

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 8 June, 1982

Time — 8:00 p.m.

SUPPLY - EXECUTIVE COUNCIL

MR. DEPUTY CHAIRMAN, P. Eyler: The Committee will come to order. We're considering the Estimates of the Executive Council, Item 1.(a) Premier and President of the Council's Salary.

The Leader of the Opposition.

HON. S. LYON: Mr. Chairman, I think when we adjourned at 4:30 we were talking about the large projects; the potash, aluminum, the Hydro Inter-Tie. We hadn't got around to Manfor. We were talking about the allegations that the First Minister and his colleagues had made before the election, of course, about resource giveaways. We were seeking to obtain from the First Minister any supportive evidence that he might be able to adduce in support of his proposition over the last year, year-and-a-half, when he was Leader of the Opposition that in fact the negotiations undertaken by the previous government represented in any way, shape, or form resource giveaways.

Thus far, we have been, if I may so, singularly unsuccessful in obtaining from the First Minister any evidence, real or imaginary, to support the proposition of resource giveaways. We have been asking questions about the potash mine and we find that the concerns that were outlined by the negotiators on behalf of the previous government are the same concerns that the present government has. We presume that they are assiduously negotiating those concerns with the company, which is what we would have been doing, and trying to bring the agreement to a successful conclusion, if indeed that is possible now, given the fact that Saskatchewan has returned to normality from 11 years of socialist government and it's going to make it much more difficult. Without being facetious at all, it is going to make it much more difficult for the Province of Manitoba to negotiate a potash mine in Manitoba because of the attitude of the new Saskatchewan Government, which will be one, one can only presume, of pro-development rather than inhibiting development for the sake of the greater glory of Sask Potash or one of the Crown corps. or, as I understand from the paper, the Crowns as they call them out there. They have a term in Britain; the Labour Government in Britain got to have so many of them that they had a peculiar term for them over there as well, because they become the play things of socialists when they get into office from time to time.

So we had gone through IMC and we found that there were really no resource giveaways in IMC, other than the ones that had been previously identified. That's confirmed as well by comments made by the Minister of Mines and Energy in previous debates.

We were on Alcan, trying to ascertain from the First Minister some identification from him as to what resource giveaway was involved in the negotiations by the previous government with respect to Alcan. I hear a voice from the left saying, Hydro. It's not only my figurative and real left, but from the hard Left, identified I presume as the Attorney-General. He says,

Hydro, but it's strange that nobody from Hydro identified Alcan as being a bad deal for the Province of Manitoba. When Hydro were before the Committee — (Interjection) — Well, for the benefit of my honourable friend, so that he will be aware of his facts, I ask him to refer to the Memorandum on Alcan that was left by the previous Minister, Mr. Craik, for the benefit of the new Minister, the Minister of Mines and Energy, and he will explain - if he hasn't already shown it to the First Minister, he should - he will explain that the Hydro Power Agreement was being negotiated by Hydro and was to be settled at the Table along with the other negotiations that were going on. My honourable friend can shake and shutter and shimmy and everything he wants, but indeed if he wants me to table that Memorandum, I would be happy to do it. I can put all question on that to an end by tabling the Memorandum. — (Interjection) — I will table any memorandum that's in our possession in order to maintain the truth, because that seems to be a difficult proposition every time the Minister of Mines and Energy gets into the debate. I am merely suggesting that the First Minister might perhaps take a little counsel before he makes statements from his seat to the effect that Hydro had nothing to say about the power arrangement that was to be negotiated with Alcan, because he will find that the contrary was quite the case.

So we find from interrogation of the First Minister that he sees no resource giveaway in the Alcan negotiations up to November 30th, except the takeover provision at the end of 35 years, which seem to be a preoccupation of the Minister of Mines and Energy. Of course, it raises the question in the minds of everyone, two questions; I think that deserves an answer in the course of this debate and my honourable friend the First Minister has talked around the point, but has really not talked on the point.

One of the preconditions for Alcan negotiating with the then government of Manitoba was that they would have the ability to invest in the next Hydro Plant in Manitoba; namely, the Limestone Plant, for approximately the amount of production from that plant that would be needed for their purposes, and that would involve about 400 megawatts a day on a Plant that's maximum rating is somewhere in the area of 1200 megawatts. The then government of Manitoba saw that as no great objection to negotiations with the Aluminum Company of Canada, nor did Manitoba Hydro at that time. They could see nothing but benefit accruing for that matter to the ratepayers of Manitoba.

So negotiations proceeded on that basis, and of course, one of the logical questions that any lawyer worth his salt would be concerned about in a legal negotiation of that type, is what would happen at the end of the term; namely, about recapture of the Plant, if indeed that was to be necessary, because that's what lawyers are paid to do, to anticipate ahead, whether five days, five weeks, five months, five years, 35 years or whatever the case may be. That was still in negotiation, but as I have said not a matter of great moment, because what was of greater concern was, of course, the arrangement between Alcan and the Province of Manitoba and Manitoba Hydro to first of all

secure the Plant and then to resolve these other recapitulation matters and so on in the course of the further negotiations, which raises of course the very interesting question.

My honourable friends said in their election document that they were not interested in, and in fact were fundamentally opposed to Alcan being allowed to purchase. They used to use the word "give" on the part of the Province of Manitoba; Manitoba is going to "give" part of Limestone to Alcan and the fact was, of course, that Alcan wanted to purchase part of the operating plant at Limestone and that the up-front money that would be required to be raised, 600, 700, probably now \$800 million would be put up by that company as part of the quid pro quo for that negotiation and indeed as recently as a week or two ago Manitoba Hydro - and in fact, as I mentioned earlier, the Chief Financial Officer of Manitoba Hydro said in effect, anybody who is willing to put up \$700 million or \$800 million up front instead of the ratepayers of Manitoba Hydro, that will be of benefit to the ratepayers which is such an elementary — (Interjection) — The Minister of Mines and Energy from his seat says, depending upon the buy back 35 years down the road. Well, I'm coming to that point which seems to be almost a paranoid preoccupation with the Minister of Mines and Energy. — (Interjection) — I pray God, we're all going to be here in 35 years, but in this kind of an agreement, the first thing that's most important is the first year and let's get that settled first. Let's get the agreement signed first.

The question that arises out of that, which is of course self-evident and elementary, is this: that if the NDP is in fact, as they said in their election document, not prepared to negotiate with Alcan on the sale of part of the Hydro plant for which Alcan would put up up-front money of anywhere between \$600 million and \$800 million, then what gives vitality to the concern just a matter of 60 seconds ago, a voice by the Minister of Mines and Energy about buy back, because under their terms there wouldn't have to be any buy back? If the NDP is not prepared to sell, then there's no requirement for any buy back.

So, I take it by whatever logic is available that if the Minister of Mines and Energy is so concerned about buy back that he must then - and I congratulate him on this fact if it is the case and the First Minister - he must have abandoned the position that the NDP will not sell part of the Limestone Plant to Alcan because why would one be worried about buy back if, indeed, no part of the Plant is to be sold.

So, I want really at the outset of these proceedings tonight, Mr. Chairman, to get established on the record if we can, first and foremost, is the New Democratic Party Government of this province going to stand by the solemn undertaking that it made in its rhetorical election brochure that it would under no circumstances sell any part of the Limestone Plant to Alcan or, indeed, is the alternative the case, and I supremely hope it is the case that the government has gotten off its ideological high horse and is now prepared to deal in good faith with Alcan on their precondition for coming to Manitoba, which was that they wanted to purchase part of the plant.

Now, Mr. Chairman, I read to the Committee this afternoon the most recent public statement that I have

seen from the Annual Report to employees, 1981, wherein Alcan says that it certainly hasn't given up its precondition about buying part of the plant and very simply we want to find out from the First Minister tonight, not from the Minister of Energy and Mines, but from the First Minister who is the head of the government, is it a fact now in Manitoba, and I will cheer to the rafters if it is, that the NDP Government of Manitoba has abandoned its election rhetoric about being opposed to the sale of Limestone or any part thereof to Alcan and is now prepared to deal realistically with Alcan on the basis of the potential sale of part of that plant in order to get the plant in Manitoba?

MR. DEPUTY CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Deputy Chairman, it seems to me that again that we're into the very similar subject matter we were on to this afternoon. January 29th of this year, a joint statement was issued by the Government of the Province of Manitoba and by Alcan indicating that the parties agreed to further the negotiations without precondition. We have our policy position and views pertaining to the ownership; Alcan, of course, have their views as well, but both parties in good faith agreed to proceed without precondition. So indeed, if the Leader of the Opposition is suggesting that we have in some way or another given up a position that we had earlier, then indeed on the same basis Alcan has given up their earlier position because the Joint Review Agreement of the two parties was to proceed without precondition.

It seems the Leader of the Opposition has not yet been able to come to grasp with that simple elementary fact. It was mentioned on two occasions earlier this afternoon that there is a joint review, that the joint review is now proceeding without precondition on the part of either the Government of the Province of Manitoba or on the part of Alcan. So there is a willingness, obviously, on the part of both parties to proceed in a positive and a constructive manner towards attempts to ascertain whether an agreement can be entered into that will be satisfactory and fair to both parties.

I mentioned earlier, I expected Alcan will negotiate as firmly as they can on behalf of the interests of their shareholders. I would expect them to do that. I would be surprised if Alcan did not attempt to strike the best possible transaction on behalf of their shareholders. On the other hand, let me say to the Leader of the Opposition, the shareholders in the Province of Manitoba expect no less from the Government of the Province of Manitoba.

I was just a little surprised by some of the haphazard attitude that the Leader of the Opposition was demonstrating a few moments ago, the buy back. It is my understanding, for instance, at the present time Hudson Bay Mining and Smelting is attempting to sell their Hydro interest back to the Government of the Province of Saskatchewan. In fact, they are required to do so; book value, \$10 million. What is Hudson Bay Mining and Smelting asking? One hundred million dollars. The matter is before the courts. Ten times the value of the book value.

Now, it doesn't require very much imagination on the part of any member in this Chamber, including the Leader of the Opposition, to recognize that in 35 years

time we could indeed be confronted on the basis of the reference to market value at a claim which could be anywhere from \$10 billion to \$15 billion. That is the kind of transaction that the Leader of the Opposition would have had Manitobans committed to if I am to understand his remarks this evening and his earlier remarks.

The Leader of the Opposition has said, well, what are the other concerns? Mr. Deputy Chairman, without dealing with other concerns, I suggest that a concern of \$10 billion to \$15 billion is ample concern insofar as potential giveaway. The Leader of the Opposition made some comment, but I am only dealing with the first year, we won't be around here 35 years from now; we may not be around here 35 years from now. Mr. Chairman, we are not governing only for the present period of time without any regard whatsoever to the quality of life, to the legacy that we leave behind insofar as our children and our children's children. I am concerned about the bill that future generations will be required to pick up, Mr. Deputy Chairman, in the Province of Manitoba, and I think I would be less than responsible if I did otherwise. I do not believe that Manitobans expect us to do other than to protect not only the interests of present Manitoba, but to have some concern insofar as the lot of those that follow us in the years that lie ahead. So, if the Leader of the Opposition wants to know, the basic concern immediately is the question of the buy back.

Leaving all that aside, Mr. Deputy Chairman, the Minister of Energy and Mines has been working conscientiously and at length. The reports that I have received and I think the clear message that is being received is that there are constructive negotiations that are under way to ensure that there is a satisfactory agreement that is signed. An agreement, Mr. Deputy Chairman, that when signed, we can look forward with our heads high, not an agreement that is entered into as a result of expediency, not entered into because of a rush and a haste, regardless of the advice of advisers, before an election campaign.

I don't like to get into that area, but members have mentioned the CFI situation. Well, Mr. Deputy Chairman, we didn't forget. I know who forgot that they had signed the original agreement; I know who forgot that. Mr. Deputy Chairman, I want to say this, that the Churchill Forest Industry giveaway is the major giveaway that has occurred in the history of the Province of Manitoba. I know, Mr. Deputy Chairman, and so do all other Manitobans, who was responsible, what government was responsible pertaining to the Churchill Forest Industry giveaway in the Province of Manitoba. Manitobans know that. Monies were paid out on the basis there was no other legal alternative; on the basis of advice received by a present Justice of the Court of Queen's Bench at the present time.

Mr. Deputy Chairman, certainly we are not going to enter into any transactions of that nature if I can avoid it. It may be that members across the way are not so concerned and, Mr. Deputy Chairman, . . .

MR. DEPUTY CHAIRMAN: Order please.

HON. H. PAWLEY: Mr. Deputy Chairman, we are proceeding. We intend to proceed constructively and positively. We would like economic development as

much as anyone else in this Chamber in the Province of Manitoba. Mr. Deputy Chairman, members across the way would seem to suggest that we have some ideological hangup. We have no ideological hang-up. Our only hang-up is that there be a fair, substantial and reasonable transaction benefiting the lot of Manitobans today and the lot of Manitoban tomorrow, and not to sign a deal as a result of political expediency. —(Interjection)— I know the Member for Sturgeon Creek doesn't understand that because it just isn't his way of thinking.

Mr. Deputy Chairman, while I am on my feet I would like to make some comment on the entire process involving Tantalum as a demonstration of the clear distinction between the philosophy and the approach of the government and the party across the way. I had the Profit and Loss Statement here before 5:30; I can obtain it again, but the 1978-1981 Profit and Loss Statement indicates profits of some \$21 million, \$22 million.

Mr. Deputy Chairman, it may interest you to know that the previous Conservative Government in the Province of Manitoba did not take up a 50 percent option pertaining to that; they remained with a 25 percent interest, but they could have had an opportunity to have enjoyed a 50 percent interest in regard to Tantalum. Mr. Deputy Chairman, in two years of cash profit, 1978-1979, the cost of \$6 million in order to have purchased that option would have been paid for.

So, Mr. Deputy Chairman, I invite comment as to why Manitobans, after hearing the evidence and the evidence was presented, determined that, yes, the previous Conservative Government in the Province of Manitoba indeed was responsible for gross negligence insofar as the handling of the affairs of the people of the Province of Manitoba. Tantalum, Mr. Deputy Chairman, is Exhibit No. 1 in that respect, insofar as the past five years.

Mr. Deputy Chairman, I have not, and this is one of the problems of this kind of debate, because I have not invited to go back and to refight the election campaign, refight 1977, 1978, 1979, 1980, 1981, indeed to go back earlier. —(Interjection)— In 1968, yes 1968, but it does appear to be some kind of preoccupation by members across the way. I do not understand this preoccupation because surely the economic circumstances that are confronting Canadians as a whole, and Manitobans as a whole, surely demands that we look forward; that we develop policies that are positive and constructive in order to deal with the issues of job creation, production growth; the problems of our small and medium sized business people; working men and women in the Province of Manitoba. These are the concerns that the present administration is doubly concerned about in very hard and very difficult circumstances. I know indeed that members across the way in the final year or two, the final year particularly of their administration were also confronted with the impact of the international recession. But those are the problems we ought to be contending with.

We are, Mr. Deputy Chairman, otherwise we would not be working, for example, on the very subject matter that we are discussing at this point so constructively and with a great deal of time being consumed by my Minister responsible for Energy and Mines and other Ministers that are involved in regard to the

Committee that is charged with the responsibility of dealing with the so called mega projects. It's consuming a great deal of their time because we would like those projects to proceed, but those projects to proceed on terms that will be fair, terms that will be reasonable, not only on behalf of the companies that are involved, but terms that will not breach our trust and our responsibility to the people of the Province of Manitoba.

HON. S. LYON: Mr. Chairman, I find myself in agreement with the First Minister in that I see no particular advantage in going back into 10, 15, 20 years ago, as he is wont to do, and talk about CFI and so on. I could stand up in this House, and have resisted the temptation to do so, and talk about how the government of which he was a member frittered away \$5 million, \$4 million to \$600 million in Manitoba Hydro, documented by the Tritschler Report for all time to see. That is there as well and I'm not wasting the time of the Committee tonight talking about that. The greatest act of negligence on the part of any public administration in the history of the Province of Manitoba committed by an administration of which my honourable friend was a member and the electorate - one may say on his terms - spoke in 1977 rather vividly about that as well. I agree that there is no particular purpose to be served in that tonight. I was only trying to engage the honourable member's attention as far back as November of 1981 where he talked about resource giveaways and hasn't been able to document one little bit of evidence about resource giveaways at all.

My honourable friend has at least graduated in law and works under the name of being a lawyer. My honourable friend will be aware that a buy-back provision, which is important in any agreement of this nature and so on - I'm not denying the importance of it - but it's one element in an overall agreement that has been arrived at. When I said, without having - I don't try to put words into my honourable friend's mouth and I wish he would resist the temptation to put words into my mouth, usually not with the language that I would use in any event - to try to suggest that I'm trying to denigrate the point of a buy-back. I merely say that if there is to be a buy-back, then there has to be a sale in the first place. If there has to be a buy-back, then, presuming there is a sale, my honourable friends then I take it tonight for the first time are clearly on the record saying that they are prepared to sell part of Limestone to Alcan. If they are, I cheer to the rafters because that was the original basis on which Alcan came to Manitoba; that was their precondition; that remains in the statement that I read to the House this afternoon, their report to their employees which by the way, Mr. Chairman, is dated May of 1982.

Alcan is saying that these modernization and production expansion strategies predicated on our ownership of hydro-electric power stations remain intact. That's the condition on which they came to Manitoba and I can only deduce in the absence of a denial from the First Minister that the government - and I congratulate them for it - have come to their senses and are prepared to say, yes. We are prepared to negotiate the sale of Limestone even though the phony rhetoric that we used in our election material said the opposite, and I wouldn't fault them for it. Do

you know why, Mr. Chairman? Because the rhetoric they used during the election was wrong headed and it was contrary to the public interest of the people of this province.

So if my honourable friends with their preoccupation with buy-back, which can only presume if you're going to buy back something, it must presume in the first instance that you've sold it. If that's the case and my honourable friends are prepared to sell a portion of Limestone, I say, hurrah, because then that means that they're getting on with the negotiations in a reasonable way. What were the words that the First Minister used? Policies that are constructive for the people of Manitoba. That would be a constructive policy, properly negotiated always, and the buy-back provision is important of course, but you've got to ensure first of all that you've got the company in the province, owning part of the facility which is their precondition before you can buy it back. I am only trying to put it in that sequential order which any lawyer worth his salt, if I may use that expression, is aware of.

The Minister of Mines and Energy doesn't suffer from the disability, if I may use that term, of being a lawyer, nor from some of the benefits of that profession so he would be well advised, I would think in this debate, to listen rather than to participate. —(Interjection)— Yes. Well, my honourable friend is saying now that he's listening to the former Vice-Chairman of Manitoba Hydro whom he and his government saw fit to fire from that position in Manitoba Hydro. So that probably says more about their opinion of Mr. Scott than anything that I could say. I regard him as one of the best counsel in Manitoba. They saw fit to fire him from Manitoba Hydro, to put one of their hacks on in his place. Now, so much for that.

Maybe, they'd like to tell me from across the way who is the current Vice-Chairman? Who are some of these learned officials that the NDP put on the Manitoba Hydro Board? We had a mixture of business people and representatives on it. We had a Chairman of Manitoba Hydro who was probably one of the best Chairmen of a utility across this country and my honourable friends saw fit to fire him and put on one of their political friends as Chairman. Well, we all know patronage when we see it.

Kris Kristjanson took on Manitoba Hydro's appointment as Chairman as a public duty, as a public responsibility. Of course, Mr. Chairman, my honourable friends opposite laugh and gibe at the name of Kris Kristjanson, who was a professional engineer and economist, a Ph.D in Economics, knew something about TVA because he had worked there, one of the best rounded Hydro people in Canada; and they fired him for their crass gutter political purposes and put on in place one of the henchmen who used to be a member of this House, and a not terribly distinguished one at that and made out of that a pure crass political appointment.

So don't talk to me about the Cherniacks of this world or compare them in any way to the Kris Kristjansons of this world. The only thing those two gentlemen have in common is that they are both warm and breathing and beyond that, in terms of competency, Kris Kristjanson is miles ahead, yet they fired him. As some others have said, the distinction of competency is lost on some of the members opposite, so one

wastes the time of the House in arguing competency as opposed to political patronage which was and is their main motivation with respect to Manitoba Hydro, the largest Crown corporation that this province has control over and one to which they use as sort of an upper chamber or senate for their political retirees for whom they feel they have some political debt to pay off. So much for their concern about Manitoba Hydro.

So don't talk to me about opinions from the man that you fired as the Deputy Chairman of Hydro because we know what a crass gutter opinion the members of this government have toward competent people who were doing a public service and who were replaced by their patronage appointments. If more needs to be said, I am quite capable of saying it and saying it all evening.

Now, Mr. Chairman, on the question of Tantalum, the First Minister stands up in the House and blithely says that the Government of Manitoba lost money for the people of Manitoba because back in 1978-79, whenever the time sequence was, the Government of Manitoba chose not to take up an option that it had on the Tantalum Mine. I don't have all of the documentation although it's obtainable and perhaps by the time these Estimates are concluded because they may well go on, faced with the kind of misstatements that we are getting from across the way. That documentation is available; it's equally available to my honourable friends if they wish to look at it.

The one factor that I do remember when that decision had to be made, and it was a serious decision that had to be made by government in that time as to whether the government would exercise its option with respect to a further 25 percent equity interest that it could take in the Tantalum Mine. The one matter that stands out in my recollection - and it's only in my recollection - and I'll attempt to fortify that recollection with the documentation that is available, Mr. Chairman, to both of us, both the First Minister and myself. It was this: that if the government were to use the taxpayers' dollars and that's what we're talking about - let's not talk in this euphemistic way that socialists do about the government taking it up or the people buying it - it was the government acting as trustee for the taxpayers to make a further investment in Tantalum Mines.

My recollection, Mr. Chairman, subject to correction, is that the effort of that mine at that time was going to be involved largely in the United States of America; that there was going to be an exploration program of some size in the United States of America and that there were going to be investments of some size to be made in the United States of America.

Heaven knows, nobody in our government has any ideological hang-ups or paranoia about the USA, as are apparent from the NDP every once in awhile, Reagan's economic madness and other terms that we hear from the First Minister only when he is speaking by the way in Canada, not when he speaks in the Napa Valley in California. He didn't talk about Reagan's economic madness in the Napa Valley, but he does that very bravely up here when he scuttles up back over the border.

Mr. Chairman, the point is this, that at that time when the decision had to be made as to whether or not the Government of Manitoba acting as trustee for the

taxpayers should take up a further 25 percent, in our judgment the investments that were going to be made by that mine out of country were not such as we should be pledging on behalf of the taxpayers of Manitoba.

Somebody once said, somebody brighter than the First Minister and brighter than me, that if the people of Manitoba or if the taxpayers of any province want to become involved in oil exploration or mining exploration in this free country that we have, they can go down to the stock market and pledge their money any time voluntarily. Isn't that one of the great things about our free entrepreneurial system? But for the government to do it compulsorily on behalf of willing or unwilling taxpayers is another kettle of fish, and we made the determination after some consideration of all the pros and cons involved and without any of the paranoid hang-ups that my honourable friends have about the necessity of government not only being partners, but being main controllers of industry, that it was in the public interest at that time with the facts that we knew that we should let that option be taken up by other people who have the secondary option.

We don't look back on that decision at all, because in fact, Mr. Chairman, I can guarantee the First Minister that any company — (Interjection) — well, I will state a generalization to which there are always exceptions, but as a generalization, companies in which governments - never mind foolhardy governments of the NDP, reasonable governments or whatever - but governments and enterprise in the competitive field in which governments have a controlling interest usually do not measure up and don't make profits. Now there are always exceptions. I am the first to admit that. — (Interjection) —

Sask Potash on an accounting basis without paying any taxes in Saskatchewan, if my honourable friend wants to impute the taxes that Sask Potash should be paying and that's the example he gives of a well-run Crown corporation, let him impute to the Balance Sheet of Sask Potash the taxation that it would be paying if it were a private entrepreneur and he'll find out what the profit statement of Sask Potash would be against the debt that it presently has, and similarly, Mr. Chairman - well, I am just too digressed because by honourable friend reminded me of a point.

We allowed when we put back on to the market Crown leases sales in Manitoba for oil one of the companies that came in and bid on them, and bid on a few of them successfully as the First Minister mentioned last evening, was SaskOil which is a creature of the Government of Saskatchewan, a Crown corporation. We didn't prohibit SaskOil from coming into Manitoba at all; we said fine, if they're the highest bidder they get it, but then down the line a question came before us and I think it's a question that is still unresolved because I don't think it was resolved in our time. Should SaskOil pay corporate taxes in Manitoba? The answer clearly, I think on the face of it in terms of the taxpayers of Manitoba, is yes, why shouldn't they pay taxes in Manitoba?

So perhaps when my honourable friend gets around to making some answers, he will tell us whether that problem has been resolved within the Finance Department of the Government of Manitoba and whether, as equity would seem to indicate or dictate,

SaskOil should, the same as Omega, the same as all the other oil companies that are competing with SaskOil and bidding for these oil leases, be paying corporate taxation in Manitoba.

If my honourable friends have resolved that question in favour of the taxpayers of Manitoba, I would be quite happy to hear it because my honourable friends' example about Sask Potash brings to mind that Sask Potash doesn't pay taxes in Saskatchewan and, you know, give me a company which doesn't have to pay provincial and federal taxes and I will show you a company that has a better balance sheet, strangely enough, and a better profit and loss statement than a company that does have to pay taxes. Now that may come as a stroke of new information to the First Minister, but it is a common parlance and common information to anybody who is in the business world.

Sure, you free up a company from the obligation of paying any governmental taxes and the the Crown corp's. P and L statement looks great, but stack it in with its competitors and remember SaskOil is in Manitoba as a competitor, competing with companies that pay their taxes in this province and elsewhere and pay their taxes to the Federal Government. When you impute those taxes to Crown corps such as SaskOil, then you come up with a different position in terms of their alleged profitability and I realize that this kind of cold steel logic doesn't find too much of a warm reception across the way but Mr. Chairman, that's the way the world operates. Manitoba is a little oasis of socialism and the rest of Canada and the real world out there operates in terms of who pays taxes.

So perhaps my honourable friend after that digression can tell us whether SaskOil is going to be asked, as it should be, to pay taxes in the Province of Manitoba on an equal equitable competitive basis with those companies with which it competes for Manitoba oil leases, which the Minister of Mines says he is assuring all of the oil companies that they will continue to have and a policy which his party once denigrated; putting Crown leases back on sale was another resource giveaway that the NDP prior to 1981 talked about ad nauseam. Now when they came into office, they say, as I pointed out last evening, that's a good policy and we want to run around, as the Minister is doing, reassuring the oil interests in Alberta that we are not such bad socialists as our election material would lead them to believe, but we are really a bunch of good fellows and we want to keep them here in Manitoba even though, Mr. Chairman, some of the oil results that we are finding today are a result of seismological agreements that were entered into I think a year, a year-and-a-half or so ago, for which my honourable friends can take all the credit they wish because we, the oil companies and the people involved in the area know where the stimulation came from. It came from ending a blind ostrich-like policy of alleged resource development by the NDP prior to 1977 which saw oil development dry up in this province.

So I am not going to talk any more about resource giveaways of that sort. I tell my honourable friend and I will get the documentation as to what motivated us with respect to Tantalum. I told him this afternoon what motivated us with respect to Trout Lake, that Manitoba Mineral Resources were given the mandate to work out the best deal they could and that as

recently as last Thursday, the representative of Manitoba Mineral Resources said it was the best deal that could be worked out and we didn't lose. The people of Manitoba didn't lose 76 million as the Leader of the Opposition went around this province wildly alleging during the election campaign. All he has to do, Mr. Chairman, is read the transcript of the evidence given before the Public Utilities Committee of last Thursday and he will find out the truth of that statement. So, Mr. Chairman, we don't need any Digger O'Dell lecture from the First Minister tonight about how goodness is going to overcome all of the problems and so on.

This government got itself into a problem by virtue of its pigheadedness with respect to saying that it would not under any circumstances sell a portion of the Limestone generating plant to Alcan. Okay, that's fault No. 1. We are hearing tonight I think, subject to confirmation by the First Minister, the first ray of real hope that this government has abandoned its pigheadedness and its election rhetoric and is saying to Alcan, yes, we are prepared to sell you a portion of Limestone because that in turn engages our interest about the buy-back at the end of 35 years. I put as a footnote to that comment of course that the buy-back at the end of 35 years is important, but we really would hope, I would think from this vantage point, that at the end of 35 years Alcan would see fit to continue its operations in Manitoba and that the buy-back provision subject to arbitration and all of the usual clauses that lawyers put into these things would not have to be acted upon, because once having got Alcan here, we would want to keep it here for the benefit of future generations of Manitobans.

So we have a concern, had a concern, have a continuing concern about buy back. We detect, however, a slight scintilla of hope that if my honourable friend's preoccupation with buy-back presupposes they are ready to sell, then perhaps we're back on track again in terms of developing Alcan and I would like that simple confirmation from the First Minister that it is the case.

HON. H. PAWLEY: Mr. Deputy Chairman, again the Leader of the Opposition appears to have ignored the information that he received that Alcan has ceased its precondition that ownership would be a necessity. So, Mr. Deputy Chairman, if indeed the Leader of the Opposition is suggesting the government has changed its position, equally is true the case with Alcan, that has dropped any precondition in regard to the discussions pertaining to the ownership of the plant and the date is January 29, 1982 - the statement issued by Alcan.

I would trust that the Leader of the Opposition is not suggesting that Alcan would make one statement on January 29th and would indeed not be forthright. Is the Leader of the Opposition suggesting that Alcan has changed its understanding and position that it arrived at insofar as the joint review? I am not. It's very clear, Mr. Deputy Chairman, that both the government and Alcan have entered into the joint review in good faith without precondition; that has been announced by both parties together. I don't understand really the confusion that appears to exist on the part of the Leader of the Opposition in this regard.

HON. S. LYON: Mr. Chairman, I can assure the Honourable First Minister that there is no confusion on this side of the House. The confusion seems to reside, as usual, on the government side of the House.

Yes or no, have they agreed because of their review of this matter, because of the advice they've had from Hydro, because of the return of common sense to some of their ranks, at least, that it is in the public interest for the Government of Manitoba to be negotiating for the partial sale of Limestone to Alcan. Have they agreed that is in the interest of Manitobans and does that account for the fact they are now preoccupied with buy-back?

HON. H. PAWLEY: Mr. Deputy Chairman, again, as I indicated a few moments ago, both the government and Alcan have proceeded with a joint review without precondition. I don't know how more clearly it can be established than that.

If the Leader of the Opposition would check some of the further information he has in respect to Alcan, he would find that in some countries of the world there are contracts rather than ownership arrangements and also, other aluminum companies have indicated otherwise.

HON. S. LYON: Mr. Chairman, we're interested in getting an aluminum smelter that will provide the thousands of jobs that I detailed to the First Minister this afternoon. The fact that I find it passing strange is that neither he nor his Minister of Mines and Energy, nor indeed his Minister of Economic Development who should be the one primarily concerned, nor indeed his Minister of Labour, faced with the highest unemployment rates in this province since the end of the war, are concerned about the thousands of jobs that can be generated if this government will just get off its ideological high horse and start negotiating in good faith with Alcan on the basis with which they agreed to come to Manitoba and that was that they be allowed to purchase part of the generating station for security of supply. We didn't find any ideological, philosophical or other hang-up about that. Why do my honourable friends find it?

I have given my honourable friend the opportunity because it seems to be the message that he wants to leave. I've given him the opportunity to use whatever candour and forthrightness he has to tell this committee and to tell the people of Manitoba that he is prepared to negotiate on the original basis and that indeed in turn accounts for the preoccupation of himself and his government, legitimate as it may be, for the terms of the buy-back. I can't imagine why there is any preoccupation about buy-back if my honourable friends don't intend to sell something in the first place.

HON. H. PAWLEY: Mr. Deputy Chairman, I don't know just how much clearer one can make it. It should be crystal clear to the Leader of the Opposition. The joint review - each party has agreed to examine alternative arrangements, means, that might be available in order to provide the substantive requirements that Alcan has pertaining to Hydro. Mr. Deputy Chairman, it's also interesting that the Minister has had opportunity to discuss with other aluminum companies potential development in Manitoba and have indi-

cated very clearly that ownership is not a precondition.

Mr. Deputy Chairman, I wonder why the Leader of the Opposition is so anxious to negotiate on behalf of Alcan in this Chamber. Mr. Deputy Chairman, there is a joint review that is under way. There are representatives that are negotiating and discussing with Alcan suitable and satisfactory terms and I'm not aware of Alcan asking for any assistance from the Leader of the Opposition in negotiating on their behalf. Why does the Leader of the Opposition not demonstrate adequate confidence in the discussions that are proceeding now in good faith and constructively towards ascertaining whether or not there are alternative means of providing for the substantive acquisition needs of Alcan. Let the negotiations take place. I don't think that Alcan is urging or asking or pleading with anybody else to negotiate on their behalf.

The concerns of the Leader of the Opposition ought to be, yes, certainly to obtain the location of Alcan in Manitoba. I understand his desire in that respect, but secondly, the Leader of the Opposition should be expressing an equal concern that whatever terms are negotiated are terms that satisfactorily meet the concerns of Manitobans; that is not the message. With all due respect to the Leader of the Opposition this evening, I think my colleagues on this side and I would think most Manitobans listening to this debate are not receiving that kind of message from the Leader of the Opposition. He appears to be more anxious in negotiating on behalf of Alcan than negotiating a satisfactory transaction for Manitobans.

HON. S. LYON: Well, Mr. Chairman, I would very much regret if it were the case, that I would have left the impression upon the very impressionable mind of the First Minister that I was here trying to negotiate for Alcan. I am here trying to negotiate for the people of Manitoba because I don't think that the present Government of Manitoba is negotiating for the people of Manitoba. It's negotiating for the socialist party of the world. It's negotiating because it's got some funny ideological ideas about the sale of a part of a power plant to a company that is willing to come into Manitoba for the first time in the history of this province.

We heard an unlearned contribution from the Member for Elmwood this afternoon to the effect that the important part of the deal was the signing. Of course, it's the important part of the deal, but the pre-important part of the deal, as I said earlier this afternoon, is to get the company here to negotiate in the first place and that was accomplished in the previous four years; something my honourable friends couldn't have done because their business negotiations thus far haven't even attracted flies, let alone real operations in Manitoba.

All I'm saying to the First Minister is that I feel the necessity and so does this Opposition to speak on behalf of the people of Manitoba who are being deprived of a once in a lifetime opportunity to get an aluminum smelting plant in Manitoba because the present government is fumbling the ball. My honourable friend had the full opportunity on how many occasions this afternoon and tonight to say no, we're not fumbling the ball; we've got these negotiations back on track. We have abandoned our silly socialist rhetoric from the election campaign. We are prepared

to deal in terms of the preconditions that were established some time ago about purchase of part of the plant to the benefit of the ratepayers of Manitoba and thereby we can give some glimmer of hope to the people of Manitoba that as and when it becomes economic for Alcan to have another plant in Manitoba, that plant will come to Manitoba and not to its two competitors, B.C. or Quebec, where in many ways it would be easier for that company to build.

So I'm making no brief, Mr. Chairman, on behalf of Alcan; they can look after themselves, and I daresay that with the present negotiating team, they can more than look after themselves. I make a brief on behalf of the people of Manitoba who need this plant in Manitoba, and I say to my honourable friend that he's got a sworn responsibility to act in the public interest, not just act according to the rhetoric of the NDP. He has to serve a wider and broader constituency now, not the aberrational minds that serve at the centre of his party. He has to serve all of the people of Manitoba and he has to serve the people of Manitoba who are wanting and expecting that an aluminum plant can be brought to Manitoba if negotiations in good faith, untrammelled by the kind of ridiculous preconditions that my honourable friends put in place, if those negotiations in good faith can be carried on, and so I speak tonight for the people of Manitoba. My honourable friend may not like that, because he listens perhaps too often to the central party apparatus, the apparatchiks of his party. He listens too often to them without realizing that the people out there, the people of Manitoba, don't give a particular damn about his ideology; they want him to get on with the job of negotiating a sound deal for the people of this province for generations yet to come.

Now in that regard, Mr. Chairman, there was some little difference of opinion this afternoon and some discussion about Trout Lake. I said at that time that I was prepared to leave the discussion of Trout Lake until such time as we had an opportunity to see the Hansard from the Mineral Resources Corporation hearings that took place before the Public Utilities Board on the 3rd of June, 1982, Thursday last I believe. Through the kind co-operation of the Speaker and Hansard office, we've been able to get a copy of that transcript tonight. While I admit I haven't had an opportunity to go through all parts of it, I do want to read selected parts of it to the First Minister and these are freely available to anybody. My honourable friends seem to shy away from the facts. They like to give their own rhetorical version of what happened, particularly the Minister of Mines and Energy, but wherever possible, I think we should stick with the facts as the reports.

My honourable friend said in one of his earlier declamations during the election campaign, just to refresh everyone's memory, that when he was in Flin Flon on the 21st of October, 1981, Pawley said the Trout Lake project represents "a \$76 million hole in Manitobans' pockets." He said, "The profits from the 20 percent share could reach 90 million, but the province sold it for 14 million. It's giveaways like Trout Lake which weaken the Manitoba economy; they turn the development of our economy over to multinational corporations, instead of allowing room for healthy joint ventures between public and private corporations. They

leave Manitoba at the mercy of those corporations' international priorities." he said, and on and on and on.

I'm provided just conveniently with one of the ads that the New Democratic Party ran during the election campaign: The Conservatives will give away anything to be re-elected. In fact, they're willing to give away Manitoba. Here's the part that says, "Would you give away 90 million for only 14 million?" This is the full page ad that was run on Friday, October 16th by the New Democrats, the socialists running for office; they would say anything. Here's what they said the Conservative Government did: "They sold close to 50 percent of your shares in the Trout Lake Copper Mines for less than \$14 million. The potential profit on those shares could reach \$90 million. That's money that could have built more nursing homes or improved health care research; that's money that could have benefited the future of all Manitobans," and on and on it goes. There's a clear statement; it follows upon the rhetoric of the Leader of the Opposition, as he then was, when he spoke on October 21st.

Well, Mr. Chairman, I am going to read something that will make my honourable friend twist in the wind a little bit because it's about time that he listened to a few facts rather than to some of the rhetoric upon which he's been feeding for such a long time. Mr. Chairman, let me read from last Thursday's Public Utilities Committee Report. This was Mr. Wright of Manitoba Mineral Corporations who was giving evidence before the Public Utilities Committee of this Legislature on Thursday last.

Mr. Ransom said - and I am reading from page 3 of the unedited version of Hansard - "Do you recall, Mr. Wright, any constraints that were placed upon Manitoba Mineral Resources in negotiating arrangements over Trout Lake? Were you simply asked to make the best deal that you could for Manitoba Mineral Resources and for the people of Manitoba?"

"MR. WRIGHT: The negotiations were undertaken under an omnibus agreement between Manitoba Mineral and the province which gave Manitoba Mineral a free hand to negotiate the deal. The Minister was kept informed, but we have got no feedback on that."

Then, I carry on. I skip a couple of paragraphs. "MR. RANSOM: I believe Mr. Wright said that the guiding principle there was that they did not want to accept any arrangement that would be less advantageous than having Manitoba Mineral and Granges on their own. Is that a correct understanding?"

"MR. WRIGHT: That's correct.

"MR. RANSOM: Now, with the prospect of production actually beginning within a couple of months, I wonder now how you view the arrangements that were made, because I think that Mr. Wright is aware, as I am sure all the committee members are, that it has been alleged that this was a bad deal for Manitoba or for Manitoba Mineral Resources, that it involved a needless giveaway of millions of dollars worth of return to the province. I am just wondering now, even with the benefit of a couple of years of hindsight, whether you, Mr. Wright, whether the Manitoba Mineral Resources still feels that this was a good deal for Manitoba Mineral Resources to make from a financial point of view? Clearly, at the time it was negotiated, you felt that it was a good deal to make, that it was

better to make this deal than to go it on your own. Would that still be your feeling?

"MR. WRIGHT: That was, at the time of the negotiation, and has been right through until now the same feeling that it was a good deal to make. I think that events have probably reinforced it in the sense, as you are probably all well aware" - all except some in this House I add by way of footnote - "as you were probably all well aware, that the metals have depressed and Hudson Bay has taken the upfront risk of approximately \$28 million to bring the mine to a 50 percent level of production, just as metal markets have gone to hell in a handcart."

Then Mr. Wright and Mr. Ransom continue on with respect to the matters of discussion on Trout Lake, on which the Leader of the Opposition alleged in his big full page ad that we have lost 76 million. Here is what Mr. Wright says on page 4.

"MR. RANSOM: At today's prices then, is the mine expected to be making any return at those prices? What would be regarded as a break even price in today's situation?

"MR. WRIGHT: At the cost that we were forecasting last November and using current metal prices, it looked that the mine could lose between 200,000 and 300,000 a month. However, Hudson Bay has gone back at their instigation and taken a look at the budget for the balance of the year and feel if they compile their operating costs and defer some of the development costs and it looks now that it could be close to a break-even. However, the job is not yet complete and when the analysis was made, they used average ore grades and we are now going back and using what we actually anticipate to mine during the balance of the year, and we expect to have the numbers by the middle of the month."

Now, Mr. Chairman, Mr. First Minister, will you still stand up in this House and tell this House, as you did in your statement to the people of Flin Flon on the 21st of October, that Trout Lake represents a \$76 million hole in Manitobans' pockets and that it wasn't a good deal for Manitobans, when the very working officials who are still in place at Manitoba Mineral Resources say it was the best deal not only then, but in view of hindsight and everything else? Is the First Minister going to stand beside his false statement of the 21st of October, 1981? Is he going to stand beside this huffery ad that he ran to wean votes from the people of Manitoba which also contains the same misstatement, or is he going to pay attention to Mr. Wright who told the truth before the Utilities and Resources Committee the other morning, or indeed is he going to fire Mr. Wright?

HON. H. PAWLEY: Mr. Deputy Chairman, I want to assure Manitobans that this government, unlike the previous government, does not head up witch hunts of civil servants. It doesn't intend to instigate expensive Royal Commissions as did the previous government, because there was a disagreement pertaining to policy between ourselves and particular officials. We do not intend to fire any officials.

Mr. Deputy Chairman, there is a difference between examining the market as of 1982 in relationship to the deal that was struck and looking at the long term. We will see what occurs over a 10-year period. The 1982

situation is an abnormal situation by way of copper prices. I suspect, as long as we can come to grips with Reaganomics, that the present recession will not be with us too much longer. We will see over a 10-year period, Mr. Deputy Chairman, whether the Leader of the Opposition or the government on this side is indeed correct.

Mr. Chairman, talking about election material, I have a copy of a bulletin that was issued by the Conservative Party called "Economic Development in Manitoba, the P.C. Years, 1978 On," and a quotation from then Premier Sterling Lyon Budget Debate, May, 1981, "No people in Canada are better placed than the people of Manitoba to take advantage of the opportunities that are and will continue to be available to us."

In the document itself, there is reference, in view of the discussion that we had this afternoon, to Potash Mine and Refinery. I would like to read the quotation from the Conservative election material distributed during the campaign and prior to the campaign, it is my understanding. "Potash Mine and Refinery, \$1 billion development in Western Canada to start in 1981" - not may start in 1981 - "to start in 1981; 500 full-time jobs and 350 indirect permanent jobs as a result of economic spin-off benefits. In addition, during peak construction periods, there will be another 1,000 jobs."

Mr. Deputy Chairman, the comment is, we'll start in 1981, not may or possibly will start, or if indeed the interim agreement or the preliminary agreement is satisfactorily completed, we'll be able to initiate construction pertaining to the Potash Mine and Refinery. No, there are no caveats at all in the Conservative Party material. The quote is very clear cut, "\$1 billion development Manitobans in Western Manitoba to start in 1981." That is the statement. That's a statement that was circulated to thousands of Manitobans, representing to thousands of Manitobans that the Potash plant would commence in 1981.

Mr. Chairman, there was a great deal of ado this afternoon about the prospectus and about alleged misstatements in the prospectus in relationship to election material. Mr. Deputy Chairman, we don't have to look very far to discover where the misstatements are in the Conservative election material distributed in 1981.

HON. S. LYON: Mr. Chairman, we were talking about Trout Lake and I just wanted to have the benefit of the reflections of the First Minister on his statement that \$76 million was lost and on the statement of Mr. Wright of Manitoba Mineral Resources that Manitoba Mineral Resources made the best deal for the people of Manitoba, not only at the time they made it, but in terms of hindsight. Does he share that view or not?

HON. H. PAWLEY: Mr. Deputy Chairman, unfortunately the Leader of the Opposition apparently didn't hear my earlier remarks, the references in respect to a 10-year period, their ups and downs pertaining to the copper industry. I am not basing any finding on the assumption that copper prices will continue to be as low until 1989 or 1990 as they are indeed in the year 1982. Based upon the copper prices that we enjoyed a few months ago continuing on to 1990, that indeed would be the case. Unfortunately, with the short term

recession, there is an abnormal situation. Mr. Deputy Chairman, I'm sure that Mr. Wright, in defence of Mr. Wright's statement, is reflecting upon the transaction relating to 1982 copper prices.

HON. S. LYON: Mr. Chairman, I can only draw the conclusion, and if I'm incorrect, the First Minister is of course quite free to correct me, that the First Minister is saying the statements that I made in 1981 - and I remember making them before that - about Trout Lake are true, notwithstanding the fact that I can't substantiate them. The statements made by Manitoba Mineral Resources, the officials who still serve the Government of Manitoba, are wrong. Now, if my honourable friend wants to put it in another way, let him say so. If they're wrong, what's he going to do about it?

HON. H. PAWLEY: Mr. Deputy Chairman, I don't know whether I'm repeating myself again and what the Leader of the Opposition expects by way of response. Mr. Wright and those working with him are obviously making their judgment. We don't agree with that judgment and we certainly don't intend to fire anyone. I assume that it is a judgment that's made by them in good faith. They were involved in the original transaction under a different administration. I would be rather surprised now if they disowned the transaction that they were intimately involved in the preparation of.

HON. S. LYON: Mr. Chairman, at the risk of repetition, I merely repeat what Mr. Wright said to the Committee the other day and I'm quoting from page 3 of Hansard, "The negotiations were undertaken under an omnibus agreement between Manitoba Mineral and the province which gave Manitoba Mineral a free hand to negotiate the deal. The Minister was kept informed, but we've got no feedback on that." Now, is the First Minister saying that the Manitoba Mineral Resources won't have a free hand under other agreements that will be negotiated under his government, because he'll move in and tell them what to do even though it isn't in the interests of the people of Manitoba?

Mr. Chairman, hearing no response from the First Minister, we know that he's at a loss for words.

Having disposed of Trout Lake, Mr. Chairman, to, I would think, the evident satisfaction of any reasonable observer, let's move on to the further examples of this allegation of resource giveaways. We haven't seen any in Alcan; we haven't seen any in potash; we haven't seen any in Trout Lake. We have seen some loose statements about some in Tantalum. I invite my honourable friend now to come forward and tell us where else were there resource giveaways about which he declaimed at great length in his election manifesto of only some six months ago. Name the resource giveaways. We have gone through the large project and so on; we have gone through Tantalum; we have gone through Trout Lake. What scintilla of evidence can the First Minister offer to substantiate his statement to the people of Manitoba, his great full page ads, his dividing up of the cake on T.V. and all of the smart Madison Avenue tricks and so on that were used to convince the people of Manitoba that their

province was being given away?

Now, here we are, Mr. Chairman, in Committee. Here we are face to face. Here we are with the facts before us. Let the First Minister stand up in his place tonight and give us some examples of the resource giveaways that formed the basis of this \$50,000, or whatever it costs to run a full page ad in the Winnipeg Free Press. Just give us some examples.

HON. H. PAWLEY: Mr. Deputy Chairman, we have been dealing with many instances this afternoon and into this evening. I don't know what is the point in repeating. Obviously, the Leader of the Opposition is not too interested. Tantalum, the Trout Lake situation, we've discussed to the extent that we are able to, the concerns that we had pertaining to the Alcan transaction. The Leader of the Opposition loves to wave around the advertisement, but I think I should remind the Leader of the Opposition that advertisement was paid for by the New Democratic Party.

I recall politically slanted advertisements that were appearing in the Winnipeg Free Press for three weeks hand running just prior, and may have even spilled into the 35-day election campaign, paid not by the Progressive Conservative Party of Manitoba, but unfortunately was paid for by the taxpayers of the Province of Manitoba, such ads as, "You are sitting on a pot of gold." We all recall that ad very well in preparation for the 1981 election campaign. So let's not let the First Minister indignantly wave around a New Democratic Party ad. At least, that ad was paid for by the membership of the New Democratic Party, rather than by the taxpayers of the Province of Manitoba as indeed were the "sitting on a pot of gold" ad that the former Minister of Economic Development was responsible for.

HON. S. LYON: Mr. Chairman, I am happy that the First Minister takes such pride in the fact that his party paid for this full page ad which contained a whole series of false statements. I am happy that they paid for it because I wouldn't want the taxpayers of Manitoba to be responsible for that and I hope that he remembers that when, at the next Session or whenever, he tries to bring in any ill-guided legislation that would cause the taxpayers of Manitoba ever to pay for any political advertising on behalf of any party in Manitoba, ever.

When in government, Mr. Chairman, you run ads with respect to industrial benefits and other things that can be of use to the people of Manitoba, just as the former Schreyer Government had one of the largest advertising budgets of any of the Prairie Provinces when it was in office some five years ago and ran ad campaigns that went, in terms of taste, in terms of factual information, well beyond anything that the First Minister has been able to point at tonight in terms of our industrial benefits ads for the people of Manitoba.

Mr. Chairman, I detect on the part of the First Minister a reluctance to carry on with this debate, because he hasn't been able to adduce one scintilla of evidence before this Committee over the last three days to support any of the allegations that he has been making in a crass electoral way, that there has been any resource giveaway in Manitoba. The reason he can't adduce

any evidence, Mr. Chairman, is that there haven't been any resource giveaways, and if he would be honest with himself and with this Committee, he would have the candour and forthrightness to get up and say so. He would stand up and say, yes, Mr. Chairman, I am a big enough man to say I was wrong when I talked about Trout Lake, because clearly what Mr. Wright said was correct and I should accept the fact that I made a statement based on no information. But, you know, we don't expect to see two moons in the sky tonight and we don't expect the First Minister of the province to admit that his election propaganda was mistaken, as has been amply demonstrated over the course of the past few days.

So let me give him a little rest for a few moments. Let him reflect upon his sins of omission and his sins of commission and perhaps there will be repentance before we're through with this Committee because at the rate we're going, we're going to be here for some time.

Let me reflect on another matter that is of concern to all of the people of Manitoba. I'm happy that the Minister of Health's in his seat. We have had some discussions with the Minister of Education, during the course of her Estimates, with respect to the status of funding for separate schools, independent schools in Manitoba. I took some time in the course of that debate, as indeed some of my colleagues have, to point out to the Minister of Education that a rather historic vote took place in 1978 in Manitoba when The Public Schools Act was amended, legalizing support for independent schools for the first time in the history of this province, thereby putting behind all of us for all time a kind of schism, a kind of situation in which there had been evidences of, if not prejudice, some bigotry that had existed for far too long in our province with respect to the treatment accorded to independent schools. Manitoba became, as I recall then, the last province in Canada to accord statutory assistance to separate schools and while it was being done on a modest basis it was still done to put behind us that rather sorry chapter in the history of our province.

As I was reflecting upon that situation, I was asking the Minister whether or not in her Estimates there was a general increase for the per capita grant for independent schools in Manitoba. She replied, somewhat in the manner of the First Minister, without answering the question directly. She said, well, we've got extra grants for transportation and extra grants for text and so on. But what it boiled down to, after you scraped away all of the fluff and foam surrounding the comments, was that there was to be maintenance of the same figure that was given last year for independent schools in this current fiscal year. I made the plea then and I make the plea now to the First Minister that, in accordance with the basic tenets of equity, his government should be looking at giving an increase across the board to the independent schools in Manitoba at approximately the same level of increase as was accorded to the public school system, because those many thousands of young people, if those schools had to close, would be thrown into the public school system and basic equity demands nothing less than that they be treated in an equitable way.

I reflected as well upon the fact that, when the amending legislation was before the House and was

voted upon in 1978, members of the New Democratic Party of the House of that day who voted in favour of ending that sorry chapter in the history of Manitoba were the following: Messrs. Adam, Boyce, Desjardins, Hanuschak, McBryde, Malinowski, and Schreyer. The former Leader of the Opposition voted in favour of statutory change. I note as well that the record shows that those who voted against ending the discriminatory practices against independent schools in Manitoba in 1978 were the following members of the then Opposition: Messrs. Barrow, Cherniack, Cowan, Doern, Evans, Fox, Green, Jenkins, Parasiuk, Pawley, and Uskiw.

Mr. Chairman, I make a —(Interjection)— the Member for Radisson says, what about the members on our side? I can tell the honourable member that the members on our side voted unanimously in favour of the legislation, something that, Mr. Chairman, he, being a representative of the French Canadian community in Manitoba, would do well to remember.

Now, Mr. Chairman, my suggestion to the First Minister, and I say it as sincerely as possible, is this: Notwithstanding the position that he took on a vote, and I'm sure as a matter of conscience, on this Bill in 1978 when legalizing of support for private schools took place and understanding that people can have positions in conscience that are opposed to this, I would hope that his subjective view of that would not in any way act as a retardant by his government to the conferring of equity upon independent schools when it comes to the grant structure. The Minister of Education has offered some hope in that she said that, as part of her overall study of education grants, she was prepared to look at the question of independent schools along with the question of funding for public schools.

My suggestion tonight to the First Minister and I would like to have on the record, if possible, his confirmation of this, that notwithstanding his vote in 1978 we can have his undertaking that his government will not regard this chapter in our history as being something upon which we should be retrenching, but rather something upon which we should be building and leaving behind us that sad history in this province for so many years. The best way of exemplifying that, in terms of a non-partisan approach to it, would be for the government to confer an increase on the per capita grant in roughly the same proportion that it is giving increases to the public school system in Manitoba.

MR. DEPUTY CHAIRMAN: The Minister of Health.

HON. L. DESJARDINS: Mr. Chairman, I feel that I have to take part in this debate. It has been on a few occasions during the Session the First Minister from his seat challenged me, and others have done the same thing, to talk on aid to private schools. I don't know what the subject was at the time but I feel that I feel that I have to talk on that. I want to set the record straight.

To start with, I want to say to the Leader of the Opposition that I could go back a little later than that. I can go back for all the years that I had fought for aid to private school on this side and during the Roblin years, and there wasn't much of anything being done.

I know that this was a very difficult task, but I know that I can say that one of the main reasons why I did support the Schreyer Government at the time, when I did change party was one of the reasons, because that was one of things that was important to me. I felt that I had a better chance of having some change with that government. I think that the record will show the effort that was made and I think that if the Leader of the Opposition could have gone back and talked about that vote, could have gone back when everything was done to settle the question of aid to private school and there was a vote and when it was felt at the time - and I could tell you exactly the story that Schreyer at times that he spoke in unguarded moments and he said things that he'd regret or other people regretted. That's happened. That happens to many of the great leaders.

Now, one of the situations at the time was that if he didn't get aid to private schools that he would resign. Of course, then Mr. Green was going again and he was quite interested in being the Leader as he has been for so many years and that was his chance and you remember that he left Cabinet for a while to campaign. Now, the Conservatives felt that it's a heck of a lot easier in those days to defeat Green than Schreyer. They pulled the whip and they had on a pretense that wasn't the way to do it, That was definitely that we were going to settle aid to private schools once and for all. They pulled the whip - it was supposed to be a free vote - and everybody but one, who refused and then left the party - I'm talking about Gabe Gerard who left the party — (Interjection) — that's right. He didn't run and that's exactly the reason why. That's right. I am not saying that he resigned his seat; he just didn't contest the election after that. He still remained a Conservative, but he didn't go for that at all. He didn't like the fact that they were trying to get him to vote against something that he didn't believe.

There are some members here that really put political expediency before anything else, because some of the people were very much committed to aid to private schools and I don't want to start at this late time, I think there's an effort to complete these Estimates today, but I remember, and if I'm challenged I can name names of people that to this day are probably regretting it.

Okay, so what happened? What happened was they took advantage of everything that we could under shared services and the shared services legislation was there and we bent over backwards - I'm talking about during the Schreyer years - to help as much as possible. We gave the benefit of the doubt to the private schools and they did get some help.

Now, there was a change of government and some people that challenged it and felt that what we had done wasn't legal. That wasn't a challenge; that was the opinion of some people. So then when that was brought in, it was made quite clear, if you look at Hansard, some of our people definitely are against aid to private schools. Green was the leader in those days. He was still with our party. He was the leader and he did everything to stop that vote. Some followed them. He was leader of that group of people that were against aid to private schools, definitely. — (Interjection) — Yes, and then you would have no aid to private schools at all if he was the leader, I can

tell you that, and I would have changed parties again. How do you like that? Then you can have more fun. Okay. — (Interjection) — That's right. Parties don't mean a damn thing to me if my principles are in jeopardy and I'll stay with my principles, damn right. My principles won't change. If the parties want to change, that's fine, and I don't apologize for that at all, not a bit.

So I'd like to have one of you at a time. I can't answer and I can't listen to everything that you're saying all at once.

So the thing is that there was a vote to make sure, and I supported that vote and I spoke in favour of it very strongly. I did everything I could to get some of our people and some of our people did vote on it. Some felt that there was no need for it and all that you did by this to make sure, and it was a great thing to do, you made sure that there would be no doubt that it was legal, but there was no more help. You didn't do anything different. Then you had a formula, but you didn't allow in that for inflation and this government has not done anything but keep on with your policy.

I can tell you that is under review now and the question of the new tax is under review and that will be looked at by the Cabinet. I can tell you that. I can assure the Members of this House that as long as I'm a Member of this House, I will not go along with somebody that tries to remove any aid to private schools. So if that is any concern, I am not . . .

One of the main reasons I came into the House was to fight for that. I did fight for that, and one of the reasons why I changed parties was that main reason. I can assure you that with a few years to go in political life, I won't ruin it all by agreeing to anything to try to do anything that's going to hurt aid to private schools at all. So that is being considered, I have the assurance of my leader and we are looking at the whole thing. I thought that this should be placed on the record at this time.

MR. DEPUTY CHAIRMAN: The Leader of the Opposition.

HON. S. LYON: Mr. Chairman, I think that all members of the House will be greatly heartened by that interjection by the Minister of Health with respect to his intentions, with respect to the government. Both, if I may say so, in support of the proposition that independent schools should receive a comparable increase in their per capita grant that the public schools receive, number one; and secondly, as he volunteered, and I think it's quite proper because we've already asked about this question that independent schools should be treated in the same equitable way that the government is proposing to treat public schools with respect to the payroll tax. I am happy to hear the Member for St. Boniface make those statements tonight. I, for one, welcome those statements by a member of the government, because I think the Member for St. Boniface, as always, is speaking not only from his heart, he's speaking from personal conviction on this matter and nobody, I don't think, would ever deny the honourable member the recognition of the conviction and the feeling that he has on this topic.

I make one minor amendment, historically, to the honourable member's recollection of what happened, what he was trying to say and I think in perhaps an

excess of trying to boil down the recollection of the events. When the government in 1978 brought in the Bill to legalize the previous ad hoc arrangement that had been entered into by the Schreyer Government with respect to a handful, only a handful, of school divisions in Manitoba, the effect of legalizing it not only cleared up the problem which had existed for well over 80 years, but it also conferred that benefit on every independent school in Manitoba. I am sure that my honourable friend wouldn't want to overlook the fact that was one of the great benefits that flowed from that legislation for which, and he deserves full credit along with his former leader and so on, he voted.

So I'm not here to pick any argument with him; I'm not here to pick any argument with the First Minister. I merely want to suggest from this side of the House, as I've suggested before, that we've got that part of our history behind us, thank God. We now have an equitable system upon which independent schools can operate in this province as they do right across this country. Let's continue the flow of equity into that system so that independent schools in Manitoba can continue to receive per capita grants on a scale that rises annually on roughly the same basis that we in this Legislature vote aid for the public school system. If my honourable friend is saying, as I heard him clearly say because he's not a person to mince words on a topic of this nature, if he is saying that he supports that and if he supports the idea that the independent schools should have the same treatment as public schools on the question of the payroll tax, then I say that I have no argument with him at all. In fact, we are brothers in arms with respect to that topic and I thank him for his support tonight.

MR. DEPUTY CHAIRMAN: The Member for Radisson.

MR. G. LECUYER: Le Chef de l'Opposition tout à l'heure, s'est levé pour dire dans des remarques désobligeantes, que le représentant du comté de Radisson devait se préoccuper plus particulièrement en tant que représentant de la communauté francophone ici en Chambre, que moi je devrais me préoccuper des aspirations et des francophones ici dans cette chambre, et bien moi je dis au Chef de l'Opposition que premièrement: il n'y a pas une seule école privée française au Manitoba. Deuxièmement, je voudrais aussi lui dire, que j'aimerais voir chez lui autant de préoccupation pour reconnaître et légaliser les écoles françaises et les écoles d'immersion qu'il démontre pour les écoles privées et indépendantes au Manitoba. Alors, s'il veut parler des acquis et de l'histoire et de dire que ça c'est du passé et que maintenant nous avons mis les choses là où ils doivent être, c'est-à-dire, que nous reconnaissons dans les droits l'éducation française au Manitoba, et bien moi je lui dis que c'est lui qui pratique un manque d'équité ici dans cette chambre.

MR. DEPUTY CHAIRMAN: The Leader of the Opposition.

HON. S. LYON: Mr. Chairman, now to the First Minister, unless of course he wishes to make any comment upon the separate school matter, I think that he nodded and indicated that the Minister of Health was

speaking on his behalf. I thank the Minister of Health for that vote of support and we take that as meaning he was speaking for the government.

Coming back to the resource giveaway situation, Mr. Chairman, I have in front of me a statement by Howard Pawley, Leader of the Manitoba New Democratic Party, dated October 14, 1981, for immediate release. The heading of it is, "Time to Judge the Lyon Record." This is a release that was turned out by the First Minister when he was the Leader of the Opposition. He was talking about resource giveaways and at the bottom of the first page of this release, the First Minister's statement read as follows, "Those same communities have suffered an increase in unemployment due to the Lyon government." He was speaking about people in Seymourville and Manigotagan in the earlier paragraph relating to health facilities. Then the quote goes on, "In 1979, the Conservatives signed a 20-year contract with Abitibi. Dozens of local operators were cut off. It was the Conservatives first resource giveaway."

Mr. Chairman, I now refer the First Minister to Hansard of Thursday, 18th March, 1982, and the questions that were being put to the Minister of Natural Resources at that time. In the interests of time, I believe it was Mr. Enns asked this question on page 583 of Hansard at the bottom of the first column, halfway down the first column. I'm not paraphrasing; I'm reading only the question, "One particular concern that was often expressed, both at the signing of the agreement and has come up since the agreement has been in effect, is that a number of private operators or independent operators have been forced out of business as a result of that agreement with Abitibi. I wonder if the Minister could advise the number of private or independent operators that have been forced out of business, if indeed, there are any. Can he give us some indication as to whether or not that is a legitimate concern?"

Then Mr. Mackling responds, "Yes, Mr. Chairman. In respect, first of all, to the concern about the fire suppression activities . . ." That is not a germane paragraph, I'll read it if someone wishes, but he answers the second paragraph in these terms, still on page 583, "In respect to the Abitibi Agreement, I haven't personally yet made an evaluation of that, but my staff indicate to me that in respect to the concerns about individual woodcutters, those concerns about their being displaced have not materialized, that the system seems to be working very well without hardship to those individual cutters. Their rights were protected under the final arrangements.

"MR. ENNS: Just to be somewhat more specific, the Minister then, cannot advise me of any particular number of independent cutters that the department has had to force out of cutting rights as a result of the Abitibi Agreement?"

"MR. MACKLING: My staff indicates to me that it doesn't appear any quota-holder that had a quota prior to the agreement has been forced out of timber cutting or operation."

Now, Mr. Chairman, very simply, my question to the First Minister is this, does he still stand by the statement that he made on October 14, 1981 to the effect that in 1979 the Conservatives signed a 20-year contract with Abitibi. Dozens of local operators were cut

off. It was the Conservatives' first resource give away. How does that statement stand up to the lights of fact?

HON. H. PAWLEY: Mr. Deputy Chairman, I had the opportunity to visit the communities involved of Seymourville and Manigotagan and spoke to woodcutters and to others that had been affected as a result of the Abitibi Agreement. I wish the - oh, the Member for Rupertsland is present - and, Mr. Deputy Chairman, I do wish the Leader of the Opposition had visited some of the communities that are involved and spoken to some of the Indian people and some of the other people in the various communities in the area.

I would prefer, Mr. Deputy Chairman - and I think this is one of the problems sometimes with governments, is that sometimes we rely upon staff and that may indeed have been an example there, rather than visiting the communities and finding out advice from the communities. I, certainly, by talking to the people - and it's too bad the Leader of the Opposition when he was Premier of the Province of Manitoba and the former Resources Minister had not visited some of the communities and spoken to some of the people that had been affected by the agreement in question, the Abitibi Agreement.

Mr. Deputy Chairman, it's certainly our intention to review that agreement. It's my understanding that agreement is presently being reviewed at the present time. I would like the Member for Rupertsland, in whose constituency this is, to speak from personal knowledge of the communities and the people that have been affected by way of that agreement.

MR. DEPUTY CHAIRMAN: The Member for Rupertsland.

MR. E. HARPER: Yes, like the Premier said, when he came there last fall, we had indications from the communities that they were affected by the agreement that was made by the previous government. What they said was that the Abitibi Company decided as to how many cords they should cut. These were the words that they used was that they had about 7,000 cords of wood and they were being cut down to about 3,000. Whether or not that's true, but that's what they said to us.

Also, they were saying that they were importing timber from Dryden and carrying it to Pine Falls. Also, they were selecting to a few individuals in the community of Manigotagan given to a company and then they were selectively given timber cutting rights. Also, they indicated to us at that time that they didn't have the opportunity to have the say as to who is going to have so many cords and they were sort of fighting as to who is going to have the cutting rights as to how many cords they should have, and it was sort of creating a chaos in the communities because the communities, as you know, don't have that many employment opportunities. I believe that the timber cutting rights goes as far north as just north of Berens River and some of those communities, they want to establish local sawmills for their own use. What has happened is that in order for them to get some sort of timber cutting rights, they have to approach Abitibi.

The case before, I believe they were able to approach the government and apply for a permit surrounding

the communities. They were able to initiate some sort of local activities for themselves and produce some lumber for their own use. Those messages came clear to us as we travelled in the area. I think that we have one in Berens River. Pigeon River, I think is an operation there where Channel Area Loggers operate. These kinds of activities I think should be made available; at least the policies of this government should be that the resources around them should be made available to the communities instead of relying on big companies to provide some sort of employment opportunities.

I think it's consistent with the kind of things that Indian people want; they want to create some sort of employment opportunities for themselves and be able to enjoy the same benefits as anybody else. I hope this government will do something and I will see to it, as a member for that constituency and a representative of that constituency, that I hope to change that policy. Thank you.

HON. S. LYON: Mr. Chairman, I'm sure we want to thank the Member for Rupertsland for his personal recollections of the areas of his constituency about which he speaks. I took it from his words, however, that what he was saying was that's what the people said and he wasn't anymore than —(Interjection)— No, Mr. Chairman, we don't need any interpretation from the Member for Thompson about what goes on in the House. After he's been here a little bit longer, he may be in a position to offer advice to some, even though very few will take it.

Mr. Chairman, what I heard the Member for Rupertsland say and I appreciate what his interjection in the debate was; at least that's what the people were saying. What I read to the First Minister, however, is what the staff are saying about people being moved out. The staff are saying that just didn't happen, and where the First Minister has been drawing a blank on alleged resource giveaways, whether on Abitibi, Alcan, Potash or whatever, what we are finding out, Mr. Chairman, is that none of these things happened. None of them happened at all. If my honourable friend hasn't got the courtesy or the candour or the forthrightness to admit tonight that he was making misstatements, then the public of Manitoba will draw their own conclusions based upon what the real evidence is, coming from his own Ministers from his own staff.

We see too often, Mr. Chairman, in this House if I may say so, much more often than ever I've witnessed before in my experience in this House, Ministers standing up and saying: but I don't care what's in the report that I signed, that report was prepared before we came into office, as though to say that the Civil Service of this province somehow or other is giving false statements to reports that Ministers sign. The Minister of Resources stood up and was asked the question very clearly on Hansard and I just read it into the record, I'm not going to repeat it again, whether or not people had been forced out or closed out, as the First Minister was alleging in his election. Dozens of local operators were cut off; that was his term. The staff of the Department of Resources, under his newly appointed Deputy Minister, Mr. Carter, said that just isn't so.

So we are, you know, searching out these examples

of alleged resource giveaways and I want my honourable friend to continue to reflect upon any that he thinks can come to mind, because we haven't found one yet. We are going to continue to search, to probe and to find out from my honourable friend just how much weight can be attached to some of these statements, not only that he made during the election campaign, but which he continues to make in this House.

It was only when we brought to his attention the fact that his own prospectus said that the Hydro Board under the previous NDP Government had cut off the construction at Limestone, that we finally got them to acknowledge the truth of that statement. Prior to that, he was going about the province saying that the Conservatives cut it off because it served his electoral partisan purposes. Well, that just isn't good enough, Mr. Chairman, and we're going to make sure to the extent that's possible, we are going to get to the bottom of some of these statements. If it takes us until hell freezes over, we're going to get to the bottom of some of these statements and if not at this Session, we'll be getting to the bottom of them at succeeding Sessions. We're going to be able to demonstrate just how fragmentary and just how much puffery there was to many of the fundamental statements made by the New Democratic Party and its Leader with respect to public affairs in Manitoba which hold no water at all, which were misleading and which are calculated to cause mischief among the people of Manitoba because they don't reflect the truth.

Now, Mr. Chairman, let's give my honourable friend a little breather so he can reflect again on resource giveaways and let me ask him a very simple question. One of the first acts that this government took when it came into office was to make a strong fundamental decision that it was going to change the colour of the licence plates in Manitoba from red, white and blue to red, white and black. Would the First Minister care to tell us tonight why the licence plates had to be changed from the traditional loyal colours of red, white and blue which had been on our flag up until 1966 or whatever? We still regarded red, white and blue as being good colours. The excuse given at the time was well, these are the colours used by the Conservative Party. They are also the colours that are used by the Americans in the Star Spangled Banner; they're the colours used in Great Britain in the Union Jack; they're the colours used by many other countries around the world. Now, would my honourable friend care to tell me, first of all, what was the deep philosophical rationale that went into that fundamental decision: first of all, to change the colours of the licence plates; and secondly, how much did it cost the people of Manitoba when this government made that decision?

MR. DEPUTY CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Deputy Chairman, I want to spend a few moments not talking about the colour of licence plates because that isn't much of a concern of myself personally. I don't know why the Leader of the Opposition is really so uptight about whether they're red, white and blue or otherwise. I'm not going to get uptight and get involved in any debate in respect to that. It's rather clear that the Leader of the Opposition

is still biting very very much from the last election campaign and wants to refight the election campaign in the Chamber. We'll be delighted to discuss the election campaign. —(Interjection)— well, I find it rather difficult to deal with the interjections of the Leader of the Opposition. I have tried to remain as courteous as I can while he is speaking, but it is very difficult without shouting and I don't intend to shout to carry my voice above the voice of the Leader of the Opposition. But, Mr. Deputy Chairman, what I do want to deal with is - and I want to thank the Member for Rupertsland for his comments and I believe that what the Member for Rupertsland has demonstrated tonight is a difference in approach between two parties in this province.

Mr. Deputy Chairman, I want to make it very very clear that decisions that are made, as indeed had been the case by the previous government for four years pertaining to Abitibi, pertaining to the allegations that were raised by the previous Member for Rupertsland that were documented time and time again in this House in the Estimates of the Department of Natural Resources, the former member, Mr. Harvey Bostrom, never refuted by the then Minister of Natural Resources, indeed hold true as much now as they did for four years. Mr. Deputy Chairman, I say to the members across the way because they seem to view government as working in a vacuum, listening only to: either a) partisan supporters of that government, or b) listening only to the statements of staff advisers; that once the staff say something and indeed that was the case a little earlier when reading Mr. Wright, as though that finalized everything. There was no longer any debate, because Mr. Wright confirmed something that had been asked of him by the Leader of the Opposition.

Mr. Deputy Chairman, the present Member for Rupertsland, I think, summed it up very very well. The resources within a community ought to be available to the peoples in that community. Mr. Deputy Chairman, I think as a result of that statement by the Member for Rupertsland, it demonstrates why since 1969 the New Democratic Party that has supported resources being used by the peoples in the communities in Northern Manitoba, why we have had good representation and good support in Northern Manitoba and the record of the party across the way has been abysmal in Northern Manitoba insofar as support.

Mr. Deputy Chairman, this entire matter of the agreement pertaining to Abitibi in my view requires review and it is my understanding indeed that a review is taking place in regard to that agreement. Because, Mr. Deputy Chairman, the people that we are responsible to are not the bureaucrats, not the staff advisers, as much as they may be tempting to do their duty, but the people that we are accountable to are the people within the communities. Insofar as the question of the Abitibi Agreement, our concern must be indeed to the people within the communities. Mr. Deputy Chairman, in any court of law, the evidence is taken from those that have had first hand experience in regard to dealing with cutting rights, the unemployed that have been laid off as a result of policies pertaining to the agreement in question. Those are the folk that can tell from first hand experience as to how it affected their community, how it's affected their families. That's why, Mr. Deputy Chairman, the need for review is

self-evident pertaining to the Abitibi Agreement.

I regret that during four years of the previous administration - I doubt that one of the members across the way can rise and say, yes, I was in Seymourville; I was in Manigotagon; I met in the town hall with the people of that community. Is there one across the way? Can the Leader of the Opposition tell me that he did, during the four years of his stewardship in the Province of Manitoba? Can the former Minister of Health tell me? Can the former Minister of Economic Development tell me? Can the Attorney-General, that they spoke to the people within that region of Manitoba that we are concerned in respect to this agreement? Can they?

Mr. Chairman, no, because what has been betrayed this evening is that members across the way would sooner, working from this building and listening only to their key advisers, without going into the communities and ascertaining whether or not that advice is accurate or not, are prepared to make a determination that can be detrimental to the hope within the community.

So, Mr. Deputy Chairman, yes, there is a fundamental difference. I believe that the Leader of the Opposition tonight - in fact, I am pleased that he raised this example this evening - has demonstrated a fundamental example insofar as approach in regard to dealing with the people of the Province of Manitoba, listening to their concerns, attempting to deal with those concerns on a first hand basis. Mr. Deputy Chairman, I certainly intend to assure that there is a proper and objective review taken pertaining to the Abitibi Agreement.

HON. S. LYON: Mr. Chairman, the First Minister will find no argument with me about the responsibility of members of this House collectively to be acting on behalf of the people of Manitoba and the people who do business in Manitoba are just as much part of the people of Manitoba as individual citizens are. We have to look after the total welfare of all people in Manitoba. He gets no argument from me about that. I merely suggested, instead of trying to read a lecture on his travel plans to the House, he may better have his conversation with his Minister of Resources, Mr. MacKling, who after all was the one who made the statement which said that what the First Minister was prophesying had taken place, just hadn't taken place.

So, Mr. Chairman, I have no argument with the First Minister. The First Minister appears to be accepting the word of the Member for Rupertsland and I respect his word; I respect his candour, the Member for Rupertsland. I respect his candour for saying very frankly, at least that is what the people said. The Minister of Resources gave the evidence that I have read to the House and said, no, it didn't take place.

So my honourable friend has no argument on this side of the House. He's got an argument as between the Member for Rupertsland and his Minister of Resources and the staff of the Department of Resources. I hope, for the sake of the sanity of people of Northern Manitoba, that he can work out that dichotomy, if it's not a trichotomy, of opinion that exists within his own caucus, because the information that we had was to the same effect, that nobody had been closed out of cutting operations in Northern Manitoba. That's what the staff confirmed to the Minister;

that's what the Minister said in this House. So let the First Minister talk to his Minister of Resources. Let the caucus of the NDP settle their own internal family disputes in the caucus room, not in the Legislature. All we do is bring to the attention of the House the facts as they are spoken by the First Minister and by the Minister of Resources. My honourable friends will then have to sort out which lily pad they are going to hop onto.

Now, Mr. Chairman, I asked the First Minister a serious question. What was the rationale for the change in the licence plates' colours, and what was the cost to the people of Manitoba for that?

MR. DEPUTY CHAIRMAN, A. Anstett: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Chairman, I move that the Committee rise.

MR. DEPUTY CHAIRMAN: Committee rise.