

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, May 12, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to draw the attention of the Honourable Members to the gallery, where we have 31 students, Grade 11 standing, of the Princess Elizabeth School. These students are under the direction of Mr. Balkwill. This school is located in the constituency of the Honourable Member for Brandon East, the Minister of Industry and Commerce.

We also have as our guests, 23 students of Grades 9 to 12 standing from Little Falls High School, Little Falls, Minnesota, under the direction of Miss Crooks.

And we have 48 students, Grade 5 standing, of the Buchanan School. These students are under the direction of Mrs. Bretecher and Mrs. Sokalski. This school is located in the constituency of the Honourable Member for Assiniboia.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Lakeside.

ORAL QUESTIONS

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I ask the question again to the Honourable Minister of Agriculture, whether or not his government has come to a decision with respect to Crocus Foods Limited?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, not at the moment. I know we are having meetings or will soon have meetings with respect to that subject, but a decision has not been final, no.

MR. ENNS: A supplementary question, Mr. Speaker, to the same Minister. Can he indicate with whom he is planning these meetings, which groups or official groups that he is having meetings with?

MR. USKIW: Mr. Speaker, the meetings that we are talking about or that I have just mentioned, have to do with the Planning Secretariat, who is the recommending agency to the Cabinet.

MR. ENNS: A final supplementary question, Mr. Speaker, to the same Minister. He is not at this time planning any meetings with such organizations as the Manitoba Milk Marketing Board or the Milk Producers Association?

MR. USKIW: Mr. Speaker, those are, of course, of an ongoing nature and we have had many meetings with those groups and will likely have many more.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I have a question for the Attorney-General. I'd like to ask the Attorney-General what action, if any, his department is taking to investigate the affairs in the Town of Selkirk in the municipal office?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): Mr. Speaker, there has been a request as reported in the paper for a judicial enquiry into certain affairs involving the Town of Selkirk. The request has been referred to appropriate officers within the Department of Municipal Affairs, the Chairman of Budget and Finance, and to others involved in the areas of assessment etc., and I will be receiving their report. And based upon their specific report plus some further information they may request, a decision will be arrived at.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

STATEMENT

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs)(Springfield): Mr. Speaker, I would like to have leave, if possible, to make a non political statement.

MR. SPEAKER: Agreed? (Agreed) The Honourable Minister.

MR. TOUPIN: Mr. Speaker, members of the House, including yourself, have the Manitoba flag in front of you. There's the Manitoba tartan flower that will be distributed to

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(MR. TOUPIN cont'd) . . . honourable members. We didn't have a supply adequate to supply all MLAs but they've been ordered, and you should get them during this, our 105th anniversary of entering Confederation on the 12th of May 1870. And you're asked to pause for a few moments and look at the past and base your efforts in the future on what we've seen in the past and what we'd like our province to be tomorrow.

ORAL QUESTIONS (Cont'd)

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, I appreciate the great concern this government has in the interest of hotels. I direct a question to the Honourable the Minister of Industry and Commerce and ask him how plans are proceeding with the renovations of that hotel in Havana?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Well, Mr. Speaker, it has become common knowledge that there is a possibility for a number of Manitoba businesses to sell their goods and their services to the country of Cuba to help renovate the Hotel Nationale. However discussions are still going on and there's been nothing definitive so I have nothing to report.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question, I guess I should direct it to the First Minister. I notice that there's extensive work being done on the building, the Legislative Building. Can the First Minister advise the House, is the building in bad need of repair or are there extensive repairs expected in this program that's under way at the present time?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, as the honourable member knows, this building is approximately 55 years old. It is one of the most beautiful public buildings in North America, but it does need a steady application of maintenance and that's about all it is, it's just a good preventative maintenance. I'm not aware of any unusual degree of maintenance or renovation.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RONALD MCBRYDE (Minister of Northern Affairs)(The Pas): Mr. Speaker, last Monday, the Leader of the Opposition asked me a question in regard to the investigation by the Ombudsman of the Wabowden District Advisory Planning Commission. At that time, I replied to the best of my knowledge nothing further had been received from the Ombudsman on this matter. Since that time my knowledge has been improved. On February 18th, the Ombudsman wrote a letter, including a copy of the report that was in the report that was tabled last Monday, plus a letter asking further questions for the department to enlighten him further on this situation.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, I direct a question to the First Minister. I'm sure he will allow me to preface by saying that we're all happy to see the Minister of Labour back in the Chamber beside him. My question to him specifically is, is the Minister of Labour returning to his full duties, specifically the Negotiation Committee having to do with the coming contracts with the Manitoba Government Employees Association.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I too am very pleased to see the Minister of Labour back in the House at my side. He is certainly resuming duties with respect to the Department of Labour and with respect to the Civil Service Commission and with one or two other matters. However, with respect to the committee of negotiating, my colleague, the Minister of Labour, will be acting in a consultative capacity rather than in a going fully back into the fray so to speak.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, further to the questions I asked the Attorney-General on Wednesday past, I want to ask one or two additional questions. The first one is: Is it correct that the Ombudsman has reported that in 1964 a civil servant was guilty of - and I'll use his words - "crime; sloppy administration; loss of records or none kept; misappropriation - moneys received, apparently pocketing this money;" but that this civil

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(MR. DILLEN cont'd) . . . servant was not prosecuted, and this example of crime without punishment led to the loss of about \$28,000 to the taxpayers of Manitoba.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): On a point of order - if any of us on this side of the House ever attempted to ask a question like that, we'd be ruled out of order immediately, and I suggest to you, sir, that the honourable member is out of order imposing a question in that way.

MR. SPEAKER: The Honourable Member for Thompson.

MR. DILLEN: I want to ask a further question, sir. And is it also true that for these crimes, that this civil servant was not prosecuted by the previous government? And is it also true that neither the Ombudsman nor the Provincial Auditor has reported crime, misappropriation - moneys received, apparently pocketing this money. None of these things have happened or have been reported in the case of fishing co-ops or in Wabowden?

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Corrections. Can the Minister indicate whether the Provincial Government has any plans to build or develop further alcohol treatment centres on Stradbroke Avenue?

MR. SPEAKER: The Honourable Minister of Corrections.

MR. BOYCE: I wish to thank the member for giving me notice to that question. I, too, saw the report in the paper over the weekend where one of the Councillors from Fort Rouge had asked this question in the City Council. There was a possibility explored to possibly use three houses which are vacant at the moment for some hostel type of accommodation, and the latest word is that this has just been explored and there are other alternatives which City Council is looking at.

MR. AXWORTHY: Mr. Speaker, a supplementary to the Minister. Could the Minister indicate whether his department would be prepared to consult with the residents of the area before any definite commitments were made to develop any form of hostel treatment centres in that area, considering that they already have several establishments of that kind in the same area.

MR. BOYCE: I'd definitely give this undertaking, Mr. Speaker. The people in the community of Fort Rouge have been most accommodating in the past so that I'd hate to wear out my welcome in the community.

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

MR. GRAHAM: Thank you, Mr. Speaker. I'd like to direct a question to the Honourable the First Minister. I'd like to ask the First Minister if the use of government vehicles extends to other members of the Chamber other than Cabinet Ministers?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I believe that with respect to a government vehicle it is made available to - and this is a longstanding practice - to Members of the Executive Council, and I believe that by arrangement with respect to one or two legislative assistants. but I'm not sure.

MR. GRAHAM: Can the First Minister indicate the rationale for extension beyond the Cabinet Minister level?

MR. SCHREYER: Well, Mr. Speaker, I could, I'm not sure that I could do so in the question period in one or two minutes.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question in respect to lotteries - I see the Minister of Health is not here, and perhaps I can direct it to the Acting Minister or the former Minister of Tourism and Recreation. Can the Minister indicate to the House in what government accounts is the money from lotteries held, and is it paying interest?

MR. SPEAKER: The Honourable Minister of Tourism,

MR. TUPIN: Mr. Speaker, the revenue derived from lotteries is held in trust I believe by the Minister of Finance. The recommendation for paying out lottery revenue is made by the Minister of Tourism, Recreation and Cultural Affairs to Cabinet, and the decision of paying out by Order-in-Council is made at that level.

MR. PATRICK: Can the Minister indicate to the House what amount is in the trust account at the present time?

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MR. TOUPIN: Mr. Speaker, I would only be going by recollection, the announcement made last May, May 31st to be exact, 1974, of a \$900,000 payout in regard to facility grants has been awarded and paid out to the tune of about 800,000—plus, a bit over 800,000. There is a few thousand still held in trust in the Department of Finance, but the revenue of the last lottery has not been received at this time to my knowledge.

MR. PATRICK: One supplementary. In view that there is a running account of approximately a million dollars, is there revenue bearing, is there any interest accruing from that account - whatever account it's held in?

MR. TOUPIN: Mr. Speaker, my understanding is that there is revenue but I'll take the question as notice and come back to the House.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question to the Minister of Education. In view of the serious unemployment problem being faced by high school and university students, can the Minister indicate whether the Youth Secretariat is preparing to add the moneys to the STEP Program in the province to take care of this problem?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, not at the present moment because insofar as the labour requirements, or employment requirement needs of the high school students are concerned that has not been finally determined at this point in time.

MR. AXWORTHY: Supplementary, Mr. Speaker. In view of the fact that university students are now on the job market and high school students will soon be there, when can the Minister indicate that determination will be made and a decision will be made about upgrading or expanding the STEP Program?

MR. HANUSCHAK: If conditions should indicate that any change of government policy should be warranted, the announcement will be made in ample time, Mr. Speaker.

MR. AXWORTHY: Supplementary, Mr. Speaker. While the Minister is contemplating that problem, can he indicate whether officials of his department are presently canvassing the private employment field in order to develop their assistance in the creation of jobs for high school and university students?

MR. HANUSCHAK: Mr. Speaker, it's been done several months ago.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Co-operative Development. Can the Minister confirm to the House if Mr. H. Wolfe has left the department?

MR. SPEAKER: The Honourable Minister of Co-operatives.

HON. HARVEY BOSTROM (Minister of Co-operative Development)(Rupert's Land): Mr. Chairman, I'll have to take that question as notice.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the First Minister as Minister of Finance. With respect to the 3 cents tax on gasoline and diesel fuel which will apply next May 19th, is it the intention of the government to charge 3 cents tax on all inventories of fuel which are on hand at all the dealers, the retail dealers in the province prior to May 19th.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, May the 19th was the date mentioned in the Budget. There is sometimes a problem when adjusting price insofar as old and new inventory is concerned, but the application of a tax really has no direct relevance to whether the inventory in the storage barrels or storage tanks is old or new. I don't believe that any special cognizance was taken as to whether inventory in underground storage tanks was old or new when the motor fuel tax was adjusted back in the mid-60s for example. I think we're proceeding along the same administrative procedures as at that time.

MR. MCGILL: Mr. Speaker, a supplementary question just to be certain on this then, it is not the intention of the government to ask all independent retail dealers, or all retail dealers, to report their inventories and to submit a cheque for the three cent tax on all of that inventory.

MR. SCHREYER: Well, Mr. Speaker, there is a meeting with some representatives of

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(MR. SCHREYER cont'd) . . . the retail group, but the tax in this case is paid by the consumer, it is not paid by the retailer so to speak. They are deputy collectors within the meaning of the act.

MR. MCGILL: Well, Mr. Speaker, again, and finally, to the Minister, if he would just confirm that this does not apply on any gas in tanks at midnight May 18th.

MR. SCHREYER: Mr. Speaker, I really couldn't understand the purport of that last question. I can only repeat that the retailers of gasoline motive fuel product can be defined as deputy collectors within the meaning of the Act, and accordingly they will be so-acting. The tax is paid by the consumer not by the retailer, so I don't see that there is a problem.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the First Minister. In view of the admission made by the Minister of Agriculture on Friday that a person had been hired in the Civil Service of his department after a competition had been closed, will the First Minister or is the First Minister prepared to undertake an inquiry and investigation into the hiring practices or Civil Service procedures in that department?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKOW: Mr. Speaker, the honourable member alleges that there was something wrong. I would like to advise him that all the recommended people all applied after the deadline, so that there were no recommendations of those that applied prior to the deadline.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Speaker, I'd like to direct my question again to the First Minister on the issue. In view of the involvement of senior officials of the Department of Agriculture in this matter, does the Minister plan to look into it and determine whether in fact there were forms of wrongdoing or interference in those procedures?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, of course I don't take that as an assumption. However for the sake of being informed or for information, I will make some inquiry but I would be surprised, sir, if there is any problem whatsoever if the persons involved are not aware of the fact that they have recourse by way of appeal to the Civil Service Commission and I understand from my colleagues that this matter may well be seized by the Civil Service Commission even at this time.

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

MR. AXWORTHY: Yes, a final supplementary to the First Minister. In terms of the Minister's investigation, would that include an examination of the practices and problems carried out by the or meet by the Civil Service Commission in terms of its hiring practices.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I received some advice from my colleague, the Minister responsible for the Civil Service Commission, that when in doubt merely bear in mind the obvious point that procedures must be in accordance with the requirements of the Civil Service Act and if they are not, there is ground or cause for appeal. So I'm sure we will not be departing from those obvious facts of the matter.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, my question to the First Minister is along the lines of the question asked by the Member for Brandon West and it's with regard to the 3 cents tax on gasoline. In view of the fact that traditionally this tax has been collected by the suppliers and charged at source to the dealers selling it, I wonder if, in view of the fact also that Monday next is a holiday and these sort of deputy collectors are probably going to have to be paid time and a half or double time for coming in on a holiday to do the government's job for them, why they would not simply have the money collected in the traditional way by the supplier.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that is of course the intent but I believe that there is a 30 day hiatus in which it is administratively more feasible for the first 30 days of this going into effect at the new level of tax, to have it collected by the deputy collector which de facto, in fact, is the retail distributor, that is to say the retail outlet operator. And I could advise my honourable friend further. I will check this since I am less than 100 percent sure,

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(MR. SCHREYER cont'd) . . . that I believe we had an analagous situation in 1964, but we are checking that.

MR. CRAIK: Mr. Speaker, I wonder if the Minister could confirm . . . do I understand him correctly then. I understand there are six or eight or so people circulating the province now deputizing all the dealers to make them deputy collectors for this one full purpose of checking their gallonage on Monday which turns out to be a holiday.

MR. SCHREYER: I'm sure I'll be advised, possibly advised even today, or certainly by noon tomorrow, if there is a problem with respect to the 19th being a long weekend holiday, in which case we may have to consider rolling back 24 hours.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Mr. Speaker, pursuing the same line of questioning, I wonder if the First Minister could inform the House as to whether the retailers of gasoline got the 2 cent rebate from the government on the quantities of gas that they had in stock when the government lowered the gasoline tax.

MR. SCHREYER: Well, Mr. Speaker, unless my understanding is faulty, I will have to repeat that the inventory that is held by a retailer as to whether it is old or new is not material to the going into force or effect of a new level of tax. Inventory relates to price changes. I'm not aware that inventory has any direct relevance to the change in tax levels.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, in accordance with the prior notice I gave to honourable members opposite last week that Friday or Monday we would be going into Capital Supply considerations, I would therefore move, seconded by the Honourable, the Minister of Agriculture that you, sir, do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - CAPITAL SUPPLY

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, in addition to having circulated the actual schedules A and B of Capital Supply requirements or Capital Authority requirements, I should like for clarification and information purposes to make a brief introductory statement.

Mr. Chairman, I would like to take this opportunity, as we prepare to commence consideration of Capital Supply, to make a few comments on the government's capital program in the Province of Manitoba.

I do not propose at this time to speak at any length on individual items included in Capital Supply in view of the fact that the Ministers responsible in each case will be responding to questions that members may pose. And if by chance a colleague Minister is not here, just there and then, to respond to a particular question, I will try to do my best to provide the information and failing that to take it as notice for my colleagues bringing forward of information later that day or the next day.

And I would like to just inject into this statement of mine, Mr. Chairman, with respect to capital requirements, that really those honourable members who were making the point during the budget debate that the fact that our proposed deficit is only in the order of \$6 million, plus or minus, that we are not making adequate provision for stimulation of the economy in the event that 1975 proves to be a year in which we are sliding into higher unemployment and economic stagnation as compared to the buoyancy of 1974 and '73. So I invite honourable members to take into account not only our current account proposed expenditures of some \$1.27 billion and the deficit of \$6 million or so, but also to bear in mind that we are asking for capital authority here in the order of \$544 million. Now, admittedly, Mr. Chairman, the capital authority we are requesting of \$544 million is some \$155 million less than that which we presented to the House last year.

It is true that the government has tried to make a conscious effort to cut back on spending both current and capital. However, I would have to say that the major part of the difference in our request this year, as compared to last, results from the need last year to provide

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(MR. SCHREYER cont'd) . . . necessary legislative authority to make large scale commitments. And here, I'm sure, honourable members opposite, particularly those who have been following Capital Supply over the years, are well aware of the important distinction between the numbers that appear by way of authority requests, and that which actually gets disbursed or spent in any one year, and very often, some years more than others, the authority requirement is far greater than the actual capital budget spending. And unless one is cognizant of that fact, it is rather confusing and difficult to really keep abreast of capital budget requirements.

So that the amount that we see before us this year in Schedules A and B, which make up our total capital authority requirements, this year that amount or that request is more in line with probable actual spending requirements than was the case last year. By that I mean, Mr. Chairman, that last year when we put before the House capital authority requirements, totaling some \$699 million, a good deal of that was not intended to be spent, in fact there was no way it could be spent, but it was needed nevertheless to provide the authority for making forward commitments on major projects and multiple year projects for the years ahead.

As in the past year, or past years, most of the capital authority is needed for the self-sustaining corporations. Once again, the major capital expenditures arrived out of our continued development of hydro electric power. We have to the extent possible reduced the expansion of programs of a direct government nature which means that we require a lesser capital authority than last year. In fact, that authority on direct government account has been reduced (this is now Schedule B that I'm referring to) has been reduced by some \$14.5 million. I would point out, however, that by reason of the carrying forward into 1975-76 of existing authority, unencumbered existing authority, and ongoing capital programs, we will actually be injecting substantial moneys into the economy of the province to sustain our activities in a year of possible recession. And I emphasize the word "possible" because there are at least as many signs positive as there are negative which would indicate that in Prairie Canada there will be less evidence, less factors that work to cause the kind of sharp visible downturn that we see in other parts of the country and the continent. And I see that that has evoked the confirming or concurring response of my colleague the Minister of Industry, so that can only reinforce the point I'm trying to make.

Estimated capital cash requirements or cash flow expectation, to put it in other words - the same meaning - the estimated cash flow expectations for the current fiscal year then will be in the order of \$482 million. This compares with the preliminary estimate for the same capital expenditures last year of 451 million. Both these figures, of course, are exclusive of debt refundings in both years.

Mr. Chairman, I should like to draw honourable members attention to one item on the schedule before us of self-sustaining programs which is new this year, and that is an amount for Manitoba Forestry Resources Limited. This may be a good opportunity for me to make some comments with respect to the capital restructuring that has been going on in connection with the CFI complex. And in this connection I pause to say as an aside to the Honourable Member for Portage la Prairie, who a few weeks ago had asked as to when this might be taken up for consideration, that we would be bringing forward a statement or a measure in connection with the restructuring, the capital restructuring of CFI-ManFor, that I propose to make that initial statement now.

I'm pleased to say that the reorganization has been concluded with staff from the Department of Finance working very closely with the Provincial Auditor for the Province of Manitoba, and staff of the Manitoba Development Corporation and Manitoba Forestry Resources Limited. They have come up with an agreement with respect to the transfer of assets that has been acceptable to the government as well as to the two corporations involved. By Order-In-Council of March 31, 1975 Cabinet has endorsed the agreement which sets forth the capitalization of ManFor, and which in effect takes over the debt which was formerly the obligation of the Manitoba Development Corporation. This transfer of the debt obligation from the Manitoba Development Corporation to Manitoba Forestry Resources Limited may be summarized as follows:

- (1) Manitoba Forestry Resources Limited issues common shares to the Crown in the amount of \$20 million;
- (2) ManFor, Manitoba Forestry Resources Limited issues redeemable, non-cumulative 7 percent dividend preferred shares to the Crown in the amount of \$59,800,000;

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(MR. SCHREYER cont'd)

(3) ManFor issues 25 year 7 percent debentures secured by first charge in all assets in the amount of \$45 million;

(4) Manfor issues a 25 year 9 percent income debenture secured by a charge in assets subject only to the 25 year debenture previously referred to in the amount of \$28 million.

And here by way of an aside, Mr. Chairman, I might just indicate parenthetically that an income debenture is one in which interest is payable only when sufficient income has been earned after depreciation, other interest and expenses to allow for the payment of the interest on the income debenture. The interest under this concept of an income debenture is non-cumulative.

This total capitalization of \$152,800,000 reflects the amount of advances made by the MDC to the CFI Complex as at the 30th of September, 1973.

The agreement further provides that amounts subsequently paid out by the MDC on behalf of the complex for any other liens or claims or other charges will be reimbursed by the Crown.

The remaining question which follows from the transfer of these assets to ManFor, and which remains unanswered at this time, is whether or not there should be a write-down in the value of the assets on the books of the operating corporation. This question was not reviewed by the three parties. It may well be that a write-down is justified, certainly I say as very much a personal view that a write down should not exceed in the order of \$15 million to \$25 million. But it remains still as an open question, and indeed as long as it is not necessary to finalize that question or consideration it is necessary not to.

Mr. Speaker, the capitalization which I have set out clearly places the continuing operations of the forestry complex on Manitoba Forestry Resources Limited. It is the hope of the government that the continuing operation of the complex will provide a fairly stable and continuing level of employment for that region of the province and hopefully a viable industry to the north in the long run.

Mr. Chairman, it goes without saying, and I'm sure honourable members appreciate this equally well, if not more so, that there are some economic developments and issues which in taking the longer term view, and it is indeed necessary, sir, to take a longer term view, that it is important not to become overly obsessed with the immediate, what the immediate analysis would tend to indicate. We have for example in ManFor an industry which at the present point of time may not look all that attractive in capital or economic terms but which is providing a certain level of employment and which, personally, I am satisfied in the long run will be putting out a resource product which the world will need and at prices which will take it to the threshold if not beyond of viability.

MR. CHAIRMAN: Schedule A, Manitoba Hydro Electric Board. The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, maybe I should ask you first of all whether the last statement that the First Minister has made, whether it's preferred that we leave comment on it until we reach the last item under Schedule A, or whether we ought to deal with it at this point.

MR. SCHREYER: Well if it's all the same I would prefer that we deal with it when we come to the Manitoba Development Corporation, which is approximately seven lines down.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Chairman, on the first item here on the Manitoba Hydro there's several questions I want to direct to the First Minister on this.

First of all he made reference to the financing of debt, the capitalization of some of the debt financing, and we would like to get some breakdown of how much of the capital authority asked for under Manitoba Hydro is requested to finance new projects, true capital projects, and how much of it is being asked to finance the debt charges, that is, the interest on former investments of projects that haven't yet reached the point of being amortized on the hydro bills.

Furthermore on that question we would like to determine whether or not, how much of the costs of the Jenpeg structure are being considered as hydro costs and being amortized against the operation of the other hydro plants, and to what portion of it is being considered as being Lake Winnipeg Control for purposes other than the generation of power. And if that is being broken out in that fashion, how is the financing to take place on the portion that is being dedicated to Lake Winnipeg Control as opposed to the generation of power in the downstream plants, and in the plant at Jenpeg itself, for power development? But if we could get that first of all,

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(MR. CRAIK cont'd) . . . breakdown in that order. First of all how much of the capital authority is being dedicated to real capital works, how much is dedicated to debt financing, and furthermore what will be the breakdown on the financing of the Jenpeg plant?

Secondly, we'd like to know how much has been carried forward from 1974-75 into 1975-76. The First Minister mentioned some figures there that went by fairly rapidly but I don't think he referred directly to the carry forward of capital debt from last year into this year.

Now with regard to the overall picture, Mr. Chairman, the First Minister's remarks were fairly interesting and probably appropriate for him to point out that in looking at the economy of Manitoba in the coming year I think he was pointing out, and probably an important observation, that a large proportion of the capital investment of the province is in public utilities. As a matter of fact the Budget speech which was just tabled a couple of weeks ago indicates that between 40 and 50 percent of the total investment in Manitoba is through the utilities, and if you add to it general government expenditures in the way of investments in new buildings, and so on, I think it reaches pretty close to the 50 percent mark as total. In other words, the economy of Manitoba is to some extent, an economy is at this point in the way of capital investment controlled already by the public sector and not by the private sector. So I think that whether this is good or whether it's bad, I think it's important to realize, and we recognize, that a high degree of Manitoba's economy is directly under the control of the decisions made by the Cabinet in the Province of Manitoba. We would prefer to see the balance a little less dependent on direct government decision and a little more on private sector decision. However I think it's important again to realize that it's recognized that what our economy does is going to a very large extent be determined, be dependent on, the decisions that are made by government in 1975-76.

I couldn't help but look at this figure that we're dealing with in total 544 million this year, 699 million last year, and wonder when the government was faced with a decision as to whether they should be investing in the Syncrude project, and then taking into account their observation and explanation that they were already too heavily invested in other areas, I really wonder whether some serious consideration could be not given when you look an energy insurance program that would probably account for 10 percent of the capital expenditures in one year only. It seems to me that when you take in the total picture, although \$50 million is an exceedingly great amount of money in anybody's language, it's roughly 10 percent of the capital investment in one year only, 1975-76, and less somewhat than last year's 699 million.

So as a start, Mr. Chairman, we would like to get a breakdown of the carry-forward from last year into this year of this capital authority, and also then the breakdown of what is actually capital investment per se in Manitoba Hydro, and how much of it is used for debt financing.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Now, Mr. Speaker, I can try to give the honourable member the information as we go along. There are one or two items which I will have to do some further checking back just to ascertain the precise numbers. But to give the honourable members some insight as to the relative magnitude of the numbers so far as hydro capital requirements are concerned as between refinancing requirements, major capital projects, and the like, it is roughly as follows:

The amount required for refunding and refinancing is in the order of \$30 million. That then leaves an amount in the order of 270 million relating to major projects, generation site construction work, and the like.

I'll see if I can give the more precise amount. Well it breaks down as follows: (Perhaps my honourable friend would like some of the major topic numbers.) With respect to generation we are anticipating a capital authority requirement of \$180 million, 180 million, and transmission in the order of 10 million: stations and terminals, and this of course will include the major DC Dorsey and Radisson Converter Stations in the order of 60 million; distribution - this would be sub-line, sub-stations, and the like - in the order of 20 million; transportation, vehicles and related requirements, related to transportation, in the order of 7 million; and we have an amount here in the order of 3 million relating to head office extension. Then there are some minor items, but it would seem to balance out in the order of 330 million, 32 million of which is required for refinancing, leaving an amount of about 280 million for all these other purposes that I have outlined.

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(MR. SCHREYER cont'd)

I cannot give my honourable friend just offhand the allocation, the internal allocation, as between, with respect to the capital construction at Jenpeg, how much is allocated to control and how much to generation. But I'd be pleased to get that updated figure.

I would also, Mr. Chairman, like to take this opportunity right now to respond at least tentatively to the Honourable Member for Riel when he urges once again that the Province of Manitoba consider the advisability of putting capital financing into a Syncrude project, the Syncrude project, or any future Syncrude project. The view of the Government of the Province of Manitoba is that for a province of 1 million people that we are investing heavily enough in energy development for tomorrow. We are investing, it is true, very heavily in a given form of energy because it happens to relate to that resource which we are endowed by nature with. I do not feel any sense of anxiety about the fact that we are investing heavily in energy for tomorrow, nor do I feel anxious that it happens to be investment in renewable energy. It is true that the given form of energy we are talking about, it's not only renewable but it is also - I know some will argue - a form of energy which is somewhat limited in its application, does not have the versatility of application of use that hydrocarbon fossil fuel, non-renewable fuels have. But I think it also should be borne in mind that it is not as though the Syncrude projects are lacking for governmental involvement. We have seen the way in which the financing has unfolded with respect to Syncrude I, involving the provinces of Alberta, Ontario, and the Government of Canada. And I for one do not think that there is anything that one can sensibly be critical about just here and now with respect to Syncrude Development, and its estimated cost, because it is admittedly still very highly in the experimental stage. I suppose one could rationally argue that Syncrude Development is, even if expensive, a prudent investment for purpose of shoring up supplies for a decade, or a half decade and beyond from today.

But I think it would be a mistake for us to put all our eggs in the Syncrude basket; there are other jurisdictions in Canada, some of which by circumstances of geology and nature, find a challenge, a realistic challenge facing them with respect to the harnessing of renewable energy, such as Hydro Electric energy is.

At the same time, I believe that there is a heavy onus on governments in Canada, singly and collectively, to look at other than simply the Syncrude Developments. While those should be proceeded with on some sequential basis, at the same time, I can't really over-emphasize this strongly enough, can't emphasize it strongly enough, sir, and that is that there is so little being done in Canada with respect to substantial investment in research and development and pilot plants in other than Syncrude types of fuel supplies. There is almost nothing being done of any great interest with respect to coal utilization, and ways and means in which that much greater supply energy form could be increased as to use, thereby reducing dependency on conventional crude or tar sand crude. There is almost nothing being done with respect to research and development in pilot plant designed for methanol production, except in one or two places in the United States where their supply of timber is far less per capita, it is far less per capita than it is in Canada.

So really if the Honourable Member for Riel wants to make a case for Syncrude - which I do not quarrel with entirely - I would hope that he would maintain some balanced view and also conduct some research for himself and start making a case for doing some, I believe, crucially necessary initial studies in research, and even pilot plant construction, with respect to methanol. In other words, forms of energy that are not so directly connected to liquid hydrocarbons as we know them.

MR. CRAIK: Well, Mr. Chairman, I just want to make some further comment. I'm pleased at least that we are getting some reasonable discussion, or at least started, on the question of future resources, because I sense that the people of Manitoba, and to some extent aided and abetted by the Minister's statement, may sort of bask in the confidence that somehow our hydro vast resources are going to satisfy our major needs for energy in Manitoba. As the government's own energy report indicates, that this just isn't the case, that at the present time they supply 20 percent or less of our supply, and by virtue of the requirements of all the machines that man has made and everything else, there is very little alternative for perhaps a majority of our energy requirements being other than the hydrocarbon-based ones which have been developed and will continue to be the backbone of that for a period long after Hydro is expended. The resources of Hydro in Manitoba are short lived; they are probably good for

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(MR. CRAIK cont'd) . . . another ten years to satisfy our growth requirements in the strictly Hydro field, and adding nuclear after that may well take us up into the next step as far as Hydro is concerned.

But looking at these other sources, one can't help but conclude that when you're sitting on a tar sands' deposit in western Canada that has a resource that exceeds the resources of Saudi Arabia, which is the largest in the world, apart from the technology to develop it; and when you look at the size of the budgets that are going into energy in Manitoba alone, you know, this year 400 million and last year 500 million, and this sort of order, one can't help but ask if an investment, in this case Syncrude which is the be-it-all experiment with the tar sands of Athabaska, even if it's experimental, the amount that's being invested is really not the case of putting eggs in one basket, it's simply a case of investing in energy insurance, that's all it is.

The tar sands project is a drop in the bucket compared to the total energy investment in Canada. Unfortunately it's not a drop in the bucket in the types of headlines that get made, headlines that would have you think, I think, that this was a major undertaking; it just happens to be a very controversial one. But the type of thing that's being done in the Athabaska tar sands through Syncrude is no more than providing an experimental pilot operation that hopefully in ten years, about the time we run out of or are starting to approach the threshold of running out of water power in Manitoba, could be just coming onstream, and an investment in it at this time, again to repeat, is very little more than a token investment in energy insurance, that's about all it is to put it in its proper scale.

I found it very difficult to see the Government of Manitoba go through this critical period where they were invited by the Province of Alberta, along with the other provinces, to participate in this program, and not have a word said about why we aren't in it or why we were in it, and then after some questions were asked by the Official Opposition we did get the reply that Manitoba is so heavily invested in Hydro in developing this non-renewable resource, that it just couldn't see fit in getting into that sort of an undertaking with the big fellows on either side of us to the east or the west.

Well that explanation I am sure satisfies a lot of people, but it's apples and oranges you're talking about, there are two different forms of energy; it isn't an alternative to Hydro, what it is is an investment in the future that in the event that this source, which is the traditional source for fuel, lubrication, and all the other things that man and his machines depend on, and will depend on for decades to come, why we weren't seriously looking at it, and particularly since we have always considered ourselves to be a part of western Canada. You know, we fought for years and decades to develop a western industrial strategy. There's been conferences in Calgary held - there was one only a year ago, or whenever it was, when everybody tramped out there and decided how they were going to try and build a western industrial strategy. Well when one of the bulwarks of that came up for discussion, which had to be the development of the tar sands of Athabaska, there was no comment, Manitoba wasn't at the table, we got nothing back from it in the way of a comment.

So one can't help but wonder from the basis of energy insurance for the future, development of a western industrial strategy and a whole basis for a future development of western Canada behind that western industrial strategy, why serious consideration wasn't given to getting involved. We right now have the situation where we have Manitoba on another frontier going out to do battle in Alberta to get sufficient gas supply to satisfy the City of Winnipeg's needs. And I say the City of Winnipeg because Brandon and the other locations still have an adequate supply, but the City of Winnipeg is cut off for two years, their interruptible has been cut off this year, they can't get the gas in Alberta. Primarily they can't get it out of the wells to get it here; to a lesser extent I understand they can't get it through the pipeline. So they're looking at all sorts of alternative needs. Well, where is our negotiating position, where it comes to going to that energy source to getting the supply - already we've got a problem.

Again, looking at it from a strictly political point of view, you know, who says that this isn't going to be the story for oil ten years from now. It's the story for gas this very year, we have no bargaining position to go out and buy gas supplies in Alberta to supply the City of Winnipeg. We're cut off from new connections for two years; ten years from now, who knows what it is. Are you going to go, by this time when we have . . . a new crunch comes on petroleum supplies in the world, go to Syncrude and say, "Now your experiment has paid off, you're

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(MR. CRAIK cont'd) . . . going into Stage 2 and Stage 3, we're in a critical position, we want to get in on the game, " and they're going to turn around and say, "Well fellows, it's too late, the Federal Government has taken up" - in this case I think they took \$300 million, and the Province of Ontario got in for \$100 million, Alberta got in for the rest, and the companies got in on the balance; and Manitoba's sitting on their doorstep saying we now want in to the ball game. That's pure and simply the story.

The size of the investment in relation to other energy investments, is just nothing, it's just a small part of the total picture, and the serious consideration by Manitoba at this stage would have certainly been very worthwhile. I think the government owes it to the people of Manitoba to give them an explanation, other than the heavy investment in Hydro; they aren't the same thing, they're absolutely different. We're always going to need both of them; we're going to need, one hopefully getting bigger and the other getting smaller, but you're never going to phase out the requirements for crude oil supply in western Canada.

That's why we brought this up, and brought it up again, to try and get some more realistic explanation from the government than this heavy investment in Hydro, because it's not an explanation and the people of Manitoba shouldn't be led into the belief that Hydro can satisfy even a majority of our energy requirements in, say, the next 20 years, decades to come. Long after all the water power is used up in Manitoba we will still be depending for well over half of our energy requirements, well over two-thirds, probably 80 percent, we'll still be requiring for import into the province, and that's of course where the Syncrude project fits in, right into the middle of that 80 percent of our energy requirements, long after the Nelson River's developed, the Churchill River's developed, and Bloodvein, and anything else you want to add to the picture - after it's all developed, we're still going to be 75, 80 percent dependent on energy imports.

MR. SCHREYER: Well, Mr. Speaker, the comments made by the Honourable Member for Riel are certainly edifying, and one could even agree with much of what he says, if one were prepared to accept a couple of obvious assumptions or premises upon which he has just finished making that statement. I can only repeat that clearly the availability of capital financing for the tar sands, the only reason that there was an interest in getting extra territorial investment by other provinces in Canada, was more psychological than real. Because who can deny for a split second the fact that as between the Governments of Canada and Alberta, there is an amplitude of capital funding available. The Province of Alberta alone is running to something in the order of a billion dollars a year on its capital division revenues. Or to put it another way, its surplus funds are running to about one billion dollars per annum. That being the case, I can only conclude that it was largely for psychological reasons rather than the mere or the sheer necessity of outside capital that was involved in the overtures that were made with respect to extra territorial investment, by other jurisdictions of Canada in Syncrude.

I've said already that personally I do not quarrel with the national policy which seems to be one of encouraging the construction of Syncrude plants. We also know that they are capital intents, running to something in the order of \$2 billion per 125,000 barrel a day plant, and 125,000 barrel a day plant is not exactly, does not loom very large in the overall Canadian liquid hydrocarbon consumption needs.

If the Honourable Member for Riel is saying that because we will be in a position of having harnessed all hydro electric sites, all realistically harnessable hydro electric sites, some time by the 1990s, he is quite correct. And after those sites are harnessed and all of the available energy is being used by industry and consumers generally, then there will obviously be need to press on with putting into place additional electrical capacity in the form of nuclear, and to the extent that much of our economy's needs cannot be served by electrical mode of energy, but require something that is usable as a feed stock, that is usable in internal combustion systems, then we will still have to rely on liquid hydrocarbons and/or coal, and/or methanol, and/or some other form of liquid hydrocarbon partially or completely substitutable forms.

The Honourable Member for Riel has evaded one point - I'm not suggesting he evaded it deliberately, but he did not come to grips with this one overwhelming fact of energy light in our day and age, and one that will become more critical in the decades ahead, and that is that developing an oil well or extracting by mining techniques 125,000 barrels a day from tar sands does nothing for expanding the world's supply and potential supply of energy, because we must

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(MR. SCHREYER cont'd) always bear in mind that when we talk of liquid hydrocarbons, in whatever form they are extracted, they are non-renewable, and that is a stark fact which one generation of humanity has somehow managed to be unaware of with any great clarity. I don't pretend that there is need to treat as a matter of national importance exploration development of oil and natural gas fields in the frontier, whether it be Mackenzie, the Mackenzie Valley, or whether it be in the high Arctic islands, or whether it be tar sands, but I for one do not accept with equanimity the fact that we should be . . .

The honourable member is talking about insurance, energy insurance. Well one of the most elementary principles of insurance is that you distribute risk by distributing your dependency on any one thing, and somehow we have managed to distribute our dependency on liquid hydrocarbons hardly at all in the past generation. All we have succeeded in doing is building up our over-dependency on liquid hydrocarbons to the point where they now - the member is quite right - constitute 75 to 80 percent of our total energy consumption in Canada. What a prospect that is, Mr. Chairman, because here we are, a sophisticated industrial nation of the free world, 75, 80 percent of our total energy consumption from liquid hydrocarbons, which in turn are non-renewable, and within our generation we have succeeded in bringing forward to an uncomfortable degree at an alarming pace or rapidity that future date when the non-renewable storehouse or reservoirs of the world come closer and closer to depletion.

Now there is two extremes with which one can react. One extreme is to push the panic button and think that we have a very close imminent threshold of depletion of fossil fuels. Which is not the case, if they are properly supplemented and if there is as a matter of national policy, conversion or substitution away from dependency on hydrocarbons wherever it's possible. The other extreme of course is precisely the extreme with which we have lived for the past generation and that is with equanimity day after day, month after month, year after year to be consuming liquid hydrocarbons, depleting the world's reservoirs at a rate of millions, tens of millions of barrels per day.

So that I do not find anything particularly wise or profound in saying that we today must spend infinitely more money in order to run down that reservoir even faster. Because one thing is certain, Mr. Chairman, and that is by definition those reservoirs are finite and the tar sands - great excitement about the tar sands and about the McKenzie Delta - great excitement, such excitement as to lull Canadians into a false sense of security. Because despite all that has been said about the great strikes that were made in the high Arctic and in the McKenzie Delta, the fact of the matter is that when combined they do not move back appreciably, only a matter of a decade or two, the date by which there will be again exhaustion of those same reservoirs.

So that I say to the Honourable Member for Riel he is 100 percent correct that we must be engaging in a systematic way that involves considerable investment in buying energy insurance for tomorrow. But energy insurance for tomorrow to my mind, sir, does not mean, I quite agree, merely the harnessing of Hydro, nor does it mean merely the putting into place of tar sand extraction plants. What about alternatives such as nuclear, such as methanol plants and the like which can use on an industrial scale, with industrial methods, the output of millions of acres of diseased wood, scrub wood, wood waste by products and the like. To me it seems frustrating in the extreme that this kind of substitutable product, which I am advised by some sources is fast approaching the level of competitiveness with liquid hydrocarbon, depending of course on the extent to which liquid hydrocarbon prices go up. But we are doing so precious little in that latter regard, and I don't think we should.

So I would join with the Member for Riel in urging investment, yes, by the Government of Canada, by provinces too, but not merely in liquid hydrocarbon exploration, because that does not really do anything appreciably significant in terms of the next generation of humanity that has to live here.

MR. CHAIRMAN: Manitoba Hydro-Electric Board, \$335,800,000--the Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. Before we pass this \$335 million for Hydro, I would like to ask the First Minister a few questions, questions that have been brought to my attention, and it concerns the operation of Manitoba Hydro and maybe it might even cause more concern if changes are implemented. This is a problem that has been brought to my attention regarding the charging of customers in Manitoba for non-use of power.

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(MR. GRAHAM cont'd)

Mr. Chairman, I've always felt that it has been a very fairly standard practice that in any business operation if you use something you expect to pay for it, but we now find that in the operation of this public utility that you are now being charged for hydro use even though you're not using it. And I refer the First Minister specifically to the recreational committees that exist throughout the Province of Manitoba - in particular those communities that have established artificial ice plants, and I must say that mainly with the assistance and the encouragement of government through grants from the Department of Tourism and Recreation under the lotteries grants and various other forms, we've had the updating of recreational facilities occur, and we now find that because they have put in artificial ice plants that they are going to be charged during the summer months when the plants are not in use, at a rate which I believe will be at the rate of 75 percent of the months of December, January or February. Now, they don't say that it'll be an average of those three, I think it will be 75 percent of the highest of those three. This is a rather strange connotation because we find that where the local councils have granted tax exemption in many cases, to the various committees, we find that the province indirectly is taxing him now because what they will have to pay during the summer months for the non-use of power will be roughly equal to what the local government has granted them in tax exemption. So it appears that - I hope I'm wrong - but it does appear as though the province is saying that, well, if you grant them tax exemption, we'll get that tax some way or another even if we have to go through the back door, through Manitoba Hydro.

I would hope that the First Minister would take a serious look at this. It does pose a considerable problem to those recreational committees which are non-profit and they are operating usually on a very limited shoestring type of budget and if they have to pay out, in some cases it's \$300 and \$400 a month through the five or six months that they're not operational in the summer, it is going to pose a serious problem to these various authorities.

So I would ask the First Minister, first of all if he is aware that this is going on, and secondly, if he is aware of it does he concur with this, or if he doesn't what proposals he intends to bring forward to the Manitoba Hydro to rectify what is becoming a very serious problem as they convert to artificial ice and the burdensome costs that - the summer charge. Now I understand that this is mainly on those plants that are 60 KVA, but I think that there is some indication anyway that they may be lowering that to 40 KVA in the coming year, and it will catch the smaller ones as well.

So I would ask the First Minister to give us his views on this and see if there's some way we can't rectify the problem.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, the Honourable Member for Birtle-Russell will appreciate, I'm sure, the kind of historic relationship that exists between the Crown and the Hydro-Electric Board. The purpose and function really of the government at any one time vis-a-vis a hydro utility is to provide the general policy direction with respect to the putting into place of generating capacity and the distribution system needed for that and to provide for the funds. As a general rule - and it's really quite universal - the government of the day does not presume to direct the Hydro-Electric Board in its executive decision-making with respect to the precise nature of rates and with respect to particular specific problem such as the member has just raised.

I recall that when the Chairman of Manitoba Hydro was before the committee on the 1st and on the 8th of April that one of his colleagues had asked the Member for Birtle-Russell, one of his colleagues had asked very much the same question and I'm trying to find what the dialogue was at that time. The only thing I can offer to my honourable friend at this point would be to suggest that he write a closely reasoned letter to me or to the Chairman of Manitoba Hydro and I will undertake that he get a closely reasoned reply, and if there is in the close reasoning of it some preponderance of argument to indicate that there ought to be a change, then I'm sure that the Chairman would recommend it to the Board. Just offhand though, I am not in the position to give any assurance that we will go back to the status quo ante with respect to the rates charged and the method, really, of rates charged to those users that are seasonal. And I think that that's where the problem lies, if the honourable member is referring to seasonal users of energy which, yes, on the one hand raises the argument that when they're not using energy they ought not to be billed in any flat mode, or in any flat way; on the other hand there are certain

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(MR. SCHREYER cont'd) fixed costs that are involved in providing the service in the first place, and if the consumption doesn't relate by some formula fashion to these fixed costs then from time to time revisions in the charge and the rate have to be made. So I can only give that kind of offer to my honourable friend, and I will not presume to argue the pros and cons of the innovation or change in the method of billing for these purposes.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I raised the issue at this time because I feel that probably the Legislative Chamber is the proper place to debate this and to discuss it, because what we are dealing with here is something that I think quite properly lies within the field of political debate and political direction. We find government on one hand is encouraging communities through grants, through programs of one nature or another, to actively get involved in a good healthy community recreation program, and I think most people are quite willing to accept that and endorse that type of program. But we find that once this occurs and the community does move forward with the advice and the assistance of government, they then find themselves being placed in a position where a Crown agency which also receives its advice and direction from government - and if it doesn't it should; we find that Crown agency then through its rate structure is working at a direct opposite means than what the intent of government was.

Nobody is arguing - nobody is arguing about an increased rate for the use of Hydro, but here we find they are being charged at the rate of 75 percent of the highest of December, January or February for the non-use during the period when they're not operating. They're paying 75 percent even though they don't use it. And here I think quite properly it lies within the realm of government to make a decision and say to Hydro, "Now, we are trying to encourage communities to build these recreational facilities and we think that charging for non-use of Hydro should not occur." Or, they can say, "Maybe you're not charging enough. Maybe you should double it." I think that government, quite properly, has a responsibility to tell the Crown agency that because there's a conflict of interest you should take your direction from us so that we at least know we're both going in the same direction.

This is the reason why I raise the issue at this time for the First Minister's consideration and sincerely hope that Cabinet will take a close look at the problem and probably, hopefully in the near future arrive at some decision and give that direction to the Crown agency and also give that direction to the various communities that are so involved.

MR. SCHREYER: Well, Mr. Speaker, certainly the matter can be taken under consideration and I hope I didn't leave the impression that we would not be willing to look at it, to consider it. I, on the other hand, would invite my honourable friend, the Member from Birtle-Russell not to get on his high horse with respect to this principle he is trying to formulate, if there is no use being made that there should be no rate being levied, because we have never, as far as I know, we have never followed that principle with pristine purity, or consistency rather, in the sense that for years the minimum billing to any Hydro user by Manitoba Hydro was always somewhat higher than the minimum bill to the City of Winnipeg hydro user. That, you know, is something that went on I would think probably since 1921 when Manitoba - Manitoba Power Commission, as it was then called, was first established. And this concept of minimum billing does bring you into a kind of a logical dilemma - if you like to play around with dilemmas, it is a nice little dilemma to play around with - namely, that minimum billing does connote some charging for energy which potentially is there to be used but which in fact the consumer may not be using. And so, wrapped up with the problem that my honourable friend raises is the one I have just outlined.

The next point I would like to make is that it is not as though the cost of energy, of electric energy at least, to the consumer, it's not as though it isn't, if anything, a little lower today than it was ten years ago, certainly lower than it was 20 years ago, 30 years ago and the like. As a matter of fact, since the turn of the century when electrical energy first came on the scene in any meaningful scale, the ratio between the cost of hydro-electric energy to disposable income in this province has been a steady progression downwards in terms of the ratio, and I am not so foolish as to imply that that ratio will always continue to go down. I think by definition it some day will have to cease going down and in an energy troubled world the ratio could reverse itself, but even if it does one hopes, and fully trusts, that the ratio will never be quite as adverse as it was say in the 1930s, 1920s, or prior to that. And by definition what applies to the individual would apply to a community of individuals who gather together to put up a skating rink or any such amenity.

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MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, while we're on the subject of hydro rates I thought it would be an opportunity, and I didn't want this part of the debate to go by without referring again to the rate setting authority of Manitoba Hydro which is by decision of the Hydro Board, and is announced usually with rather minimum advance notice. I say that minimum in respect to or in comparison with other kinds of rate advances for utilities that are in some other cases submitted for approval to a Public Utilities Board.

Mr. Chairman, there's a degree of variation here in the way that these rates are increased with perhaps 14 days notice and the announced positions of the First Minister and his sympathy for price and wage restraints in a time of inflationary pressures. It seemed to me that there might be more opportunity to rationalize this kind of cost of this portion of the cost of living in our province, and this portion of the cost of doing business, and the portion of the cost for industry, if there were longer advance notice periods required by hydro to present, say, a 20 percent increase in rates. It seems to me that 14 days notice doesn't allow industry, or landlords who provide rental accommodation with these services included, it provides them with very little opportunity to rationalize these costs in their businesses.

So I'm wondering if the First Minister might just comment on this and I'd like his views as to whether or not he feels this is a reasonable way. Why for instance wouldn't it be more reasonable for all concerned to have a 90 day advance notice of a 20 percent increase in hydro rates, so that people who are providing those services included in other costs might have an opportunity to revise their contracts in the same way, and for industry to consider alternative forms of energy as well. It seems to me that there might be something done in that area to make it more reasonable. Whether or not you want to go to submission of hydro rates to public utility boards - I know you have some reservations on that point - but it might alleviate the problem if hydro were to impose upon themselves some restraints in respect to the amount of lead time they would give their customers.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, it's certainly possible to agree in large part with the Honourable Member for Brandon West. The only defence I could plead is that in significant part we are providing, Manitoba Hydro is providing, long lead notice. I do not disagree with the general principle the member has indicated that there ought to be some sort of minimum time frame of prior notice - he mentioned a figure of 90 days. It is true that with respect to the very specific rate there's something less than 90 days formal notice, but on the other hand, on the other side of the coin, I would argue that a good part of the increase has been on long term notice. The member may recall that approximately 2 - 2-1/2 years ago I indicated in this House that by far the greater probability would be of the hydro utility having to go on a 10 percent per year rate escalation pattern in the foreseeable future. All that's really happened or changed since is that with the pattern of inflation in 1973 and certainly in 1974 the 10 percent estimate has been out by about roughly two-thirds of the amount of full inflation. Because the 10 percent estimate, which was a conceptual one at that time, had it worked into it, an inflation pattern assumption of I believe something like four to five percent, and if inflation is running at 12, then you have to make the adjustment on the 10 percent projected base. And indeed, as I'm sure the member is aware, in the Province of Ontario they have been wrestling with this problem as well. They had also made a prognosis a few years ago, and indeed did carry out from about 1970 a 10 percent per year adjustment rather automatic and like clockwork almost, and since then they've had to supplement with the rate increases. Just a matter of a week ago I think there was a formal announcement of a 30 percent adjustment over the next 12 months. They do not by the way go to the utility board any longer but they are required to go to a Ministry for the rate adjustment approval.

I'm sure that it would be possible to carry on quite a philosophic discussion back and forth across this room as to the pros and cons of requiring a Crown utility to go to a utility board, or requiring it to go to another ministry for approval. I merely offer the observation that I can't help but feel that there is a certain amount of well, so to speak, administrative incest in requiring a Crown utility to go to a utility commission. It is not only - well it is also in my opinion a needless expense. We all I think in this House tend to bemoan the growth of bureaucracy in our day and age, red tape, and not only is time a factor but also unfortunately time is money and therefore administrative pyramiding, administrative procedure delays in addition to causing further delay costs the public purse.

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(MR. SCHREYER cont'd)

Just by way of example I would indicate to the Honourable Member for Brandon West that to go to the utility board today would be an exercise costing in the order of two-thirds of a million dollars, and really for what purpose? Given the fact that wisely our legislative forefathers wrote into the Hydro Act years and years ago a clause prohibiting the diversion of any hydro receipts or funds to any other public purposes, so it can't be used in general revenue of the province. Now I don't know if it surprises honourable members but many provinces do not have such a prohibitory clause with respect to their utilities and so when they have a good year they can divert funds into general revenue. If we had that kind of avenue open to us then I could see that there would be a lot of weight to the argument that any rate adjustment should go to the Utility Board. But we don't have it, there's no diversion of funds possible to general purposes, and therefore why go to the utility board. That's generally our attitude.

MR. MCGILL: Yes, well, Mr. Chairman, the First Minister has made the point that it is perhaps an exercise in some additional red tape to go to the Public Utility Board. It seems to me that the only value is that it is announced and there is the time factor that works into it. When they make application they have a specific rate increase to apply, and then the public is aware that - and certainly with many more days notice than is presently given - that such a specific rate increase is being requested. So if this sort of constraint could be adopted by hydro without the necessity of going through a public utility meeting we'd accomplish the purpose I think without . . .

MR. SCHREYER: I will convey that thought.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Well, Mr. Speaker, I just have a couple of things to mention to the Honourable the First Minister as he seeks capital authority for \$335 million. For years in this province I daresay there was every village, on the outskirts of the village was a large Hydro sign saying "It's your Hydro - Use It". And the Hydro did build up a large clientele. When first people first got their homes wired with the \$65 down and they had the four minor appliances, and the program worked well for years. And of course I think that the board should have given the public - on the point that the Honourable Member from Birtle-Russell is raising - some advance notice because a lot of our communities they have not only put in artificial ice but they've put in electric heating as well, and they face some pretty formidable bills for the summer months now when those recreational facilities are not being used, and they certainly have followed the guidelines of those signs that were placed outside the villages, and many of them are still there. It's your hydro - Use it. And they have used it, as I say they've put in electric heat.

There is a lot of concern in the country, especially over what bills they're facing, and I wonder if the First Minister would raise to hydro the possibility of removing the sales tax, at least from these community recreational centres that's being faced with this excessive cost. I think it's worth consideration, and at least it would relieve them of some of the burden because it's going to be pretty tough for some of these small communities to face up to - I understand it's 200 and some dollars a month in some cases, so it's a pretty substantial bill.

The other thing I was wanting to raise to the Honourable Minister is the noise of hydro lines and radio communication. I'm sure if you travel around the province you'll find that today - it didn't use to be that way. I've checked with hydro men on it and they say in a lot of cases it's loose hardware and the nuts and bolts that's on the poles have not been maintained properly and a lot of the noise is coming from that source, and maybe that could be raised at some future board meeting. I think we did have excellent communication and the hydro lines didn't interfere with car radios as they drove around, but they are today. In many areas it's so noisy that it's almost impossible to listen to it, to local stations.

MR. SCHREYER: Well, Mr. Speaker, I'll certainly take the matter up with those that are responsible in an operating way with respect to the last item. I'm really not in a position to comment as to the extent to which static interference is a result of hydro lines, and whether in turn that is a result of perhaps just a slight downturn in the standards of maintenance. There we're getting into an element I'm not familiar with. I'm a little surprised to hear it suggested that loose bolts on the crossarms in turn have something to do with the extent to which there is some stray static energy interference emanating from these lines, but I'll certainly check it.

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MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I should firstly apologize to you for not rising earlier because the comments that I wanted to make to the First Minister at this time follow those made by the Honourable Member for Riel and the Minister's response, or perhaps more accurately his lack of response, to a specific matter raised by the Honourable Member for Riel. But I don't know, Mr. Chairman, perhaps it's basking in the afterglow of the first Manitoba Day and the reasonableness of the House, that I must admit that I'm going in slow gear and I was just slowly gestating the remarks made by the First Minister. One of course appreciates that we're speaking about, and I believe it's no secret, his favourite subject, particularly when he can speak in the broader terms of energy, the need for a hungry energy world that's feeding ravenously on depleting energy resources and what to do about it. One can just about close your eyes for a moment and instead of listening to a First Minister of a province in mid-Canada speaking, perhaps a senior public servant on the international stage perhaps working for some United Nations agency, speaking about the requirements of the future, requirements of the world at large. One has that feeling, and if it's a genuine feeling that is transmitted to all of us, at least on this side of the Chamber, when the First Minister speaks about the energy in such a manner. It was thus that he responded to the Honourable Member for Riel when he raised certain matters having to do with energy insurance and our role in it.

Well, Mr. Chairman, one can hardly fault the First Minister for the remarks and comments that he made, or the validity of these comments, and the necessity for all of us I suppose to share and take seriously the necessity for embarking on exploration, research into those other energy fields that he speaks of. But, Mr. Chairman, a few of us at least on this side of the Chamber have also raised the question recently in debate, particularly in the Budget Debate, about another subject matter which the First Minister seems to portray a particularly and unique amount of gutlessness in. And I refer now to that specific portion of the remarks made by the Honourable Member for Riel which the Minister chose to ignore. What about western strategy? What about a western Canadian position? And, Mr. Chairman, you know, he avoided that response by, as I already said, going into the field that he feels much more comfortable in and talking to the world you might say, Mr. Chairman, about what has to be done by all of mankind in the future.

Well leaving that aside and not even arguing or denying the necessity for that having to take place some time but, sir, I suggest, Mr. Chairman, that is a noble and admirable position to take place maybe at some future meeting of the Club of Rome, or when he is with Morris Strong and company in the United Nations, or wherever, that that may be a fitting stage to make those remarks; certainly not an unfitting stage to make those remarks here in this Chamber. But, sir, it is also a fair question for us to ask a fair position for the Member for Riel to raise, what about a western strategy? What about looking after the immediate, not only the energy needs, indeed the political needs of a region that has all too often been left without sufficient influence, left with insufficient clout to bring about some of those changes that we'd like to see made in our country.

Well, Mr. Chairman, there seems to be little inclination on the part of the First Minister to engage in that kind of an exercise, and again we say on this side of the House that it is to our loss. Now, Mr. Chairman, I don't hold the view that our Confederation is that fragile that regional influence properly exercised is all that damaging. In fact I think it makes for a healthy Confederation. Our difficulty, Mr. Chairman, is that for all too long, and for all too often, and in most instances, the regions that have the influence, and that have the clout, have in fact been exercising it to the disadvantage sometimes of other less fortunate regions of the country. I think the danger, Mr. Chairman, is, and the danger that has been mentioned in this House, is that when a region fails to acknowledge, fails to realize its positions from time to time, and not take advantage of them, that weaken Confederation when we through negligence don't seize these opportunities.

The Honourable Member for Riel referred to the concept . . . Certainly implicit in the calling of the Western Prairie Economical Conference that was held just a little over a year ago in Calgary, there was certainly an undercurrent that ran throughout that whole conference, that we were going to take advantage of this special occasion, this rather unique occasion where the Feds came out to meet us in the west and that we in the west would have an opportunity to develop a western strategy. Mr. Chairman, to talk about a western strategy and leave out the

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(MR. ENNS cont'd) development of our energy resources would be unthinkable. Mr. Chairman, that appears to be exactly however what the First Minister and this government is prepared to do.

Mr. Chairman, I just bemoan the fact, and I don't wish to raise it in any greater way than I'm raising it now, that aside from lecturing us about the eventual necessities that are all very real, they're all very apparent, and that resources and research efforts and moneys will have to be dedicated to develop the kinds of things that the First Minister spoke about in response to the position or the questions taken by the Member for Riel. Nonetheless, he surely has a responsibility, not unlike that responsibility faced by other western Premiers, firstly to their own province, and then certainly to their region, and I don't believe for one minute that makes any one of us a lesser Canadian. I believe it has a greater opportunity for strengthening Confederation if we take that approach. And what's missing, sir, in this short dialogue in this debate which was interesting and I enjoyed very much, was any sense of feeling for that kind of a position, any sense of feeling of togetherness with our sister provinces to the west. And I really don't think that should be so difficult. Certainly it can't be that difficult on political terms; we have an NDP government in Saskatchewan, we have a Conservative government in Alberta which some say is more NDP than the NDP government in Saskatchewan, particularly when they start taking over airlines and what have you. But overall, Mr. Chairman, it should not be this difficult for this First Minister, who obviously has a taste for, an understanding for the broad overview. He can hurdle those parochial borders and talk about the needs of the world, which some of us suspect that he indeed will soon be tackling, the broader problems of the world at large on a bigger and a more international stage.

But, Mr. Chairman, we have a job to do right now here in the Province of Manitoba; and we have a job to do right now that we can do best in concert with our sister prairie provinces. And we have an economic issue with which we can walk with some strength and with some power into the bigger consulting chambers of this nation. Mr. Chairman, the tragedy is that for want of posturing of one kind which I have ascribed to him for other reasons, we have chosen not to do that. Mr. Chairman, for those reasons alone, I think that the First Minister and the government - first the government has to be charged with some negligence of responsibility in failing to recognize that.

Mr. Chairman, I should be fair. I don't say that they fail to recognize it; they have just chosen not to exercise the option. I believe that the results of that kind of an effective co-operation, of that kind of getting in on the game, in this case, a specific project mentioned by the Honourable Member for Riel, but not specifically tied to any project, but just in general, in developing that overall western strategy, has immediate and specific gains for the people that he now has the responsibility for as directly representing as First Minister, has specific and tangible benefits for the western region as a whole, we find ourselves not taking advantage of this situation, but rather choosing to talk about the more nebulous responsibilities that we have for developing an energy requirement, that admittedly sooner or later has to come. But we don't face that immediately here in western Canada. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the Honourable Member for Lakeside has been very interesting and very provocative, and I suppose provocation has to be there in order to generate interest. But I'm certainly fascinated by his comments, and I suspect that one of the reasons why there is a kind of an implied attack of policy in the statement of the Honourable Member for Lakeside, and Riel for that matter, is because I suspect that they are making a couple of assumptions as to why we did not enter into the Syncrude deal, and I suspect that their assumptions are really, if it's what I think it is, then their assumptions are quite ill-founded.

The Province of Manitoba did not reject the possibility of entering into some financing in the Syncrude deal because of ideological reasons, and we did not reject it for reasons of petulance or some kind of inter-provincial rivalry. We looked at it and decided not to enter into the Syncrude deal at this time, for reasons which I have already tried to articulate, but I will take another run at it, because I quite agree with honourable members opposite, it is one of the more major issues facing us today in terms of responsibility for the future: Just what are we doing today to provide or to try to put in place the best combination of insurance against energy needs and prices years into the future?

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(MR. SCHREYER cont'd)

I have to say again that it is not some nebulous defence that we are invoking, talking about the long distance future, which I firmly believe is not that long distant, but the fact of the matter is, Mr. Chairman, is that Manitoba is involved in a very tangible non-nebulous way with energy development, albeit in the electrical mode. But there's nothing nebulous, sir, about harnessing a million kilowatts of hydro-electric energy at a cost of \$350 million at Kettle Rapids and another million kilowatts at Long Spruce at a cost of \$420 million, and laying hard non-nebulous plans and engineering design for a third million kilowatt plant at Limestone, and for a fourth of the same size further downstream, and the number of sites on the Burntwood; all this is not nebulous, it is just a coincidence of history, but a concrete reality that we are involved as a province of one million people in investing very heavily indeed in energy. Were we in a position which by coincidence some sister provinces are, where they are not at the current time investing significantly at all in energy development, then I suppose we would have felt much more hard-pressed to enter into some joint financing of the Syncrude project. Because I believe that there is an obligation on all provinces in Canada to invest in proportionately so as to secure up a better insured future supply. I believe that in the case of Alberta it is entirely logical, not only are the Tar Sands located in Alberta, but were it not for Tar Sands, the Province of Alberta, the people of Alberta would not be investing very much at all in energy, were it not for the Tar Sands.

In the case of Ontario, they have, I believe, done a good service for Canada as a whole in having put money into the pioneering of domestic commercial nuclear electric technology. So Ontario has done its share. But at this particular year, Ontario is not heavily involved in energy development investment, because much of its nuclear program is already onstream, they are not harnessing hydro-electric plants, they are having problems in securing up coal supplies so they're not even building coal burning thermal plants to the extent they should. So it is, I believe, quite logical for Ontario to have at this point in time invested in Syncrude.

There are provinces in Canada who by just a coincidence of timing are not, as I say, investing very much at all here and now this year, next year probably, in energy development. So to say that they should be investing in Syncrude might make considerably more sense. What is a province like Manitoba of a million people expected to do? Instead of investing 350 million a year in energy, should they be investing 500 million a year, is that what my honourable friends are suggesting? I suspect not. There are limits of prudence as to how much we should be borrowing on the capital markets of the world in order to invest in energy for tomorrow.

There is also another assumption which really I hope the Member for Riel is not saying, even indirectly implying, because I would find that to be a devastating lack of faith in Canadian Confederation; and that is, if I may, Mr. Chairman, just before we rise, and that is what I infer from my honourable friend's remarks, and the Member for Lakeside too, that unless we put investment into a given energy development in some other province then we can never be sure that at a future date that when, assuming I guess, some critical energy supply problems, we will not be able to secure an adequate supply for our citizens. If that is the case, Mr. Chairman . . .

MR. ENNS: It's happening right now.

MR. SCHREYER: . . . then I would suggest that the British North America Act is meaningless and I for one do not want to make that kind of assumption. Let the day never come when a commercial contract has to be regarded as superseding the peace, order and good government and other clauses of the British North America Act in terms of assuring that Canadian national needs, interests, public requirements, are adequately safeguarded. They must always over-run commercial mundane contracts of one kind or another.

Now is someone suggesting that in order to secure oil in the year 1994, that we have to have a commercial investment in the Yukon or in Alberta or in King Christian Island in the North West Territories, and that if Ontario has such an investment they will get oil and Manitoba or in Prince Edward Island or British Columbia that doesn't will not? A nation cannot survive that way, Mr. Chairman, and if one accept the thinking of the Premier of Alberta when he always reassures us that oil will not be used as some kind - and you know it is mind boggling to even think about it - that it would be used for some kind of fratricidal pressure and strife within a country. So if one is arguing that there's need for capital investment, I can accept that, but I cannot accept the contention that we must invest commercially in order to get equal treatment within the bosom of one's country.

MR. CHAIRMAN: The hour being 4:30, in accordance with Rule 19(2), I am interrupting the proceedings of the committee for Private Members' Hour and shall return to the Chair at 8:00 p.m.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. Private Members' Hour. We are now on Resolution 22. The Honourable First Minister.

MR. SCHREYER: On a point of order. Unless the Opposition House Leaders are aware, perhaps they are, that at 8:00 o'clock it is the intention to deal with Departmental Supply, not Capital Supply.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member for Fort Rouge.

RESOLUTION 22

MR. AXWORTHY: Mr. Speaker, I beg to move, seconded by the Honourable Member from Assiniboia, that:

WHEREAS improved nutrition is an essential element in upgrading the health of Manitobans;

AND WHEREAS it is important to inform and motivate the Manitoba public to realize the value of nutrition;

AND WHEREAS it is important to encourage the development of better food products;

THEREFORE BE IT RESOLVED that the government consider the advisability of instituting the following programs:

1. establishing physical and health fitness service centres and community health clinics, baby clinics and other regional centres to provide testing information and counselling to the public,
2. provide educational programs in the schools on nutrition combined with in-service training for teachers on how to integrate nutrition knowledge and nutrition educational techniques into their curriculum,
3. provide bursaries and research grants for individuals and institutions to encourage work on developments of new, improved food items of high nutritional value.

MOTION presented.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, in introducing this particular resolution, I'd like to go back to perhaps the first speech that was made in the House this session where the Member from St. Matthews made a statement which I found myself agreeing with - I think it was the only one I found myself agreeing with - when he said that he thought this was a gutsy government. Now I took him to mean had nothing to do with intestinal fortitude of the government but was more description of their physical shape, and I think that that was probably a fair . . . Not only that, Mr. Speaker, but I thought that the member somewhat misplaced his assessment, he might have been able to describe most members of this House on the same basis, that if we are in any way like our contemporaries outside this Chamber, then at least half of us, according to the latest nutrition studies, show that over half of adult Canadians are overweight, have poor nutrition and generally are in just lousy shape. I would like to suggest, Mr. Speaker, that perhaps this Assembly, this particular resolution, if nothing else, may give rise to some self-examination by members of the Assembly. I would only suggest that the purpose in promoting this resolution or bringing it to the consideration of members is that it represents, I believe, one of the most important comments on what is almost a deplorable condition of Canadians at the present moment.

I suppose all of us have read of late of how in recent studies being done, we find out that a 30 year old Canadian male on average has about the same physical state as a 65 year old Swede. And that in fact, perhaps in a much more serious vein, that the study done two years ago by Nutrition Canada, a major survey done right across the country, and since substantiated by different provincial surveys, shows that one of the most important causes of ill health in this country is poor nutrition; that at the present moment it is estimated that almost one-third of medical costs that we now face in this country are simply to repair the ill effects of malnutrition. Now we normally consider malnutrition to be the picture of some starving child in South . . . Africa, but the fact of the matter is that a child in a middle-class home in sort of south Winnipeg can have a serious malnutrition simply through a poor diet, an over-consumption of hot dogs and hamburgers and soda pop and all the rest of that what is commonly called junk food, as someone living in some of the worst conditions of our country. The fact of the matter is that one of the interesting issues that every Legislature has to face, and we wring our hands in great despair, is the rising cost of health care in this country, and yet the fact of the matter

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(MR. AXWORTHY cont'd)

is that most of our health care, about 90 percent of it is devoted towards the curing of disease rather than its prevention. And if we were to take, I think, a much more positive point of view, we would concern ourselves much more directly with matters of preventing disease rather than trying to repair the damage after it's been done.

It is estimated, Mr. Speaker, that close to 25 or 30 percent of illnesses caused by cancer, cardiac vascular diseases, arthritis, diabetes and in the areas of infant mortality, close to 25 or 30 percent of deaths in those areas are caused basically back to poor food habits or poor nutrition. So what we're talking about is not some sort of a simple exercise of kind of a couple of do-gooding little groups, but in fact we are trying to focus on in this resolution, one of the primary causes of ill health, and one of the primary ways of beginning to save the public money of developing sort of acute care hospital beds and all kinds of major activities in the field of health care. And so that is really the purpose in putting forward this resolution for consideration, that we must begin to take a much tougher and a much more accurate look at the kind of nutrition that people in this province presently use, and what the demands are, and how we can go about correcting many of the deficiencies.

I would point, for example, Mr. Speaker, to some of the most common fallacies that we face - we again assume that we are well fed - and one of the fallacies of our affluent society is that because we think we are eating a lot, or eating richly, that we think we are eating well. It just doesn't happen to be true. If you take that common staple of life that people talk about, bread for example, which is a home grown product grown from our own wheat, milled and refined in the Province of Manitoba, we find out that most milling processes in the Province of Manitoba eliminate upwards of 15 important vitamins from that procedure. Some interesting experiments done at the university showed that when a group of rats were fed the variety of enriched, so-called enriched bread that are sold in our grocery stores in this province, two-thirds of them died of malnutrition, and the rest of them had their growth stunted, and so on.

Now, the problem is that we are so over-chemicalized, over-processed, over-refined that we have taken most of the good value out of most of the foods that we grow, and the people are simply not aware of that. We tend to package and produce and manufacture and market and put a great deal of attention on the superficiality while at the same time we are eviscerating the real value of that food, and as a result we end up seriously damaging our own health.

So I think, Mr. Speaker, it is important that we begin to look at the kinds of issues that we face in nutrition, both as a way of saving on costs and also as a way of saving on health. I think a recent study done by the Food Prices Review Board even adds further argument, and that is, that it is cheaper to buy nutritious food than the food that most people buy. I think that the survey done by the Food Prices Review Board that was released just before Christmas indicates that the average food costs for a Canadian family of four is about \$2,900, and that goes for the food package which includes a lot of that junk food. They developed an alternative diet of varying sorts which is about 35 to 40 percent more nutritious, and pointed out that if the average family bought that particular package of food, it would save them \$900 a year, as well as giving much better value to their children, and so on. But the question is, why doesn't it happen? Well, the problem is, Mr. Speaker, that most people just don't know what the value of food is, that we have in a sense covertly eliminated or reduced or subtracted so much of what is of value, and so when someone goes to buy a loaf of bread or a package of meat, they don't realize that in fact that many of the good things have been taken and nothing has been replaced, and that they are not able really to plan their diet.

Furthermore, Mr. Speaker, we're not really, at this stage in time, aware really of the basic kind of physical condition of most people. They really don't know how healthy they are. When we're sick we go to a doctor, but if we're just sort of feeling as we normally do, we don't bother going to test those kinds of things out. Yet as a result we are not able to plan the kind of diets and the kind of food that would be most helpful and healthful to people.

So one of the interesting situations that we've seen, Mr. Speaker, is this, that because of the, in part, the hidden superficiality of a lot of food products, and because most people don't know the state of their health, we think it's time that the Provincial Government began to take a much more serious step in looking at the nutritional requirements and needs of Manitobans.

I would suggest this, Mr. Speaker, I think in part the government has taken some steps. When I introduced this resolution last year, and unfortunately it was the latter part of the

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(MR. AXWORTHY cont'd) Session and never got to debate, there was really virtually nothing being done in the province. Since then I think that the government deserves some credit. They have instituted the food program in the schools, and along with that food program goes a certain amount of nutritional education in those schools which receive it. But I think at last count there was something like about 14 of these schools, I believe, was the number - is that right? Perhaps, the Minister - about 20? --(Interjection)-- Twenty unicity schools, where some of that kind of training is going on. But that leaves the rest of the province really sort of denied the same kinds of opportunities.

Furthermore, Mr. Speaker, there are many people who don't go to school. Many of our older people are those who suffer most seriously from problems of poor diets and in many cases have illnesses traced directly to malnutrition or poor eating habits. I again can testify that two or three years ago, you know, a study I was involved with in terms of the health condition of senior citizens in the unicity part of Winnipeg, that one of the major reasons for the poor health of those was simply their poor eating habits. They just were not able to do it in many cases. It wasn't a matter of the fact that good food wasn't there for the price, it was just that they were buying the wrong kinds of things, and getting the wrong kind of advice as to what to do. I know that in the reorganization of the Health Department that presumably there's supposed to be economists available, so I would simply point out, Mr. Speaker, that for the total inner city of Winnipeg, that includes the old boundary of the City of Winnipeg which is close to a quarter of a million people, there is one economist available to provide advice. That's the way the system works. Well, in trying to find out what that person does, they virtually have no role because they can't provide the day by day kind of counselling.

So, Mr. Speaker, in this resolution, what we're promoting first is that in the District Health Centres that are being established and in other kinds of health care centres such as places like Mount Carmel and others, where there is those kinds of facilities, the point of the package of programs that should be going into those centres is a kind of physical fitness centre where someone who wants to find out really not how ill they are but how healthy they are and how they can improve that, can test themselves. And I would point out that there is such a centre working in Montreal, the "Montreal Diet Dispensary Centre" which is having really phenomenal results for someone who wants to go in and sort of find out really to what degree, sort of, are they physically fit, can test their fitness against certain measurements and find to what degree they are able to improve their health. Where mothers can go in and get proper counselling on the sort of foods that they could buy within their income and therefore be able to purchase in a much more rational and selective way and they can set up certain dietary sort of programs for themselves within their budget. And they get that kind of advice being delivered to them daily. They can be pointed out, the total and complete sort of uselessness of many of the junk foods that they are now buying oftentimes on the assumption that they are good for their children. So that in many ways such a small centre which could be operated in many cases on a volunteer basis or through some additional help of home economists and nutritionist with the aim to provide a very major service in turning around the condition of health of people.

A second kind of requirement we see, Mr. Speaker, would be to introduce into the schools a much more effective nutritional educational program. One of the debates that has gone on, and I think again I would like to compliment the Minister of Education who has taken some lead in the matter, is trying to eliminate or reduce the dispensing of junk foods in the schools, the soda pop kind and chocolate bar kind of thing. I only wish the Minister of Education would do the same thing in terms of our own lounge where all we have available to the members of this Assembly is the -- (hear hear) -- well, I'm not saying that we have to take away the Member for La Verendrye's little gum . . . his jubes or whatever he wants to buy - I'm simply saying for those who want alternatives they should be there, and they simply aren't there, which simply points out that part of the problems --(Interjection)-- that's what I figure an example - that one of the problems is availability and accessibility of food, that we are really, when it comes to a question of a snack society, which we are, and especially in this Chamber where the government hasn't even seen fit to keep its cafeteria open beyond 4:00 o'clock, and the long hours we're spending in here, and I wish the Minister of Public Works was in here to listen to my plea, and the only alternative is those things that we have sitting opposite. So those of us who sometimes think that chocolate bars may not be the most useful addition to our diet, we're simply denied that access. And frankly, Mr. Speaker, the same thing holds true in many of

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(MR. AXWORTHY cont'd) our schools. The children simply don't have access to any other kinds of alternatives nor do they receive education as to what really is good for them and the kind of foods that they should be using.

The third point that we want to put forward, Mr. Speaker, is the need to vastly encourage and give incentive to the development of particularly Manitoba agricultural products as part of that snack kind of fast food development. There is some interesting experiments going on at the University of Manitoba in taking things like developing a new kind of hamburger roll, using sort of whole wheat and other things rather than using the kind of total varieties that we have now. There are experiments going on in the dehydration of certain kinds of vegetables and fruits that could also be dispensed as an alternative to sort of soft drinks and candies. But I think, Mr. Speaker, in speaking to the people working out there, they neither receive much encouragement and certainly not much in the way of bringing products forward. And again, that would provide an alternative, and it seems somewhat paradoxical that the province which is so richly endowed with agriculture, has done so little in terms of developing new kinds of products out of that agriculture that could displace many of the kind of junk foods that now really is all that's being offered in the market. So the third part of the resolution that we put forward, Mr. Speaker, is the idea that we feel in this province in particular we could develop a new line of product and one that would be of particular value to our own population if it was given that kind of incentive.

I would say, Mr. Speaker, there are many other kinds of initiatives that could be taken in the field of trying to provide for a better and more open awareness of our nutritional requirements. These three are just really suggested or brought forward as examples that could be taken. The point we're trying to make is that as we continually sort of face a ballooning cost of health care, which as I've said before, will almost bankrupt every province in this country if it continues, the one area where we've spent almost virtually no attention and spend no time is trying to develop a prevention of bad health, to provide a prevention of illness, and that one of the most effective ways of doing that is to greatly improve the nutritional base of our population. And as a result of that not only would we be able to sort of provide for a major cutback in the cost of health care, but I think we would also be able to provide many other side benefits in terms of the general state and condition of our own people so they would be able to produce and be sort of healthier, wealthier and wise, I suppose, is the old saying.

So, Mr. Speaker, we put forward this resolution primarily as an example of how we think that the attention and concern of this province should now be directed more carefully and directly to the nutritional problems and to try and provide some corrective action so that we can provide better nutritional care for people in this province.

MR. CHAIRMAN: The Honourable Member for St. Matthews.

MR. WALLY JOHANNSSON (St. Matthews): Thank you, Mr. Speaker, that I would plead guilty to. I was going to congratulate the member for a number of things. This may sound unusual coming from this side congratulating an opposition member, but when he did make his crack about my statement that the government had guts, referring to our physical condition rather than our state of courage, he had some validity and I'd have to say he hit home in my case. I would plead guilty to being out of shape. I'm on a diet and I would hope that in a few weeks it results in my being in a bit better shape.

I would suggest to the honourable member that the Member for St. Johns has a very unique kind of suggestion for a system of exercise and diet which he might approach him about privately. I'm told it works and it's much pleasanter than my diet.

I was going to congratulate the member about the fact that he succeeded in driving the press gallery out of the gallery with the momentous nature of the topic; however, I see that they must have taken some kind of sustenance, either liquid or otherwise and they're back here, they've been fortified enough to come back and listen to us.

I'd also like to congratulate the member on the excellent summary that he's given us of the nutrition study done by the Federal Government. It was an excellent summary. The government really welcomes much of what the honourable member has said, and we welcome his resolution requesting us to move more in this direction, or put more movement in this direction. It's a considerably more progressive position than we're getting from the Conservative Party. I can recall a month or so ago listening to the debate during the Estimates of the Minister of Education when the Honourable Member for Pembina was attacking us for our school milk

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(MR. JOHANNSON cont'd) program, maintaining that this was a further movement into socialism, and I have his statement here, Page 1133, Hansard: "I myself, and I think there are many like me, if they had a chance to express themselves, would say that this here handing out of free nutrition foods and milk at school for nothing is just another form of socialism coming in, where you're trying to look after the people from cradle to grave so you've got them under your thumb."

The Honourable Member for Swan River also wants to move back into the 19th Century. There's one thing that we can be sure of and that is that the honourable members opposite in the Official Opposition are not milk socialists, just blackbird socialists and damn socialists. And I find this rather amusing because I was reading a short while ago in Bartlett's quotations, and I found an interesting quote and I'll read it to you - it affects the subject before us. "There is no finer investment for any community than putting milk into babies." "There is no finer investment for any community than putting milk into babies." And I wonder - guess who said that? Karl Marx? --(Interjection)-- Lennon? No. Winston Churchill said that in 1943.

A MEMBER: He never touched it.

MR. JOHANNSON: I agree with the honourable member that Churchill never touched the stuff, but I don't think that he would have recommended his particular liquid diet for babies. So here we have a beautiful statement by Sir Winston Churchill about a program instituted by a Tory Government in Britain before the Second World War. Those must have been red Tories. Now we have members of the Conservative Opposition recommending that we move back before the period of the Second World War. --(Interjection)-- Yes, they want to take away milk from the mouths of babes.

Mr. Speaker, the present leader of the Tory party in Britain, Margaret Thatcher, when she was Minister of Education stopped the universal milk program, to her eternal shame and to the eternal shame of the Tory party. And you know what she's known as now in Britain? She's known as Margaret Thatcher the milk snatcher. Margaret Thatcher the milk snatcher. Mr. Speaker, I was trying to figure out an equivalent nickname for the Honourable Member for Pembina but my ingenuity I must say failed me, I couldn't come up with anything.

Mr. Speaker, the honourable member in his contribution did state that up till last year there were a few programs this government had in connection with nutrition and with nutrition education programs and he thought that his resolution of last year had already prompted us into an expansion of these programs, into new areas of endeavour. I would remind him that nutrition programs existed long before we even came to power and that we've expanded programs considerably in this area. There are quite a number of nutrition programs now in operation and there are quite a number under consideration and in various phases of planning and implementation.

The topic of nutrition education of course is a top priority of the Home Economic Service which is now operated through the Department of Health and Social Development. It used to be in agriculture and I can recall many years ago that it was offering the same kind of service, which I gather has now been expanded.

There are a number of nutrition and fitness programs which are being carried on. The first is called RENEW, according to my notes, the Recreation Nutrition Program which has operated for a couple of years now. It is a testing program throughout the summer months designed to assess physical fitness and nutrition status. Counselling and how to change and improve personal eating and exercise habits is a major part of the program, and I gather that this program is being continued.

A second program is the Rural Nutrition Fitness Pilot Project which is being carried on in a couple of regions of the province by the Department of Education. This has been operational since September and according again to the notes that I have, in the first four months 3,000 people in the southwest region participated in educational programs. Now in the northwest regions educators are continuing to conduct group programs in 12 selected communities, and in addition have established a Nutrition Counselling Service at the Dauphin Health Clinic.

There are ongoing workshops, courses and community meetings carried out by the home economists. There are counselling services apparently also provided by the home economist service. Major government programs like the Manitoba Home Care Program and the Manitoba Day Care Program have nutrition and educational components. And I understand that in the north the Family Services Program of the Department of Northern Affairs and the Nutrition

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(MR. JOHANNSON cont'd) and School Milk Program of the Department of Education are training home advisors and nutrition advisors in their home communities.

I have a list here of roughly 21 different provincial nutrition programs - these are nutritional and educational - within various departments or agencies which are either operational, which are proposed or which are in some stage of planning. So a good deal is being done in this area and a good deal more will be done.

The government has also initiated an internal review, an internal study of nutrition policy and programming with the assistance of Dr. Sabri, former head of Nutrition Canada and one, I'm told by my notes, that he's one of the foremost authorities in the field and I gather if he was formerly head of Nutrition Canada he should be. This internal review should be complete by June or July and it has been designed to consider the concerns raised by the honourable member. So not only has the government done a great deal in this area but it's intending to do more.

Therefore, Mr. Speaker, I want to propose an amendment to the resolution before us, and I have copies.

I move, seconded by the Honourable Member for St. Vital,

THAT Resolution No. 22 be amended by striking out the paragraphs after the word "nutrition" in the second paragraph and substituting therefore:

AND WHEREAS the government has undertaken a broad range of programs to increase the awareness of Manitobans and the importance of good nutrition and physical exercise habits;

AND WHEREAS the federal minister of health and welfare in his working document entitled, "A New Perspective on the Health of Canadians", has indicated the federal government's interest in the nutritional status, physical fitness, and lifestyle habits of Canadians;

THEREFORE BE IT RESOLVED that the government consider the advisability of initiating discussions with the federal government to seek ways and means of furthering the initiatives of the government of Manitoba in preventive health care generally, and specific programs to improve nutrition, physical fitness, reduce damaging lifestyle factors in the interests of Manitobans.

MOTION presented. QUESTION put. The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I don't suppose there's anybody in this Chamber who can quarrel with the essence of the resolution that's before us and with the amendment that's now come forward in terms of its recognition of a desirable kind of thing in our society, but, Mr. Speaker, I must say that it's one of the most esoteric abstract topics, subjects that's come up for discussion in this Chamber in some time.

The government member, the Honourable Member for St. Matthews, has of course moved an amendment which is typical of the self-laudatory conduct of the government in debate in this Chamber. They've amended the original motion out of all sense and have penned a little hymn of praise to themselves, but essentially both the motion and the amendment in my view, sir, are abstract exercises in academic discussion and argument that for the most part waste the time of members of this Chamber who should be devoting themselves, and most of the day and most of the week are devoting ourselves to, much more important and much more real problems in terms of Manitoba's affairs.

In the first place, Mr. Chairman, there is just too much in my view of the test tube approach to the world, both in the amendment and in the motion. It's very difficult to address myself to the amendment because I don't have it in front of me, Mr. Speaker. I do now, thank you. My remarks were originally intended to be directed towards the motion, which as I have suggested has admirable qualities about it as a topic for argument and debate in perhaps a classroom setting, but really doesn't recommend itself to the time and the effort and the energies and the interests of legislators in this Chamber at this stage of this particular session where we're grappling with problems of taxation, and hydro development and agriculture and transportation and strikes and health costs and confederation. It really, sir, escapes the target of realistic problems in Manitoba affairs.

Now if the mover of the resolution or if the government want to talk about preventive medicine that's one thing, if they want to talk about preventive medicine that's one thing we are prepared to listen and we're prepared to do our bit in terms of helping to formulate a proper preventive medicine program, an approach. But when we're talking, sir, about establishing kind of clinics and providing education and in-service training for teachers on integrated nutrition and that sort of thing, I suggest that it does take a pretty

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(MR. SHERMAN cont'd) severe shift in mental gears and in energetic gears in terms of the legislature to become very enthusiastic about it at this stage of the session.

What we've got really, Mr. Speaker, is a society in my view and in the view of many of my colleagues I know, that already relies too much on spoon feeding and paternalism and big brotherism by government rather than on individual enterprise and initiative, and this resolution and the amendment to it simply perpetuate the kind of spoon feeding and the kind of paternalism that is robbing and sapping the individual Manitoban of their initiative and of their dependency on themselves. And that, sir, is not a good thing for society no matter how good a nutrition program may be for society.

One of the types of nutrition, one of the types of nutrition that we need more than any other, Mr. Speaker, in my view, is nutrition for the spirit, is nutrition for individual energy. When we talk about nutrition and we confine ourselves to a few of the junk foods and sandwiches and chocolate bars that are found in vending machines that's so much nonsense and so much of a waste of time, Mr. Speaker. What we're concerned about really here, or should be in this Chamber, is nutrition for the whole energy of the body social and the body politic of Manitoba to make this province move, to make this province progress, to make this province energetic, to make this province prosper. And how about a little attention to that kind of nutrition. How about focusing on nutrition for our industries. How about focusing on nutrition for our agriculture. How about focusing on nutrition as I said for the spirit of the individual Manitoban. That's the kind of nutrition program that we really need. However, if we want to talk about preventive medicine, let the Liberal party or let the government bring in a resolution, bring in a motion, bring in some proposed legislation on preventive medicine. That is something entirely different and something which we would be prepared to devote serious attention to.

Now this particular resolution and amendment, sir, I think would make an excellent topic, as I've suggested, for discussion in a seminar but I submit to you that it goes to the very root of the kind of cradle to grave, womb to tomb, philosophy that has been expanded and extended by both the New Democratic Party and the Liberal Party in Canada for too many decades now. There is no difference in the philosophy of the liberal party and the new democratic party when it comes to welfarism, when it comes to paternalism, when it comes to big brotherism. There may be some individual differences on specific pieces of legislation but basically they believe in cradle to the grave care for the individual citizen and in doing it in a collective way, and in doing it in a way that can only help to sap that energy that we need so desperately now to pull this province and this country out of the economic and social malaise that we're in at the present time.

Going beyond that, Mr. Speaker, I ask "What are we doing talking about programs of this kind that are obviously going to cost money when we need money for other things?" For one thing, we need money to finance the spending program that this government has got us embarked on right now. We have asked in this legislature time and time again for some realistic approach to runaway spending, for some cutbacks in unnecessary programs, and I submit one of the things we don't need most definitely is an additional program of the kind proposed in this resolution which would extend and expand the bureaucracy, which would perpetuate dependency on government, which would continue to reduce individual initiative and individual independence and which would create another avenue of spending of public money in a province that is already spending far beyond its visible means.

So for all those reasons, Mr. Speaker, and probably others that readily come to mind, if anyone who's interested in the development of the energies of a society, for all those reasons, I think there are many drawbacks to the resolution in its present form and there certainly is very little to recommend the amendment that has tacked onto it in self praise of the government.

There is not enough money at the present time in the province, Mr. Speaker, apparently to do the things that need to be done for the agricultural industry. There's not enough money in the province at the present time to do the things that need to be done for the cow-calf industry. There's not enough money apparently at the present time to do the things that need to be done for old age pensioners and other people on fixed incomes. If we're going to be considering expenditures for academic technical nutrition programs, what about the very real, the very pragmatic nutrition problems of old age pensioners which could be alleviated to a certain extent if this kind of money is available, by making that money available to pensioners

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(MR. SHERMAN cont'd) and persons on fixed incomes or making programs available to them that would provide them with better food and better nutrition than they're getting at the present time.

What are we going into this kind of a bureaucratic exercise for when we could be directly aiding and abetting the person on fixed income, the underprivileged family, the old age pensioner, with the money that the mover of the resolution and the mover of the amendment apparently think is available for spending at the present. Further, sir, as I mentioned a moment ago, the various aspects of the agricultural industry, particularly that of the cow-calf industry, are in need of government redirection and government stimulus, and if there's money available for nutrition where better to try to develop the nutritious foods that we need and make those nutritious foods available than through our very food producing industries, through the cow-calf producers and the farmers? If there's money available for nutrition, they can provide the nutrition, if they have a chance to flourish and to prosper and to progress as industries.

Mr. Speaker, as I suggested, the resolution smacks too much of regimentation to me, smacks too much of a test tube approach, the laboratory approach, it is in fact rather Orwellian in its language. One of my colleagues suggested to me the only thing missing from it is a clause suggesting the establishment of artificial insemination centres where we can breed the super baby, that kind of thing. Well I wouldn't go so far quite as that in my criticism of the resolution, but I do suggest that it is so academic as to be out of this world, Mr. Speaker, out of this world. It's just beyond, it's just beyond reality or realistic approach in its form as it appears on the Order Paper.

Mr. Speaker, the Member for St. Matthews in moving his amendment suggested that he was going to congratulate the member who moved the resolution, the Member for Fort Rouge, on the resolution itself, and I think that that statement, that admission by itself points up the kind of rapport, the kind of liaison philosophically that exists between the government and between most members of the Liberal Party in this kind of area of social planning. We, sir, don't subscribe to that kind of social paternalism, to that kind of tinkering with the individual's rights, and indeed responsibilities, to do something in terms of fulfilling himself and herself and through that fulfillment therefore fulfilling society's objectives. We don't believe, we don't subscribe in this kind of big brotherism, but it's obvious from the remarks of the Member from St. Matthews, that there is a great communication and a great rapport between those two parties in that area of social control and social planning, through social welfare programs.

So, Mr. Speaker, I repeat my basic philosophical objection and my basic philosophical repugnance for this kind of a paternalistic proposition. I think there are many things that need to be done in the area of improving our food and our food producing industries, and there are many things that need to be done in making good food available to Manitobans, but it doesn't come through setting up a mechano set type of nutrition research program and a number of clinics and centres around the city where bureaucracy would build upon bureaucracy and staff upon staff and before the taxpayer knew it, he'd once again find himself being fleeced out of thousands and thousands of dollars to maintain a sort of a heavy-handed government welfare type of program that lent itself to all kinds of freeloaders and all kinds of fellow travellers. That's not the way to improve nutrition programs for people. That's the way the Liberals - well, that's the way the Member for Fort Rouge, that's the way the pseudo Liberal, the former New Democrat, the Member for Fort Rouge, and the Members of the New Democratic Party approach this type of thing, Mr. Speaker. But we don't, we don't. We say you can aid nutrition and aid food programs and aid the philosophy inherent in this kind of subject by aiding our agricultural and our food producing industries; by aiding individuals to work and develop the industries and the resources of this province, and then by determining as honestly and as extensively as possible how those resources can be made available to the greatest possible number.

There's something rather ironic about the Member for St. Matthews, a member on the government side talking about the value of milk for babies. Why are we into a discussion about the value of milk for babies under a government of this type? Have we reached the point in the dairy industry and the milk producing industry in this province under the policies of this government that it's now become critical that we find some other method of supplying milk for babies? At one time it wasn't typical for Manitobans to obtain milk or to supply milk for their

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(MR. SHERMAN cont'd) babies. Now apparently because of the road blocks that have been put in the way of the dairy industry under the policies of the present administration, we've got to develop some new kind of bureaucratic approach, again at the taxpayers' cost, to provide milk for babies. That's really an ironic condition in a province like this one, Mr. Speaker.

Sir, I was going to move an amendment to the resolution that was going to promote the food grower and the farmer, the food producer of Manitoba in concept. Because of the amendment that has been moved, I now have to alter my wording somewhat and make it a sub-amendment, and I wish to move the following sub-amendment, Mr. Speaker, with respect to Resolution 22, seconded by the Honourable Member for Swan River:

BE IT FURTHER RESOLVED that Resolution 22 be further amended by reading after the amendment now before the House, designating one week of each year as Manitoba Farm and Food Week to be publicized and promoted by the government with a view to focusing public attention on the critical importance to the good health of all our citizens of the food growing industries of our province.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Chairman, we don't want to become petty about this, but since there is a suggestion that the government publicize and organize, I think that there should be the usual abstract phrase thing, "consider the advisability of" publicizing and organize . . . That will involve an expenditure of public funds. I don't think the designation of the week is important, but the part that deals with publicizing and organizing, if we can get the words in by consent and . . .

MR. SPEAKER: Well on that particular technicality in respect - it may be poorly worded, but the original amendment said, "THEREFORE BE IT RESOLVED that the government consider the advisability of initiating discussions;" and the second resolve "BE IT FURTHER RESOLVED" I would say would be in the same frame, that's it still under the advisability of -- (Interjection)-- Cause it's supporting the amendment. Can we agree to that? The amendment to the amendment is on the floor. Are you ready for the question? The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. I had the privilege of being out on Saturday afternoon with the Honourable Member from Rupertsland, we had the opportunity to judge a debating contest of the junior high schools in Manitoba, and I still can remember what one of the girls said in one of the debates, "the government who governs least governs best." Some very fine words of wisdom from that young lady. As a matter of fact, she had diversified a bit from the debate to the point where we couldn't say that they were the winners, but certainly my heart bled for her after she made that statement.

Mr. Speaker, this business of this resolution, the Member from Fort Rouge seems to have a habit of going too far. His last resolution that I believe that I had some words on was that he wanted to build a brand new city outside of Winnipeg and we were going to solve all the problems of the growing metropolitan area by doing that. And you know. . .--(Interjection)-- that he says I spoke on before - knowing that it's a problem that he was trying to get at but really not liking the solution, because we have a chance to solve problems of the Metro area by working in some of the other cities and municipalities or smaller country towns around us, and solving it that way. But now he has a resolution on nutrition which really boils down to automatically practically marching people in line, giving them physical tests and then saying after you've had the tests that now you have to eat this and you have to eat this and you eat this. You know, nobody knows better than I do that the problems of nutrition are paramount in our society today, but they're not paramount with any one group or people. Let me tell you, that if I sit down and have three evenings a week up at Arnold Brown's suite and for supper eating his wife's borscht, I'm going to be the happiest and healthiest man in this room. And I assure you that will be the same with a lot of other people that have been involved with wholesome stews and this type of thing.

The member talks about a hamburger. I had a hamburger myself yesterday, I had a piece of bread, a piece of meat, a piece of cheese, lettuce, tomato and onion. Who says there's anything wrong with a hamburger or a hot dog? You know, if we're really going to talk about

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(MR. F. JOHNSTON cont'd) nutrition, you know, nutrition is not, you know, how we eat certain foods, but it's certainly the decision of the person as to what they're planning to eat at the same time.

We also have a new product called watercress at the present time being used all the time, but that is used continually on sandwiches and things like that which are readily available and healthy to people, with lettuce, etc. Mr. Speaker, I can say this, I can assure you that the nutritional value of foods is there for everybody. As long as we make, you know, them available to everybody; by seeing that there's a way for everybody to have work in this province in a free enterprise sort of way, we will have absolutely no problems with nutrition. And if we get the people, the government out of the farm business, you know, and let the farmers see that the foods are available to people, we'll have no problems with nutrition. I will say this though, Mr. Speaker, after . . .

MR. SPEAKER: Order please. The Honourable House Leader wish to say something before I leave?

MR. GREEN: Mr. Speaker, just before the House is adjourned, I wonder if I can remind honourable members that tomorrow the Public Insurance Corporation will appear before committee. I don't have anything scheduled for Thursday yet but I'll try to have one. There is a situation report on the Souris River that I believe was requested by the Member for Souris-Killarney, so I wonder if that can be distributed in the usual way.

MR. SPEAKER: The hour being 5:30, I am now leaving the Chair and the House will reconvene at 8:00 p. m. in Committee of Supply.