ahead of recreation, although I think it's a matter of again sharing and I have no difficulty with saying domestic and industrial and what is normally the traditional levels for our fishing industry should be maintained at adequate levels. However, what the member has indicated and what we all are well aware of is that we have to put in place reservoirs that are going to continually support all the people who need it and we have to be well aware of what is happening, and that is all in process. Again we, as a Department of Agriculture, are a part of input into that process of decision-making and plan to continue to be and will be identifying areas that can and should be developed for our agricultural needs as well as the domestic use that is No. 1 priority.

**MR. USKIW:** Mr. Chairman, the Minister of Agriculture indicates that these are all good suggestions and it's a matter of financial capability and he rests his case on funding. Mr. Chairman, I don't believe for one moment that this province is bankrupt and that the Government of Manitoba doesn't have access to money that would be used for this purpose. I don't believe that for one moment. Because what we are talking about here is a capital project that should be financed by way of a capital venture. It does not have to be a current account venture, it can be a capital account venture in the sense that the structures that are built are going to be long lasting, perhaps good for 100 years or more. Therefore, for the Minister to indicate that we somehow haven't got financial resources to do these things doesn't make any real sense, Mr. Chairman. If he said that they aren't ready because they haven't done their research that's acceptable, but surely I can't accept the fact that the Minister isn't ready because there is not enough capital. There's all kinds of capital, Mr. Chairman, if there's a willingness to do the job.

Mr. Chairman, there are many hungry contractors that would just love to seize on one of these projects if they were made available to them. They would have lineups of small contractors and large contractors that would just love to get into a construction project of some magnitude that would auger well for the future of rural Manitoba's water supply, Mr. Chairman.

So, Mr. Chairman, I can't accept that statement as being a reason why the Minister of Agriculture is not in a position to indicate just what kind of firm action is going to be undertaken with respect to water conservation measures in Manitoba, especially in the area of drought. I can't also understand why the Minister is not able to give us a more definitive position as to what they are doing. I'm not suggesting that he has to illustrate projects one, two, three, four, five and so on, but he has sort of skirted the issue by saying that this is an ongoing thing, we are discussing it and something will happen and we don't know when, but we're looking at it, that's the sort of generality of his comment and that doesn't indicate that anything is going to happen, Mr. Chairman. If he was able to say that yes, we have two projects in mind for the 1981 construction season and that these projects are designed to do certain things — then at least we would know that

something is taking place and that the government is looking at this problem in a more serious vein. But it is obvious that nothing is going to happen, at least as far as the Minister of Agriculture is concerned in 1981. After '81, of course, he won't have the responsibility, Mr. Chairman.

Mr. Chairman, there's one other area that I would like to pursue with respect to the Agri-Water Branch and that is: What has developed in those areas of the province where we have soil salinity and water supply problems as being part of that condition? That is something that was embarked upon some several years ago, the question of how to supply water for domestic use and animal use in areas where there is no water available for those purposes. I know that I raised this question with the Minister on at least one or two other occasions during the estimates in the last few years and as I recall the discussions then, there was some indication that there was going to be something done to bring forward a system of water supply for a number of communities and individuals in the countryside, who to date do not have a water supply for domestic use. Perhaps the Minister has something to report in that connection, Mr. Chairman.

**MR. DOWNEY:** Basically, Mr. Chairman, that work is being done under Natural Resources and I have very little to report other than it's still being carried out to my knowledge, that's the project of pumping the fresh water underground, the removal of the salt water. Basically that's the information that I am aware of, but it is Natural Resources he should be questioning.

**MR. USKIW:** Mr. Chairman, as I recall the discussions previously there was some consideration given to pipelines and things of that nature that would be installed or at least it was being looked at that would be a source of water supply for a good number of communities in this area of Manitoba where there is no potable water. Is the Minister indicating that the Water Services Division has dropped their efforts in that connection and that he has advocated that responsibility to the water resources division of another department. There is no involvement. Is the Minister indicating there is no further involvement on the part of the Water Services people in Agriculture?

**MR. DOWNEY:** The basic work, Mr. Chairman, as I've indicated, is being done by Natural Resources, Water Resources Branch. That's all I can indicate to the member at this point.

**MR. USKIW:** Mr. Chairman, that is somewhat disappointing because I assumed there was going to be some activity there from the discussions that were held last year and the year before during the Estimates Debate. It appears that sort of has dropped by the wayside for some reason or other.

I can't understand it for one reason, Mr. Chairman, and that is that the Water Services Board has a responsibility to assist in the development of water supply for towns and villages. They have been addressing that problem as well for some period of time. As a matter of fact, I don't know how many systems were installed similar to the one in Minitonas where we set up the reverse osmosis system of

water purification, a filtration system that would desalinate the water supply. I would like to know just what happened to that experiment, Mr. Chairman, whether it was successful, whether or not it has been duplicated or used in other communities or whether it is a system that is being recommended for a whole host of communities in Manitoba who have salinity problems in terms of water supply.

**MR. CHAIRMAN:** (a)(1) pass.  
The Minister of Agriculture.

**MR. DOWNEY:** The only comment I have, Mr. Chairman, is that the member referring to the Water Services Board would be responsible for providing of water for the communities that are in need of it. That is quite correct and the Water Services Board rely on the Natural Resources Department to provide them with certain basic information and they aren't able to move unless that information is available. That is where the work is being done in Natural Resources, Mr. Chairman. If he is referring directly to work that is being done as far as the diversion from the Assiniboine to the LaSalle, there has been some proposal study work done on that, but at this point I can't indicate what the Natural Resources' decision has been to Water Resources but I'm sure that if there were anything to report, that department will handle it during their Estimates.

**MR. USKIW:** Mr. Chairman, I want to take the Minister out of his entrenched position. He was not listening to my last comments. I asked him whether or not the reverse osmosis system that was put into use in Minitonas in their water supply system, whether that has proven to be a successful method of desalinating the water supply and whether that method has been used elsewhere and whether it is being recommended as a solution for those communities that have water supply but too high in salt content, Mr. Chairman.

**MR. DOWNEY:** Yes, it is working and no, it is not being used in any other area. I'm informed that it is a very expensive method.

**MR. CHAIRMAN:** (a)(1) Salaries pass — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, the Minister indicates that is an expensive system and I believe it probably is an expensive system. Can he indicate numbers in terms of what it costs per gallon of water or whatever it is, whatever the measure is, as compared with the inputs into the Town of Teulon or the Town of Stonewall which are using ground water but which also is an expensive system because of the soil condition and the costs of installing the system . . .

**A MEMBER:** Hard rock.

**MR. USKIW:** That's right, hard rock. Can the Minister indicate how much more expensive it is to produce water in Minitonas over and above what it costs us to produce water in a place like Stonewall or Teulon?

**MR. DOWNEY:** No, Mr. Chairman.

**MR. CHAIRMAN:** (a)(1) Salaries pass — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, the Minister doesn't have the information at hand and I'm not faulting him for it. I asked him whether he is prepared to give us some comparative analysis of costs as between the system used in Minitonas and other systems where we use the natural water supply but which also have other expensive costs because of the nature of the soil and the rock formations and so on.

You know, we're looking at extremes. In the Stonewall community, the extreme is the rock formation near the surface, which makes it terribly expensive to install water systems and sewage systems and so on. In Minitonas you don't have that condition but you have a condition of salinity in the water. It doesn't matter what the cause is. You know, we're looking at what price can we provide people with, what do we have to charge them for a gallon of water for domestic use? It doesn't matter what method is employed, if the costs are comparable, there is no logic in insisting on one method. We have to use the method that makes sense for the area and if the Minister is insisting that the Minitonas experiment is working, but too expensive, then he should tell me how much too expensive. Is it 10 percent over the norm, or is it 20 percent, or is it 100 percent or what are we talking about? Because the whole idea of that project was indeed for the purposes of that kind of experimentation and surely we are entitled to know what the results are, so that in essence we can either improve on that system or abandon it completely and go into other research.

**MR. DOWNEY:** Mr. Chairman, I am prepared to provide him with that information but I also think it's in the Water Services Board Report. For 1,000 imperial gallons, a cost of 345 per 1,000 gallons, as opposed to Lac du Bonnet, which he's probably familiar with, it points out here as 50-cents per 1,000 gallons. Neither one of them consider the costs of distributing of the water. So he may be familiar with the two towns.

**MR. USKIW:** Mr. Chairman, I don't why the Minister is comparing Minitonas with Lac du Bonnet, maybe there is a good reason. I would like to compare it with Stonewall, because as I recall it Stonewall was a very high-cost project because of the rock formations. I would like to know just how it compares with a community like Stonewall, comparing one high-cost area with another high-cost area. Lac du Bonnet fits somewhere in between obviously, Mr. Chairman.

**MR. CHAIRMAN:** (a)(1) pass — the Minister of Agriculture.

**MR. DOWNEY:** I should clarify that figure, Mr. Chairman, we haven't got the actual cost of Minitonas. The figure that's in the Water Services book is a cost — there is a subsidized rate on top of that, so I'll have to get those specific numbers for the Member for Lac du Bonnet. The reason I used Lac du Bonnet is because they were right side by side in the Water Services book that he has available to him, but I will in fact try and get those numbers on what the actual cost of treatment of that water is.

**MR. USKIW:** Perhaps, Mr. Chairman, you would want to pass — what are we on, Agri-Water Branch, (1), is it?

**MR. CHAIRMAN:** (a)(1) Salaries.

**MR. USKIW:** All right, we'll wait till we get into Water Services Board before we carry on.

**MR. CHAIRMAN:** (a)(1) Salaries pass; (a)(2) Other Expenditures pass; (b)(1) under Agri-Water Branch, (b)(1) Salaries pass.

**MRS. JUNE WESTBURY:** . . . people in the Chamber, Mr. Chair?

**MR. CHAIRMAN:** All right. The Member for Fort Rouge.

**MRS. WESTBURY:** Thank you.

**MR. CHAIRMAN:** Agri-Water Branch.

**MRS. WESTBURY:** Maybe you thought I was here because the conversation and debate is so stimulating, but I do have a question.

Page 8 of the Minister's opening remarks, he says, "We will continue to look at utilizing technology such as irrigations systems to help us deal with shortfalls in precipitation when they occur." My question, Mr. Chair, is in referring to technology such as irrigations systems, what is he proposing as a provincial program? Has he got definite plans or is he looking at that only or just what is in his mind please?

**MR. DOWNEY:** I guess, Mr. Chairman, the member may not have been in a few minutes and I don't mind repeating the part that I referred to. There is one particular project that's being worked on, a pilot project in the Town of Roblin and the community, where they are using the sewage effluent, are going to be using the sewage effluent for irrigation purposes. That's one specific program that's cost-shared under a federal-provincial agreement and that will be worked on to see the acceptability of that kind of use, but I think it's a constructive way to use a waste product from a town. It's also adding to the productivity of one particular area that's near that town. That's one area.

Another area that we talked about is the Ground Water Commission is doing a fairly major investigation of the ground water supplies and the permitting of water for irrigation purposes, so that the farmers who desirous of irrigating can make sound and knowledgeable investments in equipment and they will be assured that a water supply will be available. That's being done by the Natural Resources Department and as well there is an irrigation project being worked out with the university through the federal-provincial AGRO-MAN Agreement as well as a drought sensitivity study with Natural Resources and PFRA. So there is quite a lot of basic groundwork being done to determine the types and the numbers of acres of soils that are suitable and the numbers of gallons of water that are available and the kinds of crops that are most suitable to be grown in those areas. There is a fairly sizable amount of work done in that particular area. I haven't got the figures but they would be available from the Department of Natural Resources under Water Resources.

There have been a lot of requests over the past year come in for irrigation permits throughout the

province and I think probably there is no question there is a need to clearly have all efforts put forward to making water available if economically possible. I would like to just conclude by saying there is quite a lot of work being done and I would hope that we can proceed on to the next stage when areas are identified both of water and soil capability.

**MR. CHAIRMAN:** (b)(1) Salaries pass; (b)(2) Other Expenditures pass; (c)(1) Manitoba Water Services Board. (c)(1) Salaries — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, over the years we sort of developed a custom of the Minister indicating or tabling with us a program of the Water Services Board and I wonder if the Minister is in a position to do that for us this afternoon.

**MR. DOWNEY:** Yes, Mr. Chairman, I just can't quite recall whether we actually did it under this part of the department or whether it was under Acquisition and Construction of Capital Assets. I think I listed for him what projects were under way. Is that what the member is asking for?

**MR. USKIW:** Mr. Chairman, if this would assist the Minister, I would like to have a list of the communities that have been completed in the last year, those that are going to be in the program this year, the community's on a waiting list yet to be approved and so on.

**MR. DOWNEY:** There are two separate programs, one for the Northern Affairs Department under the Northlands Agreement. First I can give him the names of those towns that are projects under design or under construction in the 1980-81 year and they are Altona, Arborg, Ashern, Benito, Binscarth, Birtle, Blumenort, Cranberry Portage, Dauphin, Elm Creek, Emerson, Foxwarren, Gimli, Grandview, Grunthal, Hamiota, Ile des Chenes, Inglis, Lac du Bonnet, MacGregor, Manitou, McCreary, Minnesoda, Morris, Neepawa, Ninette, Oakville, Pilot Mount, Portage la Prairie, Rapid City, Reston, Roblin, Russell, St. Pierre Jolys, Sandy Lake, Sanford, Shoal Lake, Somerset, Souris, Stonewall, Swan Lake, Tyndall, Virden, Wawanesa, Whitemouth, Winkler and Winnipeg Beach.

Projects that are scheduled for future construction are Flin Flon and I have to say these have been accepted by Water Services Board but not entered into by the municipality at this point but they've made application to be covered — Flin Flon, Glenboro, which has been accepted, Grandview, or signed by the municipality; Landmark have not been signed, LaSalle, Oak Lake, another one at Portage, Ritchot Drive, Ste. Anne, Shoal Lake, Snow Lake, Stonewall and Winkler — those are the Water Services Boards for projects for the . . . Did he also want the north ones as well, Mr. Chairman?

**MR. USKIW:** Yes.

**MR. DOWNEY:** These are under the Northlands Agreement: Camperville, Crane River, Manigotagan, Pikwitonei, Picket Portage, Berens River North, Cormorant, Cross Lake, Sherridon, Berens River South, Ashaming, Norway House, Oxford House and

Wabowden — those are the Northern Affairs that are being administered by the Water Services Board, Mr. Chairman.

**MR. USKIW:** I would ask the Minister if he would indicate to us what changes in cost-sharing formula have been implemented in the last year or since the Minister has taken over the responsibility.

**MR. DOWNEY:** No changes, Mr. Chairman.

**MR. USKIW:** Could the Minister indicate to me just what the nature of the project is in Portage la Prairie, the one that was done and again the new proposal. What is required in the Portage sewer and water system?

**MR. DOWNEY:** The one that's now in progress is the sewage plant that should be opening this spring, Mr. Chairman.

**MR. USKIW:** Could the Minister indicate whether the Portage project has any connection with the McCain Foods Plant in Portage, whether this is part and parcel of an agreement or whether it's a straightforward standard water services agreement with the town of Portage, nothing special related to industrial development, Mr. Chairman?

**MR. DOWNEY:** No, Mr. Chairman.

**MR. USKIW:** Could the Minister indicate, Mr. Chairman, just what is happening with the Selkirk system? The reason I raise that question is that we have had environmental hearings in Winnipeg in recent days where there has been a substantial amount of interest on the part of Selkirk residents and indeed the officials in Selkirk who expressed concern about the quality of water that is taken from the Red River for domestic use and the Water Services Board having been very much involved in installing that system. It seems to me that they must be playing a role in those hearings and either are making submissions to the Commission, proposals, or at least perhaps defending the expenditures of dollars that were made.

**MR. DOWNEY:** The project at Selkirk as I'm sure the member is aware is under the Ag Services Agreement with the Federal Government. I'm informed by the Chairman of Water Services Board that the water that's being used at Selkirk at this particular time is approximately half is being drawn from the wells, the other half from the river supply and is being treated to acceptable standards for human consumption. That's the information that I have available.

**MR. USKIW:** Mr. Chairman, the Water Services Board surely must be playing some role in the discussions that are now under way with the Environment Commission. The complaints that have been lodged with the Commission have to do with the very low quality of water in the Red River system based on the fact that the City of Winnipeg has not been able to properly treat its sewage and therefore is certainly reducing the water quality in the Red. Any community downstream of course has to suffer the consequences of that and the cost related to further

processing and treatment of the water supply and it seems to be there should be a role here given the fact that the Water Services Board was indeed involved in setting up the plant facilities in the town of Selkirk.

**MR. DOWNEY:** Mr. Chairman, for a point of clarification, the water system at Selkirk is, the Water Services Board, the role in which they played was the delivery of that program and assisting in putting the installation in place. Since that time the operation of that has been turned over to the city and we have not been informed of any difficulty that they're having, that it's within their jurisdiction and not a responsibility of Water Services Board.

**MR. USKIW:** Could the Minister give us an idea as to what is the nature of the project in Tyndall, whether it's complete and what are the costs related thereto, Mr. Chairman?

**MR. DOWNEY:** The project for the town of Tyndall, the sewage project, is on the drawing board to be proceeded with next summer, Mr. Chairman.

**MR. USKIW:** Is the Minister indicating that it's a definite project, Mr. Chairman, that has been approved by both the local community and the Water Services Board or that he merely expects that it will be part of the program?

**MR. DOWNEY:** No, I understand, Mr. Chairman, from the Water Services Board Chairman that the engineers have been hired for the project.

**MR. USKIW:** Could the Minister give us a brief explanation then of the projects that he has enumerated? There are a number that I have a particular interest in but it might be simpler if he just went through them in a brief way and explained what is taking place, Mr. Chairman.

**MR. DOWNEY:** Are you buying time?

**MR. USKIW:** No, I would just like to know what the projects are, whether they're sewage projects or water projects or both.

**MR. DOWNEY:** Mr. Chairman, I'll provide the member with a report on the different projects.

**MR. USKIW:** Well then perhaps, Mr. Chairman, the Minister could indicate to us what is the program for the town of Flin Flon and whether or not that involves water supply and sewage or just one or the other?

**MR. DOWNEY:** As I indicated, Mr. Chairman, I'm prepared to provide that information for the member. The chairman has not got that information with him directly and as I've indicated I'm prepared to get that for him.

**MR. USKIW:** Could the Minister indicate whether or not that project involves works in the Channing area which has been a longstanding problem area but which we had some difficulty in trying to come to grips program-wise?

**MR. DOWNEY:** The area, Mr. Chairman, that the member refers to is being considered for sewage works.

**MR. USKIW:** Mr. Chairman, given the fact that there are particular problems relating to that question, does the Water Services Board have a new approach or new concept in order to provide services for the Channing area or what is the method that is going to be used in order to deal with that problem?

**MR. DOWNEY:** Mr. Chairman, it is in the process of being studied by the board and prepared to proceed when a decision is made but at this point I'm sure that there's no detail that I can provide to assist in the debate of these Estimates as far as the actual project. Again it could be part of what I forward on to the member.

**MR. USKIW:** Mr. Chairman, with respect to the Flin Flon situation, several years ago we went through the same exercise of looking at their needs and see the Minister of what is it now? —(Interjection)— I've lost track of the Member for Lakeside, Mr. Chairman. I notice that he is also smiling on this one, Mr. Chairman. I suppose he has been faced with the same problem at some time in the past having to deal with that question. But in any event several years ago we did receive a number of proposals with respect to services for the Channing area in particular which is just outside of the town of Flin Flon and it appeared at that time that no matter way which we approached the problem the end result was that it was the solution that was coming out of the discussions was not acceptable to either one side or the other. Is the Minister simply confirming that is the process that is still under way there is whether there is something truly happening?

**MR. DOWNEY:** No new progress to report, Mr. Chairman.

**MR. CHAIRMAN:** (c)(1) under Water Services Board pass.  
The Member for Lac du Bonnet.

**MR. USKIW:** Okay, I'll yield the floor.

**MR. CHAIRMAN:** The Member for Fort Rouge.

**MRS. WESTBURY:** Are we on (2), Mr. Chair?

**MR. CHAIRMAN:** Yes.

**MRS. WESTBURY:** I was asked to ask the Minister to explain the reduction in (c)(2) by \$25,000, if the extension and upgrading of rural water and sewage services is a priority of this government?

**MR. DOWNEY:** Mr. Chairman, the reason for that reduction is feasibility studies for sewer and water systems have been reduced due to studies that have been done for northern sewer and water projects being charged to another appropriation, Mr. Chairman.

**MRS. WESTBURY:** Where will I find the other appropriation, please?

**MR. DOWNEY:** Acquisition and Construction of Physical Assets, Appropriation 9.(b).

**MR. CHAIRMAN:** (c)(2) under Manitoba Water Services Board pass; (d)(1) Agricultural Crown Lands, Salaries pass.

The Member for Lac du Bonnet.

**MR. USKIW:** Again, Mr. Chairman, the Minister should give us an outline of what is happening with Agricultural Crown Lands. The Estimates Book here does not give us a breakdown of the program areas, merely Salaries and Other Expenditures. Firstly, I would like to ask the Minister whether or not there is any change in program content and (b), whether there is a reduction or an increase in staffing.

**MR. DOWNEY:** The staffing, Mr. Chairman, is the same in Crown Lands section. That basically is it. The program that is being carried on is pretty well consistent with what has traditionally happened within the Crown Lands Division.

**MR. USKIW:** Mr. Chairman, I'll let the Salary part pass, then we'll get into Item (2) if you like.

**MR. CHAIRMAN:** Okay. (d)(1) pass; (d)(2).  
The Member for Lac du Bonnet.

**MR. USKIW:** The Minister outlined in his opening remarks on this particular section, his particular personal preference as to the speeding up of the sale of some of these Crown lands and that he was having some difficulty with other departments. I'm wondering whether he can indicate just what kind of difficulties he is having with his colleague, the Minister in charge of Resources. Has it to do with the land use question, or has it to do with other matters that to date he has not revealed to us?

**MR. DOWNEY:** Mr. Chairman, I think I should correct the record. I don't believe I indicated I was having any difficulty with any of my colleagues or any other departments. I said that there were some difficulties within the farm community, particularly in the speed of which some of the lands were being moved on. I indicated, justifiably so, that when you turn the complete direction of the staff of government from not selling any Crown land and continuing on in the path, to turn that whole redirecting of staff and the government policy, then in fact it takes some time. It wouldn't be responsible just to make that transition without knowing some of the difficulties that may be incurred for the Crown or also for people who are involved in the situations throughout the farm community. Of course, consideration has to be given to the local municipalities and local government districts. To this point I am quite satisfied that the policy that has been introduced is in an introductory way has been working very well. I think now we have seen — and they're getting some reports that people who were expecting to buy land are wondering in fact why the process is not working more quickly.

I have got those same kinds of concerns and I am prepared to review and consider changes that may have to be made that will speed up that process. I know my colleagues, who also represent some of the regions of the province, have also brought their concerns to my attention and an assessment of those policies will have to be made. At the same time we have to continue to act in a responsible manner. We need to I believe, what is important to the province and important to the local communities, is the simple fact that when this land becomes

owned by private farmers and individuals it becomes part of a land tax base that supports that community. It gives the people who are farming it the incentive to do a better job, to develop that resource in the way in which they wouldn't do if it were to continue to be owned by the province because pride of ownership in this country is something that in fact built this country. So I am just indicating that we have made the move and the commitment to sell Crown land; we have some difficulties in certain areas and I didn't specifically say that it was with any department. Probably I could make some changes within my own that would accomplish some of the speed-up process that is necessary.

However, I do think it is an important issue with agricultural people throughout the province who have been told they are going to have the opportunity to buy agricultural or Crown land and I am committed to see that process is gone through with at least difficulty as possible.

**MR. USKIW:** Mr. Chairman, the Minister indicates that there is some advantage to local governments when these lands become owned by private individuals in that these lands then are added to the local tax base. Mr. Chairman, I'm sure the Minister would want to correct that opinion in that the lands in question have always been part of the local tax base. There is no change taking place there. Crown lands are subject to local taxation where they are leased for the production of agricultural products. So there has always been a tax base there. I don't believe that changes anything, Mr. Chairman. What I would like to know from the Minister is how many holdings have been sold to date since the policy has been enunciated?

**MR. DOWNEY:** Mr. Chairman, again as the member is well aware, this is a shared responsibility with the Department of Natural Resources. I would hope that the figures would come from them are much the same as that come from my department. They should be anyway. To January 5 of 1981, there are 145 sales have been made to a value of some \$1,169,570 and there is an estimated additional 125 sales that probably will have been completed to March 31 of this year. As I say, I think in the total picture it is a very small amount and I feel that it's a matter of getting on with the job of doing it in a responsible manner.

**MR. USKIW:** Mr. Chairman, could the Minister indicate how many parcels are available in total?

**MR. DOWNEY:** I can't identify in total parcels, Mr. Chairman, but I think if I'm using an estimated number that there is almost 2 million acres of agricultural Crown leases that are in the province, not to say that they will all be sold for certain reasons that are maybe — well, we could use the term "due to erosive natures" or something that wouldn't be in the best interests of the province. But if we're talking about how many Crown acres there are that are now under agricultural leases, there is just under 2 million acres. So it wouldn't bother me at all if we were able to sell an additional 2 million acres to an additional number of young farmers that wanted to get into the business of farming. I think that is a commendable objective and which we should pursue vigorously.

**MR. USKIW:** Mr. Chairman, there are several thousand holdings involved and that's why I raised the question. Is that why the Minister is sort of suggesting that there is an undue slowness in transferring these holdings to the private sector in that only 145 sales have been completed out of several thousand leases or lessee operators? What is the log jam? Is the log jam the department or is the log jam the lack of interest? There is obviously some reason that explains why only a very small percentage of transactions have taken place to date.

**MR. DOWNEY:** No, Mr. Chairman, it is not the lack of interest or the lack of people wanting or showing interest in purchasing it. I've indicated that I think there probably has to be some streamlining done within the system and I'm not critical at this point. I think that we, as I've indicated, have turned the total direction of government and the staff who are working within it, a direct opposite policy to what has been in place for many years. There have been approximately 1,205 applications that have been put in to purchase Crown lands. So it's certainly not a lack of interest from the agricultural community.

**MR. USKIW:** Mr. Chairman, even if you take the Minister's highest figure, the 1,200, that still represents less than a quarter of the total and that's why I raised the question, what is the logic behind the lack of interest on the part of the majority of lessees with respect to acquiring these holdings? Secondly, what are the rules of acquisition in terms of competitiveness for the holdings, in terms of financing? What mechanisms are employed in selling off these properties and financing the sales?

**MR. DOWNEY:** Mr. Chairman, I want to correct the member on one of his figures. He's indicated less than 25 percent of the long term, the policy that we have embarked upon us to sell those Crown lands that are under long-term lease to long-term tenants of which the figure that I have given him on the 1,205 applications represent an estimated 45 percent of those Crown lands that have been made available. It's not for me to ask a question of the member, but I think the farm community would be and should be asking it very straightforward of the member opposite and the New Democratic Party. If in fact they were to support the New Democratic Party coming up in the next election which this country has to have, would they in fact continue on with the selling of Crown land or would they reverse that policy and go right back to where they would not sell any Crown land to the public in Manitoba? I know that it is not for me to ask questions but I will tell the farm community what would happen. I will tell the farm community what will happen.

If we can reverse procedure here as I'm sure they would reverse procedure in the farm community and not sell Crown land, I would suggest that the New Democratic Party, if they were ever put back in office, that they would reverse that policy and the farmers of Manitoba would not have the opportunity to buy that Crown land. But, Mr. Chairman, in fairness to the member, he'll have a chance to respond and I will give him a chance to correct the record. If in fact I am wrong, then let him tell me that I am wrong, but I would make a speculative guess today, and heaven forbid that they ever get the

opportunity to reintroduce a no-sale policy, but if that were to take place, would they in fact continue on with that sale of Crown land or would they reverse it? As I have indicated, I would bet, Mr. Chairman, that they would remove the right for those producers to buy Crown land and I think that's a fairly serious question that should be asked of the Member for St. George, of the Member for Ste. Rose and of course of the Member for Lac du Bonnet, who represent rural communities.

**A MEMBER:** Churchill.

**MR. DOWNEY:** And the Member for Churchill, certainly, all the members opposite because it does have a fairly major indication of what the policies or the philosophy is of that particular party who I feel should come forward and tell us really what they would do, or particularly tell the farm community what they would do.

**MR. USKIW:** Mr. Chairman, the Minister wants to speculate on what's going to happen a year from now. Mr. Chairman, the Minister wants to speculate about what's going to happen a year from now. I will have to tell him to wait and see. He has greater things to overcome between now and then, Mr. Chairman.

The speculation that I would have is that if they delay the transition of government too long that there will be nothing left to hold on to in terms of the people of Manitoba, that they will have disposed of all the assets that the Crown now holds if they could, if they could find a way. But that, too, Mr. Chairman, is a fairly wild speculation.

I think what the Minister is indicating, the problems that he is having reflects the fact that there are other departments who have a different point of view to that question. That's one of the drawbacks that this Minister has, Mr. Chairman, and the fact of the matter is that there are other interests involved insofar as the use of Crown lands are concerned and there is a natural conflict between three interest groups and that is the naturalist group, the wildlife group . . .

**MR. CHAIRMAN:** The hour being 4:30, committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

## IN SESSION

**MR. SPEAKER:** The Honourable Member for Crescentwood.

**MR. WARREN STEEN:** Mr. Speaker, I move that the report of the committee be received.

**MOTION presented and carried.**

## PRIVATE MEMBERS' HOUR

### RESOLUTION NO. 5 — ASSISTANCE TO NATIVE PEOPLE, WINNIPEG'S CORE AREA

**MR. SPEAKER:** We are now Private Members' Hour and the first item of business to Resolution No. 5.

The Honourable Member for St. Matthews.

**MR. LEN DOMINO:** Mr. Speaker, it's moved by myself and seconded by the Member for Crescentwood, the following resolution:

WHEREAS the on-reserve native population is the fastest growing population group in Manitoba and Northwestern Ontario; and,  
WHEREAS the on-reserve native population does not receive any training in marketable skills beyond high school in Manitoba and Northwestern Ontario; and,  
WHEREAS in pursuit of employment opportunities unskilled native people from reserves in both Manitoba and Northwestern Ontario voluntarily migrate in large numbers to the core area of the City of Winnipeg; and,  
WHEREAS unskilled native people are ill-prepared to succeed in Winnipeg's core area environment and thus often and in increasing numbers become totally dependent on public assistance programs; and,  
WHEREAS the uninhibited migration of unskilled native people to the core area of Winnipeg is putting an intolerable strain on the fiscal resources of the City of Winnipeg and the Province of Manitoba; and,  
WHEREAS the welfare of native people is the responsibility of the Federal Government under the provisions of The British North America Act;  
THEREFORE BE IT RESOLVED that Manitoba urge the Federal Government to fully accept its constitutional responsibilities by actively providing native people with opportunities to acquire marketable skills and other forms of assistance which will help native people cope with the transition from life on rural reserves to life in the urban environment of Winnipeg's core area.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for St. Matthews.

**MR. DOMINO:** Mr. Speaker, I've brought this resolution forward and placed it before the House because I believe that it is very important that we deal with this problem. I think it's very important that we concern ourselves with problems that are the everyday problems of our constituents, with problems that in a very real and concrete way affect the quality of life of the people we represent.

Now I know that some members will protest that indeed all of our debates and all of our discussions involve just this very sort of matters. However, many of my constituents tell me different. Many people come to me and suggest that much of what happens in this House is self-serving and much of our debate is really about what is good for us or good for the Opposition. I think that comes in a large part from the very partisan nature of this Assembly and from the fact there is an Opposition and a government and that we tend to focus in on issues which offer a potential political advantage to one group or the other. Mr. Speaker, I don't find any fault with that on most occasions. That's part of the democratic process; it's part of our liberal democracy; it's

certainly a legitimate concern of the Opposition to score political points; it's certainly a legitimate concern of the government to convince the electorate that we have done things that are worthy of for re-election. So I have no real problem with that. I've discussed that very point with the Member for Inkster on other occasions in this House on other debates and there certainly no advantage to seeking political advantage or partisan gain in this House.

However, at times because of that situation what happens is that we tend to overlook certain issues, issues which don't offer or aren't perceived to offer a political advantage to one group or the other. I think this matter of native migration to the City of Winnipeg or the core area of City of Winnipeg has to be discussed. I don't believe that it does offer a partisan advantage to any group in this House. I don't believe that it's a kind of an issue that we would normally discuss. I think it's a difficult issue, a very difficult issue for members in this House because in many ways the whole idea or most of the issues that surround the natives in this country represent to all of us a colossal and giant failure and a long-standing failure.

Most of the efforts that have been expended by the Provincial Governments in this country and the Federal Government in this country over the last 100 years or more have produced very very few results. If we look objectively at most of what we've attempted to do, I believe that we have to come to the conclusion on the whole our efforts have been a failure. And being human beings we intend to shy away from issues or concerns of this type where we're forced to look into the mirror and see that we've been unsuccessful.

I must have heard in my five sessions in this Legislature, I must have heard the debate surrounding Saunders Aircraft five times, at length. That's because it seemed to offer advantage to this side of the House to talk about that issue. I must have heard the debate concerning CFI or any one of a number of issues, five or six times in my five sessions, but I have heard previous little about this very problem. I've heard it on occasion, but not nearly to the same extent that I've heard some of the other issues discussed.

So Mr. Speaker, I bring this resolution forward today to open it up for discussion, and I don't believe that if we look at it realistically that any of the three parties represented in this Legislature, or the individuals represented here today can find themselves blameless for this situation. Certainly, as the resolution indicates, it calls on the Federal Government to fulfill its constitutional mandate. And certainly the Federal Government has the resources, and they should be the people who bear, if we have to allocate blame, the major portion of the blame. But members opposite, when they were in government, undertook to do something about this very problem. And I've heard discussed, and I've seen discussions in this House, and I think it's been pointed out that they weren't very successful. I think our present government would admit that many of their efforts and many of the objectives in this area, we haven't been very successful in creating or improving the situation and that generally when we talk about native people in this country, whether they're living in the core area of Winnipeg or on

reservations spread across Manitoba, or Western Canada or Canada, most of our efforts have been a failure because these people have not been brought into the mainstream of our society, they've not been given an opportunity to function and to contribute.

Mr. Speaker, I don't propose today to lay before this House a whole series of detailed solutions to the problem. I don't have the detailed solution to the problem. But I am willing to offer my suggestions and my comments, I'm willing today, and over the period of time that this resolution is before this House, to listen to the suggestions and comments of other members.

Many people, when it comes to discussing the particular problem of the large numbers of totally unprepared native people who are migrating into the core area of the City of Winnipeg are frightened off. It's a very touchy issue, it's a very emotional issue with many people. It's the type of an issue where a person or an individual's motives can very easily be misinterpreted. It is very easy to appear to be a racist or a redneck. It's very easy to appear on an issue like this to be a bleeding heart who simply wants to throw government taxpayers' money in a wasteful sort of fashion at the problem. But regardless of the pitfalls, this problem must be discussed, because it's a very real problem for many of our neighbourhoods, and it's our responsibility to begin at least to come to terms with it.

Many people come to me as individuals, they come usually in a very excited state, to my house or they'll phone, and they're concerned about the problem, about the seemingly ever-increasing numbers of aimless and lost and displaced and discouraged natives, who at times literally wander the streets of our downtown neighbourhoods. These people are concerned and they're frightened and they feel powerless, and we, as elected officials who represent these people, have to try to do something about it.

Now when these individuals come to complain, they're very seldom eloquent. They're often very misinformed and they certainly don't come, in most cases, with a spirit of sympathy, but they do have a right to have their problems and their concerns discussed here. We have the responsibility to do something about it. We cannot ignore the problem because ignoring the problem means that we will certainly increase the amount of human suffering, that we will further contribute to the deterioration of downtown neighbourhoods, and that inevitably in the end, and I don't believe it's a major concern now but inevitably if we ignore the problem, we are going to get to the point where we have some real racial problems on our hands, too.

Mr. Speaker, the facts of life are these: That large numbers of totally ill-prepared natives are migrating to the downtown neighbourhoods of Winnipeg and other large cities all across western Canada. The process is not a new process, it has been a steady trickle, a steady flow of unprepared Natives who have been moving to the core area of Winnipeg over the last 20 years. These new migrants are young and almost inevitably they lack training and lack the skills which would allow them to compete in an urban 20th century society. So almost inevitably large numbers of these people fail to make the adjustments. Mr. Speaker, the failures litter our streets. In the summer in the neighbourhood where I

live they literally litter the streets on many occasions. They swell our welfare roles and they frustrate and they frighten and they eventually drive out the longer established permanent residents of the neighbourhoods. Mr. Speaker, I don't want to leave the impression or be misunderstood; I don't want to leave the impression that all of the migrating Natives fail because it's not true. Some of them against all the odds succeed but a far too high percentage of those Native people who find it necessary to leave their reservations and come to the City of Winnipeg, a far too high percentage of these people fail. Mr. Speaker, I'm also aware that not all of the failures are Native people and that there are many non-Natives who also for any number of reasons fail, they fail in the sense that they're unable to contribute and it's not just the individuals who fail, society fails too, because we don't offer them the chance to contribute to our society; we don't offer them the chance to become meaningful members of the society and we don't offer them the chance to make a proper livelihood and subsist and to live like the rest of us would want to.

So the facts are simple. Natives continue to leave their reservations in ever-increasing numbers and they leave for good reasons. I'm not about to suggest that we should keep them on the reserves or anything like that. They leave because of the poor standard of living on the reserves and because of the very limited economic and educational opportunities. These Native people migrate to Winnipeg and other large urban centres and they're looking for jobs and they're looking for educational opportunities. When they arrive here they find precious few of either because there are very few job opportunities for them and there are very little educational opportunities.

**MR. DOERN:** Because of your government.

**MR. DOMINO:** The Member for Elmwood says because of my government. My government may be guilty of not having found the solution but it was no better in those eight glorious years we hear about when members opposite sat on the government benches, the problem was there then. To be exact the problem is not the same magnitude but the problem existed and it was part of the challenge facing governments 20 years ago even. Mr. Speaker, the facts of the matter are also that due to the lack of skills and training almost all of the new migrants fail. They fail to cope with the transition from life on a rural reserve to life in the urban environment in the core area. Because of this the resources of the City of Winnipeg are placed under an almost intolerable strain. Our social services are hard pressed, the policing is a problem, the educational system is strained and pushed to its limit and of all the agencies of the City of Winnipeg I think the educational system probably in many ways handles the problem the best.

In Winnipeg School Division 1 right now, approximately 20 percent of its children are Native children and from I've seen and from what I've been told I believe that they're trying a very conscientious way to supply special education programs and supply the skills necessary for these children. But in almost all other areas we fail these people and it's not just the financial resources of the city which are

being strained and abused and bent and almost broken. We've also got the social fabric of the downtown communities as hard pressed, the cultural and spiritual, because when you've got in some communities as much as 20 percent of the population who is alienated, unemployed or underemployed or totally unable to contribute or participate in society, who are hostile in many cases and your churches and your community clubs and the whole fabric of that community is weakened. That's what is happening to many of our downtown neighbourhoods. I don't want to suggest that it's only the migration of Natives — the Lord knows the downtown neighbourhoods in Winnipeg face many problems. But the large migration of totally unprepared and unskilled Natives contributes to the problem and contributes significantly.

Mr. Speaker, I have not been able to acquire a lot of detailed research on the problem. The matter is not even being studied very much but the Institute of Urban Studies did this over the course of the last year, prepare a report entitled Demographic Composition and Economic Circumstances of Winnipeg's Native Population. This report, Mr. Speaker, basically at this point it substantiates most of what I've said, that people leave the reserves looking for jobs and education, most of the people who come are young; unemployment rates are four or five times amongst the Natives higher than they are amongst the other members of the same neighbourhood and it also indicates that education does have a positive effect on their ability to find jobs.

**MR. SPEAKER:** The honourable member has five minutes.

**MR. DOMINO:** Mr. Speaker, it's always very difficult to discuss issues during Private Members' Hour under Private Members Resolution because there's so little time.

Mr. Speaker, the whole problem of the unprepared Natives is a serious one. But it becomes almost obscene when it's compared or set in a situation where it's in a juxtaposition to the labour situation in this country and what is going to happen to our labour market over the next 20 years. It's a fact that we are facing a serious shortage of skilled labour. The Minister of Employment and Immigration is fond of bringing this to our attention and I think that's one of his functions and I've got all kinds of newspaper clippings where Mr. Axworthy has outlined that we are facing probably between now and 1990 a shortage of 600,000 skilled labourers, skilled people, if we're going to develop Western Canada, Manitoba, Alberta and Saskatchewan. It's quite obvious that the solutions are the only government initiatives at least, fall in three areas. One, we can bring in large numbers of immigrants from other countries. I'm not personally opposed to that. I would not be here today if Canada had not had a relatively open immigration policy and if they had not wanted in the early years of this century to invite and to bring in Ukrainian immigrants because on one side of my family at least that's why I'm here. But I think it's a terrible, terrible shame that we should have to go out and recruit people from other countries when we have thousands and thousands of our own people who are underemployed and who are given no

chance to contribute in our society. So we've got the one alternative which is increased immigration from offshore.

But certainly the most attractive alternative has to be to use and to find some way to train and involve those individuals who are now presently underemployed and under-utilized in our society and that being basically women and Native people in this province. That's why I believe that it's very important that the Federal Government, all levels of government, but particularly the Federal Government because they have the resources and they have the constitutional mandate to cope with this problem.

Mr. Speaker, at least the members opposite pretend that the problem didn't exist during their term, and it's a brand new problem and it's being created by members on this side which I think is a totally fallacious argument but the former Premier of this province, Mr. Schreyer, he was aware of it, he tried to cope with it but a province does not have the resources or the constitutional mandate to do very much that effective about this job. Let me quote from a speech that Mr. Schreyer made as far back as 1973; it's from the Winnipeg Free Press, their covering in October 12, 1974 pardon me. "Their's an opportunity to train Native people in particular but so far efforts to do so have been consistently bogged down in red tape." Mr. Speaker, I've gone through the Auditor General's report here on the Indian Affairs Department, and it appears that as lately as March 31, 1980 they're still bogged down in red tape and these people still are not fulfilling their mandate because we still have a large large pool of Native people who want to work, who want to contribute but don't have the skills or the opportunity. They come to Winnipeg anyway but when they get here the door is closed in their face and frustration and alcoholism and everything else that goes with it is the inevitable result.

Mr. Speaker, I also wanted to find some time and I probably will have the opportunity when we get around to closing debate on this matter, to discuss the Memorandum of Understanding regarding the development of Winnipeg's Core Area Initiative because certainly to the credit of the Provincial Government, the City Government and the Federal Government, we have here it appears at least an attempt to deal with the problem, not much money and nothing much specific, to be exact, this document never once mentions Native people but it appears that some of the intent is to come to grips with some elements of the problem.

Mr. Speaker, in summation just let me say that I'm concerned about the Federal Government and its attitude and its seeming lack of response. The government just recently has expended or is prepared to expend an excess of a billion dollars on acquiring . . .

**MR. SPEAKER:** Order, order please. The honourable member's time is up.

The Honourable Member for Wellington.

**MR. BRIAN CORRIN:** Thank you, Mr. Speaker. Mr. Speaker, we on this side most certainly want to address the premises and the resolve brought to us by the Member for St. Matthews in this resolution.

Mr. Speaker, from the outset we want to say that we take exception to many of the premises which

presumably established the rationale for the resolution itself. Mr. Speaker, the honourable member in presenting remarks in support of the resolution presents a very conciliatory, a very compromising statesmanlike, non-partisan face to the Assembly. But, Mr. Speaker, one need only examine the language of this particular resolution in order to understand what motivates this particular presentation. Mr. Speaker, it's incumbent on members in this House to make reference to the information disseminated by the member in this resolution. He sets up several premises. He suggests for instance, Mr. Speaker, I think it's in his fifth or sixth resolve, that the migration of Native people from reserves is uninhibited and it shouldn't be any other way, Mr. Speaker, let there be no doubt about this, it should be uninhibited. People have a right to live where they choose in this province.

But, Mr. Speaker, he talks about the placing of an intolerable strain on the fiscal resources of the City of Winnipeg and the Provincial Government. He talks about unskilled people and one has to presume, Mr. Speaker, that would mean that these people find their ways to the social allowance roles, the welfare roles of the city or the province on coming to Winnipeg. But, Mr. Speaker, the evidence which he did not present belies and denies his argument. There's no foundation for that, Mr. Speaker. Let me share, Mr. Speaker, with you, some information which I indeed was able to glean from provincial reports and other statistical documentation available to members of the House.

First of all, Mr. Speaker, let it be known that what is described as an uninhibited migration that's putting intolerable strains, amounts from 1966 to 1977 and this is a reliable report I'm sure, Mr. Speaker, prepared by the Department of Regional Economic Expansion; it's entitled Manitoba Registered Indians Regional Perspectives. We can share it with any member present and certainly the mover of the resolution.

Mr. Speaker, we're told in that report that the off-reserve Indian population increased from 1966 to 1977 by a total of 6,685 people in this province. I ask you, Mr. Speaker, is this the uninhibited, intolerable burden that's flowing towards the cities and villages and towns of our province? 6600 people, Mr. Speaker, that's all. It's not such a dramatic exodus after all, Mr. Speaker. For that matter the Indian population as a percent of the total provincial population has only risen in those same years '66 to '77 by 1 percent, that's for the whole population of the province.

So, Mr. Speaker, the truth is that although certainly people have been leaving the reserves, and not all of them have come to the City of Winnipeg, a lot of them have gone to The Pas and Flin Flon and other centres, the strain is not intolerable and the welfare roles tell it all, Mr. Speaker. If my learned friend would have examined the history of welfare benefits in this province and city over the past 10 to 12 years he would have obtained some very valuable information. The City of Winnipeg welfare roles, Mr. Speaker, in 1974 had some 7,301 persons total on a global basis receiving benefits. They received benefits of \$7 million, Mr. Speaker. In 1980, Mr. Speaker, after this tremendous wave of an influx of migration of unskilled Natives who couldn't find work

and apparently would have gone on the rolls; we find that the rolls have decreased from 7,301 to 5,097, that includes children, Mr. Speaker, that is a global basis — everybody that went on and off the roll for that year. So we have a 44 percent decline from 1974, Mr. Speaker, in the total number of peoples receiving welfare in this city.

I also, Mr. Speaker, think it's rather important to note that the intolerable strain on the city and the Provincial Government was paid for 75 percent by the Federal and Provincial Government approximately in the ratio of 42 percent by the Federal Government, 33 percent by the Provincial Government. So if the Federal Government, as this resolution suggests, is not providing adequate support let it be known, Mr. Speaker, if we're to work on the premise and surmise that all these people are Natives, let it be known that the Province of Manitoba provides less, substantially less.

Mr. Speaker, I should also note in fairness to the Federal Government that with respect to status Indians the City of Winnipeg gets a 100 percent reimbursement as a result of a cost-sharing agreement. So there is no intolerable burden from that point of view on any city taxpayer or any provincial taxpayer.

Mr. Speaker, to go on I think we should also examine the provincial welfare rolls during that same time period because presumably it might be argued that sure, some of these people didn't find their way to the civic rolls, they were transferred rather on a permanent basis or semi-permanent basis to the provincial rolls. Mr. Speaker, in 1974-75 fiscal year, the provincial welfare rolls showed total expenditures of \$38.7 million province-wide, 22.8 million of that was spent in the City of Winnipeg. In 1979-1980 fiscal year we had a \$58.6 million expenditure province-wide with \$34 million being spent in Winnipeg, Mr. Speaker, and I think it can be agreed by all members including the Member for St. Matthews that there is a proportionate increase during those years. There is no evidence that Winnipeg is sustaining a higher incidence of welfare as premised by this particular resolution during that time-frame. No evidence whatsoever, Mr. Speaker. There is not one centillion of supportive evidence to corroborate the thesis, Mr. Speaker.

So perhaps they're coming, Mr. Speaker, but if they're coming they must be finding some sort of remunerative employment because they're not finding their ways through the city or provincial Winnipeg welfare rolls.

So Mr. Speaker, when my honourable friend makes suggestions — and you know this sort of thing has been going on for years, this sort of hyperbole, this sort of excessive rhetoric, that suggests that the natives are coming and that there is increased threat of crime and we have all these social miscreants arriving at our doorstep, and that's really implicit in this sort of motion that these are unemployed people, welfare bums to use the vernacular. Mr. Speaker, the evidence is not there. The evidence simply doesn't bear out the allegation. So, Mr. Speaker, there is no reason in the world for my friend to mislead members of this Assembly and people generally throughout the province.

There are problems, Mr. Speaker, but they're not being exacerbated and they're certainly not being

exacerbated by anything that natives do. If anything, Mr. Speaker, they will only be exacerbated, they will only be heightened by the neglect and the lack of attentiveness shown and demonstrated over the past 3-1/2 to four years by that government opposite.

Mr. Speaker, there is indeed a refugee class in Winnipeg. I agree. There are people, not only the people from Vietnam, Mr. Speaker, there are people who come on our doorsteps as refugees. They do indeed come from a third world. It's a third world of the remote and northern communities, and Mr. Speaker, they bear all the hallmarks of that sort of burden and that sort of deprivation. And Mr. Speaker, if you or I or any other member of this Legislature lived in those sorts of circumstances, we, too, would elect to make an election to move where the opportunities might better present.

But Mr. Speaker, I am suggesting to you that there's no evidence that these people are not working, there is no evidence that these people, if they are coming, are not playing a meaningful role in urban society.

Now, Mr. Speaker, the resolution goes on. The resolution talks about the welfare of native people being solely within the purview and jurisdiction of the Federal Government. Hogwash. Hogwash. Mr. Speaker, we went through that debate last year in this Legislature. I think we went through it the year before as well under various estimates, certainly under Community Services estimates. There are decisions of the courts which have upheld provincial primacy in certain areas and they have ascribed responsibility to provincial jurisdictions in areas such as child welfare, and they have said that there is dominance and supremacy, not just paramountcy in those areas.

So Mr. Speaker, it's time that members opposite came to the awareness, as the Member for St. Matthews seems not to be able to do, that they too have a responsibility in this regard. They too, have a regard, not only to provide life and death services on treaty reserves, but to provide a full range and panoply and panorama of child welfare services in those circumstances. And Mr. Speaker, members of this side went north — not just northern members but other members, went north on a task force last autumn. And Mr. Speaker, we saw first hand what that government's neglect has caused those people to suffer. We heard tales of horror, not just in the child welfare area, Mr. Speaker, although there is an abundance of information and evidence in that area. We heard about people who couldn't get ambulance service into their community, people who had waited for days to be flown out to hospitals to have limbs mended and so on. We heard all sorts of stories, Mr. Speaker, and we saw with our own eyes that there is confirming evidence that there has been considerable neglect of governmental responsibility in that respect.

So, Mr. Speaker, let's not perpetuate the myth that only the Federal Government is responsible for the welfare of native people. Provincial Governments have a responsibility too, Mr. Speaker.

Mr. Speaker, we have an opportunity in this province, one that I think probably is quite remarkable in that it's unlikely to occur again within the near future, and that is the opportunity presented by the core area agreement. The willingness of the

Federal and Urban Government to participate with the Provincial Government in a tri-lateral development project involving, Mr. Speaker, some \$96 million, involving an opportunity to do something substantial, not just for native people although they will be included, but all poor people, all the poor people who live in the core area. Mr. Speaker, I would be remiss if I didn't note at this point tangentially that no member on this side would agree and concur that areas such as the east yards make up the core area of Winnipeg. And Mr. Speaker, when we asked a couple of days ago, when we asked the Minister responsible for Urban Affairs whether the east yards was going to be removed from the memorandum of agreement and received a negative answer, we were indeed shocked because, Mr. Speaker, we should go on record, and the members opposite should know that if there is any attempt, any effort whatsoever to allocate funds to the east yards development proposal, the proposal that's been put forward to city council by Great-West Life and the railway, if there is any attempt to do that and to use these funds for that purpose, they will find themselves in a very, very acrimonious debate and battle, because Mr. Speaker, it is our intention to fight that inch by inch and foot by foot and mile by mile.

Mr. Speaker, I should indicate, when I talk about the opportunity of the core area initiative, I should do so in the perspective of what this province, what this government did with respect to their now bemoaned community services project. Mr. Speaker, they thumped their breasts mightily some several months ago when the . . .

**MR. SPEAKER:** The Honourable Member has five minutes.

**MR. CORRIN:** Thank you, Mr. Speaker, five minutes. Mr. Speaker, we were advised by the Federal Government that they were withdrawing the community services project and members opposite publicly thumped their breasts and they suggested that it was deplorable and the Federal Government was not living up to its commitment, but Mr. Speaker, let the record show that when the money came to Manitoba for the community service project, that less than 25 percent of that money actually found itself in community development projects, community development projects in the inner city of Winnipeg, in the core area. Mr. Speaker, Kilkenny Drive, where the Minister of Urban Affairs, I think, still lives, had itself landscaped. They had a lake on some area in Fort Garry landscaped with Community Services' money. That, Mr. Speaker, took place.

But, Mr. Speaker, I want you to know that less than 25 percent of those many millions of dollars that were sent by the Federal Government from Ottawa to Winnipeg found their way into community improvement projects. Mr. Speaker, that sort of callous neglect, that sort of partisan preferential treatment accorded members to their own constituencies will not be further sustained by members on this side of the House.

Mr. Speaker, the core area initiative presents a major opportunity. It's a test of the good faith of this government. We are calling on the government of this province to emphasize, in their approach to the core area initiative agreement, an attack on the

common denominator of all the peoples that live in the core area.

**MR. SPEAKER:** Order please. The Honourable Attorney-General.

**MR. MERCIER:** On a point of privilege, Mr. Speaker, the Member for Wellington, I think left with the House an implication that the Government allocated Community Service funds from the Federal Government to a project near my house. For the record, sir, 90 percent of the funds received from the Federal Government were allocated to the city, who made the decisions as to how the money was to be spent.

**MR. SPEAKER:** Order please. At the same time I would like to caution the honourable member that we are dealing with a resolution. We're not dealing with the core area development fund at this particular time.

The Honourable Member for Wellington.

**MR. CORRIN:** Mr. Speaker, in continuing with remarks, and I trust that I won't be docked time for that point of privilege, Mr. Speaker, if we're going to help native people cope with the transition from life in the remote areas to the inner core as is called for in this resolve, we're going to have to do something with \$96,000 million worth of funds, Mr. Speaker. And Mr. Speaker, I say that the common denominator is income inadequacy and poverty. And therefore it's incumbent on the government not to bring in any further short term job creation projects but to do something substantive with that money to create long term jobs that will be able to ameliorate the conditions of poverty that are evidenced by all sorts of things, family deterioration, alcoholism, drug addiction, I could go on and on.

Mr. Speaker, I am suggesting that we should do something comprehensive by way of creating jobs, I would suggest that we should look at ways to utilize our under-utilized capacity in the core area school system, another fact which seems to belie some of the theory behind this resolution, Mr. Speaker, if people are pouring into the core it's certainly not evidenced by the lack of students in the inner core school system.

I suggest, Mr. Speaker, that we have to do something to interrelate employment and housing strategies in order that people be not only given jobs but that much needed housing stock be created and renovated in the core area. As well, Mr. Speaker, I suggest that imperatively we must give the people of the core area an opportunity to direct these projects so that they have a sense of self-fulfillment and initiative. I suggest that's absolutely imperative, Mr. Speaker, and that we not gauge whatever projects are undertaken, not be engaged in the traditional profit-oriented middle class way, but I suggest rather, Mr. Speaker, that they be established within the conceptual and philosophical framework of the people who reside in that area.

And that means that we have to recognize the cultural norms and the behaviour patterns of those people and allow them to slowly adjust to urban lifestyle in a manner which is consonant with their ability and their previous history and their cultural traditions.

I suggest, Mr. Speaker, that that is very important.

**MR. SPEAKER:** Order please. The honourable member's time is up.

The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I wish to enter this debate to try to make some contribution and hopefully to try to enlighten my friend, the member who moved the motion with respect to some wrong assumptions that he proceeds on. First of all he proceeded on the assumption that somehow this matter had not been discussed in the House. He can only have proceeded on that basis, Mr. Speaker, on the possible stipulation that he wasn't here when it was discussed, but there have been numerous discussions on the problem which has surrounded some of our population by virtue of conditions which are probably going to be attempted to be explained throughout this debate.

Secondly, Mr. Speaker, he proceeds on the assumption that there are issues in debate which do not accrue to the benefit of the people making them. One should proceed on a debate in which there is, I think he called it non-partisan, no selfish interest. I wish to make it clear, Mr. Speaker, that everything I do in the realm of politics and possibly in other realms as well, are for the purpose of commending the position that I am pursuing and myself, as the person who is pursuing it, to the electorate, and hopefully they will vote for me on that account. And I am astounded to hear that there are some politicians who proceed on the basis that they want to say things which will not get them elected. And I wish them every success in that regard.

I tell you, Mr. Speaker, that there are some politicians who try to figure out what the electorate is thinking, and then say that in the hope that they will get elected. I have seen many of those people, Mr. Speaker, in demise and they are still in demise. I have always proceeded on the basis, Mr. Speaker, that the right position will be found to be right by the electorate and that if one pursues the right position and pushes it as hard as he can, it will also be the politically acceptable position. And on that basis, Mr. Speaker, some people think that they can get what the electorate is saying and then say it, and they will be right, other people say that if they say the right thing, the electorate will back them up.

And interestingly enough, we are in that kind of discussion now with regard to constitutional rights which relates directly to this resolution. There is, Mr. Speaker, listening to some of the members speak here, I got the impression that there is no longer any problem with regard to one group in our population that I have conceived, and when I was on both sides of the House in 1966, Mr. Speaker, it is a great danger when the majority or a large percentage far exceeding their numbers of one particular racial group, form the highest percentage of your prison population, or a percentage much higher than their numbers. It is a great problem when you find that one racial group is amongst the highest percentage of those people who are the lowest realm of the poverty level. It is a problem when you find that the highest percentage of school dropouts are people of one particular racial group. It is a great problem when you find that if you go to the areas which are as close as we have to slums, and we have some

although Winnipeg is much better than other cities, and find that an exceedingly disproportionate percentage of those people are of one particular racial group. And Mr. Speaker, I don't care what the statistics say, the fact is that there was a problem, and if it's disappeared and if I am now misreading, I hate to think it's disappeared under the Conservative administration because they haven't done anything about it, they haven't done anything about it, and I have continued, Mr. Speaker, to see it as a problem, and I see it as a constitutional problem.

And that's what the resolution says. It is a constitutional problem. And that's the way the member is proceeding to deal with it, he is proceeding to deal with it in the way it's been dealt with in the last 100 years on the basis of a constitutional problem, and that's how it got that way, Mr. Speaker.

Interestingly enough I was called, during the debate on native rights, a cross Canada check-up, and they said, Mr. Green, we understand you're against entrenching Native rights in the constitution. And I said, no, you have misread that. I am against putting the Natives in the position of losing their rights by having them entrenched in the constitution, just as I am against having other people, not of Native origin, losing their rights by having them entrenched in the constitution. I don't wish to have the Natives lose their rights any more than I wish to have anybody else lose their rights by having them entrenched in the constitution. And they said, what do you mean by that? I said, well, let's look at it. The Native people in this country are the worst off by every index by which you measure well-being in our terms. Now they may have some good things going for them, but by every index, that is family income, homes, education, health standards, life expectancy, they happen to be the worst. They're also the only people who have had, have now, their rights entrenched in the constitution for 100 years, Mr. Speaker. The only people. You will not find anywhere else in the constitution reference for a particular group. But you look at Section 91 and you'll see Indians, and as a result of your seeing Indians in the constitution, Mr. Speaker, some benevolent or benignly neglectful people many years ago said, well, there is going to be a clash of civilizations here, the Europeans are coming, the Indians who are a nomadic group and live in an entirely different type of static society, are there, what we should say is, we are going to put you in your own territory, we are going to let you continue your own lifestyle of fishing and trapping and chasing caribou, we are not going to interfere with you in any way, really what they are saying is that we will accept no responsibility for you as citizens of our society, but they put it in the euphemism, we are going to let you live your own life, and we won't have anything to do with you and every year you will get certain emoluments, there will be treaty rights, you will be able to fish and trap, etc. We are going to create of you a separate national type status, that's what the Indians are now claiming.

They did for them, Mr. Speaker, what we condemn as being apartheid when it's done in South Africa. But they did that for them, not because they were being nice to them, but because they did not wish to accept any responsibility for them. And for 100 years we talked about Native rights as being a

constitutional, and now my friend, the Member for St. Matthews, says that we should go back to that constitution, see who is responsible for this and foist the responsibility on to them.

As long as we do that, Mr. Speaker, there will be a constitutional problem and there will be a problem such as we are now experiencing and it will be aggravated. In 1969, let's not blame one government or the other, because everybody has fallen into this trap although it's been urged that they not fall into it, and members on this side of the House know it. In 1969, the Federal Government said that all citizen in Canada should be citizens of the provinces in which they live and if there are fiscal adjustments to be made they will be made by the Federal Government with the provinces. So that in the Province of Manitoba we would not have two classes of citizens, Ukrainians, Anglo-Saxons, Jews, French origin, Hungarian, in one group, and Indians in another. We would have citizens of Manitoba of various backgrounds.

And all services of the province would be furnished to these people on an equal basis and one would not go running to the Federal Government saying that these people, we won't spend any money on either in health, welfare or education, because they are federal responsibilities under our constitution.

And who stopped it, Mr. Speaker? I can tell you as Minister responsible in the Province of Manitoba I told Jean Chrtien at that time, you go ahead with that and I will fight you, fight for you side by side and I guarantee you, and you can ask anybody who I've said I will stand side by side and fight with them, whether I have not done it, and I will guarantee you that despite the protests of those people who have a professional interest in keeping the Indian as a separate status in our society, I will fight them too.

And who was it, Mr. Speaker, it was the sociologists and the white economists who were advising the Manitoba Indian Brotherhood, and the Indian Brotherhood, who also have a vested interest in that status, who said, we will not accept citizenship of the province because we are asking for a different type of proposition.

And what the Indian Brotherhood, Mr. Speaker, said, and I don't blame them for saying it because they are trying to negotiate their best position, they said, we want the province to spend money on us as if they are citizens of Manitoba, and we want the Federal Government to give us the money that they will save by virtue of provincial expenditures. And at that time, Mr. Speaker, I said, make a deal with the Federal Government now, take the money, regardless of what the Indian people say, consult with them, yes, discuss it, but in the last analysis, agree to have the citizens of Indian origin as citizens of the Province of Manitoba and use the federal expenditure which is now available to fulfill that. And it was, Mr. Speaker, because we were exercising too much solicitude for the voices of those particular Indian leaders and their white sociologist advisers, that we did not do it. And the Federal Government, if we're talking about who's getting the best of both worlds, decided to sit back and get the best of both worlds. Because eventually they thought, as being a fact that the Indians would do exactly what the Member for St. Matthews said they would do, they would leave the reservations, come into the

population, the province would ultimately be responsible for them in any event, and I say that we would, Mr. Speaker, when I was the Minister, I said to our child welfare people, you will not examine as to whether a person is an Indian or otherwise before he gets the service, you will do it. And we will worry about the money afterward.

But the fact is, Mr. Speaker, that type of negotiation was carried on, it was carried on before, it was aggravated by your government, by signing that Northern Flood Committee agreement, which came in and it was unsigned, and all the work that had been done and any flak that was to be taken was taken, and you signed it, giving in effect some type of suggested status, sovereign status to the Indian people.

Mr. Speaker, it's interesting, they had a celebration in Ottawa about two weeks ago because they said that aboriginal rights are now recognized as part of this Charter of Rights. Aboriginal rights. A week later they said, who's going to decide what these aboriginal rights are? And they were told, well, the judiciary will have to decide. And they said, no, we don't want the judiciary to decide, we want our political rights, Mr. Speaker, the very same people who had been celebrating the week before. And they are the people, Mr. Speaker, who are being defrauded by every political party that tells them that they are going to get something out of aboriginal rights, it is a fraud on the Indian people. Something that I would not do in the Northern Flood Committee and something that should not be done by telling them that they're going to get out of a Charter of Rights a better break than if they were citizens of this country entitled to the same political rights as every other citizen of this country.

And that's the problem, Mr. Speaker, and my friend, the Member for St. Matthews, by saying that we are going to deal with this constitutionally, is perpetuating the problem. He's not solving it.

Mr. Speaker, I imagine that there is some time left and I will continue the debate when we come back.

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

The hour being 5:30, the House is adjourned and stands adjourned until 2 o'clock tomorrow. (Thursday)