



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virten	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 22 April, 1983.

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions
. . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again. I move, seconded by the Member for Inkster that the report of the committee be received.

MOTION presented and carried.

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

INTRODUCTION OF BILLS

HON. P. ADAM, on behalf of the Honourable Member for Lac du Bonnet, introduced Bill No. 60, An Act to amend The Highway Traffic Act (2).

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Question period, may I direct the attention of honourable members to the gallery where we have 30 students of Grade 9 from the John Pritchard School under the direction of Mr. Kroeker. These students are from the constituency of the Honourable Member for River East.

There are 30 students of Grade 5 and 6 from the St. Frances Xavier School under the direction of Mr. Single, Mr. O'Brien and Mr. Phillips. The school is in the constituency of the Honourable Member for Lakeside.

On behalf of all of the members, I welcome you here this morning.

ORAL QUESTIONS

Attorney-General - defamation suit

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

MR. G. MERCIER: Mr. Speaker, my question is to the First Minister. In view of reports, Mr. Speaker, that the Attorney-General has settled a case for some \$3,500 plus legal costs relating to an action for defamation against him for certain erroneous statements made by him, my question to the First Minister is, how can he

justify the provincial taxpayer incurring and paying for these erroneous statements by the Attorney-General?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I appreciate the question from the Member for St. Norbert. Payment was made only after receipt of legal opinion from counsel to the effect that the claim was one that was legitimate and one that was made by the Attorney-General in the course of his duties as Attorney-General and not in a personal capacity.

MR. G. MERCIER: Mr. Speaker, we seem to, in this Legislature, have some difficulty in knowing when a Minister of this government is acting officially as a Minister, or unofficially in his personal capacity. My question to the First Minister is, in view of his comments in the Budget and following the Budget relating to the Jobs Fund that the Cabinet Ministers were going to forego any increase in their salaries so that the money could be used in the Jobs Fund, can he offer to this Legislature any precedent for such action and having the taxpayers pick up the cost of a defamation suit against a member of the Cabinet?

HON. H. PAWLEY: Mr. Speaker, that would presuppose that there has been a similar case of this nature in the past. I don't know whether that indeed be the case. Insofar as the particular case, Mr. Speaker, that we are dealing with, it involves questions that were posed to the Attorney-General, involving a case which was then current, involving the office of the Attorney-General in his capacity as Attorney-General.

MR. G. MERCIER: Mr. Speaker, I would ask the First Minister if he would table a copy of that opinion from legal counsel which he says justified the action taken by the Provincial Government and having the taxpayers pick up the cost of this defamation action against the Attorney-General.

New arena - Core Area Initiatives Fund

MR. G. MERCIER: Mr. Speaker, on another question to the First Minister, can the First Minister advise this House whether the Cabinet has approved the construction of a new arena in the downtown area of Winnipeg, north of Portage Avenue without consultation with the City of Winnipeg officials.

HON. H. PAWLEY: Mr. Speaker, in regard to the first part of the honourable member's question, I will take that as notice so I have an opportunity to speak to the Attorney-General. I would assume there would be no problem in dealing with the request.

Insofar as the second part of the question is concerned, there has been no approval pertaining to the construction of a new arena in the downtown part of the City of Winnipeg.

MR. G. MERCIER: Mr. Speaker, reports during the past week have indicated quite clearly that the Provincial Government has approved a proposal from the Federal Government for a development plan north of Portage Avenue which involves a new arena. Can the First Minister not confirm that that Provincial Cabinet has approved that proposal and it is only today that federal and provincial officials are going to discuss it with the City of Winnipeg?

HON. H. PAWLEY: Mr. Speaker, I certainly am mystified as to what reports the member is referring to. Reports from whom? Whose report? Is he speaking in terms of a report from the City of Winnipeg? Is he referring to a report from the Provincial Government, the Federal Government? I know not to what report the Honourable Member for St. Norbert is referring, except rumours that may very well be of an unfounded direction.

MR. G. MERCIER: Mr. Speaker, reports indicate that under this proposal which is apparently approved by the Provincial Government and by the Federal Government and by the Federal Minister, which is going to be discussed with the City of Winnipeg officials today, that the city will have to forego taxes on the property in the area of the development for some years. Mr. Speaker, is it the intention of the Provincial Government to compensate the City of Winnipeg for lost taxes in this area?

HON. H. PAWLEY: Mr. Speaker, the answer to the question is basically no, there's been no such request but I'll ask the Minister of Urban Affairs to provide the member with any further detail pertaining to his question.

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. As indicated by the First Minister and yesterday in response to questions from the same member, I did indicate that there are discussions that have been taking place with respect to further possibilities for concentrated activity in the inner city area to help bring about revitalization of our downtown area and provide much-needed jobs in the City of Winnipeg. That consultation, that discussion has taken place with the Federal Government and with the City of Winnipeg. The suggestion or the accusation made by the member that the City of Winnipeg is not part of any discussions, is simply not true. There have been ongoing discussions. There has not been any decision made with respect to any development at this time and when there is a decision made, I will certainly report that to the Legislature.

Commercial Developments - suburbs

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

MR. G. MERCIER: Mr. Speaker, my question is to the First Minister. Is it the position of this government to support that part of the proposal which would freeze commercial development in the suburbs? This

government's actions have indeed frozen commercial development probably throughout the Province of Manitoba, but now do they intend to take action to freeze commercial development in the suburbs as part of this proposal?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, we are dealing with an entire package of proposals and as the Minister responsible for Urban Affairs has indicated, there is an ongoing discussion involving the federal, the provincial and the city levels of government.

MR. G. MERCIER: Mr. Speaker, one final question to the First Minister. When does he and his government intend to let the citizens of Winnipeg and the Province of Manitoba in on what is going on, matters that are of extreme importance to residents of this city?

HON. H. PAWLEY: Mr. Speaker, one area that I think is very very crucial and very important insofar as this involvement or any other involvement of government, is that announcements not be made that would create any false expectation or false fears. Mr. Speaker, there has been agreement involving the federal, the provincial and the city levels of government, that announcement will be made, a joint announcement, when indeed it is mature to make such an announcement.

Mr. Speaker, I deplore what appears to be some leaking, rightly or wrongly, of information that may be indeed correct or incorrect pertaining to discussions that have been under way. That does not serve the public interest and we certainly do not intend to be a party to leaking information, bits and pieces out, that may or may not be indeed confirmed by way of a final announcement.

Garrison Diversion Project

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to either the First Minister or the Minister of Natural Resources. In a most recent memo from the Garrison Focus office, it confirms that the meeting of Canadian and American officials scheduled for Ottawa on April 20th has been deferred at the request of the American officials for one month. My question to the First Minister firstly is, can he confirm that indeed such a meeting was scheduled for April 20th?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Yes, Mr. Speaker, there was such a meeting scheduled and it's my understanding that it was deferred because officials needed more time. There is some hope and expectation that, in view of the growing disenchantment not only on the part of environmentalists, but on the part of people in North Dakota that some alternative development could be considered. Of course, we know that in the past there was a proposal that there be a phasing of the development, but no specific change of the overall

development. We are hopeful that what is proposed may be of some significant change. However, we're not sure of that.

MR. H. ENNS: Mr. Speaker, I thank the Minister for confirming that a meeting on Garrison was scheduled and was deferred, but I ask the supplementary question. He referred to the delay of the meeting because of officials requiring more time. My specific question is, was it requested by the American officials to defer this meeting?

HON. A. MACKLING: Mr. Speaker, I'm not exactly sure how the postponement was confirmed. I would take that as notice. I wouldn't want to give any specifics of it. I know that it was deferred. There was a meeting arranged and it was deferred and I will give the specifics then, in due course.

MR. H. ENNS: Mr. Speaker, this government, this Minister's Garrison Focus Office indicates in a press release dated April 20th, that the meeting was deferred at the request of American officials.

Mr. Speaker, my final question to the First Minister is, has the First Minister received any information that the reasons for the request, or the lack of willingness on the part of the Americans to schedule further meetings at this time on the Garrison; has he received any information at all as to whether or not that could hinge on the fact that a change in the delegation is being requested by the Americans? Or alternately, that at least the Government of Manitoba comply with the American official protest note, not necessarily to apologize for that unfortunate incident, but to at least assure the American officials that future hostile actions won't be undertaken by this government and its Ministers.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: No, Mr. Speaker.

MR. H. ENNS: Mr. Speaker, I speak, of course, and ask the question on behalf of the citizens of Manitoba, but more specifically for the constituents of Selkirk Interlake, the Lake Winnipeg Fisheries and so forth where the issue of Garrison is of deep concern. When does the Minister and this government expect to schedule the next meeting with American and Canadian participation?

HON. H. PAWLEY: The Minister had just indicated a few moments ago that there will be an announcement in due course, shortly.

Deer Lodge Hospital - takeover

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable First Minister and I would ask him, Sir, in view of the fact that he has seen fit to comment at a press conference on questions that I raised in the House on Wednesday about Deer Lodge Hospital and the

staffing situation there, which he took as notice, I wonder if he would now advise the House of his conclusions on those questions.

HON. H. PAWLEY: Mr. Speaker, pertaining to the issues at Deer Lodge, the member had asked a number of questions and some of the information was not final in order for me to provide the honourable member with a complete report. I can provide him with some information at this point but it may not deal with all the questions that the honourable member desired a response to.

The honourable member knows that effective April 1, 1983 the ownership of Deer Lodge Hospital was transferred from the Federal Government to the Government of Manitoba. This agreement specified there would not be a continuation of acute care programs in the hospital, both in-patient and outpatient. The patient load has therefore been reduced by some 200 and, of course, consequent upon that there is a reduction insofar as the staff load at the hospital.

Pertaining to the question of applications for the permanent positions, I wish to advise that the administration is continuing with the process that was established some time ago, and a process that was established by the Federal Government's Public Service Commission Staffing Manual based upon agreement that was arrived at between the management and the union in regard to the process. Apparently there was an agreement established. That process is being followed through as per the agreement between the union representing the employees and the management.

The member ought to be aware also that the same union continues to represent the employees at the hospital. Insofar as the question in regard to seniority, Mr. Speaker, the manual provides that though seniority will be considered if all items are equal, professional skill, occupational ability to do the particular task that if there be that seniority, is not the overriding factor pertaining to decisions that are made pertaining to the filling up positions. Seniority, all other things being equal, is provided for in respect to the manual. Insofar as the question of placement of surplus staff, there will be no displacement of staff until September the 30th, I believe, is the correct date, Mr. Speaker, some six months, to provide for an opportunity for other hospitals and health care institutions in the province to place those that are surplus at Deer Lodge in various positions in hospitals as positions become vacant in hospitals and health care facilities. It is my understanding that the hospitals had been co-operative in the past in this respect; I expect them to be so in the future.

I've also spoken to the Minister of Labour, and this is where there will be a further report, to review this particular situation and to provide me with further advice as to any other steps that should be considered in order to ensure that the employees are dealt with fairly and reasonably, not just according to the letter of the manual, but in order to ascertain whether or not the practice and the process that was established by the Federal Government through their management and through their union is indeed appropriate in all circumstances and to advise whether or not the Provincial Government ought to be taking some further steps. The Minister of Labour will be in a position to add further to that very shortly.

MR. L. SHERMAN: A supplementary question, Mr. Speaker, and I thank the First Minister for that information, but I would like to go back to my original question to him, which he took as notice, and that is ask him whether he can confirm that nurses and other staffing personnel with 10 to 17 years experience at Deer Lodge Hospital are being pushed out of their jobs, shunted aside in favour of personnel with as little as one year's experience?

HON. H. PAWLEY: Mr. Speaker, I did respond to that question by pointing out to the member that there is a process that was agreed upon by the management and the union. It is that process that is being followed through. I'm not, Mr. Speaker, able to confirm that indeed that is taking place, the facts as alleged by the honourable member. I am only able to confirm that the process that was agreed to by both the management and by the membership through their union is being followed according to the agreement arrived at between both parties.

MR. L. SHERMAN: Well, Mr. Speaker, can the First Minister confirm that he told a press conference yesterday that government officials are using the merit system rather than seniority, using the criterion of merit rather than seniority to make the decisions on staffing. If that is the case, where is the merit in retaining in a geriatric hospital, with war veterans, long-stay, long-care, chronic-care patients, personnel who have no geriatric training whatsoever, where is the merit in that decision?

HON. H. PAWLEY: Mr. Speaker, I don't know whether the honourable member was following the answer that I provided to him a few moments ago. He may not have been carefully following my response. I indicated that the process provided for a review of the individual professional qualifications, his ongoing educational experience, his professional capacity and those were factors that were weighed in each and every given case. All factors being equal, then seniority, indeed, was the overriding factor; if all other factors were equal, but seniority was not an overriding factor according to the process agreed to by the union representing the employees at the institution and by the management. But, Mr. Speaker, there is also a grievance procedure and I have checked and there has been, to my understanding, no grievances that have been filed up to this point.

I'm not still satisfied, Mr. Speaker, that this process may be totally adequate. It is for that reason, Mr. Speaker, that as a Provincial Government I have requested the Minister of Labour to further investigate and to review to ascertain whether the Provincial Government should bring in some changes, some improvements in respect to the process. That would have to be done, of course, with the support of those that are affected because those that are affected have already agreed upon a particular process.

MR. L. SHERMAN: Well, Mr. Speaker, one final supplementary at this juncture for clarification. I would just like to restate and clarify for the First Minister my last question, which wasn't based on whether I had

been listening to his earlier information or not; it was based on his press conference of yesterday and press reports emanating from it. I asked him whether he could confirm that as reported, he told a press conference yesterday that the primary fundamental criterion is merit. I am asking him, where is the merit in taking an 84-year-old war veteran, who is used to being cared for by a nurse who's been there for 14 years and depriving him of that nurse and giving him a new one-year junior person, neither of whom know each other and creating that kind of situation? Quite apart from the fact that the senior person is being pushed out of their job, there arises the whole quite of empathy with the patients. Where is the merit in that?

HON. H. PAWLEY: Mr. Speaker, I have fully answered the member again. I am not in a position to comment on some report arising from a press conference, except to indicate to the member that what I indicated at the press conference and here is one and the same, that merit is indeed the process that is pursued, all things being equal, then seniority takes dominance. But if, indeed, there are other qualifications that supersede, according to the process again I must repeat, and I don't know whether the Honourable Member for Fort Garry is suggesting that we unilaterally at this stage just simply cancel out the understanding that's been arrived at between the employees through their union and through management and impose a different process. That is the process that had been agreed upon, I'm not fully satisfied, and that's why I've asked the Minister of Labour to further investigate this matter and to provide us with a further report on the particular question in mind.

But, Mr. Speaker, again, I don't know if the honourable member has a grasp yet of what I'm trying to establish for him, that insofar as merit is concerned that indeed supersedes, according to the process that was agreed upon, management and union, if all things are equal then seniority will be the overriding factor according to the process as I understand it. Of course, the members have a right of grievance under the agreement that they arrived at with their management. The same union continues to represent the employees at the institution.

Red River Community College

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Speaker. My question is for the Premier. Can he confirm that the Minister of Education and the Minister of Labour are currently at a press conference, and if so, can he advise what the subject matter of that press conference is?

HON. H. PAWLEY: Mr. Speaker, the Minister of Education will be certainly pleased to provide the detail of that press conference.

It's a joint press conference involving the Federal Government, Mr. Axworthy, the Minister of Education and the Minister of Labour, pertaining to further federal assistance pertaining to Keewatin College, the Assiniboine College, Red River College and the establishment of a new facility in the City of Winnipeg

pertaining to technical vocational assistance, and also pertaining to the university.

The Minister will be anxious, of course, to provide that information once she has completed the press conference according to the — (Interjection) — Well, Mr. Speaker, the priority is that we do live in a co-operative federal system, in which the Federal Government has provided a major sum of money insofar as this ongoing process and it is only right and proper that the regional Minister be able to participate in the release of that information and that is indeed what he is doing with the provincial ministers at this time.

MR. G. FILMON: Well, I'm interested, Mr. Speaker, to learn that those ongoing negotiations that the Minister of Education referred to yesterday have come to such rapid fruition to result in an announcement this morning, particularly in view of the fact that she was tied up in Estimates all day yesterday. It's quite obvious that those ongoing negotiations had already been decided upon when she was asked a question.

But, Mr. Speaker, in view of the fact that the Premier thinks it's more important for his Ministers to make the announcement publicly because of some commitment to the Federal Government, why did he not come in here today and bring in a simultaneous announcement so that members of the House could be informed just as quickly as members of the public were, of this very major announcement?

HON. H. PAWLEY: Mr. Speaker, we have made a number of joint announcements. We'll check. I think our record will be just as good or probably better than the record of members across the way, by way of joint announcements. Mr. Speaker, I sense some touchiness pertaining to a joint announcement involving the Federal Government. The Federal Government has complained, rightly or wrongly for sometime, about the lack of visibility in respect to announcements pertaining to the expenditure of federal funds.

Mr. Speaker, insofar as this Provincial Government, we are more concerned about the substance of programs than we are about visibility, and if the Federal Government desires more visibility, we are delighted to participate with the Federal Government ensuring they do receive their appropriate appreciation for the monies expended in Manitoba.

MR. G. FILMON: Mr. Speaker, the merit of the programs aside, and I'm sure that Manitobans are all happy to have the federal funding spent in Manitoba, can he confirm that although it was said a few days ago that it took \$200 million to save Marc Lalonde, that it obviously is going to take at least \$1 billion to save Lloyd Axworthy in Manitoba?

Crow Rate

MR. SPEAKER: Oral Questions. The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Speaker. My question is to the Honourable Minister of Municipal Affairs. I wonder if the Minister could confirm to the House that he has been requested to provide information to the

Federal Government through the Assessment Branch of his department, regarding the number of cultivated acres on farmland in Manitoba, in relation to the Pepin plan on the adjustments to the Crow rate?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Yes, Mr. Speaker.

MR. D. BLAKE: I thank the Minister for that answer, Mr. Speaker. Will he be complying with that request in providing that information to the Federal Government?

HON. A. ADAM: Yes, Mr. Speaker, but just a short preamble. I want the honourable member to realize that the Federal Government and the Provincial Government have a constant flow of information going back and forth, whether it be on income tax, or whether it be on statistics and so on. It is, I believe, proper for the province to provide that information as requested by the Federal Government.

MR. D. BLAKE: Thank you, Mr. Speaker. The Minister must have some problem then in justifying his position, his stand on the Crow rate, now that he's providing this information to the Federal Government that seems contrary to the stand that he's taken on the Crow.

HON. A. ADAM: Mr. Speaker, there are times when you have to set your own feelings aside in a matter of protocol. Mr. Speaker, as I mentioned in my previous remarks, there is a lot of information that we require from the federal people and there's a lot of information that the federal people require from the province, and we will be co-operating in that effort.

Statistics Canada - housing price index

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Minister of Housing. Statistics Canada information shows that the new housing price index for Winnipeg in January of 1983 compared to January of 1982 was up 5.5 percent compared to the Canada Composite, which was down minus 4.5 percent. This makes Winnipeg the third highest of 18 cities across Canada.

My question to the Minister of Housing would be, is he concerned about this sort of information and does he have an explanation for it?

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. STORIE: Yes, Mr. Speaker, I thank the member for his question. Obviously we are concerned about rising house prices. I would indicate to the member, and I'm sure that he knows full well, the fact that house prices are rising are indicative of the fact that the market is moving and the fact there are numbers of people moving out of their homes into new homes, and of course, that creates the stimulus for people to go out and buy, and consequently the market price increases.

I should note that the Homes in Manitoba Program has a ceiling for a price. That has not changed. There are still affordable homes in Manitoba and there are any number of builders who are meeting homes under the HIMP guidelines, ergo there are still affordable homes available. Obviously rising house prices are of concern, but I think they're indicative as well, as there's some strength in that industry and in the long run will be a boom to the economy of the province.

Main Street Manitoba Program

MR. B. RANSOM: Mr. Speaker, a question to the Minister of Municipal Affairs. Last year the Minister had, I believe, \$1.5 million budgeted for Main Street Manitoba and one project has been approved under that plan. I noted on the "wish list" which the government put forward to the Federal Government concerning the Jobs Fund, that there is a further \$1.5 million within that "wish list" for an acceleration of the Main Street Manitoba Program. I would ask the Minister of Municipal Affairs, can we expect a further project then to flow from the addition of another \$1.5 million of funding?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

A MEMBER: Set your personal feelings aside.

HON. A. ADAM: Yes, I do indeed, Mr. Speaker. I want to advise members that quite a number of municipalities and communities have taken advantage of the winter months to work on projects for their communities and quite a bit of work has been done. My understanding is that there are a number of communities are in the advanced stage of completion, as far as their projects are concerned.

I want to commend the community of Erickson, in the constituency of Minnedosa, on their initiative and the co-operation demonstrated by the community and the business people, who co-operated fully with the local government, and they completely came up with a plan to renovate the entire Main Street.

I believe that 85 to 90 percent of the business community have been involved in that project and it's to their credit, Mr. Speaker.

MR. B. RANSOM: Yesterday in a comment to the media the Minister indicated that the reason that this program hadn't gone faster was because the municipal governments hadn't carried out their planning work at a sufficient rate of speed, Mr. Speaker. Can the Minister tell us whether indeed it is the tardiness of the municipal governments which is holding up this program?

HON. A. ADAM: No, Mr. Speaker, that is not the case. What I said is, it is difficult to organize at the local level to get everybody working together. That's what I said.

They have done their utmost to get these projects on the way. We have approximately 35 in various stages of completion, and I'm sure that given a bit of time, and a little patience on the part of the opposition, I'm sure that we will have a good Main Street Program in the Province of Manitoba.

Abortion Clinic - Dr. Morgentaler

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

MR. G. MERCIER: Mr. Speaker, my question is to the First Minister. Can he assure members of this House that during the absence of the Health Minister for health reasons, that this government will not declare Dr. Morgentaler's clinic a hospital?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I indicated that, I believe it was yesterday, probably not in the House, that certainly any decision pertaining to any application will wait the return of the Health Minister who, I'm sure all members will be delighted to know, is making quite satisfactory recovery, and I anticipate will be able to join us again in the early part of next month.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, on the same topic to the First Minister. Can he also give the House and the people of Manitoba an assurance that if, contrary to the law, Dr. Morgentaler were to open his illegal clinic between now and the return of the Minister of Health, that prosecution of Dr. Morgentaler would proceed forthwith?

HON. H. PAWLEY: Mr. Speaker, that question has been answered several times already by the Attorney-General.

HON. S. LYON: Well, Mr. Speaker, with respect, we are in a situation that is different because of the illness of the Minister of Health and because of the condition that the First Minister has laid down, I say not unreasonably that he wishes to await the return of the Minister of Health. That being the case, can he also give the assurance that he will instruct, as I expect he will have to, his Attorney-General to lay charges forthwith if that man attempts to open an illegal clinic in Manitoba?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

HON. H. PAWLEY: Mr. Speaker, the Attorney-General has already dealt with that item a number of times, that he would prosecute upon the provision to him of evidence warranting a prosecution. That has been made very, very clear by the Attorney-General.

Mr. Speaker, the interference upon the Attorney-General would be quite improper under these kind of circumstances. The Attorney-General knows his duty; he will do his duty as the Chief Law Administrator of the Province of Manitoba.

HON. S. LYON: We'll see. If you don't have to pay out more money for libel for him.

Jobs Fund

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: My question is to the First Minister. It is now almost two months since the Minister of Finance introduced his Budget and announced the Jobs Fund. When can we expect to see the legislation before the House which the First Minister has promised?

HON. H. PAWLEY: Mr. Speaker, very soon, in fact, I expect that the bill will be likely distribute this coming week.

INTRODUCTION OF GUESTS

MR. SPEAKER: May I direct the attention of honourable members to the gallery, where we have some 110 students of Grades 9 to 11 standing from the Edward Schreyer School. They are under the direction of Mr. Kalinowski, Mr. Lindenschmidt, and Mrs. Wiens. The school is in the constituency of the Honourable Minister of Highways and Transportation.

On behalf of all the members I welcome you here this morning.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Mr. Speaker, would you call Bill No. 4.

ADJOURNED DEBATES ON SECOND READING - PUBLIC BILLS

BILL NO. 4 - THE MANITOBA OIL AND GAS CORPORATION ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of Energy and Mines, Bill No. 4, standing in the name of the Honourable Member for Tuxedo.

MR. G. FILMON: Thank you very much, Mr. Speaker. I'm pleased to be able to address the concept that's being put forward in Bill No. 4 which establishes the Manitoba Oil and Gas Corporation. As many other members of the House have had opportunity to state during their remarks, this is a bill which I think is more the fulfillment of an ideology, the fulfillment of a political message, as opposed to a response to any real need in the province.

Members opposite, in justifying the need for the establishment of this publicly-owned oil and gas corporation, have on a number of occasions compared the ManOil proposal to Petro-Canada. They have indicated that the justification for ManOil is very similar to the justification that existed when the Federal Government decided to establish Petro-Canada.

I recall that when the Federal Government made that decision they highlighted three areas. One being that

Petro-Canada would be a window on the oil and gas industry, a very major resource industry in Canada and indeed in the world today. That it would, as a window, keep in contact with all of the affairs of the multinational and Canadian-owned firms who are operating in this important and certainly very valuable industry. That it would have the opportunity to set up a Crown corporation that could deal on an international basis with other companies who were major producers of oil and gas, and that as such they could deal with the gross and block purchases that were necessary from time to time to fulfill the petrochemical needs of our country beyond those levels that were currently being provided by the producing companies within Canada, so that we could buy and sell crude oil on the international market with perhaps more ease and a greater sense of security because we were dealing with a federally-owned Crown corporation.

They argued that other countries in the world preferred that kind of arrangement, and they said that it would be a force in pushing forward exploration and development in the high risk areas of Canada. So in that particular case where the oil and gas corporations that were privately held shied away from perhaps the higher risk areas; where it was known that resources probably did exist, that Petro-Canada would become a force in urging and promoting and, in fact, in stimulating the development of oil and gas in the higher risk areas, thus more rapidly expanding Canada's known resources, known reserves of crude oil.

I will deal with my arguments as to how well Petro-Canada has achieved its three major goals at a later time, but I will just make the case that I don't believe that one could argue that any of those major reasons why Petro-Canada was established hold true in Manitoba. I don't believe that you could say that having a Manitoba-owned oil and gas corporation is, in any way, a necessity to deal with foreign governments or other people in terms of buying and selling crude oil; that ManOil could be much of a factor or much more of a factor than Petro-Canada has been in forcing exploration for oil and gas in the higher risk areas, because I propose to demonstrate clearly that it was an abject failure in that regard and has been and will continue to be.

Finally, in terms of being a window on the oil and gas industry, which is what I believe the Member for Inkster has argued in his remarks on this particular bill, I believe the only reason why that window will be used is to throw out the Manitoban's hard earned taxpayers' dollars, throw it out the window, because I don't believe it will result . . .

MR. B. RANSOM: It's borrowed money anyway.

MR. G. FILMON: Well, it's borrowed money, my colleague from Turtle Mountain says, and that's true. But we, the taxpayers, have to repay it and that is why I am concerned about opening that window to throw out hard earned tax dollars, because that's all it will accomplish in terms of being a window on the industry in my view.

Mr. Speaker, the kinds of philosophies, the kinds of motivation that result in the establishment of a publicly-owned, provincially-owned oil and gas corporation, I

suppose, are trading on the same kinds of motivation and the same sorts of emotions that Petro-Canada evoked. I think the Federal Government probably had done some fairly significant studies in arriving at their decision to go for a federal Crown corporation in the field of oil and gas. I think that they probably felt, with due justification, that many Canadians who were looking perhaps with envy at shareholders of national and international oil and gas corporations, said, look at all the profits that are being made by those. We should have a part in that. We should participate in that whole exercise and give ourselves some of the ownership. They were appealing, in a sense, to the chauvinism of Canadians, giving them a pride in their country, in their resources and saying, you should be part of the ownership. For those of you who either (a) don't want to take the risk on a personal basis, or (b) can't afford to take the risk on a personal basis, we'll give you a part of that with your own tax dollars and you will be in the centre of the action. So there were emotions that were evoked in many, I suppose, average Canadians to support the federal move into Petro-Canada.

I don't think that kind of situation prevails in Manitoba. We are very much different. We're dealing with an oil patch in southwestern Manitoba which is relatively small in national terms certainly, or certainly in international terms it is extremely small. We're dealing with an oil patch that cannot necessarily be any further developed or explored by introducing one more company, particularly a small company that is not capitalized to any great extent, because there is a great deal of competition in the field today in Manitoba.

In fact, I will later read from the Minister of Energy and Mines' own report in which he tells us how well the oil patch in Manitoba has done during the past couple of years, and how we have reached record proportions in every indicator of action in that area, and that all of this has been extremely positive for Manitoba in terms of revenue, in terms of tax dollars coming to us and supporting all of the things that we have in Manitoba in terms of goods and services to provide as a government.

So all of these things are very positive and what is reflected is the tremendous amount of competition that has occurred because of the finds that have occurred in our relatively small oil patch. This company, therefore, moving in at the present time to compete with all of these other companies, doesn't seem to add anything to the mix. There is so much competition that I don't think we have to be concerned that enough exploration and development isn't going on; I don't think we have to be concerned that we are not pushing into every possible area of interest for oil and gas in this province.

I think that we are, because the good news of the oil finds in southwestern Manitoba has brought interest from all over Canada. Most of the firms that are coming in are small Canadian firms, but certainly there are multinationals involved as well. Most of them are coming from outside the province and they are attracted by a favourable regime of taxes and royalties, one that without question has proven to be very effective in promoting the development of that oil patch for us and the development of our resources, and has become a very, very significant source of revenues to the government. That royalty and tax regime, which is talked

about in another bill that's before the House and will be related to this, has resulted without question in very active exploration activity and a great deal of development work going on.

It's one that I am proud to say, as a member of the previous government, was an idea and a policy of our government brought forward by Don Craik when he was then the Minister of Finance — (Interjection) — I've just been corrected to say that the Honourable Member for Turtle Mountain was the Minister at the time, but I know they worked closely as Minister of Energy and Mines and Minister of Finance in bringing forward that program which was very favourable. That program was brought forward much to the chagrin and much to the protest of members opposite when they were in opposition. They felt that it would not result in enhanced exploration activities and increased expansion to the oil and gas industry, but it has proven to be an extremely effective measure in bringing forth the development of our resources here in Manitoba.

The Act says and the discussion that's been put forward by the government asserts that ManOil will act either alone or in partnership with the private sector to develop the oil industry in Manitoba. The members opposite have said to us, why are you concerned about any adverse effects it might have on the oil and gas exploration industry in this province? The oil industry itself isn't concerned. They've made no major concerns known, they haven't taken a position against it, so why are you people concerned?

Well, I say that at the present time setting up by mere virtue of passing this Act, the corporation probably doesn't concern people. Bringing in a totally inexperienced government-run operation to compete with private sector probably doesn't concern private sector too much because they know the government lacks the expertise, the knowledge, the experience and the background to really be effective in this field.

Now, of course, it can be argued that you can hire that expertise, that you can buy it. So what do you do then? You come in to a field that is highly competitive that has many many many organizations involved - private sector organizations - producing a great deal of positive effect for Manitoba and you come in and start competing with them, buying away their expertise, paying for their services and driving up the price to the extent that everybody is going to have greater costs; everybody's profits will be reduced and the net result is, that as there are fewer profits produced Manitoba gets less. So, okay, you can come in and buy the expertise. I don't know why you'd want to, but you can do it.

Petro-Canada, of course, has tried that route and Petro-Canada has suffered from the same kinds of problems that all publicly owned organizations do in competing with the private sector and that is, that they can never make efficient and effective decisions because there are always other interests involved; because the government always has to be re-elected. So they throw aside the rationale and the logic behind a decision in favour of practical political considerations and I'll tell you we see it happening in this government.

We have areas of endeavour in which the government has a legitimate role to play and I'll speak in terms of public utilities. None of us would argue about the government getting involved in providing services in

the form of public utilities in this province as we do in Hydro and Telephone System and so on. But you look at what happens between the logical rational decisions that are recommended to be made by the senior management and the board of these corporations and what happens when they're translated into public action by the Minister responsible, you find that all of a sudden the recommendations and the decisions are changed for political considerations.

I'll give you one example. The ratepayers of Manitoba could have been saved \$6 million last summer by Manitoba Telephone System had they adopted a system of work-sharing, you might say, or people taking time off without pay, to try and keep everybody working to some reasonable level to keep everybody on the payroll and yet to save some significant payroll costs because their volume had dropped. With the recession there is a lesser and a lesser need to install telephones today. There is a lesser volume going on in terms of expansion of the utility's infrastructure.

So there's no question that there should have been in some reasonable way some cutbacks in staff to save the ratepayer money, but who intervened? The former Minister responsible for the Telephone System, the Minister of Community Services and Corrections, the now Minister who was just taking over at that time the Minister of Government Services, and they both said, no, you won't do that. That may be a logical, rational, reasonable decision, that may save the ratepayers of Manitoba Telephone System \$6 million, but we don't want it because it'll cause potential layoffs or reduction in income to some of our staff and politically that's not a good thing, so they turned it down.

Well, that kind of superimposition of political considerations over rational logical decision-making on a management basis in any Crown corporation will always render it to be useless, ineffective and non-competitive in the real world out there. So, you just set up another corporation that can't compete because you will tie its hands as a government by putting political considerations ahead of management decisions and that will happen over and over again. I don't have to relate to members opposite - well, maybe I do - because there are so many fresh faced newcomers over there who didn't live through those years of Schreyer Government where they were buying anything and everything that was failing in this province. — (Interjection) — Yes, I lived through it. In fact, that's what got me into politics because I was realizing how much of my tax dollars were going to pay for those inept government decisions and those terrible judgments that were being made with taxpayers' dollars, to get involved in anything and everything that was failing and to take it over at the public purse.

We've talked before in this House about Saunders Aircraft, William Claire Publishing and King Choy Foods and all of those things. Unfortunately, these members opposite don't appreciate it because they obviously weren't involved in it. The Minister for Urban Affairs throws in CFI, well that's fine.

CFI is Manfor and it is The Pas today, and if you think that was a bad investment, then why don't you get out of that investment? I challenge the Minister of Urban Affairs, get out of that investment as a public investment. Sell it to somebody else, if you dare. But the point is, of course, that they will not do that and

yet they'll complain about it and say that mistakes were made, but they'll try and take credit for having it under their wing as a Crown corporation, that they seemingly can do something with. Well, the fact of the matter is, Mr. Speaker, they will not do it because they don't have the political courage and they will let politics colour their decision.

We talk in terms of what's happening. Okay, there's an investment projected of \$20 million and I believe it was the Member for Thompson who corrected members opposite as they spoke about the \$20 million investment and said, ah, but that's not really \$20 million, it's spread over four years, so it's 5 million a year for four years. But it's \$20 million that's going into it. What that means in terms of people in the private sector is that now they're going out and competing, they're working hard, they're taking risk capital and producing oil and gas which produces for us in the province, royalties, taxes, produces jobs, income for many Manitobans and also profits and on the profits, of course, they're paying significant taxes to our province.

But out of these profits, out of these taxes and out of these royalties now is being taken money to set up a Crown corporation. So, not only do we become the taxer of these companies in oil and gas, we now become their competitor and we use their own tax dollars to compete with them. and to compete with them to a certain extent, on an unequal footing.

Just to talk about the unequal footing, the fact of the matter is that if it comes to a point of bidding for Crown land leases, for oil exploration rights, what restrictions are placed on a government-owned agency? Shall they pay whatever they have to, to get it and outbid the competitor? Why not? They might very well do that. If they go into that kind of thing and they outbid the competitor, then what are they doing? They're just merely spending tax dollars presumably to make money - that is presumably to make money - because I think we have to look at the record and look at what was accomplished when this government, under the Schreyer administration, went into the oil and gas exploration field.

I believe the records will show that they spent something in the order of \$1.5 million, and that doesn't take into account many things. That doesn't take into account the value of the mineral leases on the land. It doesn't take into account, I suppose, the interest-free dollars that they were dealing with in terms of public money. And what did they produce? Well, they produced a lot of dry holes, Mr. Speaker. I think I have some information here that talks about the number of dry holes that they produced. Here it is: 54 dry wells, jointly, two on their own. Well, I guess you could understand why there hasn't been a hue and cry from the private sector, because every dry hole that ManOil will drill, will be one less that the private sector will have to drill. There it goes.

What has it produced us in terms of revenue? One thousand and fifteen dollars was what we got last year out of it, \$1,015.00. Cumulatively, the members says \$90,000.00. I doubt that it's even that high. — (Interjection) — Well, okay, even if it is \$90,000, if you're satisfied that the return of \$90,000 on an investment of well over \$1 million cumulative, total return, is worthwhile, then I understand the problem we have now with you in government.

Let's talk about all the other so-called successes in the field and how well they fare. Let's talk about Petro-Canada for one. Petro-Canada is . . .

MR. D. SCOTT: The only company in the country with an increase in sales.

MR. G. FILMON: The only company in the country with an increase in sales. That's what the Member for Inkster said. — (Interjection) — Mr. Speaker, if a company continues to increase its sales and not make any money, there's something wrong, and Petro-Canada has a serious problem. Petro-Canada has something in the range of \$3 billion to \$4 billion of taxpayers' money, interest free, and they made a profit last year of \$10 million. Do you know what that is in terms of return on investment? It's such a small fraction of 1 percent, that no company should ever be in business under those circumstances. — (Interjection) — No company, other than a publicly-held company, could ever continue in business under those circumstances, yet the Member for Inkster brags about it — absolutely brags about it — and I can't believe it.

If you go to Calgary today, Petro-Canada is the joke of the city. Petro-Canada has over a million square feet of office space that it's trying to unload on the Calgary downtown commercial market. They are taking space that they leased at \$24 a square foot and they are putting it on the market for \$12 to \$15 a square foot — 700,000 square feet of it. The loss to Canadian taxpayers is millions of dollars and they're bragging about it because they say they're cutting their losses, they're cutting their potential losses from over \$30 million down to \$15 million on that space. The incredible lack of logic in their decision-making comes through over and over and over again.

Private companies are managing to make deals to get out from under their losses at a much better situation than Petro-Canada, but Petro-Canada has to do it at a major loss to the taxpayer over and over again, because their decision-making is not as good, is not as effective, is not as efficient as the other companies with which they compete.

Mr. Speaker, I have to talk about the naivete of some of the members opposite in defending this bill. The Member for Thompson said that we were getting all too excited about this, that the company was only going to do a bit of this and only going to do a bit of that; that they weren't really going to be that big a factor in the overall oil and gas industry and therefore, they weren't going to have a dampening effect on exploration in the southwest. Well, they may not be a big factor and if so, why are you doing it? That's No. 1.

But secondly, what is it that they will say to the private sector, by setting this up, by investing public capital, and taking funds from needed public programs, and putting it into an outfit like ManOil? That will be a message and a signal to the private sector out there. It'll say, we're coming in, price is no object, competitiveness is no object, efficiency is no object, we're coming in for political considerations. That's like competing with somebody who has nothing to lose because it doesn't really matter what they lose. So, the worst person to deal with is someone who has nothing to lose because they act irrationally and that's

the kind of thing that ManOil represents, is that they're an irrational element to the private sector.

You know, the Member for Thompson said he was talking about somebody who said that if worse came to worse, they would rather sell some of the publicly held Crown corporations, for which there is ample competition in the marketplace, than to keep increasing our deficit so that countless Canadians will continue to pay taxes — unborn Canadians as has been said — will continue to pay taxes to support the deficits that are being created today. He would rather do that, sell off those Crown corporations and reduce the deficit and not bind Canadians into paying taxes for the rest of their lives than do that. The Member for Thompson said that's like selling the family heirlooms. Well, I have news for him.

When individuals, who are facing tough times in their own families, are faced with that situation where they can't eat, they can't put food on the table, they sometimes have to sell their heirlooms. Indeed, I know of many immigrant families who had to do that. Who had to raise the money in whatever way they could and yes, it hurt them a great deal, and yes, they were sorry. But you know they came back because they didn't stand on that kind of principle. They would rather put food on the table for their families, than to stick with the family heirlooms for whatever reason. So if that's his principle, then I say his principle is not in tune with many average Manitobans.

Look at the rationale behind going into ManOil. What is ManOil presumably set up to do? It's set up . . .

MR. P. EYLER: To make money.

MR. G. FILMON: . . . well, the Member for River East says, make money. I tell you, if you look at it in rational terms, it will never make money as long as you and I live and breathe. It will never make any money to speak of, and I'm talking in real terms.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Just a second. We can talk about making money in different terms. We can talk about making money based on interest-free loans. We can look at the credit union movement this year and say it made half-a-million dollars, but it paid no interest on a \$29 million loan. If you call that making money, then you're idea of making money and mine are different. We can talk about SaskOil making money and if you don't take into account the interest that was foregone on SaskOil's operation, they lost \$15 million this past year.

Now that's the kind of thing that goes on. If you give everybody free capital and don't ascribe any interest charge to it; if you don't ascribe any value to the mineral rights you give them, then they can make money. But that's not the kind of operation we need. We don't need to give taxpayers' dollars, interest-free, to a company in order to produce less money than we would get just putting it in the bank and getting interest on it. That's not the kind of operation that we are talking about. So let the Member for River East be immediately disabused of that thought.

MR. B. RANSOM: Or tell us when we'll make it. When can we expect some real dividends?

MR. G. FILMON: That's the other thing. When can we expect a real dividend from that company?

MR. A. DRIEDGER: They won't be in government anymore.

MR. G. FILMON: Mr. Speaker, I will return to the topic that I started earlier about the rationale behind Petro-Canada's establishment. As I said earlier, Petro-Canada was promoted, among other things, on the basis that it would force accelerated exploration in high risk new frontier areas. Through joint-venture partnerships with private-sector companies, this kind of thing would happen. What is happening, in fact, is exactly the opposite. Petro-Canada has indeed gotten involved with many private-sector companies on a joint-venture basis where they hold mineral exploration rights in high risk areas.

One of the provisions, of course, of the infamous National Energy Program is that if no exploration and development is carried out on lands for which companies own mineral rights within a certain period of time - and there is a limitation of time under which they must cause exploration and development to take place - what happens is that the oil and gas exploration rights revert to the Crown in right of Petro-Canada. So you can visualize what's happening.

Petro-Canada has a 25 percent interest or a 40 percent interest or a 50 percent interest in certain lands upon which they have mineral exploration rights for a certain given period of time. Their private sector partners today are feeling the squeeze. Their profits are down. The amount of capital that they have to reinvest is down. So they aren't too anxious to force exploration in those areas themselves, because they are a little strung out for capital. Petro-Canada could force the exploration with taxpayers' dollars and they could cause it to take place in these high risk areas, but if they don't force the exploration and the time expires, instead of having only 25 or 40 or 50 percent of the mineral rights, they get it all. So all of a sudden, it's not in Petro-Canada's interest to force exploration and development on these lands. So they let them ride and all of a sudden, they get it all by virtue of the National Energy Program provisions.

So in fact, it's not having that effect that they said it would, that it would force - it's having exactly the opposite effect. We are stopping or stalling any initiative for exploration and development in many cases, because of Petro-Canada.

Another provision of what's happening through this whole tangle between Petro-Canada and National Energy Program is that it becomes more financially beneficial for the multinational firms to farm out their mineral exploration rights to junior oil companies, many of whom aren't headquartered in Canada, so they don't have to pay for head-office space. They don't have to pay profits on their taxes. They provide very little employment and, in fact, the multinationals are creaming off the top and they're letting the juniors take the high risk and provide very little in terms of employment returns to our country.

Why would the government want to plunge into the field of oil and gas exploration with public taxpayers' dollars? If you go and talk to a brokerage firm, if you

talk to somebody about buying stocks in the stock market, they'll tell you that the highest risk area that you could go into is in oil and gas exploration. If you have money to risk that you don't care whether you make it or lose it - yes, the returns, if something goes well, will be high; you will get a very high return, but the risks are the greatest. It's in the exploration for oil and gas. That's the highest risk area.

Now why is that? Of course, you say the multinationals are making a fortune, but the fact is that they don't operate by taking the high risk ventures. They have enough capital that, if somebody finds oil in an area, they can move in and bid higher than the smaller companies because of their capitalization for the oil and gas rights around that find. They can outbid them because of their greater capital, and they move in on what becomes almost a sure thing.

Those are things that we wouldn't be able to do, because you won't have the capital in ManOil to do that kind of thing. The fact of the matter is that every dollar you have to spend in ManOil, you'll have to take away from needed government programs in day care and education and health and all of those things. So you are always going to be in a situation of toying between two pretty tough alternatives, so you won't really be a factor. What you will be is just a little irritation on the rump of the industry, an annoyance that's always there that says, well, they are in there and they're forcing us to do this and they're taking our money and they are spending it and outbidding us for our oil rights. You will be an annoyance, and what you'll do is you will cause the collapse of what we have spent a number of years in building, and that is an oil patch that now is very attractive, that is highly competitive and is bringing in many, many people to invest in Manitoba.

What has happened - a summary of the 1982 highlights according to the report that was given by the Minister - 195 wells were drilled in Manitoba during 1982, surpassing all drilling activity for 25 years. Manitoba's annual oil production increased for the first time since 1968, 582,000 cubic metres; that's 3.66 million barrels. Value of oil exceeded \$100 million, a 57 percent increase over 1981. Provincial revenues collected from the oil industry, royalties, oil taxes, leases, \$16.25 million during 1982 without one penny of our investment. We're taking over \$16 million out of that little oil patch in one year. Gross royalties payable to freehold mineral owners estimated to be \$11 million.

My colleague from Turtle Mountain says, how is Petro-Canada involved? We made more than Petro-Canada without having a nickel investment last year. Can you believe that? And they have over \$3 billion invested, \$3 billion. That's unbelievable. All of these things, revenue to surface owners estimated at \$1.3 million; oil industry expenditures in Manitoba, \$120 million in 1982; two sales of Crown land leases for \$1.07 million revenue to the province; all of these things without a nickel of our investment. Yet, we want to jeopardize all of that activity, we are prepared to throw out all of that or force it into a situation where it gets annoyed and it pulls out. We - and I shouldn't be saying we, because we don't want it on this side, you people over there want it - you want to throw it all out because of some ideological bent. Mr. Speaker, I just don't understand it. We already get the royalties, we already get the taxes, we already get revenues from the sale of leases,

we get profit, we get taxes on the profits, we get income taxes from the people who are working in this and it means millions and millions to the Manitoba economy, the best situation we've ever been in and we're prepared to jeopardize it all - that is members opposite are prepared to jeopardize it all - for pure political considerations. I think it's wrong and, Mr. Speaker, I believe that all members should join with me in voting against this bill.

MR. SPEAKER: Are you ready for the question?
The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: I move, seconded by the Member for Portage la Prairie, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Bill No. 12, Mr. Speaker.

BILL NO. 12 - THE WATER RIGHTS ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of Natural Resources, Bill No. 12 - the Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker. I appreciate the opportunity to make some comments on Bill No. 12, The Water Rights Act. When the Minister introduced the bill some time ago he took a lot of time talking about the water situation generally in the province and concerns that he raised as to the preservation of water. I have to agree with the Minister that I think our water is one of our most important natural resources that we have and that we should be taking steps to possibly make sure that we can maintain a good supply of water - good clean water.

When we consider the situation in many parts of the world, even in our neighbouring United States, there are many cases where water is the most desired thing that they could have. If we looked at some of the Asiatic countries, it's one of the reasons why many of these countries failed to develop good programs of supplying themselves with food, etc. If we consider the situation of what's happening in the United States, in some of the areas where you have highly-populated cities, where you have limited water supplies, the quality of water in some of the rivers. I think this is the time when we should be looking at possibly trying to make sure that we can preserve a good quality of water for the future.

I think we're very fortunate in this province that we have a good supply of water. Anybody who has travelled in the North has seen the many lakes, we always talk of our 10,000 lakes or how many we have, and the quality of water that we have up there, I think, is something that is the envy of many people.

In dealing with the Red River Valley Flood Coalition Board, at one stage of the game they made reference to the fact and had some projections where the Americans were talking of channeling our water to the south instead of in the normal flow going the other way. I'm sure that if possible, at all, that the Americans

would do anything to get the kind of water, the amount and the quality of water that we have here.

So, I agree with the Minister in the respect, in introducing the bill, that we should be starting to make moves to make sure that we have good water in the future.

My feeling is, though, what the Minister has done, he's introduced a very substantial bill, and I want to just flag some concerns with the bill that he has forwarded to us here. There are 18 pages in this bill and the major concern that I have, not on the direction that he's going, but the powers that he's taken all in one shot with this bill. In reading it, almost every phrase or every paragraph in there refers to the Minister, the Minister may, the Minister can, etc. The Minister may remove works, the Minister has power to enter, he's got power to charge liabilities, recovery of expense, etc., all these things. It goes on an on through the whole thing and it gives the Minister total power over all water in the province. It gives him power over all streams. I think under water resources now, there is certain authority that's there.

What bothers me most is that there is no reference to the municipal people in there, and I think they should play a very important role in this somewhere along the line. There is no reference to where a municipality will ever have any say in the matter. It is all the Minister. Everything comes to the Minister. The concern I have is that if you have a Minister that is possibly not that concerned, or if he wants to play games with it, the opportunity is there.

When I was thinking of that, the concern I have is, for example, the Legislative Assistant to the present Minister, who seems to be a self-appointed natural resource critic of some kind and I'd be concerned because I don't agree with the views that he has, and if he was influencing the Minister, then the Minister has total jurisdiction in this field. I'm very concerned about that aspect of it. Why don't we have the municipal people involved in this bill? There is virtually no reference to municipal people.

Now, here the Minister has the authority to move in, undertake drainage works, undertake all kinds of works, has the right to charge the municipalities or individuals. Then he said, yes, there is an appeal system in place where the individual or municipality can appeal to the Municipal Board for adjudication of it, but in many case of an individual, they very seldom will do it and because he's got the control of anything over 25,000 litres of water a day. That could include a feedlot that has drilled a well, and it could be, you know, a limited irrigation system even, not a very substantive one at 25,000 litres a day.

I feel very strongly, having been reeve of a municipality for a number of years, that gradually government with each bill that they introduce gradually erode the municipal participation in many of these things, and this bill has certainly done that very much so.

Under the Water Resources Department until now, there has always been good communication with the municipal people in terms of drainage undertakings, in terms of water storage, there's always been a good communication. Under these circumstances municipalities are bypassed. They will have virtually no say in the matter at all. They can appeal a decision, yes, but the Minister does not have to consult with the

municipal people. He can make an order, direct it as he wants and his people will enforce it and the municipal people are left in the cold. That is the area that I'm very concerned about.

This erosion of municipal involvement has taken place over many years, gradually, gradually, always less, always less. Basically, what we have within the municipal councils nowadays is a tax collection agency. You know, if the heat comes on, we can pass the buck a bit, but the actual authority or involvement is gradually being eroded and I'm very concerned about that.

The other item that I'd like to flag for the Minister is the transfer of the licence. I raised it the other day when he introduced the bill as a question of clarification. If somebody has set up an irrigation system which is of substantial cost. He has a system in place and he has to apply for a licence and the Minister has the discretion of giving you a licence to begin with. Now, let's just visualize an individual who's got one-quarter or two-quarters, he has an irrigation system put in at substantial cost, and then for whatever reason he wants to sell it. This is where I have a concern. The Minister said the licence could be transferred, but my concern is that it's going to be cancelled first and then the individual has to reapply.

Now, can you imagine if I had, you know, a farmer having spent maybe \$250,000 to irrigate a quarter or two, the total system is in place, he's making a sale, he's trying to recover those costs that he's put in there in terms of making a sale, and the Minister says well, no, you know, I don't think that we'll necessarily transfer the licence, because maybe it'll delete the water supply to some degree. He has that authority and I feel very strongly that it can create major problems for people who have made investments, that have investments right now in terms of irrigation.

I realize full well, you know, that a system has to be established whereby there is some control, but I think this whole bill, again coming back to it, gives the Minister much too much authority. He has total authority. Hypothetically, one could imagine that, well, myself if I was Minister, let's say, and somebody had an irrigation system, and then he was going to sell the land and the licence automatically is cancelled, and then you reapply for licence - at least this is my understanding; if it is not the Minister can clarify that - but then supposing I don't want to transfer, as a Minister I have whatever concerns or somebody else maybe wanted to bid on the land, the opportunities bother me about the transfer of those licences.

I feel very strongly that I would like to see the Minister take a very close look at that to see whether there could be any other way of handling it. I think the licence should be part of it. By the licence terminating at that stage of the game, the next thing I can visualize the Minister saying, well, the cost is too high, you paid too much for the system. You're using the resource water and here you're charging the guy so and so much for it and, you know, I don't agree with the cost. If you sell for less, then maybe I'll approve a licence.

Those dangers are there and inadvertently they will be coming up. I can visualize them coming up. The thing is that we haven't got that many systems in place right now. It's not like when we go through Alberta where they have extensive irrigation systems; in the east, for example, where they have, but here we're just

on the verge of breaking into it to some degree and I agree that we should have some system in place.

This is where I feel that also municipalities should have a say in some of these matters. Their concerns have been totally bypassed. What I would have liked to see the Minister do is maybe proceed on No. 1, get the municipalities involved before you presented the bill. I think there's been virtually no communication with the municipalities.

I've taken the liberty to send the bills out to the municipalities in my area for a reaction. It is so important, because this involves every stream, anything to do with water, unless at a very low domestic level. Why has he not made some kind of contact with the municipal people on this?

The reaction to this is going to come after the bill gets put into place and then some individuals going to come to the Minister and say - listen I have a drainage problem here. He won't go to the municipality any more, or he might have difficulty with the municipality. He'll be coming to the Minister and saying - listen I have a problem here, send your people out to do a study on it and maybe undertake the work, and the Minister can say - okay, fine I'll do that. I would assume if I asked him that he'd do that for me because we're, you know, getting along so well, and then he'd have the authority to charge it to the municipality as a municipal undertaking. These are the kind of areas that I feel very concerned about, and the municipal people will feel concerned about it the moment that it starts happening and it will happen. It's just a matter of time until the Minister directs certain works to be undertaken and will be charged to the municipalities. That is coming.

If the Minister had taken a little bit more time maybe with this, and I'm not totally opposing the direction he's going, I'm opposed to some of the steps that he's taking and how he's done it. I feel that there should have been communication with the municipal people to some degree to get their reaction.

I also think what is required for a substantial bill of this nature is an educational process where we can maybe educate the people of Manitoba in terms of, you know, the value of good water, why we have to start bringing some system of controls and regulations, because many people are going to be upset when they all of a sudden find this bill in place and they don't know what it's all about and that the Minister has got total control of it. I think the educational part of it can still be done. Before the bill gets proclaimed, the Minister can maybe inform the municipalities, inform the public through his Communications Branch in terms of the intent of it, so we have a bit of a gradual flowing into it, because I know the way it's going to happen right now there's going to be a wall of resistance developing.

There will be a wall of resistance developing from municipal people and from the general public. I think a good awareness program in terms of what we have waterwise, what we're trying to do in terms of retaining a good quality of water, I think these things are things that have to be looked at, because as I indicate it is a very, very substantial bill.

I feel, Mr. Speaker, that the authority that the Minister is taking here I just can't quite accept that.

Then at the end he establishes within the bill the power to establish a board, and I'm concerned about

what kind of board it is. It outlines the jurisdiction of the board, etc., and I'm wondering why we would have to have another board. Why wouldn't we have some kind of a municipal board then, or the municipal people involved in that aspect of it? But here it will be an appointed board; the Minister has the right to appoint anybody he wants to that board. I say with all the power that he has, why does he even want the board. I think it is maybe just something that he can hide behind when the heat comes on too strong, then he'll pass it over to the board.

We're having the same happen with the Minister of Agriculture right now. The heat comes on from the economic conditions of farmers and he appoints a board that's going to adjudicate some of these things or give advice, and I suspect that the board appointment there is probably just a place for the Minister to hide behind when the heat is going to come down on him.

I'm also a little concerned about the inter-provincial reference made in there. One of the problems, especially in my constituency where we have a fair amount of the flow of water coming from the American side creating problems, will this board then have the jurisdiction to go and negotiate with our American neighbors? I don't expect so. We have a system in place right now through the Federal Government that does that. Now what is this board going to basically do?

Like I say I, with all the authority that is established already with the Minister, the establishment of another board, this board is going to be working with I don't know who, I suppose the Minister or the Federal Government. We have boards 'till we don't know what to do with them anymore. I don't know whether the purpose of it is, as I indicated, to protect the Minister, and the other thing is of course then to make sure that he has his people sitting on the board adjudicating his wishes.

So those are the comments, Mr. Speaker, that I wanted to put on record. I hope that the Minister will consider some amendments on this, certainly in the area of transfer of licence for irrigation systems. That is the No. 1 concern that I have. The other one would be that he maybe promote or come forward with some kind of an educational system, a public-relations type of information in terms of letting the public know the direction that he is trying to go on it.

The last and not the least concern that I have is the total lack of municipal people or the municipal involvement in terms of this bill. I believe that it is taking away a lot of authority from the municipal people in terms of the drainage priorities, in terms of watersheds, many other things. I think, when we consider that water conservation districts are being set up in certain areas they are now and that his water resources people are promoting this in the future, that we're going to have all kinds of boards, we are going to have the water district board and we're going to have the board that the Minister is going to be establishing, we're going to have a real hodgepodge and the municipal people are going to have virtually no input into the matter. So I hope that the Minister takes some of these matters under consideration.

Thank you.

MR. DEPUTY SPEAKER, P. EYLER: The Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Speaker, I move, seconded by the Honourable Member for Kirkfield Park, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Minister of Natural Resources.

HON. A. MACKLING: Bill No. 3, Mr. Deputy Speaker.

BILL NO. 3 - THE FARM LANDS OWNERSHIP ACT

MR. DEPUTY SPEAKER: Bill No. 3, on the proposed portion of the Honourable Minister of Agriculture, standing in the name of the Member for Rhineland.

The Minister of Housing.

HON. J. STORIE: Thank you, Mr. Speaker. It's a privilege for me to be able to rise on this occasion and speak to this piece of legislation. I think this is a very significant piece of legislation for Manitoba, not particularly because of its immediate impact, not because of the immediate benefits of the provisions of the Act, but certainly for the long-term benefits of the people of Manitoba and particularly the long-term benefits of the agricultural community in this province.

I would like to take this opportunity to commend the Minister of Agriculture and his staff and all of those people who took the time to enlighten the Minister with respect to their views on farmlands ownership. The issue of controlling land speculation and speculative purchases of farmland has been an ongoing one for the past 100 years, certainly actively for the past 20, 25 years, as it became increasingly apparent that the control of farmland and the ownership of farmland was increasingly moving into the hands of nonresidents, foreigners and people who were not farmers, either at heart or in fact.

So, Mr. Speaker, this Act, I think, seeks to redress a number of the inadequacies of former legislation, particularly The Agricultural Lands Protection Act, but certainly attempts to redress the inadequacies of legislation that has preceded this particular piece of legislation, but nevertheless attempted to control this particular problem.

Both sides of the House have mentioned in their remarks that they are concerned about ownership and control of farmlands. Both have acknowledged the role that agriculture plays in both our economic and social history and economic livelihood. Both sides recognize that a viable farm community is very important to this province. What we sometimes differ on is the means to achieve that.

Mr. Speaker, members opposite have claimed that their particular piece of legislation was adequate; that with minor adjustments they could control the problem, and we have heard some heavy criticism from members opposite on this particular piece of legislation and, I think, some inaccuracies that they perpetuate to, I suppose, bolster their own position. Their attempts from time to time - and I'm going to quote from a couple of speeches that have been made by members opposite, they have attempted to frame this bill in, I was going

to say, an unsavoury light. I think it's more sinister than that in some respects. Certainly, I think, they have misrepresented both the intent and the eventual effect that this bill is going to have on the ownership and control of farmland in Manitoba.

Now, whether that misrepresentation was out of misinformation or out of other motives is an open question, but nevertheless I think that some of the concerns they have raised are clearly bogus concerns. I'm of the opinion that members opposite are aware of the fact that many of the statements they have made with respect to this bill clearly are distortions of the intention and the eventual effect that the bill will have.

Mr. Speaker, members opposite indeed have paid lip service to the idea that they want farmland in Manitoba to be available for ownership of Manitobans. On more than one occasion, they have maintained that their particular Act, the previous Agricultural Lands Protection Act, was an adequate piece of legislation, despite the fact that during the tenure of the previous government the Agricultural Lands Protection Board, the Manitoba Farm Bureau and others, I'm sure, made representation to the then Minister of Agriculture indicating that there were serious loopholes in that particular legislation.

As the Member for Ste. Rose, the Honourable Minister of Municipal Affairs, indicated, there were loopholes in that legislation that you could drive a semi truck through. Mr. Speaker, they weren't phantom loopholes. They existed, and those loopholes were being used on a continuing basis to allow speculators to acquire and accumulate valuable farmland, farmland that in many respects forms the backbone of rural and southwestern and western Manitoba.

Mr. Speaker, the former Minister of Agriculture, in his speech on Bill No. 3 in December of last year, attempted, I think, to extricate himself from the fact that he, as Minister, had done little if nothing to prevent the kind of abuse of the legislation that was going on. Mr. Speaker, members opposite will be aware of the fact that he received letters both from the Agricultural Lands Protection Board and the Farm Bureau indicating that they were both concerned and dismayed, appalled by the fact that the Minister was aware of the loopholes; that he's been informed by them and others of the problems that those loopholes were causing, and yet, he had not moved to correct the problem.

Mr. Speaker, in a speech he made in December, he said and I'll quote from Page 300 of Thursday, December 16, 1982 Hansard, and he said, "The present legislation, Mr. Speaker, as I have tried to point out, is effectively - and the Farm Bureau made a good point, they said there are regulations that can be put in to keep on with the reporting of corporations or other Canadians on where they're at with their companies and everything else. We, Mr. Speaker, applied to the Federal Government and approved that under The Citizenship Act."

The implication here is that there were loopholes indeed, but through negotiations and consultation with the Federal Government, they were going to close those by using amendments to The Citizenship Act. Well clearly, Mr. Speaker, while that may have been desirable, the then Honourable Minister did nothing about that and there were no regulations brought into — (Interjection) — amendments were made to the Act in

1981, but not that really solved the problem and there are letters from the Farm Bureau to indicate that it was the case.

However, Mr. Speaker, clearly The Citizenship Act does not alleviate the problem. The Citizenship Act has no control over the activities of Canadian corporations, whether they be farming corporations or non-farming corporations and it has no control over individual Canadian speculators, so it really doesn't solve the problem. The problem goes beyond simply a question of foreign speculators. Members opposite have tried to make issue of the fact that we're depriving Canadians of their right. We have tried to provide a reverse onus and say that what we're doing is protecting the rights of Manitobans, protecting the rights of young Manitoba farmers, protecting those peoples' rights so they can ensure that the agricultural industry in this province doesn't become one similar to the feudal serf situation where we are, in fact, renters of our own land.

Mr. Deputy Speaker, the number of the incidences of purchases of farmland for the purposes of speculation are significant. I wouldn't like to say, as has been suggested by members opposite, that speculation and a fear of speculation and the impact that it has on increasing land prices, is the only reason for the introduction of this bill. Clearly that isn't the case. I've indicated that the long-term effect of allowing for non-farming corporations and for speculators to continue to purchase Manitoba's agricultural land, is that in effect we will become renters in our country.

Mr. Speaker, we heard recently of a case in Fort River where an individual and a landed immigrant at one point, who is now living in Costa Rica, purchased seven quarters of land. We were all treated to seeing the unfortunate situation of this individual's trouble in maintaining that farm operation, but he has indicated I suppose to the satisfaction of members opposite, that he is going to hold onto that land and he's going to rent it out. Well, Mr. Speaker, members opposite may want Manitoba farmers to become renters. They may want Manitoba farmers to become the serfs of the 1980s. But, Mr. Speaker, members on this side of the House don't think that's an acceptable point of view.

For the self-appointed spokesman of the farming community, I find that kind of an attitude alarming and appalling, and I'm sure that if any of the members opposite go back to their own communities and try to defend that kind of activity, they will find their position somewhat shaken because I don't think Manitobans want to become renters of their own land and be prevented from purchasing it.

Mr. Speaker, we have members opposite who are so concerned about property rights. Here we have an issue of property rights for Manitobans, an issue of ownership of their own land. The members opposite are waffling. Do they want Manitoba farmland to be owned by Manitobans, or do they want it to be owned by non-farming corporations and non-Canadian corporations?

MR. L. HYDE: You want control of it all, don't you?

MR. J. STORIE: Mr. Speaker, the Member for Portage suggests we want control of it all. Mr. Speaker, this is The Farm Lands Ownership Act. It clearly indicates in the bill that the will of the government with respect to

farmlands is, that Manitobans should own it, not rent it, for the information of the Member for Portage. Not rent their land from someone from Costa Rica or someone from Germany, or some lawyer from Ontario. We don't want Manitobans to rent their land. Mr. Speaker, there is no suggestion in this bill that this land is going to be rented from the government. The name of the bill is The Farm Lands Ownership Act and that's what it implies.

Mr. Speaker, we have the doomsday scenario coming to the fore from members opposite, the red scare. This government is intent on gaining control of all of the farmland in the province. Mr. Speaker, the Minister of Agriculture debunked that myth. Most members opposite recognize the position of the government on this issue. The Act clearly defines our position and the members opposite are having a little difficulty coming to terms with the contradiction that they are faced with. That in fact allowing speculators, foreign or otherwise, to control Manitoba farmland is, in fact, denying them the very rights that members opposite would like them to have and indeed we would like them to have. — (Interjection) —

Mr. Speaker, I have been somewhat sidetracked. I was talking about the former Minister of Agriculture, who was attempting to extricate himself from the fact that nothing had really happened and those loopholes still existed. Mr. Speaker, he said on the same date in his speech, on Thursday the 16th of December of 1982, he said - and a member from this side had obviously asked him a question from their seat - and he says, "I can tell you, Mr. Speaker, one of the reasons that we didn't proceed with it, because a Minister to a certain point depends on people like his director of agricultural lands to provide and produce and bring forward these regulations so that he can pass them. I, to my knowledge, Mr. Speaker, never saw those from the Director of the Farm Lands Protection Board. I didn't have those regulations brought forward. I didn't go after them in any big way."

Mr. Speaker, clearly it was not a primary concern of the then Minister of Agriculture to protect the interests of Manitoba farmers. He didn't go after them in a big way. Mr. Speaker, if, as members opposite have tried to suggest, they really are concerned about the long-term viability of Manitoba's farming community, then why wasn't their Minister of Agriculture, this self-appointed spokesman for rural Manitoba, then why didn't they attempt to resolve some of the problems that were inherent, that were brought to their attention time after time after time by spokesmen from the farming community?

Mr. Speaker, my point, and I've made it before, was simply because members opposite represent rural ridings, does not mean that they have any priority, or any imagined or otherwise right to say they speak for the Manitoba farm community. Clearly there are two sides of every issue and I'm sure in most of the ridings they represent, there are adherents to both their point of view and others point of view. — (Interjection) —

Mr. Speaker, the Member for Turtle Mountain has asked me if I speak for Flin Flon. Of course I speak for Flin Flon, but on the other hand, I don't deny anyone else the right to either.

MR. L. HYDE: What's your dad think about this here NDP program?

A MEMBER: My dad joined the NDP over this.

HON. J. STORIE: So what we have, Mr. Speaker, is a clear indication that the previous piece of legislation was inadequate; that there was an unwillingness on the part of the former Minister of Agriculture to do anything about it and, Mr. Speaker, farm groups are still seeking to redress those problems. They have come in this case to the NDP Government, have left it to the NDP Government, to bring forward a piece of legislation that can and does deal with the very real problem of control of Manitoba farmland and the ownership of farmland.

Mr. Speaker, the bill before us, Bill No. 3, I think, accomplishes its objectives in a fair and equitable fashion. It clearly deals with some of the inadequacies of the previous legislation and I think it quite properly places the onus of ownership and places the focus of farmlands ownership where it belongs and that is, Mr. Speaker, with Manitobans.

In perusing the bill, I'm sure members opposite were particularly heartened by Section No. 2 which is unrestricted ownership. That particular section debunks and destroys the myth that is continually brought forward, that somehow this is a clever ruse to enable the government to gain control over farmlands in Manitoba when, in fact, it is the opposite. While we may have some ongoing difficulties with the definition of farmer and those engaged in farming, clearly there is an effort to deal with those issues and in particular, to deal with the issue of control, or effective control which is one of the most serious areas of inadequacy in the previous bill, where it was almost impossible to prevent speculatives using corporations to go about increasing their purchases of Manitoba farmland.

Mr. Speaker, I have a memo from the Department of the Attorney-General to the then Deputy Minister of Agriculture, indicating that the amendments to The Agricultural Lands Protection Act that were being proposed in 1981 still had some serious deficiencies and they enumerate a number of them.

They say that the forms of foreign control which we may find to be initiated or to continue are. In other words, despite the amendment there are going to be these ongoing difficulties, this Act is not going to deal with them and these are the ones that, there is still room for an agreement to grant an option to purchase. I won't bother reading them all into the record, Mr. Speaker, but there are at least a dozen of them, ways for a good lawyer, for a land dealer with some knowledge of the legislation to be able to subvert that legislation, to subvert the amendments that were being proposed at that time. Yet we saw no action.

So, Mr. Speaker, we have a situation now where this government, in an effort to do some of the things that should have been done and will probably be claimed to be done by the former government, we see a bill before us that attempts to close those loopholes; that attempts to define effective control to ensure that corporations cannot subvert the legislation. Mr. Speaker, we have a bill before us which, while it may not be perfect and may not be to everyone's ultimate satisfaction, it is an attempt to deal with the real problem, something that didn't happen when the previous government was in power.

Mr. Speaker, in particular, we have heard cries from the members opposite about the limiting of individual rights to own farmland. We have heard from a number of people that this bill limits the rights of Canadians. "Twenty-three million Canadians will lose their rights," some member is quoted as having said. The fact is, Mr. Speaker, that for the purposes of farming no one will lose their rights for the purposes of farming which, I suppose, is what agricultural land is for.

Mr. Speaker, an interesting contradiction, while most members opposite are claiming that the bill is too tight - it isn't going to be flexible enough and that in fact there are many Canadians losing their rights - the Member for Pembina in a paradoxical statement if I've ever heard one, cries concerning the fact that there is going to be a board which will review individual circumstances to determine whether individuals or corporations are contravening the Act, or whether they are indeed intending on coming to farm and so forth and the member is talking about this provision for a review in allowing a case-by-case examination - he says, "Well, if that isn't the most giant loophole in this legislation, to have absentee foreign speculators come into this province and acquire land, I don't know what is."

Mr. Speaker, first of all we're not talking about absentee foreign speculators. There is a provision that allows for a transfer of activities over a five-year period, but clearly there has to be a commitment to come here and, Mr. Speaker, I think that is what we all want. We want farmers on the land in Manitoba. We don't want farmers renting land from people in Ontario, or people in Switzerland, or people in Paraguay, or Costa Rica, Mr. Speaker, we want Manitobans on farmland.

Mr. Speaker, the suggestion by the Member for Pembina that somehow this was a giant loophole to allow anyone into the province, that it was a reason to argue against the bill, is a complete contradiction to what members opposite are saying. They seem to say, well, we want loopholes. In fact, there is a difference between our approaches. Mr. Speaker, we want loopholes. We do want loopholes. We want loopholes for people who want to come to Manitoba to farm. We don't want loopholes for land speculators, for developers, for individuals looking to invest in land from afar. We want to have loopholes for people who actually want to come here, to make a contribution to our economy, who want to come here to make a contribution to our local communities which we value as members opposite do and that's the issue. Mr. Speaker, the suggestion that somehow this bill is an effort to pull the control of farmlands away from farmers, is patent nonsense.

Mr. Speaker, there is another section of the bill which we've discussed - and the Member for Emerson was just discussing it - talking about the proliferation of boards. Mr. Speaker, this Act creates an additional board. Under the provisions of the Act, Section 6(1), there is provision to establish the Manitoba Farm Lands Ownership Board which will consist of not more than five members to be appointed by the Lieutenant-Governor-in-Council. Another board, Mr. Speaker, a board whose reason for being, will be to determine the intent of a particular purchase of land and whether that, in fact, will lead to what we acknowledge is our objective and the objective of the bill, is to maintain

the ownership and control of Manitoba farmlands in the hands of Manitobans, or would-be Manitobans.

Mr. Speaker, since 1978 the control of farmlands in Manitoba has continued to slip into the hands of speculators. I have a number of cases that I'd like to read into the record indicating the kind of problem that we're dealing with, and while it's true we are not talking about hundreds of thousands of acres in a given year, we are talking about a very slow erosion of the number of acres of farmlands that are available to myself, to members opposite, to our children. Then, in fact, while members opposite may say, well, we're only talking about 10,000 acres in a given instance, Mr. Speaker, it only takes so many 10,000s of acres before the farmland is owned in effect and in fact, by other than Manitobans, that it's owned in effect and in fact, by non-farmers.

Example No. 1, in this case it's an eastern Canadian, a non-Manitoban, purchases approximately 9,000 acres. Well, there we have our first case; the first case of land being removed from access to Manitoba farmers and Manitoba farm corporations.

Case No. 2, a lawyer from B.C. who now resides full time in Europe, purchases or acquires 3,000 acres of prime agricultural land through a Manitoba corporation, but not controlled in effect by a Manitoban but controlled by someone who now lives in Europe. Mr. Speaker, the Member for Portage says, well, he's a Canadian.

Mr. Speaker, we are not the only province that imposes those kinds of conditions on people who are purchasing farmland. Mr. Speaker, the members opposite seem to be of the opinion that this bill is somehow unique in Canada. We are not the only ones who are attempting to deal with this problem. Mr. Speaker, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and PEI all have in one form or another, bills to protect the sale of farmland.

When you look at the comparison the bill before us, Bill No. 3, is not particularly onerous. It doesn't have characteristics which you can identify as being particularly socialistic. Mr. Speaker, it is not that different from other bills that have been enacted from time to time in other legislatures. For example, Mr. Speaker

MR. L. HYDE: Step No. 3 coming up.

HON. J. STORIE: For example, Mr. Speaker, restriction on holdings of provincial residence. Mr. Speaker, there are no restrictions in Alberta for provincial residence; there are no restrictions for provincial residence in Saskatchewan, or Manitoba, or Ontario, or Quebec, but in PEI there are some restrictions. An individual can only own 1,000 acres in Prince Edward Island. Well, obviously Prince Edward Island and Manitoba are quite different, but there are no restrictions on the private ownership of land in Manitoba. There are, however, restrictions on corporate holdings in Manitoba providing they are non-farming.

Restrictions on holdings of Canadians who are non-residents of the province. Mr. Speaker, once again, we do not have a particularly onerous requirement. It is similar to other legislation. While Alberta has no restriction on the ownership of land for out-of-province

residence, Saskatchewan has a 10-acre limit, Manitoba does, Quebec has four hectares limit and PEI has 10-acres limit. So we're not exceptional on the basis of that criteria either.

Mr. Speaker, the restriction on holdings of non-residents of Canada, foreign speculators, Mr. Speaker, even Alberta has a limit to how much land non-resident Canadians can own - 20 acres. In this respect, we have a little stiffer requirement in Manitoba. We restrict the ownership of land to 10 acres by non-residents of Canada, but that restriction is similar to that in Saskatchewan, in Quebec and also in Prince Edward Island again.

Finally, the restriction on corporate holdings. Again, we're not unusual. We are similar to Saskatchewan, Quebec and Prince Edward Island but Alberta has a somewhat more lenient approach to this particular criteria, this particular method of holding lands and they allow 20 acres for corporations controlled by non-Canadians.

Mr. Speaker, the intent of the members opposite is to paint this particular bill as something that is a devious plot, I suppose, on the part of members on this side to rest control of land and ownership of land away from Canadians and Manitobans. Mr. Speaker, nothing could be further from the truth.

Mr. Speaker, the examples that I've quoted from legislations in other other provinces clearly indicates that we are not unusual in our treatment of this whole issue. The issue has been dealt with in a very similar manner in other legislatures and I think it's important that the people of Manitoba and the farm communities that they represent, be made aware of the fact that this is nothing out of the ordinary in terms of its intent nor its practical implications once it becomes, and if it becomes, part of the legislation that governs the activities of people in this province.

Mr. Speaker, I could go on. I have a list of nine different transactions which have taken farmland out of production in Manitoba - not necessarily out of production - but taken farmland, agricultural land, and placed it in the control of non-residents. However, I think rather than take up more time by doing that, I would just move on to another point which is made by these examples and that is, that while the issue of whether allowing non-residents to purchase land, the issue of whether that creates an undue pressure escalation of prices is not the main issue.

Clearly, the effects of speculation are there, they exist. But I don't want to exaggerate that effect, nor do I want to exaggerate that effect nor do I want to exaggerate the alternate that, in fact, if we remove that speculative pressure from the scene in Manitoba that somehow land prices are all of a sudden going to bottom out; that, in effect, the concern that's a legitimate concern of members opposite that retiring farmers and those farmers who are looking to retire over the next couple of years are going to be faced with such a decrease in land prices that they will be unable to retire in any appropriate fashion. Mr. Speaker, I don't think that any case can be made for either one of those arguments. I don't think that there is a substantive case to be made that speculation either drives up land to such extremes that it prevents anyone from being able to purchase it; nor do I think that the reverse is true that, if we remove the speculative escalation of prices

from the land market, farmers will not be able to sell their land for a reasonable return.

Because, as we all recognize, Mr. Speaker, for many Manitoban farmers, their land is their retirement benefit, is their pension plan, if you will — (Interjection) — Mr. Speaker, despite the interjection from the Member for Portage la Prairie, this bill is not going to have that kind of effect. There are provisions in the bill for Manitobans and Manitoba farm corporations to purchase unlimited amounts of land. The pressure for the price for Manitoba land is not going to be drastically affected by this piece of legislation.

However, Mr. Speaker, there may be some change in the price of farmland and it may be downward; that has a benefit or an upside as well as a downside. Clearly, we have a situation in Manitoba where the average young farmer, the average young person seeking to enter the farming profession is at a serious disadvantage when land prices have escalated to a point where the only hope for them ever becoming involved in agriculture is by way of massive loans, massive grants, massive guaranteed loans, massive support from perhaps parents or relatives. Mr. Speaker, the fact that speculation makes prices increase means that fewer and fewer people are able to become involved in farming. The other side of the legislation, if in fact prices do decrease, is that while it is true that it may affect the return to a long-time farmer in some respects - I don't think drastically, but it may affect them - it also has the effect of making that way of life possible for more and more young Manitobans.

Mr. Speaker, the real issue, I suppose is, will this bill in any way limit the rights of Manitobans to farm, to become involved in an activity that is a part of our history, and an important part? The answer is clearly, no. The intent of the bill is to make Manitoba farmland available to Manitobans. The intent of the bill is to provide a mechanism for any individual, Manitoban, non-Manitoban, foreign, to avail them of the opportunity to come to Manitoba and become a farmer in this province.

I don't think anyone can argue that the intent of this bill is to stabilize Manitoba's rural communities to ensure that Manitobans, in effect, get first choice for farmlands in this province and that its effect will be that, in the long run, we will not become the renters, the serfs of the 1980s. We will become the masters in our own home, rather than the danger that exists in allowing the continual erosion of the farm lands into the hands of non-Manitobans and non-Canadians. — (Interjection) — Mr. Speaker, the Member for Turtle Mountain says, that's nonsense. Well I could . . .

MR. B. RANSOM: I've rented land all my life and I'm not a serf. Get out and find out what's happening.

HON. J. STORIE: Mr. Speaker, the Member for Turtle Mountain suggests that he has rented land all his life and he is not a serf. Mr. Speaker, the question is: do you have the ability if you have the desire, do you have in fact the right to go ahead and purchase farmland? Are we going to stand back and allow circumstances . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. J. STORIE: Mr. Speaker, the real question is: are we going to stand back and let circumstances play, and end up in a situation where the ownership of land is controlled by those who do not live in this province, who have no interest in the farming community, and who in effect are here for one particular reason, and it certainly isn't that which is consistent with the real needs of the farming community and, I think, the real needs of Manitobans?

Thank you, Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Order please. The honourable member's time has expired. Is it the wish of the House to have this bill remain in the name of the Honourable Member for Rhineland? (Agreed)

The Honourable Member for Turtle Mountain.

COMMITTEE CHANGES

MR. B. RANSOM: Mr. Speaker, I would like to make a change on the Agricultural Committee. I would like to replace the Honourable Member for Minnedosa with the Honourable Member for Swan River.

MR. SPEAKER: The Honourable Member for Riel.

MRS. D. DODICK: Mr. Speaker, I would like to make some changes on the Agricultural Committee too. The Minister for Municipal Affairs will replace the Member for The Pas on Monday, and on the Standing Committee on Public Utilities and Natural Resources, the Member for Inkster substituting for the Member for The Pas.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Mr. Speaker, I move, seconded by the Honourable Member for Turtle Mountain, that this House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until Monday at 2:00 p.m.