



Second Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

26 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY

Thirty-First Legislature

Members, Constituencies and Political Affiliation

<i>Name</i>	<i>Constituency</i>	<i>Political Affiliation</i>
ADAM, A.R. (Pete)	Ste. Rose	NDP
ANDERSON, Robert (Bob)	Springfield	P.C.
AXWORTHY, Lloyd	Fort Rouge	Lib.
BANMAN, Robert, Hon.	La Verendrye	P.C.
BARROW, Thomas A.	Flin Flon	NDP
BLAKE, David R.	Minnedosa	P.C.
BOSTROM, Harvey	Rupertsland	NDP
BOYCE, J.R. (Bud)	Winnipeg Centre	NDP
BROWN, Arnold	Rhineland	P.C.
CHERNIACK, Saul M., Q.C.	St. Johns	NDP
CORRIN, Brian	Wellington	NDP
COSENS, Keith A., Hon.	Gimli	P.C.
COWAN, Jay	Churchill	NDP
CRAIK, Donald W., Hon.	Riel	P.C.
DESJARDINS, Laurent L.	St. Boniface	NDP
DOERN, Russell J.	Elmwood	NDP
DOMINO, Len	St. Matthews	P.C.
DOWNEY, James E., Hon.	Arthur	P.C.
DRIEDGER, Albert	Emerson	P.C.
EINARSON, Henry	Rock Lake	P.C.
ENNS, Harry J., Hon.	Lakeside	P.C.
EVANS, Leonard S.	Brandon East	NDP
FERGUSON, James R.	Gladstone	P.C.
FOX, Peter	Kildonan	NDP
GALBRAITH, James	Dauphin	P.C.
GOURLAY, Douglas	Swan River	P.C.
GRAHAM, Harry E., Hon.	Birtle-Russell	P.C.
GREEN, Sidney, Q.C.	Inkster	NDP
HANUSCHAK, Ben	Burrows	NDP
HYDE, Lloyd G.	Portage la Prairie	P.C.
JENKINS, William W.	Logan	NDP
JOHNSTON, J. Frank, Hon.	Sturgeon Creek	P.C.
JORGENSEN, Warner H., Hon.	Morris	P.C.
KOVNATS, Abe	Radisson	P.C.
LYON, Sterling R., Q.C., Hon.	Charleswood	P.C.
MacMASTER, Ken, Hon.	Thompson	P.C.
McBRYDE, Ronald	The Pas	NDP
McGILL, Edward R., Hon.	Brandon West	P.C.
McGREGOR, Morris	Virten	P.C.
McKENZIE, J. Wally	Roblin	P.C.
MALINOWSKI, Donald	Point Douglas	NDP
MERCIER, Gerald W.J., Q.C., Hon.	Osborne	P.C.
MILLER, Saul A.	Seven Oaks	NDP
MINAKER, George	St. James	P.C.
ORCHARD, Donald W.	Pembina	P.C.
PARASIUK, Wilson	Transcona	NDP
PAWLEY, Howard, Q.C.	Selkirk	NDP
PRICE, Norma Hon.	Assiniboia	P.C.
RANSOM, Brian, Hon.	Souris-Killarney	P.C.
SCHREYER, Edward R.	Rossmere	NDP
SHERMAN, Louis R., Hon. (Bud)	Fort Garry	P.C.
SPIVAK, Sidney, Q.C., Hon.	River Heights	P.C.
STEEN, Warren	Crescentwood	P.C.
URUSKI, Billie	St. George	NDP
USKIW, Samuel	Lac du Bonnet	NDP
WALDING, D. James	St. Vital	NDP
WILSON, Robert G.	Wolseley	P.C.

THE LEGISLATIVE ASSEMBLY OF MANITOBA

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Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): I should like to direct the attention of the Honourable Members to the gallery where we have 95 students of Grade 11 standing from Miles Macdonnell School. These students are under the direction of Mr. Bugera and Mrs. Lowden. This school is located in the constituency of the Honourable Member for Kildonan. On behalf of all the members, we welcome you here today.

Presenting Petitions. . . Reading and Receiving Petitions. . . Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I would like to advise the members of the Legislature that on Monday, the presentation of the Budget, rather than being Monday afternoon, will be Monday evening. I have had to make this change and as I mentioned yesterday, barring unforeseen circumstances it would be Monday afternoon but at this time the latest firm unswerving decision is that it will be Monday evening at 8:00 p.m. Mr. Speaker. I am sorry if it has caused any inconvenience to the media people in making their preparations for it but it appears to be the best time.

MR. SPEAKER: Tabling of Reports. . . Notices of Motion. . . Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER(Rossmere): Mr. Speaker, to the First Minister. Because of the formal statement issued yesterday by International Nickel indicating that there would be a complete shutdown of mining operations in July, can the First Minister indicate if there is anything in that statement that is of major significance going beyond what was revealed last autumn?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON, Premier(Charleswood): Mr. Speaker, as the Leader of the Opposition would know from previous practice, members of the government were advised yesterday by a senior official of International Nickel of their proposal with respect to the shutdown in Manitoba. The major point of course is that it will be for only a two-week period and there is some apprehension of course that it might be longer. And for that news, we and the people of Thompson, and I am sure all the members of the House are extremely pleased with that report. As I understand it the shutdown will be by way of a type of vacation with pay for those employees who have not already had vacation and others who have previously taken their vacation will have some forward averaging workout so that they can take advantage of this two-week closing of the plant. Beyond that statement, there was no other information given to me with respect to future plans for INCO in Thompson.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, a supplementary to the Minister of Northern Affairs. Could the Minister indicate if, as a result of meetings which we understand were held last December and presumably earlier this year, could the Minister indicate if there are any plans evolving with respect to action that might be taken by a combination of Federal and Provincial Governments and International Nickel itself and the community of Thompson to offset in part the impact of these layoffs and attrition reductions in that community?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. KEN MacMASTER(Thompson): Well, Mr. Speaker, I thank the Leader of the Opposition for the question. When mining towns, industry towns find themselves in trouble, there is often a variety of ways that they approach the problem. In the situation in Thompson, they chose to approach it by forming a steering committee from within the city itself, comprised of members from the city council, Chamber of Commerce, Norman Region Development, INCO, and there were others. The steel workers. . . I'm sorry I said that the other day, I thought I said it today. —(Interjection)— Well you're the ones saying they are irrelevant, not me, I probably know more about them than any one of you

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that is sitting over there. This particular group requested —(Interjections)— Mr. Speaker, when the children quieten down I will answer the Leader of the Opposition's question.

MR. SPEAKER: Order please. Before we proceed any further, perhaps I can draw the attention of the honourable members to the gallery where we have 14 students from St. Pierre College under the direction of Mr. Dennis Gregoire. This school is in the constituency of the Honourable Member for Emerson. On behalf of all the members, we welcome you here this morning.

The Honourable Leader of the Opposition.

MR. SCHREYER: Yes, Mr. Speaker, I was rising on a point of order simply to ask the Chair if it could do something to soothe the sensitivities of my honourable friend, the Minister for Thompson, so that he could finish the second half of his reply.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: Thank you, Mr. Speaker. I appreciate the concern of my sensitivity but it has nothing to do with my sensitivity, it has something to do with what I consider a basic principle. I was asked a question by a particular member, I felt that he deserved to hear the answer and until he can control his classroom then I am not prepared to try and answer it.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, I wouldn't have thought, Sir, that this particular Friday morning would get off to this kind of start but so be it. The Minister of Northern Affairs may be justified in claiming that he knows considerable amount with respect to union matters which is what he was implying. We have some on this side, Sir, with at least as long, if not longer, in collective bargaining unit experience but when it comes, Sir, to likening an opposition to a classroom, I say to my honourable friend that he has got a lot to learn about parliament.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, I would like to address a question to the Minister responsible for the Manitoba Public Insurance Corporation relating to his statement in the House yesterday that he had frozen the staff levels in the General Insurance Division of MPIC. I wonder if the Minister would advise the House whether he is prepared to reconsider lifting the freeze inasmuch as that decision is interfering with the normal business, normal commercial operations, of the Corporation, which is competing with the private sector in that area.

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY ENNS (Lakeside): Mr. Speaker, to the Honourable Member from Brandon East, I am certainly prepared to consider any and all reasonable suggestions that come from that side from time to time.

MR. EVANS: Well, thank you, Mr. Speaker. I am glad to hear that the honourable member is prepared to consider it. Will he consider it now and consider it positively inasmuch as, surely he would agree that he is tying the hands of that portion of MPIC in trying to compete in the normal market situation. So my question is — will he act now because he is interfering with the normal business practice of the Corporation and I would submit, Mr. Speaker, that that is just very very poor business judgment, very poor management judgment.

MR. ENNS: Well, Mr. Speaker, I am sure that the Honourable Member from Brandon East, who has been a former Cabinet Minister and he understands the function of Cabinet, and he knows that we get together once in a while to consider any major policy changes, and I consider any change with respect to that Corporation as being major, and when such a policy decision is made it will be announced in the House.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, since I note that the Minister of Health has all sorts of observations and information this morning that he is providing from his seat, may I give him an opportunity to answer the question as to whether or not he has already met or has arranged to meet with representatives of the Dental Nurses, who have asked to meet with him in the past?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R.(Bud) SHERMAN (Fort Garry): No, Mr. Speaker. While I am on my feet though I would like to reply to a question that I took as notice from the Honourable Leader of the Opposition

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approximately two weeks ago, at which time he asked me whether in at least one of the Health and Social Development District Offices in Greater Winnipeg that at the same time as there has been a layoff of three of the personnel of the said office, and with an undiminished caseload that those remaining there are being required now to work at overtime rates. The answer, Mr. Speaker, is that the services of three term staff were terminated at our District Office at 408 McGregor Street in Winnipeg. These terminations were effective Thursday, March 23rd, 1978. The Honourable Leader of the Opposition asked me the question on Thursday, March 23rd, so that no overtime had been worked because of that change. There were three terminations at one location, but not more than one was from any one program and staffing adjustments are being made to pick up the workload with overtime being kept to a minimum. In fact, Sir, I would advise the honourable gentleman that overtime is substantially down in the department.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, my question is supplementary. I noted in the Minister's reply that he said that because the termination of these three term employees took place on the 23rd, that no overtime had been worked subsequently. I would like to ask him more specifically whether he can advise, perhaps take this as notice and advise, as to whether there was any pattern of overtime from that particular Health District Office either before or after the termination of the said three term employees?

MR. SHERMAN: Well, I can certainly look into that and advise the Leader of the Opposition, Mr. Speaker' but as I suggested my information shows that overtime is substantially down in the Department. One reason for that is that there are 974 fewer persons receiving social assistance as of January 31st, this year, in comparison with January 31st, last year.

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

MR. SAUL M. CHERNIACK: Thank you, Mr. Speaker. I would like to address this question, I believe, to the Honourable House Leader, but possibly in consultation with the Minister of Highways, to clarify my understanding. It seems to me that yesterday when he accepted a number of Orders for Return he exempted from the Orders those agencies reporting to Ministers which were self-sustaining with an independent board. I don't remember the exact wording he used but something along that line. I would like clarification from him whether he exempted in particular the operation of the Manitoba Public Insurance Corporation as being one which was being left to Management and a separate Board of Directors and not directly under the control of the Minister insofar as the staffing and firing is concerned?

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER JORGENSON (Morris): Mr. Speaker, a—" the honourable member knows, the Manitoba Public Insurance Corporation reports separately to the House, as does the Manitoba Telephone System, and does the Manitoba Hydro.

MR. CHERNIACK: A supplementary question ' Mr. Speaker, and I suppose it should be directed back to the Minister of Highways because certainly the Honourable House Leader is not responsible for the actions of the Minister of Highways. Would the Minister of Highways then indicate to us on what basis he assumed, as he appears to have done, the responsibility of freezing the staff of the MPIC in relation to the competitive feature of general insurance?

MR. SPEAKER: The Honourable Minister of Highways.

MR. ENNS: Mr. Speaker, in making that exemption with respect to the Orders, the Government House Leader and the government was trying, in a responsible way, to be in a position to answer the information requested for; namely, the detailed informations of hirings and separations in Crown agencies, of which the government does not have a day-to-day knowledge of, and who in turn, as just indicated a few moments ago, report separately and individually to the Legislature through the Committee, the Public Utilities Committee, when they appear before them. We cannot supply that information that was requested by the Orders for Return, and for that reason that exemption was requested.

Now the overall question is whether or not that has a relationship with the overall government policy which was applied equally and fairly to all Crown agencies to ask them to accept the new government's general policy position that called for a restraint and a withholding of any further hirings at a particular time. In that general way that policy is, and in my judgment ought to be continued, to be exercised by the government from time to time over the Crown corporations or the Crown agencies, but it doesn't in any way reflect any change of policy as of this government's approach to agencies from that of the previous administration's in terms of being individually and actively, you know, involved in the day-to-day operations of these Crown corporations.

MR. CHERNIACK: Mr. Speaker, I seem to be in a position of addressing questions at two Minister,

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but I will stay with the Minister of Highways and ask him then whether he does admit that he gave a direction to the MPIC relating to the freezing of staff in the competitive field of general insurance, which overrode the judgment and decision-making authority of management of MPIC and of the Board.

MR. SPEAKER: The Honourable Minister of Highways.

MR. ENNS: You know, I think, Mr. Speaker, it ought to be pointed out to the honourable members opposite that one of the first things that the new administration did was remove the direct political influence by removing a Cabinet Minister as being Chairman of that corporation. I chose not to make myself Chairman of the MPIC, rather believing in the reasonable autonomy of that corporation. What in fact happened, Mr. Speaker, is no direction was given to Messrs. Dutton or Holland or Bateman, they accepted the responsibility of accepting the general policy direction that was stated by the Premier and by the Cabinet when this administration took office, that one being one of restraint, that one of not incurring extra costs without some consultation with the government.

MR. CHERNIACK: I'm not keeping count and I don't want to transgress the rules. Do I have a further question?

MR. SPEAKER: Order please.

MR. CHERNIACK: No, a new question, Mr. Speaker.

MR. SPEAKER: I would prefer to recognize the Honourable Member for Ste. George.

MR. BILLIE URUSKI: Mr. Speaker, I would like to direct a question to the Minister of Highways and ask him to indicate, is that the reason why he appointed Mr. J. O. Dutton as Chairman of the Board, so that he would be able to do his dirty work from his desk and not be involved with all the board members in the corporation?

MR. SPEAKER: The Honourable Minister of Highways.

MR. ENNS: Mr. Speaker, I don't think that that really deserves an answer, that question, but if he is prepared to believe that Mr. Dutton would do anybody's dirty work then I'll let him keep that . . . to himself.

MR. URUSKI: Can the Minister then confirm to this House that he did issue that directive in respect to freezing the staff in the General Insurance Division?

MR. ENNS: Mr. Speaker, Autopac Corporation or MPIC appeared before the Management Committee of Cabinet, as have all other departments and Crown agencies with respect to hiring policies within this period of restraint, and the request was made of them, as of all other departments and of all other government services, to restrain and in fact effect a freeze on hirings with the exception, as has already been noted in this Chamber, of the Automotive Division of Autopac where the government recognized the cyclical nature of the business, that in the months of January, February and March, when new policies are being written, that additional staff would be required.

MR. URUSKI: Mr. Speaker, in light of that answer, could the Minister indicate, in view of the fact that due to the investment or the income revenue from the General Insurance Division, the premium income has doubled in the last year, does his answer in terms of freezing the staff make any sense?

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, my supplementary is intended to give the Minister of Highways an opportunity to clarify one answer, that is, to ask the Minister whether he intends to say that there was no communication of policy directives to the Chairmen of the Crown corporations. His reply leaves it unclear as to whether there was or wasn't any communication of policy directives.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, it's Friday morning, and I don't know how my honourable friend could have misunderstood the Minister of Public Works or the Minister of Highways, but when the government came into office a firm freeze program was placed on all hirings and all Crown corporations were requested through their Chairmen to adhere to the same guidelines as the government was following. Some of those Crown corporations came before Management Committee wishing to receive advice from time to time about hiring people and so on, and they received that advice, so I want to make it completely clear, and I thought it was completely clear to everyone, that all Crown agencies were asked to support the government program of restraint, and to

the best of my knowledge, they have done a pretty good job of it.

MR. SCHREYER: Yes, Mr. Speaker, I understand that reply full well and I quite agree that Manitoba's Crown agencies are in line with their counterparts, but the purpose of my question was to simply clarify and I think that the record will now be more clear with respect to the question as to whether or not there had been any directives to any of the Crown agencies with respect to internal management operations such as the staffing levels with respect to a competitive insurance business aspect of MPIC, that's all. The record is now clear.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Health. In a public statement made an evening or so ago he indicated that the government is considering the cancellation or closing down of the nine community health clinics that exist in the City of Winnipeg. I wonder if he is prepared in the House to confirm his statement considering the closing or cancellation of those particular health clinics.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I didn't say that the government is preparing to close down those nine community health centres and the story, as it was reported in the press, I thought was extremely faithful and extremely accurate. The headline did suggest that we might be looking at closing them down but the story did not reflect that kind of position. What the story said, and what my address at the time indicated, was that we are asking those community health centres to justify the rationale for their existence; in other words, we want some evaluation of them. We want to be able to demonstrate to the taxpayers that the services that are delivered through those health centres can be delivered as efficiently and as effectively as through the traditional vehicles of the health care system. Now they have all been funded, Sir, for 1978-79, and the year 1978-79 will be a year of evaluation.

MR. AXWORTHY: A supplementary, Mr. Speaker. I wonder if the Minister could now indicate exactly how he would go about undertaking this evaluation? Does he intend to do it through departmental sources? Will he be asking those clinics to do the evaluation? Will he ask the now defunct or semi-defunct Task Force to undertake its work, which is now increasingly becoming irrelevant? How does he intend to do it, and will he supply them with the resources to do that kind of evaluation? Furthermore, has he held any meetings with the directors or boards of those community health clinics to set out the guidelines for that evaluation that he has asked them to do?

MR. SHERMAN: Mr. Speaker, it was suggested to me by one or two persons at that particular meeting that there is already a room full of evaluative material. I suggested to them that we haven't seen it. I suggested to them that our sister governments and sister provinces, notably Saskatchewan and Ontario, make the same claim, that they have never received proper evaluative material vis-a-vis community health centres, and if they have got a room full of material I would like it condensed in readable form and made available to me.

Over and above that, a professor of social work at the University of Manitoba School of Social Work has been funded now by the Federal Government to undertake a major evaluative program on community health centres, and we hope to derive considerable expertise from that study.

MR. AXWORTHY: Well, Mr. Speaker, in supplement to that I would like to ask the Minister does he intend, through his own department, to undertake any kind of an assessment comparing the value of the kind of preventative form of medical and health services they provide versus the kind of institutional acute care bed that comes through hospitals? Is the government doing any of its own assessment or evaluation in those ways to provide its own standards or is it simply relying upon those rooms full of evaluations that they say may exist?

MR. SHERMAN: Well, Mr. Speaker, I take it that the honourable member is suggesting that the government, or that my office or my department, should initiate an evaluative measurement technique of its own and I will attempt to do that. I will attempt to do that.

I also would like to be made privy to this evaluative material that they say already exists.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Speaker, I would like to direct my question to the Honourable Minister without Portfolio who was responsible for the late Task Force on Government Organization and Economy. To simplify the analysis of the report, could he indicate to the House whether the various review committees or at least their chairmen had an opportunity to meet together for the purpose of comparing recommendations to assure the people of Manitoba that the recommendations related to the various government programs are not at cross purposes with each other?

MR. SPEAKER: The Honourable Minister responsible for the Task Force.

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HON. SIDNEY SPIVAK (River Heights): Mr. Speaker, there were several meetings between the Task Force members and the members of the Review Teams, their chairmen and their secretaries and the Task Force fulfilled its function of reviewing all information and making its recommendations.

MR. HANUSCHAK: In that event, I have a supplementary question. I would ask him would he double-check with the former chairmen of the Review Committees, whom he has now relieved of their responsibilities, to find out when such meetings took place. Because if he will check the sessional papers of the session, he will find documentation showing that two of his Review Committee chairmen were out of the country during the month of March, which I presume was a crucial month in the compilation of the report — namely Messrs. Thompson and Runciman. And I would also like him to check with his chairman of the Agricultural Review Committee, who indicates in a letter to me — a copy of which I am prepared to table — that with reference to Mr. Frederick Fulcher, a chairman of one of his Review Committees, Mr. Runciman, in his letter says, "I had nothing whatsoever to do with this man or his theme during the period of Task Force activity."

MR. SPIVAK: Mr. Speaker, the Honourable Member for Burrows obviously has not read the Task Force Report and obviously has not read the section dealing with methodology. I would advise him to read that and he would then be able to determine the manner and the way in which the Task Force proceeded with the sources of information that it had available — one of which, Mr. Speaker, was the Review Team Reports and the recommendations, the addendums to the report, the further meetings that took place on the basis of the reports.

MR. HANUSCHAK: Mr. Speaker, I would also like some direction from the House Leader in dealing with the Estimates and, in particular, the item of the Executive Council, Ministers without Portfolio compensation and I would ask him for his direction. There is one line shown, and I am asking him whether we will deal with the Ministers' salaries collectively or severally, and if severally in what order? And if collectively, how would we deal with a motion that someone in this House may choose to make — on either side — to reduce a Minister's salary to whatever level, or will they stand or fall together?

MR. SPEAKER: The Government House Leader.

MR. JORGENSON: My honourable friend has demonstrated enough ingenuity to be able to determine that for himself. Whatever order he chooses to do so, it will be acceptable to us. But he will have an opportunity to debate the responsibilities that come under the Ministers of Portfolios under that particular item.

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

MR. SAM USKIW: Mr. Speaker, I would like to ask the First Minister whether he can indicate to the House whether or not he had caucused with the Ministers-elect, so to speak, on the firing of Deputy Ministers before he carried out those instructions?

Mr. Speaker, I would like to ask the First Minister whether he had consulted or caucused with his colleagues on the question of firing certain Deputy Ministers, who were fired prior to swearing in of this government?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: My honourable friend was a member of the Executive Council of Manitoba. He would be well aware of the fact that even if I was titillated enough by his question to attempt to answer it, I couldn't do so under my oath.

MR. USKIW: Well, Mr. Speaker, I wonder whether the Minister would be prepared to tell the House whether there was a meeting discussing the question of senior departmental officials before those decisions were carried out?

MR. LYON: Perhaps, Mr. Speaker, someday when I write my memoirs my honourable friend will be enlightened.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, my question is to the Minister of Agriculture since I cannot wait four years for the Honourable the First Minister to start writing his memoirs, and that is to ask the Minister of Agriculture if he meant to say, or to give him an opportunity to correct now his reply last evening which was to the effect that as far as he was concerned that the termination of the previous Deputy Minister of Agriculture was a voluntary severance.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, that is correct, the information as I stated, that the

person in question resigned of his own accord.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, I would like to address a question to the Minister of Northern Affairs, who is understandably very sensitive but maybe he could answer the question. I wonder if the Minister could confirm that the former co-ordinator of the Pukatawagan Log Planing and Log Housing operation at Jenpeg has said that there were orders on hand when that operation was closed down, and that there were enough potential sales that if the regular normal percentage of those had been recognized or come to sales that there would have been enough to keep that operation going until the end of the summer.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: Mr. Speaker, I appreciate that he is concerned about my sensitivity but don't concern yourself, young fellow. I'm not aware of the great number of orders that the former co-ordinator that you make reference to tells you about. I assume he's telling you about some orders. I am aware that the majority of the orders that took place for that particular product was within various departments.

MR. McBRYDE: Yes, Mr. Speaker. A question to the insensitive Minister, the non-sensitive Minister. Could the Minister confirm that the private log milling operation at Riverton which is basically the same operation as at Jenpeg, has told customers that they have 59 orders that are transferred to them by the agents for Pukatawagan, that Pukatawagan is not able to deliver, that they have 59 of these orders.

MR. MacMASTER: Well, Mr. Speaker, to the Member for The Pas, I'll do my best to determine if that is correct. I find it difficult to believe. If you have any information that you wish to pass on to me, I'd appreciate it but I just don't believe that that's accurate.

MR. McBRYDE: Mr. Speaker, in a final supplementary, this is information that was told to a customer wishing to buy log cabins from that operation. I wonder if the Minister would confirm that the premature closure of Pukatawagan has now basically damaged their chance to ever reopen and has also damaged the resale value of that operation because the goodwill of customers has been lost.

MR. MacMASTER: I suppose, Mr. Speaker, it's proper for you to assume that it was prematurely closed. That's not my feelings in regard to the particular operation.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: My question is to the Minister of Tourism. Given the fact that his Deputy Minister has been back for some period of a week now, I believe, can he now tell the House why he instructed his Deputy Minister to sign a Development Agreement with a developer in the Whiteshell for a condominium development on Whiteshell Lake?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. BANMAN: Mr. Speaker, the review is under way and as soon as the review is completed, I will be making a statement to the House.

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I undertook an investigation of a question posed by the Leader of the Opposition some two days ago regarding a situation, or a supposed situation, at Portage la Prairie that was necessitating the transportation of students to St. Boniface. On investigating and checking with the two school divisions involved, the officials of those two school divisions, they have no knowledge of that situation. If the Leader of the Opposition has more specific details on this matter I would appreciate to have them.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. I would like to address my question to the Minister of Labour. Earlier this week, the Honourable Minister informed the House that she had called for a report on the fatality occurring Monday at Ruttan Mine in Leaf Rapids. My question then: Has that report been completed and, if so, is she willing to table it in full before this House?

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, I haven't had a report yet.

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MR. COWAN: Mr. Speaker, my supplementary to the Minister then is: Has she also called for a report on another mine fatality that occurred in Thompson on that very same day and will she be willing to table that report in full before the House also?

MRS. PRICE: Mr. Speaker, I had a report on the second fatality. The gentleman in question died of a heart attack.

MR. COWAN: Yes, Mr. Speaker. According to my information the gentleman in question was 32 years old. Is the Honourable Minister willing to assure this House that working in the mine, the conditions in the mine, had nothing to do with the early occurrence of a heart attack at that age.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Environment. It may also be taken as notice by the Minister responsible for Urban Affairs. I wonder if they have had opportunity to examine a report issued by the Department of Environment of the Federal Government which indicates that the water quality in the City of Winnipeg is now amongst the lowest of all major cities in Canada and if they intend to take any steps to further examine or deal with the city officials to determine whether that's true or not.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister responsible for the Task Force and I'm not clear on his answer. I believe he's tried to answer this before. Are the background papers and the detailed studies of the Task Force and the earlier Operation Productivity available to each Minister, his Deputies and his senior staff?

MR. SPEAKER: The Honourable Minister responsible for the Task Force.

MR. SPIVAK: Mr. Speaker, that is an internal operation within the government and the Cabinet. I can indicate that to my knowledge there has been no request made for that information. Operation Productivity, I can't speak for myself.

MR. DOERN: Mr. Speaker, would the Minister also concur that one of the reasons for the apparent low cost of the study, which was given as \$8,000, is because it is simply a rehash of the ten-year-old Operation Productivity.

MR. SPIVAK: Mr. Speaker, I suggest to the honourable member who asked the question that the Task Force is not a rehash of Operation Productivity by any means. If one examines . . .

MR. SPEAKER: Order please. May I suggest to all members that if they have questions to ask or statements to make there are appropriate places on the Order Paper to do it. The Honourable Minister.

MR. SPIVAK: Well, Mr. Speaker, I again would refer the honourable member to the Task Force Report and the Indication Report that there was available to the Task Force all studies that have been undertaken over the last ten years and not every study was examined but I can indicate to him that Operation Productivity was examined and if his suggestion is that in some way the Task Force resembles Operation Productivity, then all that indicates is sheer ignorance.

MR. DOERN: Mr. Speaker, I must say that I'm rather taken aback with the answer. Mr. Gordon Holland, I refer to his statement and I ask the Minister whether he is familiar with it. Mr. Holland made a statement that was widely reported in the Free Press indicating that, I believe, he had served on Operation Productivity, he had been on Management Committee, he had served on the Task Force and he indicated that a lot of the work of the Task Force was based upon, or largely a rehash of Operation Productivity. That is his opinion as well as the opinion of other people.

A MEMBER: Well he's obviously ignorant.

MR. SPIVAK: Mr. Speaker, I'm not aware of that particular statement nor of the accuracy of the statement that is presented in the House. Mr. Holland may have made a statement. I'm not sure of the accuracy of that. No, Mr. Speaker, I would simply indicate that if a comment has been made and an opinion has been given, that is an opinion and a comment.

I can indicate to the honourable member that those who were responsible for Operation Productivity appear before the Task Force, that they in fact went over the methodology adopted and their results, they in turn indicated the significant changes that have occurred in public policy administration studies in the last period of time since Operation Productivity but I would also indicate very directly, so that there will be no question in the honourable member's mind, that the Task Force Report, while it may have some similarity to recommendations that were made at the time of the submission of the report is not, in any way, the same report. And to the Honourable Member for St.

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Boniface who says it's so, I simply say to him, if you say it's so, you prove that, because I don't think you can.

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

MR. CRAIK: Mr. Speaker, I move, seconded by the Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

QUESTION put, MOTION carried and the House resolved itself into a Committee of Supply, with the Honourable Member for Radisson in the Chair for the Department of Industry and Commerce and the Honourable Member for Crescentwood in the Chair for the Department of Agriculture.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — AGRICULTURE

MR. CHAIRMAN: We are on Page 8, Item 10, Manitoba Agricultural Credit Corporation. The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, yesterday we were attempting to solicit information from the Minister on the intent of this corporation, and I believe we were in the middle of sort of, some of his explanations as to where this corporation is going to take us in the next period of years. Could the Minister tell us what his intentions are with respect to the fourth year rental rate on the existing lease contracts?

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Chairman. There are no plans to change the program as it was implemented by the last administration. Our intent is to carry it on as it has been implemented originally.

MR. USKIW: Mr. Chairman, could the Minister tell us what in fact is the interest rate in the fourth year of the lease agreement, or the fourth year and thereafter. Not the interest rate, the rental rate.

MR. DOWNEY: Yes, Mr. Chairman. The fifth year will be 8 percent interest.

MR. USKIW: Fifth year, would be 8 percent.

MR. DOWNEY: Fourth year would be 6-¾ percent.

MR. USKIW: Mr. Chairman, is it intended that that rental rate will fluctuate in accordance with the cost of money or in accordance with the value of land, or both?

MR. DOWNEY: The intent is to carry on as the proposal was. The rates are stable but can be allowed to fluctuate with the revaluation report. Is that right? Mr. Chairman, the rates are firm but after the fifth year period the Corporation have the right to revalue the farm.

MR. USKIW: But Mr. Chairman, that's the whole point of my question. What is the policy of this government with respect to revaluation of those lands for rental rate-setting purposes?

MR. DOWNEY: Yes. That will be resolved when we reach the fifth year.

MR. USKIW: Well, all right then. Can the Minister tell me how many contracts will be into their fifth year before the end of the government's current fiscal year?

MR. DOWNEY: Mr. Chairman, there will be 29 going into fifth year.

MR. USKIW: Therefore I believe it is wrong for the Minister to say that he is unable to tell us what his policy is since it does indeed involve these Estimates, and I would like him to tell me today just what the intention is with respect to revaluating the lands in question and the rental rate that will follow from that revaluation.

MR. DOWNEY: Yes, Mr. Chairman. I would say that we would assume the course of a revaluation of that land.

MR. USKIW: Mr. Chairman, is the Minister telling us that if land values are \$400 per acre, that the rental rate then will be \$32 per acre?

MR. DOWNEY: Mr. Chairman, that is an assumption by the member opposite.

MR. USKIW: Mr. Chairman, I'm asking the question, I'm not making an assumption. If in a particular parcel of lands the Crown owns the market value is established at \$400, or the appraisal establishes a value of \$400, am I correct in assuming then that the rental rate per acre will be \$32 for those fifth-year tenants? I'll repeat the question for the benefit of staff.

If the appraisal establishes that land values are say, \$400 on a given piece of land, is the rental rate then going to be \$32, that is, representing 8 percent of value, as the Minister has indicated would be the rate on the fifth year?

MR. DOWNEY: Mr. Chairman, the Board have the right to establish a rate under the long-term interest rate regardless of what the value of the land is; there not necessarily has to be a fixed interest to that, for the rent.

MR. USKIW: Mr. Chairman, the Minister is stating the obvious. We know the flexibility that is built into the program. What happens, though, is determined by the policy of the government. The flexibility is there, I agree with the Minister. My question is, what is the policy of the government?

MR. DOWNEY: Mr. Chairman, it is the intent of the government to deal with that situation when it arises.

MR. USKIW: Well, Mr. Chairman. I appreciate that the Minister hasn't had a great deal of experience. It really is unfair, in my opinion, for the Minister to ask the opposition, and indeed the members of the Legislature, to approve \$1.7 million in the expenditures for the corporation without getting any answers as to what the policy of the corporation is going to be for this current year.

It is really asking us for a blank cheque, Mr. Chairman. There is no way in which we are prepared to endorse a measure that gives the government a blank cheque. Certainly we are entitled to some information.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Chairman, the Manitoba Agricultural Credit Corporation has a board of directors, which it operates under, responsible to the Minister. I have not received a recommendation from that board of directors and on matters such as this I would expect them to recommend to the government the direction they feel we should go, seeing as they are responsible for the operation of that Manitoba Agricultural Credit Corporation.

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

MR. USKIW: Then may I ask the Minister, Mr. Chairman, whether he is prepared to accept the recommendation of the board of directors?

MR. DOWNEY: Mr. Chairman, I would say that the recommendations by the board of directors would be considered by the government.

MR. USKIW: Mr. Chairman, the Minister now tells us that he is going to await the recommendations of the board of directors before he sets the rental rate and before he decides on the value of property on which that rate is going to be based. He then tells us that he may not necessarily agree with the board of directors and may decide to do other than what they have recommended.

So therefore we are back into no-man's land. We are in a position of being asked to approve \$1.7 million without knowing at all one iota of what the intent of the government is with respect to the operations of this corporation.

MR. DOWNEY: Mr. Chairman, I would say that the recommendations of the board of directors would be followed by the government.

MR. USKIW: Oh, well that's interesting; we will watch.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Mr. Chairman, I would ask the Minister if he can assure the House if in fact . . . If I could have the Minister's attention; I don't know if he is listening or not. But I was wondering if you could assure us that the rates that will be charged to the lessees in the future will not be at such a rate that it will force them into buying, rather than leasing, if they wish to lease.

This is the concern that I have. It is that you may decide to put the rates of interest so high that you are otherwise forcing them into a purchase which they otherwise would not enter into.

MR. DOWNEY: Mr. Chairman, by the legal agreement we are obliged to charge somewhat under the long-term interest rate.

MR. ADAM: Would the rate be one percent under the long-term rate, whatever that is.

MR. DOWNEY: As I have stated, Mr. Chairman, the board of directors are operating the credit corporation and it would be on their recommendation that we would consider the interest rate.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, a very important question arises out of the Minister's answers and that is that people entering the program over the last five years were people brought in, some of which couldn't enter the normal mortgage market — people that could not arrange for mortgage financing and therefore this was their only means of getting into the agricultural industry.

If the government's policy is that they are going to apply a means through which they are going to force these people to get into a mortgage situation, does the Minister not recognize that in fact that policy will indeed contradict the very intent of the lease program in the first place and that it may in fact bankrupt individuals?

MR. DOWNEY: Mr. Chairman, the policy of myself and the government would not be to force the individuals to purchase the land and enter into a mortgage agreement. They have a lease agreement and if they feel they would like to enter into our proposed program after it is announced, they should feel free to do so or should continue to lease, as they desire.

MR. USKIW: Will the Minister be in a position to explain to the present clients in the lease program, fairly soon, what the long-term policy is with respect to those contracts? I say that because those are indeed long-term arrangements. They are arrangements that could take any individual up to age 65 and beyond. And therefore I believe that it's incumbent on the government to remove any sense of insecurity because of the present government's philosophy towards that program. From the minds of those people, I think the government owes it to them to let them know just what the intentions are. Because many of their own management decisions, of course, will have to depend on the overall attitude of the Crown.

MR. DOWNEY: Mr. Chairman, we have already notified those individuals that they would be able to continue on on a lease arrangement or be able to purchase the land back from the corporation.

MR. USKIW: Mr. Chairman, that's not the question. They are aware of that. That has always been the case from Day One. The question is what kind of terms are they to expect? And certainly that should be clarified at the earliest possible moment so that people contemplating a change would make a management decision based on all the information. It is going to be tragic if these people are going to be forced into management decisions without knowing what the government is going to do.

To be fair to them, surely the government has an obligation to, at a very early date, indicate what their long-term prospects are with respect to rental rates, re-evaluation of property, and so on.

MR. DOWNEY: They shall be notified soon.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: The Minister mentioned that they had already been notified of their options, to continue leasing or purchasing. Was this done by letter or by personal contact, and would it be possible to have a copy of the letters tabled?

MR. DOWNEY: Mr. Chairman, the individuals involved were let know at the time. It was sent out with an option to purchase form. And at that time they were asked if they desired to continue leasing, or to purchase the land. They were also told they could send their option in at any time.

MR. ADAM: Would it be possible, Mr. Chairman, that we could be provided with copies of those notifications.

MR. DOWNEY: Mr. Chairman, I will leave that decision up to the Board of Directors, if they will wish to provide them to the government.

MR. URUSKI: Mr. Chairman, it is not intended that the individuals who are involved, their names be revealed, but no, no — I believe the intent was to — just a copy of the format of the type of a notice that was sent out, not the list of names.

MR. DOWNEY: Yes, Mr. Chairman. As I said, I will leave that to the Board of Directors to decide on whether they will provide that.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I wonder if the Minister would be prepared to tell us, in his new loan program, whatever that's going to be, what particular arrangements will be possible for father-son transfer arrangements; that is, where the father is retiring and is wanting to pass the asset on to the son or daughter, in other words, the next generation — what mechanism would be employed to make that possible?

MR. DOWNEY: Mr. Chairman, when the program is announced, the honourable member opposite will be able to see that.

MR. USKIW: Can the Minister then tell me whether in fact, that that is going to be confined strictly within the parameters of a loans program?

MR. DOWNEY: Is the question, will there be any special arrangements for father-son transfer?

MR. USKIW: No, my question is that whatever the policy is, whether it will be strictly confined to a loans arrangement, or loans program.

MR. DOWNEY: Yes, Mr. Chairman. It will be a long-term lending program.

MR. USKIW: In other words then, Mr. Chairman, if I can get clarification from the Minister, that where there is no feasibility then there is not going to be a means of transfer. Where the debt load is going to be too high, where the son doesn't have the equity to begin with, is the Minister suggesting that that particular transaction would not be able to take place under his program?

MR. DOWNEY: It would be hard to determine the exact kind of a case that the member opposite is trying to identify, however, I think the program will cover all individuals, the majority of individuals who find it difficult to find long-term financing, whether it's a father-son arrangement or whether it is a — (Interjection)— that's right, whatever the relationship is.

MR. USKIW: The problem in all lending programs of this kind, private or public, unless there are special provisions, is that people that don't need money are able to get it and people that need it can't get it; that's traditional in terms of government and private lending institutions, and we are trying to deal with people that aren't able to raise mortgage funds but who want to transfer their farms from one generation to another, and I would like to know from the Minister just what mechanism he has developed to deal with that aspect, that part of our problem.

MR. DOWNEY: Mr. Chairman, I have stated the program will be announced very shortly and the honourable member will be able to see it at that time.

MR. USKIW: Is the Minister contemplating a loans program which would involve 100 percent or more of the value of the asset?

MR. DOWNEY: Mr. Chairman, I have stated in my last answer that that will be certainly in the program and he will be able to see it at the time that it is presented.

MR. USKIW: Mr. Chairman, on that basis, then I don't think it is right for the Minister to expect the Legislature to vote \$1.7 million for this program.

MR. DOWNEY: Mr. Chairman, to carry on with the program carried from the last administration to our administration, the staff load would remain the same and the money that is being asked for here is to carry on with the program that is now in place. However, it is very difficult to break that out piece by piece but that is what the money is being requested for.

MR. USKIW: All I'm trying to find out from the Minister is whether there will be a program that will solve that particular problem that I illustrated for him, the problem of transition from one generation to another where, through a loans program alone, a conventional loans program, there is no possibility of that younger generation paying off that kind of a mortgage. We are dealing with very inflated land values; we are dealing with very inflated machinery costs. The whole question of transition as between one generation and another is the most serious thing facing many farm people in this province, indeed, in this country, and I am asking the Minister whether he has some policy that he is either prepared to tell us now or announce in the near future that will deal with that problem.

MR. DOWNEY: It will be announced in the near future.

MR. USKIW: Well, Mr. Chairman, the Minister is saying there's going to be a loans program. I'm talking about something that is much more demanding than just a simple loans program. Does the Minister not recognize that a loans program alone is not going to do the job, and is the facility of MACC going to be used to deal with that very serious problem of transferring assets from one

generation to another?

MR. DOWNEY: Mr. Chairman, as I have stated, the program will be to assist young farmers, whether it's a father-son relationship, or whatever relationship it is, it will be a means in which they will be able to purchase land on long-term credit to carry on the business of farming if they are unable to through other sources in certain areas, if they have difficulty, that we can fill a gap where we find people certainly having a hardship in not being able to obtain funds to avail themselves of property and equipment to carry on the business of farming.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, I would just like to follow that up, the comments that the Minister of Agriculture has made. I wasn't here last night and I must apologize as I had another meeting to go to, but if I understand, the Minister is indicating that they are going to come in with a loans program to assist young farmers to move onto the land. Well, let's examine as to what is currently available to people, whether young or old, who wish to either transfer into farming or change hands in farming. We have another public corporation called the Farm Credit Corporation that I believe loans money on the purchase of equipment and farmland. You have the regular financial institutions of the chartered banks and the credit unions, you have any number of personal arrangements that might be made where individuals will carry their own mortgages from one to another at interest rates. Or you have the finance companies which an individual can go to and borrow money. All these are conventional lending agencies.

The Member for Lac du Bonnet posed the question as to whether or not the government was prepared to lend money in excess of 100 percent value as collateral, and there was no answer in this area. I would assume that with all these choices available now to anyone who wishes to purchase land, all you will be doing is adding another tier onto it unless there is some — and I'd like to know, maybe the Minister can tell me — some incentive as he calls them, for the individual, or subsidy, in terms of the government putting up more capital than the land is worth. There must be some intent here as to what the program is that he is thinking about, because there are so many now that are in the lending business, so we are creating one more lending institution. Now, what is this lending institution that you are intending to create going to achieve that the present lending institutions are not achieving?

MR. DOWNEY: Mr. Chairman, there is reason because of the fact that we do have some individuals that have been involved in past programs we have to carry on and certainly not cause any hardships to those individuals, they have to be administered. The FCC, as was mentioned, have a shortfall of funds from the Federal Government, they are unable to service the numbers of people that are going to be requesting loans. There are a certain number of people in the province who are a little more of a high risk, that certain of the peoples mentioned possibly would not cover, and we feel that it is a responsibility, because of the importance of the agricultural industry in Manitoba, that we certainly have a program that would fill some of the gaps that are not being filled, and you will be able to examine the program when it is announced and that will be very shortly.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Yes, Mr. Chairman. Along the same point, the Minister is not being as candid as we would like him to be, certainly not as candid as his colleague, the Minister of Industry and Commerce, who has been more open in providing information to the House. I fail to see, in what he has told us up to this point in time, where the program that he suggests will be an improvement on what is available now. Unless he can give us more information, what he has told us to date, the little he has told us, which isn't very much, there will be absolutely no improvement over what is in place now, and we have experience to prove this.

There was, for instance, a program over the CBC that came out very conveniently after the October 11th election; it was probably withheld because it may have had some influence on the election, but we had the CBC interviewing a numerous number of young farmers who had wanted to get into farming in the areas now represented by Conservative members, and these fellows stated very frankly and honestly and sincerely that there was no way, absolutely no way that they would have been able to purchase their fathers' farmland except for the Land Lease Program. There's no way. And I can give you another example right in my own area, where a young fellow who is now renting part of my land, but he is also leasing from the Crown — he's a young man, he's got a young family, he is just starting — and there's just no way, no way, and he told me that not more than a month ago — there's no way that he could even be in farming today if it wasn't for the Land Lease Program. Now, he wants to buy this land and he intends to buy it down the road, sometime in the years to come — three years, four years, whenever he is able to do it.

But what you have told us, Mr. Minister, today and yesterday, you have not convinced us that you have any policies to solve this critical problem, and that is of transferring land from one generation to the next, except by mortgaging a young man for 30 years in the future. Putting a rope around his neck. And I'm telling you right now that I don't intend to support this resolution. If you want to ram it

down our throats, well, we'll have to accept it. But I am not going to support this resolution.

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

MR. USKIW: Yes, could the Minister tell us what kind of changes have already taken place with respect to the administrative operations of MACC since October?

MR. DOWNEY: The only change, Mr. Chairman, is that there is one individual being held to look after the Land Lease Program and two individuals are being held to work with the new program that will be implemented.

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

MR. USKIW: I really wanted to ask the Minister what policy changes have been adopted since October?

MR. DOWNEY: Mr. Chairman, to my knowledge there have been no policy changes.

MR. USKIW: Can I then ask the Minister what procedure is now employed, today, with respect to the legal work that has to be done with any of the transactions between the client and the corporation?

MR. DOWNEY: Mr. Chairman, it is indicated to me that there are no changes with the legal. . .

MR. USKIW: Can the Minister then confirm for me that the client has an option of going to his own solicitor or has the option of simply allowing the Corporation solicitor to do the legal work in any transaction, or have we appointed a battery of rural lawyers again as we had in the 1960s?

MR. DOWNEY: Mr. Chairman, there is no change in that. They have the right to go to their own lawyer or to use one that the Corporation supplies.

MR. USKIW: Can the Minister then confirm for me that that policy will not change in this current year?

MR. DOWNEY: As I said earlier, the Board of Directors, I would think, if they would recommend that type of thing it would be considered, but it is not my intent to change that policy.

MR. CHAIRMAN: Item 10—pass; Resolution 10.

MR. CHAIRMAN: A sum not exceeding \$1,724,000 for Agriculture — Resolution 10—pass? On division?

MR. USKIW: On division.

A COUNTED VOTE was taken, the results being as follows:
Yeas 7, Nays 3.

MR. CHAIRMAN: Item 10—passed. Item 4.(a)(1)Farm Management. The sum of \$509,200.00. The Member for St. George.

MR. URUSKI: Could the Minister indicate the number of staff that are involved here and the number of positions that are approved but vacant and any reductions in staff, full-time or just positions from previous years and the like.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, the permanent staff are 84.21, there's one vacancy in the regional division, two in the economics branch, and five in the ARDA program. A total of eight vacant positions.

MR. URUSKI: Mr. Chairman, of those were there any actual persons let with the change of the administration out of those 84.21, any actual bodies or positions cancelled, or contracts? Those 84.21, I am assuming that they are all the staff, whether they're permanent, term or contract.

MR. DOWNEY: Mr. Chairman, they are only permanent and term.

MR. URUSKI: Well then, okay, the standard question is, are there any additional in terms of contract or casual or part-time or term, any other employees that are involved in that section?

MR. DOWNEY: Yes, Mr. Chairman, there are ten in addition to that contract.

MR. URUSKI: Well, no, I'm sorry, because the information wasn't all provided to me, Mr. Chairman. I know that there were 84.21 permanent positions, eight of which are vacant. I also asked whether or not there are any persons out of those 84.21 that have been released since October 21, and in terms of the contracts, whether those contracts are continuing, whether they're going to expire, and any other information about that.

MR. DOWNEY: Mr. Chairman, the answer to the first question, are there any of those 84.21 gone since the change of administration? The information provided to me is that there are not. There are ten contracts, of which eight are occupied, and they are to be phased out December 31st.

MR. URUSKI: All of them? Eight contracts?

MR. DOWNEY: That's right. Eight are filled now. The ten will phase out at the end of the ARDA agreement, the end of December.

MR. URUSKI: The other two unfilled positions, those have been unfilled for a long period of time?

MR. DOWNEY: Yes, Mr. Chairman.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, what position do these ten occupy?

MR. DOWNEY: Mr. Chairman, they're in the farm adviser.

MR. USKIW: Is that related to the Farm Diversification Program and is there any intent to place these people in other parts of the department, or are they simply going to be released?

MR. DOWNEY: Mr. Chairman, they are to do with the Farm Diversification Program and there will be an attempt to place them within the department.

MR. USKIW: Are any of these ten considered to be not in a position to be placed elsewhere in the department?

MR. DOWNEY: Mr. Chairman, we're doing a review of that whole program and staff.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Just on a point of clarification, staff dealing with the Rural Manpower, not the Manpower Corps but the Rural Development Councillors, that would be under the Community programs, if I understand . . . that's the area where those staff persons are involved?

MR. DOWNEY: Mr. Chairman, they are under the Community Programs.

MR. CHAIRMAN: 4.(a)(1)—pass; 4.(a)(2) Other Expenditures, \$113,500— pass; 4.(b)(1) Economic Branch; Salaries \$264,700.00. The Member for Lac du Bonnet.

MR. USKIW: Yes, Mr. Chairman. The Minister has a very capable Economics Branch complement. I am wondering whether the Minister could tell me whether he had discussed with the Economics Branch the method by which young people can be introduced into the agricultural community as new entries. I'm talking about the economics of getting into agriculture, the credit programs available, the one yet to be announced. What is the view of the Economics Branch, through the Minister, with respect to the feasibility, viability, of new entries at current inflated costs of land and so on. Are there any studies or have any discussions been held in that connection?

MR. DOWNEY: Mr. Chairman, I am sure there have been some discussions within the department, but not between myself and the Director on that particular point. There have been discussions but not specifically in that particular area. But in general, discussions of economics.

MR. USKIW: I'm wondering whether it wouldn't be advisable, Mr. Chairman, and the Minister could perhaps indicate, whether between the planning mechanism of the department and the Economics Branch, whether some of their expertise and perhaps some of the policy money that was already approved, whether combining those two groupings we could undertake some studies that would show us the problems, that we face in the industry vis-a-vis the entry of young farmers into the industry, the viability of agriculture based on the current costs, what options seem to be open, so that we as members of the Legislature would have the benefit of those kinds of reports. Is it possible to get that kind of work done through the help of the Economics Branch?

MR. DOWNEY: Mr. Chairman, we are at present working within the department and throughout the

areas with a group to identify and to certainly propose the things that have to be done or are desirable of the farm people to help in these areas, and we will have that report available on completion. It's now in the process of being worked on. It's a general overall program with the economics and the people involved within the department who are certainly, as I am, concerned about that very point.

MR. USKIW: Mr. Chairman, I didn't want to pursue it in the Planning section because I think we did, in fact, have a fairly wide-ranging discussion there, but I think in this particular section I would make the suggestion to the Minister that since he has very ideological bounds with respect to that problem, that perhaps he might be able to illustrate for us what alternatives or solutions he could develop with the help of the Economics Branch in introducing new young farmers to the agricultural community of this province, without undue financial burden, so that it indeed becomes a viable proposition.

MR. DOWNEY: Mr. Chairman, because we are in the process of compiling that kind of a recommendation within the department in consultation with farm groups and farm people throughout the community I could not indicate specifically programs which we will certainly be discussing on the federal-provincial levels to be implemented within the next year. Upon agreement with the federal people, we have to have input from our department, from the farm people, and certainly some of the direction that comes from them, as from our government, will be part of what we will be adopting to help these individuals. So I think that it would be unfair for me to prejudge what the report would be from the department and from these meetings. I could elaborate a little more and identify the fact that with the Manitoba Agricultural Credit Corporation which was just discussed, we do have a program that will be announced shortly to help in that area. It will be announced shortly, so that it will certainly help some of the individuals. We do have a time frame on what we propose to do and it will be brought forward shortly. As I said earlier, we do propose a water and soil program, certainly one in the area of crop and livestock diversification and development, specialization, and in the areas of market expansion, research and information services.

MR. USKIW: Mr. Chairman, I recall the discussion yesterday on item 1.(e), where we were unable to find out from the Minister precisely what kind of policy studies were going to be undertaken in the coming year, and it seems to me that this is probably the most important question facing agriculture today, the cost of the transition from one generation to another. The question of how do you transfer assets, allowing the senior people to retire and yet maintaining new viable farmers in the transition. It seems to me that is the most important question facing Canadian agriculture. I wonder whether the Minister could indicate whether we could use some of that \$107,000 in Policy Studies, along with the Economics branch, to dwell on this particular crucial problem of our time.

MR. DOWNEY: Yes, Mr. Chairman. In case the honourable member opposite was not paying attention last fall during the mini-session, there were two moves made directly to help the transfer of property from one individual within a family to another by the removal of the gift tax, and also not to put into jeopardy a family farm that has built up a lot of assets, the removal of succession duties, and I would think that there are two pretty strong indications of our support for the family farm unit. I would think to have some more clarification of our intent to help them, I think we should have a little more time to prepare programs for the coming years.

MR. USKIW: Well, Mr. Chairman, surely the Minister isn't trying to suggest to us that those two measures were anything more than cosmetic measures with respect to this important question. Surely, he is not trying to tell us that the problem is now solved and there is no difficulty in the transition of farm assets from one generation to another, all of a sudden since October. If he is saying that, that is fine, I will remember that for the record, but I don't believe that he means that, Mr. Chairman, and I think it is very crucial that we do some very extensive studies on the question of how to cope with the problems of inflation as how it is affecting the transition of farms from one generation to another and the viability of those units.

MR. DOWNEY: In case the honourable member opposite has not been listening to what I have been saying in my answers to the questions, I just went back to those two particular items to point them out. I have also pointed out we're implementing a land lending program which will certainly help those individuals. We are also working on a program within the department to do the very things that I feel and the department and our government feel are very important to the economy of Manitoba; that we have to certainly look at building infrastructures and certainly help individuals that want to go forward and produce agricultural products and become part of the farm community. As I have said, we are busy having meetings with certain organizations, farm organizations, and staff meetings, meetings with myself, to certainly give direction and we will be certainly coming forward within a very short period of time to give some definite proposals to the federal government and for our farm people.

MR. USKIW: Mr. Chairman, for the benefit of members opposite who don't quite understand how the world waggles, there is no difficulty in a transition where there is a gift of an asset to some person. That is not the difficulty that I am talking about; I am talking about those who are not so fortunate to be so gifted. The Member for Gladstone and the Member for Portage are amused that I suggested that there was no relevance — or Dauphin, rather — to the gift tax and estate tax provisions that were

introduced last fall. There is no relevance where there is no gifting. I ask the Minister what is the policy of this government with respect to a situation where one is not so fortunate in that one receives a half million dollar gift or quarter million dollar gift, but where the parent or parents have to sell their assets in order to provide for themselves some retirement capacity — income capacity — for retirement purposes, and therefore, there has to be some means of financing that transfer. That is what I'm talking about; we know the rich people don't have any problems — not too many at least. We are worried about the ones that are less fortunate, Mr. Chairman.

MR. CHAIRMAN: The Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Chairman. I think as the Minister pointed out, the two steps that did take place last fall, the withdrawal of the succession duties and gift tax, had one of the major bearings as far as the agricultural community of this Province goes, to the degree that the amount of capital that was leaving the Province because of the succession duties, that the land was being sold, the capital was being removed, it was lost from the system possibly forever. We are all aware of the fact that there is only so much land available, so much to produce. We are also aware that the inflationary value has no bearing whatever today as to the product capacity of the land. It seems that the former Minister of Agriculture, and we are quite aware of his thoughts, that you don't really try to improve the level possibly of a given group of people but you try to drag the other level down so that we all start out equal, as a matter of fact, I have heard. . .

MR. USKIW: You're the one that's dragging them down.

MR. FERGUSON: I have heard statements from the Minister that basically everyone should start out equally; everything should be transferred to the state upon the death of an individual and you start out again.

MR. USKIW: You didn't hear that.

MR. FERGUSON: Well, under our system, this is one of the things we have fought against and this is one of the reasons that we are now sitting in government and my honourable friend is sitting in the opposition. We are quite aware of the problems that are affecting the young people. The Minister has announced this morning that he is coming out with a program that hopefully will put land into the hands of the young farmers, not as a serf of the state, but as an owner. They may also have the opportunity of, if there is such a thing as capital gains continuing, that they may be able to partake of some of the benefits of the increased value of land if it increases in value. As an example, if they were to buy land, and the Minister has said that this program possibly will be coming in the very near future, if they bought it say on the first of July or whatever the case may be, and in five years the capital gains has gone up, if they decided they wanted to get out of the business of farming they could participate in some of the gain there and by the same token they would have the opportunity of immediate ownership. This is one of the things that we're all quite aware of including the Minister who should be aware of the fact that people don't like being serfs, they like to own their own land, even if there is a mortgage over it and even if there is some debt against it. This at least gives them something to work for, and that has been our thrust in our proposals all the way through. We want the young people to own it and we don't want them particularly saddled with a debt where they are not ever going to get out from under.

But the Minister has also got to be aware of the fact that there are a lot of people possibly wanting to get involved in farming that aren't going to make a success of it, as in any other industry. If the risk is too high and their background is such that they can't get into it — you just can't let everyone, and you can't let everyone into building cars, building tractors, or anything else. You've got to use some common sense and this is possibly one of the things that we are looking at.

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

MR. USKIW: Mr. Chairman, the Member for Gladstone suggested that I made certain remarks with respect to the need to equalize all people in Manitoba with respect to the ownership of assets. I would hope that he would be prepared to either show me chapter and verse where that was stated, or that he should withdraw those remarks, Mr. Chairman, because I have never made such a statement.

MR. FERGUSON: Mr. Chairman, I will peruse Hansard and see if I can come up with some of the statements that the Honourable Minister has put forth and I will try to present them back to him.

MR. USKIW: Mr. Chairman, the very statements just made, the comments made by the Member for Gladstone, indicate to me that this government has no concern with respect to people who are less fortunate, people who are on the bottom rung, the bottom 50 percent group just don't count. They are looking at the people with massive assets who have minute problems in comparison, because that is the area of legislation that they have pursued to date; to relieve taxation for those who are already wealthy. We're talking about providing for opportunities for people that are much less fortunate than

that, and we so far, Mr. Chairman, have not received any indication from the government that they are even prepared to undertake some massive research into ways and means of accomplishing that.

The estate tax problem was not a solution to the farm that must be sold in order that the older people could retire in some degree of dignity and the young generation assume responsibility for that farming operation. No, the people who were worried about estate taxes, for the benefit of my friend from Gladstone, were the people who didn't have a problem. The people who don't have the possibility of inheriting wealth or a gift of wealth are the ones that we are concerned about, Mr. Chairman. When you are at the stage when you have to worry about how to dispose of excess wealth, that's a good stage to be in and you should be thankful to be in that position. Most Manitobans are not in that position and most farm people are not in that position, and never will be.

With respect to the question of tenancy and ownership, as the Member for Gladstone mentions, that people prefer to own their land, that is true. But, Mr. Chairman, I would like this Minister to tell me here today, that with his policies there will be a reduction of tenancy in this Province with respect to land, farmland, hereon in. I challenge him to tell me that because I predict, Mr. Chairman, that we will have tenancy in spades. We are going to have a situation where you will have 50 or more than 50 percent of our land farmed on a rental basis before very long, because of the economics of agriculture. The only question that remains is whether it will be a landlord-tenant relationship as between two private individuals, or whether the state is going to play any role in it whatever. That's the only difference, but tenancy you are going to have — in spades — and it has been on the increase every year for the last decade or more. We've got about 26 percent of our farmland that is now rented, it's farmed on a rental basis, as I recall the figure from last year. It's about 26 percent, and I'll bet you that it will be more than 26 percent next year and more than that the year after and on and on, until we get into a position where the operators of the farm will not be the owners of the farm in large measure in this Province. That's the direction it is going. In fact there are already financial institutions that are suggesting that there is nothing wrong with that, that huge corporations do that — they rent boats, they rent airplanes, and they don't own anything, they rent everything they must use in their business enterprise. That is now commonplace in the business community. That is the direction we are going, Mr. Chairman.

The question I ask is whether we want to repeat the mistakes that were made in different parts of the world from where most people in this country came, Mr. Chairman, to escape that horrendous prospect.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: I would just comment briefly on the member's comments in case — for the record — I just want to make sure that it is on the record, that this government does not intend to stay in boats or stay in airplanes, or certainly stay in the ownership of land. It is not the intent of this administration to own the land and be in competition to the farm people and be in competition to the individuals who want to invest in that land, that is certainly not a desire of this government, although it was of the past government.

They certainly proved that they wanted to be in boats and they wanted to be in airplanes and they wanted to be in land. So I would just, for the record, like to clarify that.

I would also like to mention for the — certainly I'm sure the member opposite has had the misfortune of not participating or living full time in an agricultural community because of his political career in the past few years — to certainly go through a stage of having the services of the Department of Agriculture in the 1960s, individuals such as myself who farmed in the 60s and enjoyed the services of the Department of Agriculture as a supportive staff, they had individuals who you could certainly discuss your farm programs with and certainly do some planning with, or certainly talk to and discuss crops or livestock projects; to go into the 1970s to find that that very supportive staff had been instructed not to discuss your plans with them, in fact he was instructed to certainly deal with only the very bottom end of the income scale, that he could not just discuss the programs with the bottom end as well as the individuals who were doing quite well or appeared to be the commercial farmer. It seemed that the instructions had come from some place of the higher part of the department, and that they could no longer discuss the farm problems or their ideas.

In fact, with the 2,600 farmers that were being serviced with the several millions of dollars and the several million hours of time that the staff put in to looking after these particular 2,600 people, there were some 27,000 farmers that actually went without the support of the Department of Agriculture. I want it to go on the record that it is our government's policy that we will service all the farmers of the province, we will not single out the lower income or the higher income. The individuals will be able to go ahead and certainly exert themselves to accomplish the goals that they see that they can accomplish. I think it is very important that we implement programs that do not just single out certain individuals, but we can certainly support all of agriculture so that Manitoba is a better place for us to live.

MR. CHAIRMAN: The Member for Ste. Rose. The Member for St. George. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I take issue with the Minister on those remarks.

MR. DOWNEY: I thought you might.

MR. USKIW: Yes, logically so. Because it is true, Mr. Chairman, that there was redirection given to staff during the term of time that I happened to be in that office. The irony of ironies, Mr. Chairman, was that we had agriculturalists throughout the province doing the opposite to what the Minister now suggests was done during our term, and that is that they were paying particular attention to the elite few, Mr. Chairman, and the masses were being totally and completely ignored.

I'll give you a for instance, Mr. Chairman. It's worth reciting. The Home Economists Division, a for instance. Who participates in that program? Or did, traditionally participate? True, there were some that needed that service, but you know the people at the top income level, the people who had to worry about estate taxes were the ones that were taking advantage of free departmental services, who would phone up the home economists and say, "I want you to come down and help me decide what kind of curtains I should put up in my living room. Should I get this set here, or should I get this colour over there?" Mr. Chairman, it was the elite of our society that was benefitting primarily from the many services of our department, and it is true that I gave new direction, that I suggested that as long as we allow this to happen, it will happen more and more, and the more an elitist group you have, the more they will know their ways about getting free government services, and so we have to be intelligent enough to know where to draw the line, that sometimes we should be a little scarce, that if we know that they are able to look after themselves, then it's an abuse of the public purse to give support services to people who have been clamouring, like the Member for Gladstone, for removal of the estate tax because they don't know what to do with their wealth.

That is the kind of nonsense that this Minister of Agriculture is now bringing back in, Mr. Chairman. He is now telling us that we have to look after all of the farm people. He is quite correct. We did not abandon all of the farm people, Mr. Speaker, we simply told our staff that their emphasis has to be on those groups that desperately need their support, and they have to downplay their response to people who are able to fend for themselves, who are in fact large enough, Mr. Chairman, to hire their own home economists, to hire their own agrologists or whatever, large enough. Mr. Chairman, we have farm people in this province who are worth millions of dollars, single farm operations, who get free services from the Department of Agriculture. A whole host of them. Free services, while there are tens of thousands of little people who don't even know they need the help, who don't even know they need support services, and don't know where to get it. This is the group that we should be addressing ourselves to if we have any sense of fair play, any sense of proportion with respect to how our resources should be allocated, so that all of the people of rural Manitoba, or all of Manitoba, should have a fair chance at what their government is able to do for them. Not to be monopolized by a handful of people who have the staff, who have the know-how, who have the millions of dollars to throw in with it.

That, Mr. Chairman, is something that we did change, and I believe it was the right change. It took a little bit of gumption, Mr. Chairman, because it is the elite group that has the access to media, they have the know-how with media, and they have the ability to, from time to time, give the government of the day a black eye, because of that.

Mr. Chairman, my honourable friends shouldn't take too much comfort from the fact that there has been a change in government, because there will be other changes in government from time to time. I will predict that the most perfect administration will not survive the wrath of the people for more than two or three elections at a time.

MR. DOMINO: Are you suggesting . . . perfect?

MR. USKIW: No, of course not, Mr. Chairman. We are not going to suggest that at all. I am suggesting that all governments have to face up. That is the nature of our democratic system, and that is something that we should expect on Day One. That has nothing to do with what we're talking about. What we're talking about here is the fact that we have a philosophy in government that is going back to the 1960s where they're preoccupied with providing public services at public cost to the privileged few, while at the same time, Mr. Chairman, they are mouthing the so-called need for more free enterprise activity, less government involvement, while these people have got both feet in the trough, Mr. Chairman. That's what we're coming back to. They're back in the trough. They're back milking the public purse, and they know how to do it better than anyone else and it is something that I regret that we are now doing.

MR. DOWNEY: Yes, I certainly would like to respond to a couple of comments made by the member opposite. First of all, I think I should make the comment that the last administration did not abandon the farm people of the province, but the farm people of the province abandoned that administration, and they sure showed it last election, let me tell you. There is one other thing that the last Minister of Agriculture in this province was hung up about, the fact that home economists should have no association with agriculture at all, and he proved it by removal of the home economists, the numbers from 21 to 10 during his administration.

Why, you tell me, the senior members, the senior ag reps in the province of Manitoba, that after the last eight years of administration by the former Minister of Agriculture, why we only had 30 percent, or approximately 30 percent of the ag reps in the province of Manitoba with two years experience or less? The senior staff within the communities left the administration, Mr. Chairman, because they were totally frustrated, they were totally tired of being instructed to deal with ten

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percent of the farm population, which the figures show, 2,600 people in the program — in fact it is less than 10 percent of the people — the farm people that they were to deal with. They were very frustrated and these are the facts to go on the record.

MR. CHAIRMAN: The Member for Emerson.

MR. DRIEDGER: Mr. Chairman, I find it rather amusing when the former Minister of Agriculture tries to play the champion of the lower income farmers, as such. I'm just wondering in the past eight years in which direction he was looking. He must have totally overlooked the constituency of Emerson, where we have, in the south-east part, 80 percent of our farmers . . .

MR. USKIW: First time you had some decent government over there.

MR. DRIEDGER: . . . 80 percent of our farmers had a gross profit of \$5,000 or less. How was he looking after them when he came up with a beef program, giving them a \$3,000 grant to buy more beef when the prices were going down. Those fellows are still straddled with a lot of the liabilities right now and no effort was ever made to correct that situation. The people in my constituency right now have confidence that a program will be coming forth from the present government, the present Minister of Agriculture, so that they can get proper credit arrangements, something that was always overlooked past the escarpment out there, and they are confident that something will happen along these lines in terms of land clearing programs, etc.

That's why I say I find it very amusing when the former Minister sits there and scrutinizes the Budget and criticizes and says it's going to be for the big farmers. He certainly overlooked the small farmers in my area when he was in power.

MR. USKIW: Mr. Chairman, I'm not going to fault the Member for Emerson for not knowing about his subject, because the very program that this government is abandoning was the program designed to deal with critical income areas, such as his in particular, for the south-east corner of Manitoba, the interlake and the south-west. They were particularly designed to try to cope with those low income groups in ways that helped them with their farm management, in ways that helped them with some loan capital, some grant capital, to upgrade their facilities and to improve their lifestyle. The whole program was geared to your client, your constituent.

MR. DRIEDGER: It didn't work.

MR. USKIW: Well, Mr. Chairman, I don't know whether I can claim that it worked 100 percent. I don't know. But I know from the information that I have from the studies done by the department that it worked in good measure, that the bulk of the people that were enrolled in that program had a far improved income position from where they were; secondly, they had a much improved lifestyle from where they were when they started in the program and a much different attitude towards the business of agriculture. So from those particular reports that we had received, we felt that that program was achieving something.

Now, it's not the answer. It's a mere stepping stone, Mr. Chairman. But at least it was addressing itself to the crisis group in our rural communities. What this government is doing is abandoning that group entirely. What they are really adopting, Mr. Chairman, is a philosophy of, "To hell with those that can't make it, we're not going to worry about that group." Those policies are going to come back to haunt you in Emerson, I will guarantee it. With the pronouncements and the philosophy and the policy indicated by this government. They are talking about withdrawing massive rural government programs, that's really what they're talking about, which were designed in particular for the less fortunate in rural Manitoba.

Yes, the emphasis was on the less fortunate. I don't back away from that. I think it was the right emphasis, because it is a misuse of public funds to keep pouring money into coffers that already are overflowing. It's a misuse of public funds, and I know that many people may be very selfish in that respect, and the more they have, maybe, the more they will want, and I cannot presume to satisfy that desire. But I know that in looking at government programs, that we had to make a decision with respect to how much money we have to spend, where we are going to spend it, and what staff resources we are going to employ. When the decision came down to the deployment of our staff with respect to government programs, we emphasized programs and staff complement to those areas of the province that needed help most, the low income people of this province. And if this government thinks that's wrong, that's fine. That is the difference between the opposition and the current government.

MR. DRIEDGER: I wonder if the former Minister of Agriculture could indicate to the people, here, Mr. Chairman, the programs that he implemented out there and what effect they actually did have, because I can also give him statistical figures to show that it hasn't done a thing except created more problems for the individuals out there.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

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MR. ADAM: Yes, Mr. Chairman, I realize the new Member for Emerson does not have the experience that maybe some of the other members have here. The fact is, Mr. Chairman, that he hasn't been listening to his Minister of Agriculture who has been criticizing us for two days for emphasizing our directions in the help of the lower end of the people in the farming industry. He has been accusing me — (Interjection) — Well, Order, Mr. Speaker . . . I hope you can control the Member for Emerson. I have the floor now, and if you wish to be recognized you will have your chance.

The Minister has been accusing the former government of placing too much emphasis on 2,600 farmers — the lower income group and obviously the Member for Emerson is not listening, because now he is saying that, you know, we want to go back to the former policy of the sixties to place more emphasis on the top group. I would suggest to the Member for the Gladstone that last year on the Succession Duties tax that there were very very very few people that that program would affect, farmers. It only affects less than 2 percent of all the population of Manitoba. — (Interjection) — Well, the Member has made an accusation that there is apparently a lot of money leaving the province because of that. I would like him to give us some statistics that there is any money leaving the province that would not leave anyway, that would not leave anyway, that would not leave anyway. — (Interjection)— Give us some facts — you are making the accusations, I say give us some facts. I say to you that you don't have them, you don't have the facts to present, you are making a blanket statement which you have no foundation on. I can tell you that money will go away to where they find the highest investment. We've had Greb Shoes that's left here, they left a haven and they've gone to a province that has Succession Duty taxes. Good Year has pulled out of Alberta and they're going to Quebec and Ontario because there is Succession Duties — they leave a tax haven in Alberta and they go down where there's taxation. So don't give us that boloney.

MR. DRIEDGER: Mr. Chairman, I have to admit to the Member for Ste. Rose that I have a lot to learn, and that's exactly what I am trying to do. That's why I was asking the former Minister of Agriculture to indicate which programs worked effectively in my area and what the effect was of this.

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

MR. URUSKI: I would like the Minister — while he indicates in his policies that the programs of removal of estate tax and gift tax have been a great boon to the farming community, Mr. Chairman, I would like him to provide to this committee the exact number of estates in Manitoba in the last several years — farm estates — that have been affected to that great problem that capital was leaving this Province of Manitoba as the Honourable Member for Gladstone so suggests, that there was so much capital leaving. I would like to know from the Minister of Agriculture, and he should be able to have access to those figures, how many farmers paid estate tax, how many farm families paid estate tax in this Province of Manitoba? The Member for Gladstone indicates that there has been a great flight of capital from this province because of those two taxes. He speaks like his Minister of Industry and Commerce, where he indicates that there has been \$2 billion of capital over the last 10 years have flown from this province, which he could not prove or come up with any figures to substantiate.

The Member for Emerson is indicating that the programs of the previous administration did not help his people in his constituency at all, and he is waiting for his government to help them. Well I can tell the Honourable Member for Emerson that by the time the next redistribution of seats comes into play, he will have the TED report coming to haunt him for the next 20 years. The 1990s will be coming very quickly and the statements of the Minister of Agriculture which he does not want to single out the lower-income people and stigmatize them will, in fact, depopulate the rural areas of this province to the point where they don't have to bring in programs or have to do anything for those people. They will solve the population aspect of rural Manitoba by doing what? Absolutely nothing. That is what the Minister of Agriculture in this province is now getting back into — he is getting back into a program of doing nothing for the people, the lower-income rural people of this province.

He is going to tell your constituents, the Member for Emerson, that you people come into Winnipeg because you can't make it on the farm and fight for the jobs of the Member for St. Matthews, the jobs that his people can't get because there is such massive unemployment. That's the kind of programs that he is coming in with by doing nothing in the rural areas.

MR. CHAIRMAN: 4.(b)(1)—pass — The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, this has become quite an interesting section of our departmental debate. The Minister of Agriculture made reference to the changes in the Home Economics Section of the Department. I am going to ask him now whether he is going to take back those persons or staff man years that were allocated to other parts of the province, whether his government is now going to withdraw those services from those areas that had those services introduced for the first time. Is the Minister of Agriculture telling me that we are now going to withdraw the Home Economic services from the urban and northern areas of Manitoba where they were implemented by our government, and put all of those resources back into agriculture? Is that what he's saying?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, no that is not what I'm saying. I'm saying that I plan to reimplement

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some of the Home Economists back into the Department of Agriculture so that they will be able to service larger numbers of farm people.

MR. USKIW: Mr. Chairman, my question is, is the Minister going to employ additional staff or is he going to transfer back from the Department of Health the CORE staff which by the way for the benefit of the Minister of Agriculture was not lost to the Department of Agriculture. The CORE staff of the Home Economics Division was not lost to the Department of Agriculture, it was merely transferred out to give an umbrella service to all departments of government with respect to Home Economic Services.

Is the Minister telling me that he is now going to transfer from other areas of the province back to Agro Manitoba, Home Ec staff, or is he going to add to staff?

MR. DOWNEY: Mr. Chairman, that will be discussed under another program. I believe we are on 4.(b)(1) .

MR. CHAIRMAN: Yes, 4.(b)(1) Economics Branch.

MR. USKIW: Mr. Chairman, it was not my intent to bring it up. It was the Minister of Agriculture who introduced the subject matter, and therefore it is only fair, I think, if that is allowed then we are allowed to respond.

MR. CHAIRMAN: 4.(b)(1)—pass; 4.(b)(2)—pass?

MR. USKIW: No, Mr. Chairman, not yet.

MR. CHAIRMAN: The Member for Lac du Bonnet on 4.(b)(2).

MR. USKIW: I would like to know what the status of CanFarm is?

MR. DOWNEY: Mr. Chairman, there are no proposed changes in CanFarm.

MR. USKIW: I would like to know, Mr. Chairman, how many clients do we have in the program?

MR. DOWNEY: 526, at the present time, Mr. Chairman.

MR. USKIW: How does that compare with the statistics going back?

MR. DOWNEY: Mr. Chairman, the information that the department gave me is that it has been fairly constant.

MR. USKIW: Mr. Chairman, in the last Annual Report there were 585. What is the position of the program with respect to its cost to the government? In other words, is it self-sustained? Are the fees covering the cost of farm accounting?

MR. DOWNEY: No, it is a subsidized program, Mr. Chairman. I believe there is approximately \$37,000 to \$38,000 subsidy into the program.

MR. USKIW: Would the Minister care to elaborate for us on what the average gross income of those farmers is?

MR. DOWNEY: Mr. Chairman, those figures are not available at this time. They could be provided though.

MR. USKIW: Would the Minister then undertake to prepare us a statement — the numbers of farmers in CanFarm based on income categories: \$10,000, \$20,000, \$50,000, \$100,000 — something so we have a comparison as to what sector of our agricultural economy is using the program?

MR. DOWNEY: Mr. Chairman, these are programs that the last administration felt free to carry on with, and certainly did not discourage, so it is a continuing program that we have taken over.

MR. USKIW: Mr. Chairman, for the benefit of the Minister the policy of that program was to bring it into a break-even position after so many years. We were past those numbers of years a few years ago, and we kept extending the program hoping that we could get to the point where there was a break-even between the costs to the Crown and the fees that were charged for the services to these farmers. That was a decision not only of myself but of Management Committee, which approved the program, that at some point there had to be a balance between costs and revenue. So I ask the Minister, what is his policy here with respect to that question? Is he going to continue with the same policy that we would want to bring that program to a break-even position so that there would be no subsidy involved, or is he going to continue to subsidize the program?

MR. DOWNEY: Yes, Mr. Chairman, it would be our intent to bring it to a position where it was not a subsidized program.

MR. USKIW: Do I have the assurance then, Mr. Chairman, that the Minister will give us a statement indicating the number of farms on the program, their either asset value and/or gross income. Now gross income is more difficult than the asset, but one or the other is fine as far as we are concerned, and by region, if possible.

MR. DOWNEY: Yes, Mr. Chairman, I would also like to say at this time, Mr. Chairman — (Interjection)— if I could have the floor, Mr. Chairman?

MR. CHAIRMAN: The Honourable Minister of Agriculture will answer the question posed by the Member for Lac du Bonnet.

MR. DOWNEY: I would hope, Mr. Speaker, and it would be my intent to certainly speed up the process of recovering the cost to the government at a much faster rate than the last administration have done.

MR. USKIW: We wish you success.

MR. CHAIRMAN: Item 4.(b)(2)—pass. 4.(b)(2)—pass in the amount of \$357,200.00. It now being 12:30 gentlemen, I am leaving the Chair and will return at 2:30 p.m.

SUPPLY—DEVELOPMENT AGENCIES

MR CHAIRMAN, Mr. Abe Kovnats (Radisson): I would direct the honourable members to Page 52. Resolution No. 77. Development Agencies, Item 1. Manitoba Development Corporation—pass — The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I suppose there might be some value in some discussion on the Manitoba Development Corporation. May I just start by a question to ask the Honourable Minister responsible for the MDC to tell us what information was given to those people who propose to tender for the purchase of the Lord Selkirk boat.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I think in dealing with this particular subject, the Economic Development Committee meets every session of the Legislature when we go through the report itself. We will go through all the equity position companies and deal with all the loans, and at that time the Chairman of the Board will be reporting on specific details. I think that has been the function and the way we have operated over the last number of years, so, Mr. Chairman, I would ask the member to save those questions and ask the Chairman of the Board when we come to the particular Economic Development meetings.

MR. CHERNIACK: Mr. Chairman, I am indeed sorry that I find it difficult to comply with the request of the Honourable Minister. I am sorry only because he asked me so nicely and I have to tell him that I'm not prepared to follow through and grant his request. The Honourable Minister has informed us specifically that he had made enquiries and learned and satisfied himself as to the salvage value of the boat, which means that the Minister was involved in assessing in some way the sale of the boat; and since the Minister is responsible for that Crown corporation, and since we have learned already this morning that the Crown corporations were called into Cabinet or into Management Committee and given a description of the government's attitude in relation to activities of these corporations. The Minister ought to tell us what discussions were had, and my direct question was, what does he know, if anything, about the Lord Selkirk sale?

MR. BANMAN: Mr. Chairman, the member should know that the sales of the different companies . . . the Cabinet ratified the decisions of the Manitoba Development Corporation Board, the Manitoba Development Corporation Board made those recommendations to Cabinet and Cabinet ratified them, so that the technical data and that particular information will be available from the Chairman of the Board as to how they arrived at those particular things. The Board is there to run that particular corporation, and it's being run along the lines that the Board is making the decisions, and the Chairman will be reporting to the Committee for that.

MR. CHERNIACK: Mr. Chairman, we know, and it was confirmed that the Cabinet ratified the decision to sell the Lord Selkirk. If not for that ratification, the Lord Selkirk would not have been sold. Is the Minister prepared to tell us that Cabinet accepted the recommendation without satisfying itself as to the best deal that could be made for the people of Manitoba who owned those assets?

MR. BANMAN: Mr. Chairman, with many of the other companies, the MDC Board has been appointed to look after the affairs of the Manitoba Development Corporation, and the former Minister will appreciate that those people are charged with the financial responsibility of that. Unless there are developments under Part 2 of the Act where the Cabinet gets involved as far as loaning, the Board is administering the funds and carrying out the decision-making process.

MR. CHERNIACK: Well, Mr. Chairman, is the Honourable Minister intentionally leaving us with the impression that Cabinet rubber-stamped the recommendations of the Manitoba Development Corporation Board?

MR. BANMAN: Mr. Chairman, what I'm saying is that we took their knowledge and advice on many of these matters.

MR. CHERNIACK: Mr. Chairman, is the Honourable Member forcing us to the conclusion that Cabinet did not investigate the basis on which the recommendation was made but accepted the recommendation without knowing details as to whether or not the recommendation was one worthy of acceptance?

MR. BANMAN: Mr. Chairman, what I am saying is that the bids and the tenders were looked at by the Manitoba Development Corporation Board who then provided the background information as far as their decision is concerned, and the Cabinet then ratified their decision.

MR. CHERNIACK: Well, Mr. Chairman, the Cabinet and the Minister therefore did have background information which they used in order to arrive at a decision. Would the honourable member please give us the background information on the basis of which assets of Manitoba taxpayers were sold or given away, or the suggestion is, almost forced on people.

MR. BANMAN: Mr. Chairman, all that information will be available at the Economic Development Meeting.

MR. CHERNIACK: Mr. Chairman, this is a Committee of the Legislature and we are dealing with the Estimates. When we touched on MDC we were told, rightly, by the House Leader who is in his seat, that we would not be discussing MDC under the Minister's salary but would be discussing it immediately after the Minister's salary. There is not the slightest doubt that under the Minister's salary we would have questioned the Minister rather thoroughly, as I am attempting to do now, on his responsibilities in relation to MDC. I believe that so far this morning he has tried to slough off responsibilities for decisions by saying, "Well, that was a recommendation of the Manitoba Development Corporation Board."

Mr. Chairman, it's not acceptable, he just can't get away with that, because he has admitted to us that no decision of that nature could be made by the Board without ratification by Cabinet. That then means that the final decision and the full responsibility was that of Cabinet; he is the Minister who had to come to Cabinet with the recommendation, and since I am sure that I can visualize the agenda that appears before Cabinet, there would be somewhere in that agenda an item entitled "Minister of Industry and Commerce," and there would be a number of Orders-in-Council listed therein, one of which would have to say, to accept the recommendation of the Manitoba Development Corporation to sell the Lord Selkirk. And the Minister would then have had the responsibility, and I'm sure he did, to submit in advance to all members of the Executive Council, a summary of some kind of the basis on which the recommendation was made.

So, Mr. Chairman, it is a decision of Cabinet based on a recommendation of this Minister that we are discussing, and now that I can assume that the Honourable Minister is not privy to the information that was given to anybody who was going to tender for the boat, since he sort of sloughs it off on to the Board, and I have to ask him on what basis did he make a decision to recommend to Cabinet, and on what basis did Cabinet make a decision?

MR. BANMAN: Mr. Chairman, the advertising, the opening of the tenders, anything involved with the sale of these companies, was all done by the Manitoba Development Corporation. It was not done by myself, or by my office, or any of my people. It was done by the Manitoba Development Corporation, the Development Corporation Board then sat down and evaluated the different offers and made their recommendation to sell, which was then ratified by Cabinet, because that is part of the legal process that we have to go through. But the screening of the tenders, the decision-making as far as which tender was the best one, was decided by the Board of Directors.

MR. CHERNIACK: Mr. Chairman, will the Honourable Minister confirm that all sales by the MDC of assets belonging to the people of Manitoba had to be confirmed, ratified by Cabinet, before they were completed. Is that correct?

MR. BANMAN: Mr. Chairman, it is my understanding that in cases where you are disposing of assets of that kind, an Order-in-Council has to be passed.

MR. CHERNIACK: Mr. Chairman, I accept that. I don't recall that that is the case, but I assume that that is the case, or became the case on the part of this government. But since an Order-in-Council had to be passed, and since the Honourable Minister is responsible to the people of Manitoba who put him there, to make sure that he is accountable for decisions that are made by Cabinet on his recommendation, that he should tell us with what information and with what background the decision was made.

MR. BANMAN: Mr. Chairman, again I come back. The Board of Directors is charged with the responsibility of running the Manitoba Development Corporation Board. Those are the particular individuals that run the operations of that Board, whether it be the loan portfolio or the equity companies. The equity companies each have their own Board of Directors also, but it was their responsibility to deal with the companies at hand and they went ahead and tendered, saw which was the best tender — in some instances, like the one yesterday, they decided that the tender for the building wasn't high enough and they decided not to sell it. That was their decision; the information provided to me on that was with regard to background information and when I brought it to Cabinet it was their recommendation.

MR. CHERNIACK: Mr. Chairman, the Honourable Minister says that it was their responsibility. They are charged with the responsibility, he said. Mr. Chairman, they are subject to the will and pleasure of the Lieutenant-Governor-in-Council. They are required to carry out the responsibilities of the Lieutenant-Governor-in-Council. Mr. Chairman, the Honourable Minister was not in this House at the time the whole deal with Monoca was brought out back in 1966-67-68, at which time the Conservative government were saying — and we believed them, Mr. Chairman — let me not say we — I believed them when they were saying, "We had nothing to do with all the negotiations with the Monoca and the resultant Churchill Forest Industry, it was the Board." And we knew the Board consisted of people who had the respect of the business community of Manitoba, people like John MacAulay, people like Morris Neaman, others who I only don't mention because their names escape me for the moment. The former Minister of Finance, who was the Minister reporting for the Manitoba Development Fund, said, "That's their decision," and when he was asked, "Where will they get the money?" — the people who wanted to exploit the forestry resources — he said, "Why, they have their own opportunity to raise money, they are people who have that capacity."

Mr. Chairman, one thing that came out clearly is that the government was much involved in the negotiations and decisions and in the final agreements that were signed in relation to that transaction. We found that out, and we also found out that the Morris Neamans and the John MacAulays had hardly anything to do or to say or to know, about that transaction which was done in the name of the Manitoba Development Fund.

Now I must also say, Mr. Chairman, and again you were not present, but the Honourable, the Minister, was present in this House to see the way in which Ministers were responding to questions in relation to policies of the MDF. They did not agree to talk and to report daily on the day-to-day running of the Corporation. They said there is a Committee that will deal with that and I remember Ministers responsible for the MDC having said that. But the difference is that the Minister agreed that when it comes to disposing of the assets of any corporation under MDC there had to be Executive Council approval, an Order-in-Council.

Mr. Chairman, he can't avoid responsibility for the decision made by Order-in-Council. I don't think he should be allowed to just slough it off and say, "Well, wait for the Economic Development Committee, it will meet and it will have the Chairman before it." No doubt when the Chairman comes there he will say, "Well, the Minister ordered us to dispose of the assets." I am sure he will not say, "We came up with the idea on our own. We suddenly came to the conclusion that we should dispose of assets." No, he will say, "There was a change of government with a different philosophy and that government instructed us to dispose of assets."

The Minister of Highways was quite prepared to admit today that he put a freeze on the operations of the competitive portion of the MPIC, and thus made it — and these are my words — and thus resulted in providing a lack of capacity to compete with private enterprise, and that is their problem, or those of the Conservative Party.

But the Minister is still refusing to give us information which he has in his knowledge. I am not asking him to go to the people who opened the tender, then ask them what day they opened it, and what was in the envelope. I am asking him to tell us within his knowledge and as the Minister responsible, the basis on which a decision was made to sell the Lord Selkirk. I only pick that as an example, but it is a good one. Because not only do we know that the OC was passed on the recommendation of the Minister, but we also know that the Minister had his own private investigation made as to the salvage value of the boat, so he went beyond just reading what it is that the recommendation from the MDC was.

I am asking him, what was it?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, again coming back to the basic thing that I have been saying all along with regard to the operations of the Manitoba Development Corporation, and the member will appreciate that, is that the judgment of the Board is the one which the government has accepted. Following the lines of the arguments that have been posed by the Member from Inkster over the

years, the Board of Directors is charged with the responsibility of running that particular Fund, and that is the responsibility of that Fund.

The Member from Inkster's position was that he would like equity positions, and I think the Board in that particular instance, I don't know if he wrote them any letters saying, "From now on we want equity positions," but I am sure the Board reflected his wishes or the government's wishes of the day in of their decisions.

The Member is quite right and I am sure that the Board, realizing the position of this particular government, is reflecting some of those decisions also, but let me say that the Chairman of the Board will be before the Committee, will be providing all the information. And, if I can just very briefly deal with the one particular matter that the Member talks about, is when dealing with the Lord Selkirk, which was a unique matter because there were three different governmental agencies involved, the Manitoba Development Corporation who in 1976 wanted to get rid of the thing and didn't want to run it anymore, and therefore offered to sell it to the Department of Tourism for something in the neighbourhood of a dollar. Tourism then, through its Budget, provided for the losses that would be incurred in that boat. That boat was then supposed to be transferred over, or Venture Tours was supposed to be transferred over to a new company called Northlands Inns. This never materialized and when we came into power we were faced with passing a special warrant to cover the operations of Venture Tours, of which the MS Lord Selkirk is another one.

So when it finally came to advertising this particular boat there were three different government departments involved, and the background material as far as the \$250,000 is concerned — I was informed by the Manitoba Development Corporation that back in 1972 they had had an offer of a little in excess of \$200,000, but the government at the time didn't accept that offer. Given that fact, given the fact that some of the staff people checked around and advised me that the amount, as far as salvage value was concerned, was very close to the amount that we were selling it for, the type of material that you rely on from your key personnel. That is the information that was transmitted to me and on those decisions we made that decision to sell it.

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

MR. CHERNIACK: Mr. Chairman, we now have two aspects which I would like to explore. Let me deal with the more specific one and that is that apparently in connection with the Lord Selkirk, which I thought I would use only as an example, is now an exception, because there were three government departments involved. Then in that case, Mr. Chairman, surely there can be no excuse to hide behind the curtain of the Manitoba Development Corporation Board to report on the Lord Selkirk. There were other departments involved.

Now the Honourable Minister may, if he wants, say, "I will deal with that when I report on Tourism and my salary as Tourism Minister can be questioned." He can avoid it for a while, but since, Mr. Chairman, he can't avoid it for the entire Session, I would suggest this is as good a time as any to respond to my question asking for specifics on the various tenders submitted, and my first question was: What information was given to the people who were proposing to tender on the basis of which they could arrive at a decision? That is one very specific question, which I think is now in order even in the mind of the Minister.

The second one, Mr. Chairman, is that I was under the impression that the Minister had made enquiries from experts as to the salvage value of the boat. Now I find that he relied on the judgment of people within his department, for which I have no criticism whatsoever, because I know that a Minister who goes into that kind of detail becomes a poor Minister.

May I tell this Honourable Minister, whom I respect and whose ability I have some faith in, that Duff Roblin told me many years ago that his best Minister was the one who had nothing on his desk but his feet so that he could sit and think and plan policy rather than get involved in specific details. I, therefore, commend to the Honourable Minister that he should not do all his work himself, but rely on people he chooses.

But, has he since made enquiries to find out how it is that the present owner of the boat claims that the salvage value, the \$350,000, when he was told that the salvage value was more like \$200,000, which was the price that was offered I think you said a few years ago. Is it the change in the Canadian dollar that produced that kind of difference? Or can we, even looking back, try to find out whether the people who bought the boat were just smarter and had more acumen and more knowledge than the people who sold the boat. That becomes pretty important.

If they bought the boat knowing full well, as the newspapers report they knew or claim they knew, that they were buying something for \$250,000 which they could sell for \$350,000, then where was the Minister, where was the department, where was the Manitoba Development Corporation Board, to make a decision to sell at two-thirds roughly of its salvage value? That doesn't need brains for operation, or brains for development, or ideas of how to make full use of it, that is just turning it over to a junk yard. Where was that judgment?

Well, that is one area and I am just going to touch on the other, because, Mr. Chairman, I still don't feel that we can be satisfied with the Minister's statement that, "After all the Manitoba Development Corporation is charged with the responsibility of making decisions and they should be doing it." They are charged, I think he said, with the need to carry on the operations of the MDC. I think he used those words or similar words.

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Mr. Chairman, the business of the MDC is not, and never has been, the buying and selling of assets. Certainly not the buying and selling of boats. And therefore, when a boat is to be sold you can't call that a normal kind of business operation which was delegated to the people appointed to run the MDC. That was an extraordinary decision. It was one that was influenced by the government, either directly with direct orders, or by moral suasion. I would ask the Minister to tell us specifically how the decision was arrived at to sell the boat and what role did he play in making the decision?

I come back to saying, and I will conclude with a specific question which is becoming a little boring because I have said it a number of times, I have asked it a number of times. On what basis, other than a straight recommendation, did the Cabinet make a decision to sell the boat?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, as I explained before with regard to the boat. It is a unique problem because Tourism was the one that was picking up the deficit. The Manitoba Development Corporation, back in 1976, said they didn't want anything to do with it. So the minutes of their meeting already point out that they wanted to get rid of it and they weren't going to incur any more operating losses.

The government of the day then decided to transfer this boat out. It never was transferred out and I understand, and the Member is a lawyer and I am not, but the sale of the boat was now completed by the Department of Finance because of some advances that they made by a special warrant. So, being a layperson, as far as the legal and technical things, it is pretty complicated to me.

But with regard to specifically the boat — and we can discuss it here now — it was tendered for or let out for tender by the Department of Tourism under the direction of my Deputy, the Manager of Venture Tours, and also a member from the Finance Department. So it is more of a unique situation. The people involved with it and my Deputy, in conversation with them, informed me, after they had done some checking, that the salvage value of the boat was in the neighbourhood, as close as they could check out, in the neighbourhood of what we sold it for. And I think if the member probably read the same newspaper article that I did about our shipbuilder here in Manitoba, who more or less confirms that, that that is about the price. Now whether it's a few dollars higher or a few dollars lower I can't say, but this is the information that was given to me. That that is roughly the salvage value price and therefore on those guidelines we made that decision.

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

MR. CHERNIACK: Mr. Chairman, I saw that the Honourable, the Minister, was making notes while I was speaking, I think in two different aspects, and I know he did not respond to all that I said, but then I can't force him to. But I do now want to very mildly reprimand the Minister because earlier this morning he left with me the impression that the decision and the entire method by which the boat was sold was to be reported on by the MDC at the Economic Development. Well, that is the impression I had, but now it becomes clear that it was more of a governmental decision and apparently the Department of Finance was involved, the Department of Tourism was involved, and he mentioned a Deputy Minister. Now I am confused as to which of the two Deputies that he has was involved. But that is not important to me.

What now becomes important to me, dealing with the boat, is that it was a governmental operation which resulted in the sale of the boat. So my question is much more relevant even, according to the guidelines set by this Minister, to ask about the sale of the boat as compared with the sale of other articles of MDC, on what basis and with what specific information did Cabinet make a decision to accept the recommendation for the sale?

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

MR. BANMAN: Well, Mr. Chairman, first of all I forgot to answer one question, it is that I will try and provide the member with the type of package that was given to perspective bidders for the boat. I think we have still got some of them left, with respect to the boat, the package that was offered. I will try and furnish that for the member.

As I mentioned shortly after we took over the reins of government we were faced with providing additional funds for the paying of bills with regard to the MS Lord Selkirk to finish off some of the accounts payable. At that time in talking with different people involved from Venture Tours — it became very evident that it was going to require substantial funds for the next year's operation. Those funds were supposed to be voted for in the Department of Tourism Estimates because that is the system that has been arranged.

It was our feeling that the amount of moneys that would be expended, anywhere between \$300,000 to \$400,000, were our figures of operating losses for more or less a 90-day period, that the government felt that was in excess of funds that they wish to spend on one particular tourist endeavour.

As I mentioned in questions in the House, for that type of operating cost, for a little more, we do the whole advertising budget for the Department of Tourism and we felt that given the restraints that we were under, and given the losses that that vote would sustain, that it was in the best interest of the people of Manitoba to sell that boat. Therefore we offered it for sale and from the sources that I have been able to get my information from, the deal was a fairly good one as far as the boat is concerned.

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We sustained substantial losses, it's a lot less than we had on the books on the thing, but the thing is that it was not viable at all and it was going to cost the tax payers of Manitoba substantial amounts of money to keep on operating. So those are the reasons for selling it.

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

MR. CHERNIACK: Thank you, Mr. Chairman. I appreciate the undertaking by the Minister that he will provide us with a package of whatever was given to proposed tenderers and I assume that he only need file one package, I don't want the expense of duplication.

Mr. Chairman, I am glad that the former Conservative Minister of Industry and Commerce is with us now. It may well be that he was involved personally, and certainly more likely at the time of the first advance made by the MDF for the boat, because we must remember that the initial financing of that boat was done by the Manitoba Development Fund at the time of the Conservative Government's regime. It must have been felt at the time by whoever was given that responsibility that this was a worthwhile endeavour. I just must point out to the Honourable Minister that when he keeps comparing the cost of operating the boat with his advertising budget, he is the one who told us yesterday that advertising is something you can't measure anyway, you never quite know whether every dollar you spend on advertising is a return of value. But I do believe that when he comes to justify the cost of providing recreational facilities to Manitobans and to tourists he will justify a complete deficit operation in those recreational facilities such as the Whiteshell and such as provincial parks and such as maybe, the Assiniboine Park which apparently they are trying to cut down in this provision of services anyway.

All right, Mr. Chairman, I think I am inclined to leave the boat, I am not sure I am but for the moment I am anyway, just to point out that in spite of the fact that they wanted to save the cost of operating the boat which was clearly a tourist attraction as evidenced by the City of Winnipeg's opinion and also a recreational facility for Manitobans. Nevertheless they had to live with their decision and we will do our best to make sure the people are aware of their decision.

Mr. Chairman, one thing we don't know is what is the basis for their decision on the price and terms of the boat? For example, I don't even know whether it was a cash deal. I don't know whether they got funding from the MDC for the purchase, I don't know that Mr. Chairman. I don't know anything really about what was the basis for the decision by Cabinet. That we have yet to ascertain. So that although I'm not prepared at this moment to debate at length whether or not it was a good deal, I am still searching for information which I don't have. Will I get it?

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

MR. BANMAN: Mr. Chairman, if the member would refer to a release and information put out with regard to the sale of the boat, it was stated very clearly that there was no financing coming from the Manitoba Development Corporation, it was a cash sale. Let me point out to the member he quotes figures that the purchaser claims that the salvage value was about \$350,000.00. The same operator claims that it would cost him in excess of half a million dollars to run that particular facility for this year over the 90-day period. So those are using that particular purchaser's figures.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Well, on the subject of the Lord Selkirk, as my colleague from St. Johns has pointed out very clearly, the creation of this vessel came about as a result of funding and a decision made by the Manitoba Development Fund under the previous Conservative administration of this province. It failed as a private enterprise and back around seven, eight years ago we had to make a decision six, seven years ago we, as a government, had to make a decision whether to dispose of it by means of sale, as the Honourable Minister has now disposed of it or at least he has taken that policy route. I don't agree with the particulars and necessarily the methods in the lack of conditions but whether to sell it or not was one decision avenue one could go along, or one could take the decision, let's continue to operate it as an asset of the Manitoba Development Fund or the Development Corporation because after all the people of Manitoba had put many hundreds of thousands of dollars into it, and of course so had the particular investors, and why should we therefore allow it to be sold, in fact we did try to sell it. We did put it up for sale and the best offer we got at that time, I think was around \$200,000.00. If my memory serves me correctly, that was about the offer that was made and that was about six or seven years ago.

What I would like to ask the Minister about is the matter of conditions of sale. Does the Minister not believe that that vessel has some value as a tourist attraction for the Province of Manitoba? And if he does, why would not he and the government tell the MDC that one of the conditions of sale would be that the owners, the buyers, the purchasers, would maintain and operate that vessel somehow in the Province of Manitoba? Now the Minister has said, well the new owners have anticipated a loss in operations of about \$350,000. — (Interjection) — Half a million, okay. And I accept their estimates and the losses on the boat are well known.

But the fact is, if the new owners say that that is what it is going to cost them to operate, it points out, Mr. Chairman, something very fundamental and that is the management of the Venture Manitoba Tours Limited mustn't have been all that bad. The public management of that vessel — (Interjection) — well if the honourable member wishes to debate I am sure we would all be delighted

to have him stand up and amuse us as he usually does with his very flippant remarks. The fact is that private enterprise is now telling us if they operated the boat they were going to lose money — half a million a year. I think I have seen the figures and I don't think in any one year did the Venture Manitoba Tours lose that amount of money on operations in any one year. In fact in some years they almost broke even. But what I wonder is why the government, why the Minister didn't do a cost benefit analysis. There are some benefits of that boat to the Province of Manitoba, to the people of Manitoba. In a sense you could consider it a floating park, if you will, because in no way can you stand up and tell me that the admission charges, the park fees that are levied by government to enter any of our provincial parks, whether it be Spruce Woods or Whiteshell or what have you, are paying for the operation of the parks. On the same basis, I would expect the Minister to get up and say that they are now considering selling the parks to private enterprise because the parks in Manitoba don't pay their way. —(Interjection)— Yes, that is true, as the Member for St. Boniface points out, there is some consistency because you are, in effect, selling some of the value of that park, you are giving away some of the value of that park to a private company, this Jarmoc Limited, when you give them the privilege of building a multi-million dollar condominium in the Whiteshell and giving them a particular advantage and so on. So indeed, I guess you are in the process in a way, of selling off part of the park system.

But I would like to know whether a cost benefit study was done in terms of the external benefits. We know what the costs are, the costs are very clear. We have been told time in and time out what the costs of operation are. But what about the benefits to the Province, what about the benefit in terms of attracting tourists into the province. And also what about possible benefits that we could achieve as a people by utilizing that boat in other ways, such as for senior citizens' tours, for disadvantaged children, or for school children in general. The vessel is there, why not make some use of it. Yes, there is the cost of operating it, but there are some benefits, there are some real benefits to be acquired from it by the people and even if it was removed from commercial operations you could say that there was a benefit that we could obtain by utilizing that vessel. Yes, it costs money to run but we are going to utilize it to the fullest, we are going to fill it up with school children from time to time, senior citizens groups or whatever group. Maybe they will pay part of way, in some cases perhaps it will be free as far as they are concerned but at least there will be benefit occurring to the people, or some of the people of the province of Manitoba, and this of course is the argument that this is the type of analysis that is used in terms of parks.

If you looked at the balance sheets of the park as a commercial venture you would never want to build another park in Manitoba, you would want to, as I suggested, close it down. But the reason we don't close the parks down is because there are benefits, there are people who go into that park and make use of it. It costs money to maintain the park, it costs money for the cleaning of the various facilities, it takes money to provide supervision, lifeguards, security and so on. And there is ongoing costs, as a matter of fact, the budget for parks is a very healthy budget, a very heavy budget, but we have historically in this province developed parks and expanded parks because there were benefits to the people. Benefits not to be measured in terms of how many dollars they paid in fees, but benefits in the use, and I say the same reasoning could apply to the Lord Selkirk. Benefits in terms of use by the people. There is a cost but there is nevertheless a benefit to be accrued by people and for the life of me I think that what we have done is given away an asset that obviously is at a value that is less than its scrap value. I say obviously because the new owners, Mr. Cholakis — I guess this is the new owner, and Mr. . . well I think he is a legal partner, Einarsson? Well, whoever. They are quite convinced that they are going to get more than 250 so I find it just incredible that the Minister gave a policy direction to MDC and his Deputy Minister of Tourism and whoever else, go out and sell the boat, no conditions, whether or not it remains in the province is no matter, sell it, get rid of it, because we are losing money on it.

And secondly, oh yeah, by the way let's find out what the scrap value is. But I say they didn't do a very good job in ascertaining what the scrap value was.

If the new owner, who I don't fault at all, I'm sure the Minister of Highways if he was in the position of the new owner and found that it was very expensive to operate it, and that as a private entrepreneur he was going to lose money, well then, how does he maximize his position? How does he maximize his profit? It is to sell it either as a floating condominium and if that doesn't work — and it doesn't seem as though it will work because there haven't been any inquiries — then of course the next thing to do is to look at the scrapping value. And we've been told quite categorically that they believe the scrap value is around \$350,000.00.

So, in effect, what this Minister has done by just carelessness, I would say, or the carelessness of his staff, has given away — if the true scrap value is \$350,000 — and if this government has sold it for \$250,000, then you have wasted \$100,000 of the taxpayers' assets. You have, in effect, given away \$100,000 by sheer incompetence, by sheer lack of direction, by not doing sufficient homework, by not ascertaining what the true scrap value was.

The Minister said that the staff went around, the other day he answered the question, but I got the impression that this is a very casual exercise indeed. "Well, we made a couple of phone calls. We checked around a bit." I really think that the homework wasn't done. The Minister should have insisted that a very very thorough evaluation of the scrap value of the Lord Selkirk be done. That should have been at least the minimum input that he would require by his staff, a very very thorough evaluation of the scrap value.

And certainly in terms of policy he should have insisted that a positive condition had to be the continual operation of that vessel in the Province of Manitoba.

And what we've got instead of this reasonable approach being taken — I'm not opposed to selling it to private enterprise; if private enterprise can operate it successfully and keep the vessel going as a good tourist feature of our province, I have no difficulty at all. As a matter of fact we were hoping that would be the alternative when the first private enterprise failed, the first owners failed. The first owners lost money on the boat, unfortunately, hand over fist. We tried to sell it then. We thought of selling it then but we couldn't get the value for it, so we decided to keep it going because we felt that there was some external benefits to operating it.

So we didn't take an ideological approach on it. We weren't ideologically blind. I'm submitting, Mr. Chairman, that the Minister and this government, under the direction of the Cabinet and under direction of the Premier, has displayed his sheer ideological dogmatism in the matter. That's all it is, sheer ideological dogmatism in the approach that they've taken with these companies of the MDC including Venture Manitoba Tours Limited.

So it doesn't matter what, it doesn't matter whether the vessel will be removed forever from Manitoba. And as I said the other day, there are a lot of people who feel very much for this boat. In the Interlake area, there are people in Winnipeg that I know of personally, who have — this is years back — bought the original shares because they thought it was good for Manitoba to have a vessel to replace the old SS Keenora, as it was called, K-E-E-N-O-R-A, that sailed the . . .

MR. ENNS: A fine ship.

MR. EVANS: It was. It was.

MR. ENNS: A fine ship.

MR. EVANS: It was. In fact on Sundays it used to travel between Winnipeg and Selkirk, perhaps the Minister of Highways . . .

MR. ENNS: And then you remember on Tuesdays it made the other trip. And on Thursdays . . .

MR. EVANS: No, I don't remember that.

MR. ENNS: It was a lovely ship, wasn't it?

MR. EVANS: It was a lovely ship. But it became antiquated. It went out of operation and there were a lot of people in this province who had some faith and hope that we could have a replacement. They put up their money and they put up their faith. I'm just wondering what they think today of this government and what it's doing with an asset that they put their hard-earned money into.

So I would like the Minister to explain why there was not a more thorough and a more competent evaluation conducted of the scrap value of this boat.

And secondly, why — being concerned as he is as Minister of Tourism, surely with the promotion of tourism in the province — why he did not insist, and why the government didn't insist, that there be a condition attached to the sale, and that is that the boat remain in the Province of Manitoba as a tourist attraction.

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

MR. LAURENT L. DESJARDINS: Mr. Chairman, I just want to say a few words on this. I think it was a question of a Minister who started like gang-busters. You know, during the campaign they had stated they were going to get rid of that and they weren't going to own anything, they were going to sell everything. And that's exactly what you did. It wasn't the Manitoba Development Fund that called a press conference to announce that they would sell the boat, it was the Minister. And in those days he was riding pretty high. Well, you know, he probably learned his lesson. No, I'll give him credit, I think he probably learned his lesson from them because he's not as cocky as he was during the special session and previously. I think the present Minister, I think that he has learned. He was burned a couple of times. He was on the question of the condominiums in the park. And mind you I don't believe that we're going to get anything out of that review. It will be a complete whitewash. I never heard anything of a Minister or a Deputy Minister investigating themselves. Except yes I did hear of that, that the Attorney-General was going to investigate himself also.

But I hope that the Minister, and I don't fault him for that, I guess that all of us who had a chance to serve the province as ministers probably started like gangbusters and we made a lot of mistakes and we had to learn by experience; that is what experience means, "learn by making mistakes." But when you're dealing with somebody else's money, when you're dealing with the public funds you can't afford too many mistakes. So I'm ready to leave that part alone and reminding the Minister once in awhile when he decides to go charging on and accusing people of other parties of all kinds of things.

But there is one thing I'm not going to let the Minister get away with; that now when he makes this mistake — and I think that this is a bit of cowardice — when he makes a mistake that he's going to blame somebody else. They seek that job. They received the mandate — I'm talking about the members of the Cabinet now — and they are fully responsible and it will not wash to say, "Well, I

asked somebody and they said this," you know. Like the Member for Brandon said very casually, "Well, they told me this was about the price," and so on.

He wouldn't deal with his affairs in such a nonchalant way. He would make damned sure that he knew what it was all about and how much the thing was worth. But there was this eagerness to show how much this government was going to do; how much better they were going to do things and how they have bragged about getting rid of all these things and it didn't matter what it cost. And they did. They went at it with a vengeance and I think the people of Manitoba will suffer for it.

I'm not arguing the policy now of government being in different affairs, that's not it. But I mean there is an orderly way of doing things. There's certainly an orderly way. And I know of no business — and you know this government has talked about free enterprise and so on — nobody in free enterprise would last very long who would operate like that. You know they wouldn't come in and say, "Okay, we've got to get rid of it at all costs," and so on. They would be careful. They would find out what it was all about.

But going back to the statement that annoys me more than anything else is that the Minister is trying to blame everybody. He's talked about his Deputy Minister. He's talked about the owners, if we were talking about the condominiums or the Lord Selkirk or any other areas. Now today, it took about an hour in discussion with the Member for St. Johns, to finally start to see through, to realize that he had some responsibility. Sure, there's no way, you know that might wash with some people, but certainly not with too many and certainly not with me because it's sheer hypocrisy to hide behind corporations, the Minister of Health — and I'm not saying the present Minister — behind the Manitoba Health Services Commission and so on. They are there. The people pay the bill and the direction comes from the Minister.

It's the same as the Crown corporation that we heard awhile before. If they're told you're going to only hire so many people, that's what they're going to bloody well do. And to try to hide and say, "Well, they run the day to day thing," well you don't sell a Lord Selkirk every day, Mr. Chairman. You don't sell that every day.

So I say that the Minister — I think he's potentially one of the best Cabinet Ministers in the present Cabinet, I really believe that . . .

A MEMBER: That's not saying much for the whole Cabinet.

MR. DESJARDINS: No, I believe that. I think he's got the ability. I think he can make decisions. But what I don't like about him is if he fails or if he makes a mistake, instead of saying, "All right, in my eagerness I failed," then he's going to blame his Deputy Minister, then he's going to blame the Director of Parks or then he's going to blame somebody else. He must accept all responsibility.

If you are ready to call a press conference and get what you think will be a hell of a lot of credit by going ahead with this new movement of getting government outside of private enterprise and so on, and surrendering to private enterprise, well then if things go wrong don't say, "Well, you know, it's not my fault. You know, there's a Deputy Minister or there's somebody else or I asked them, that's what they told me and this is what we based ourselves on, on the recommendation."

So as I said, I don't think there is any point in belabouring this too much, everybody is human and there'll be more mistakes. I hope there's not going to be that many, but damn it let's stand on our own two feet and take the responsibility that we ask for, we seek for and that we receive.

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. HOWARD PAWLEY: Mr. Chairman, I would just like to add a few words in connection with the MS Lord Selkirk. In view of the fact that it certainly is of considerable concern to, particularly, residents of the Interlake as to what happened to the Lord Selkirk. I was rather surprised the other day to hear the comments by the Minister of Education and his implying that the people in the Interlake were pleased with the sale of the boat. That certainly is not my finding. In fact, my finding is the very reverse. There is total and complete disgust at what has happened in connection with the disposal of the boat.

MR. CHERNIACK: He wanted to get rid of the airplanes, and now he wants to get rid of the boat; all transportation. He wants to go back to the Red River ox-cart.

R. PAWLEY: Mr. Chairman, I made some comments the other day in connection with the boat on two different occasions, and I would like this morning really to restrict myself to some questions to the Minister.

The Member for Brandon East raised the question of a cost-benefit study, and I would like to know just what cost-benefit study was accomplished. It was a well-known fact certainly in the Selkirk area, and I think throughout the Interlake, that every time that boat left the docks the boat contained a vast majority of folk from outside the Province of Manitoba.

In fact I believe I could say to the Minister that most of those that were travelling on the boat had entered Manitoba principally because of the attraction of an inland sea cruise, when it was generally the one-week cruise.

I am told by people from time to time that travelled on the boat, that they would find themselves in the minority as Manitobans, that on the boat there would be visitors to our province from all over the United States, and people that had indicated that the boat was the principal inspiration for their

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visiting our province. And certainly I believe as evidence of that is the very attractive brochure that I referred to yesterday, distributed by the City of Winnipeg. Certainly the City of Winnipeg must have felt that the boat was a major attraction because that boat did play a major part in its efforts to attract people to the City of Winnipeg.

So, Mr. Chairman, I ask exactly what the Member for Minnedosa just shouted from his seat, at what cost, because I would like to know if the Minister did make any effort to determine whether the costs that might be involved, insofar as the Lord Selkirk is concerned, the bottom line was not more than offset by the thousands of tourists each year attracted to this province who will no longer find such an attraction in the province that would draw them into visiting our fine province.

Has the Minister any information in connection with this? Did he act as gangbuster as was stated by the Member for St. Boniface without doing a thorough and proper cost-benefit analysis as to how many were attracted to the province that would not otherwise have been attracted to the province, because of the boat? How much money was spent by these tourists in the Province of Manitoba that would not otherwise be spent? How many jobs created due to the Lord Selkirk that will no longer be available to Manitobans?

I would like the Minister also to advise me whether or not he is aware that there were conferences and conventions from time to time held on board the boat — groups that would meet in Manitoba from outside this province. And one of the major reasons for their meeting in this province was due to the existence of the Lord Selkirk.

I can remember a few years back the provincial judges holding a two-day conference on board the Lord Selkirk. Now, I don't know whether they would have met in Manitoba anyway that particular year, but certainly the Lord Selkirk was one of the items that encouraged them to have their meeting in this province.

I wonder how many other groups met in Manitoba in view of the fact that they were attracted by the opportunity for an inland cruise involving a convention.

Mr. Chairman, I'm rather astonished by the repeated comments from the Member for Minnedosa. You know the Member for Minnedosa was once a proud and loyal resident in the Interlake and understood the concerns and the views of those of us in the Interlake. I am a little surprised this morning to hear the heckling. I'm afraid that Minnedosa must have gotten to him.

Mr. Chairman, also I would like to just review the origins of the boat. When the boat was first started — and I believe maybe the Member for Minnedosa might have been around at that time, too, as was I — considerable moneys were advanced from DREE, if I recall correctly, in order to encourage the operation of the boat in the Province of Manitoba. The moneys were provided because of the interest in regional development. The recognition by the Federal Government, quite properly, that economic activity has to be stimulated in the "have-not" areas of Canada, and certainly the Interlake fell within those general guidelines. And I do know that there was additional federal support. And it may have also motivated the Provincial Government of that day to provide some financial support to the commencement of the boat.

Is this an indication, Mr. Chairman, that concerns about regional development, about equalizing the gap between the "have" portions of Manitoba and the "have-not" portions of Manitoba, about trying to improve the economic lot in areas that the standard of living is not as high as in other areas of this province, is a forgotten concern by the present government?

It has always been a concern in the past. I ask the Minister whether or not there was any concern on his part insofar as the aspect of regional economic development, because certainly regional economic development played a role insofar as the origin of the boat in the Province of Manitoba. Did he consider that whole aspect of regional development?

I believe, Mr. Chairman, that the scheme that has been proposed by Mr. Cholakis and Mr. Einarsson will fail. It will probably not even get off base, and I wonder if Mr. Cholakis and Mr. Einarsson really expect it to get off base. I think what will happen is that they will eventually announce that due to the fact that Manitobans are not showing interest, are not being innovative with this plan of theirs, that they are left, unfortunately, with only one alternative, and that is to move the boat — as they have already hinted — to the Caribbean.

Now, I asked the other day and I would like the Minister to advise me because many people are asking, many people are wondering whether or not the Minister is going to remain passive during the next few weeks in connection with the boat, or whether he will make some effort of sitting down with the new owners of the boat to see whether or not some plan, some program of action, can be developed in order to ensure that the boat remains in the Province of Manitoba. Or does the Minister just have simply no further interest in trying to keep the Lord Selkirk in the Province of Manitoba?

He doesn't have much time. As I say, Mr. Chairman, I believe that the new owners will end up not too far down the path saying, "Well, because Manitobans aren't innovative, we are shipping it off to the Caribbean."

So I urge the Minister to use his good graces in order to retain jobs in this province and the economic activity that flowed from the operation of that vessel, to use his good graces to attempt to meet with the new owners and to attempt to find some solution to the problem confronting us, so that the boat just doesn't disappear from Lake Winnipeg and the Red River and Assiniboine River, and end up in the Caribbean.

These are some of the questions. I would be curious, as well, as to whether the Minister made any effort to visit or to meet with groups in Selkirk and other parts of the Interlake before disposing of the

boat. Whether or not he ascertained what the people of the Interlake felt about the operation of the boat, and whether they wished to see the boat continue, or whether they wish to follow blindly along his path of dogmatic capitalistic conviction that anything that belongs to the public sector is bad and we must get rid of.

Did he act purely out of doctrine? Did he make any effort, for instance, to sit down with the Selkirk Chamber of Commerce and ask them what their opinion would be?

Mr. Chairman, the Minister might have been very surprised to find that the Selkirk Chamber of Commerce might not have agreed with his dogmatic adherence to a capitalist ideology in unrestricted form, insofar as the Lord Selkirk boat is concerned. I don't expect him to sit down with the Selkirk Labour Council, but maybe he would have seen fit to have sat down with the Selkirk Chamber of Commerce in an attempt to find out what the views of the individuals of the Chamber of Commerce were in connection with the boat.

These are questions, Mr. Chairman, I would like the Minister to answer, because sincerely, I say to him, that the sale of the Lord Selkirk has upset a lot of people. Like the old SS Keenora before it, it had become certainly a part of the social life of the Interlake. It had contributed much to the Interlake, as well as the entire Province of Manitoba. It was like ripping just a little bit of the fabric from Lake Winnipeg.

I would like to just mention to the member before I sit down that we have a Marine Museum which relates to the history of Lake Winnipeg, which dates back some 75 years. And as my colleague from St. Johns says, I do hope that he will do something in the next few days to ensure that his picture doesn't end up there with a huge black border around it, as the Minister that was responsible for killing off one of the finest vessels that this province has known — a vessel that certainly contributed economically in a major way to this province, and particularly to part of this province that required regional economic development.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Mr. Chairman, I hesitate to prolong debate but it would appear the Member for Selkirk is doing just that, so I will help him along for a couple of minutes. I was prompted to rise, Mr. Chairman, by the remarks from my honourable friend, the Member for Selkirk. And he is quite true; I spent quite a few enjoyable years in Selkirk actively promoting business and industry in that fine community. I am well aware of the origins of the settlers in that particular area and of the contribution of the Icelanders around Selkirk, and Gimli. In fact, that fine Viking blood flows in the veins of five of my children; I only have five.

But I'm sure the member well knows that those of us that were there in the days of the start-up of the boat were enthusiastic that it was going to provide employment. And anything, in those days, that we could attract to our fine new industrial park we all got very enthusiastic about it. I'm sure the member has seen businesses come into the park and leave the park, and I hope businesses will continue to come in there and more and more will stay and be successful.

But I am afraid, Mr. Chairman, that the boat — like a lot of other businesses — started with great enthusiasm, which I shared somewhat. I didn't maybe share it quite as much as the Member for Selkirk because I was in rather strained financial circumstances in those days — as I still am — and I wasn't able to invest money in the boat. But I think it may be a little nearer and dearer to his heart than it is to mine.

But, Mr. Chairman, I'm afraid it's another one of those business ventures that just didn't get off the ground and become a real successful and viable operation. —(Interjection)— Well, that's right and I think one of the plans that was mentioned when it first was announced that the new owners were considering converting it to condominiums, I think somebody said the Member for Burrows had applied for a basement suite. I will just let that one settle for a minute, Mr. Chairman. It's Friday morning.

MR. BOYCE: It bears repeating.

MR. BLAKE: It's one of those business ventures, Mr. Chairman, that wasn't successful and I regret it as much as anyone on this side of the House and the members on that side of the House. It provided a number of jobs. It's a fine vessel and it was a great tourist attraction, but I said, "At what price?"

People that ply the lake — and the Member for Selkirk knows many of them, as do I — maintained right from the start that that boat would not make money unless they hauled freight in conjunction with the passenger service.

The mention of it going to the Caribbean, I think Mr. Purvis of the shipyards out there, the original builders of the boat, has stated the requirements of boats that ply the larger bodies of water that it is not well enough equipped. It would cost a couple of million dollars to move it and maybe refit it to make it suitable for Caribbean.

So what they do with it I don't really know. I suspect that maybe the owners are just wondering if they got a good buy or if they didn't. I feel as sorry as the Member for Selkirk does to see the loss of the 40 jobs, or the number of jobs that that boat created in Selkirk because we are all concerned with the employment picture and we want to see the people in Selkirk have job opportunities as well as we want to see the people in Minnedosa have them.

But I am afraid the member protesteth too much on his long and great dissertations on what a shame it is that the rotten capitalists on this side have sold that boat. Because, Mr. Chairman, the

taxpayers of Manitoba, as you are well aware, were picking up a tremendous loss on this venture, on this operation, and they were going to continue to do so. There was no hope of that becoming a viable operation.

And I think we can take a great number of operations and work the job factor back into the wages and salaries and income tax, and the money spent by people it attracts. I don't really think you would come up with any answers that would be satisfactory to either sides. There would be arguments that would go on for years.

So I only say to the Member for Selkirk that if he goes back to his constituents and really talks seriously with them — and not the ones with the blinkers on that see those 40 jobs — if he gets out and talks to the taxpayer and really finds out what they think of the boat there he will agree that maybe we made a real smart deal. We have saved the taxpayers over the next number of years probably \$2 million or \$3 million.

It is unfortunate that the American tourist won't be able to enjoy that fine boat trip up the lake but I'm sure, by taking that boat off we may encourage other small operators who might be able to have viable operations, we may encourage a couple of small airlines to start up and maybe fly those people into Thunderbird Lodge, or some other such worthy venture that will show them the beauty of Northern Manitoba as well as they could view it from that vessel known as the Lord Selkirk.

So, Mr. Chairman, I can only say to the Member for Selkirk, I'm sorry to see the boat go. It's a loss in one sense of the word but it may be a great saving to the taxpayers of Manitoba in another.

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Chairman, all that I want to say with respect to the comments by the Member for Minnedosa, there was one point that he raised that I want to thank him for raising because it had slipped my mind when I was speaking earlier. The statement was to the effect that the early users of Lake Winnipeg could have advised us that if freight had been attached to the use of the boat, that the boat would have been successful. Now I'm wondering, because I had raised that question from time to time over the last number of years, I'm just wondering if the Member for Minnedosa had spoken to the Minister and had suggested to the Minister before the sale of the boat that, "Let's look at this question of freight," because the Member for Minnedosa may be correct when he properly refers to the views of some that a freight use along with the passenger use of the boat might have made the boat a profitable undertaking. As I say, I had raised it in the past. I know that there were those who felt it was not a sound idea. I still have the view that there was some merit in those suggestions. I'm wondering if every possible avenue, such as that, had been explored by the Minister before he undertook the drastic step which he did in the disposition of the boat.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, in listening to the Member for Minnedosa who I really enjoy listening to. His story about the basement suite I really enjoyed, it's quite current. But nevertheless, I am somewhat apprehensive and I don't really think that the message is getting through to Manitobans just exactly what is occurring in government and what is being set forth in the Estimates. I recall, Mr. Chairman, a few years ago when quite a number of us were new members in the House and the Member for Fort Garry, the Minister of Health, used to spend some time in preparing his speeches and he came up with words like "pusillanimous" and all the rest of it. But in listening to the Member for Minnedosa, I was thinking about the word "aetiology" which I can pronounce fairly well and I comprehend the word but don't ask me to spell it, but the cause of relationships, you know, if you do this, what happens as a result of it. If an argument is valid on Monday, then it should be valid on Tuesday and if it's used in one case, it should be used in another. And he keeps talking about this loss, this loss.

As a former member of the Executive Council — and I respect a dollar, you know what you're getting for a dollar. The money that we were investing or allocating to the Lord Selkirk as part of the total tourism and recreational facilities of the Province of Manitoba, I think it was a prudent and wise decision to continue that. The Member for Minnedosa shakes his head. On strict economic returns, as a viable operation for somebody who has to make a profit? No. But your argument applies to the golf courses, all the golf courses, all the municipal golf courses in the City of Winnipeg. They can sell them to BACM tomorrow, you know, at a fantastic profit. We sat in government, the decision was made by the Executive Council before I got in there.

The Convention Centre. What about the Convention Centre? The annual deficit on this particular thing? If your argument is valid relative to the Lord Selkirk, then it's 15 or 30 times as valid for the Convention Centre.

In listening to the news last night, Mr. Chairman, the news media is still talking about restraint and I guess they're getting away with it as far as the people who are supposedly responsible for informing the public that this is a restraint. It's hogwash. The people forget, for example, that the former administration had a restraint program going that they announced last year and each one of us, as Ministers, were required to cut our budgets and I particularly cut mine and I cut it too fine because in one particular area, I understand, they had to go for a Special Warrant for food. But nevertheless, as of December 31st, the Civil Service had been effectively reduced as a result of the restraint program which had been initiated by the former government.

So when people talk about selling assets in isolation from what they were intended to be used for,

it is absolutely ludicrous. The idea that the Lord Selkirk was even intended to be a viable commercial operation is absolutely ludicrous. It was part of the total park system and it was a tourist attraction. As the Minister himself said, it's hard to measure just exactly what you get from a dollar that's invested in such things as advertising. Well, it's equally as difficult to realize how much money you bring into the community from such things as the Lord Selkirk. But nevertheless, we have to invest these kinds of moneys.

We hear much from the other side that they want to make Manitoba competitive. If you're going to compete in the tourist industry at all, then you're going to have to have facilities which will attract people to the province. So when you keep making this argument that the reason that they sold the Lord Selkirk was to alleviate a \$300,000 a year operating cost or, as the Minister has mentioned this morning — and the figures are somebody else's — a half-million dollars on operating costs, it has to be evaluated not directly as the result of a . . . Yes, the Member for Minnedosa is going like this . . . The dollar, the dollar. I guess if the Member for Minnedosa and the Member for Winnipeg Centre were financial wizards, he wouldn't be a manager of a branch and I wouldn't be sitting here as a member. We'd be down on Bay Street or something else like this.

But nevertheless, these people that manipulate the economy of the country, which is neither the Member for Minnedosa nor the Member for Winnipeg Centre, are really not serving the people of Manitoba well, because the instructions that the government are getting from — (Interjection) — Well, for the people in CPI and Power Corporation and all the rest of it, where everything has to be measured in immediate dollars.

You know, the Member for St. Matthews was talking about the history of the province. The history of the world has been such that this has not been the case, that this brings about any kind of a recovery from an economic recession.

But nevertheless, Mr. Chairman, I've sat throughout this debate and listened to the Minister repeat, repeat and repeat that the Lord Selkirk was intended as a commercial viable operation which it was not. When it was taken over, the decision was made then whether it should be scrapped or sold or converted to a freighter but, nevertheless, the decision was made to continue this as part of the park system.

The old adage — people accuse me of using cliches too often sometimes — but the pound foolish and penny wise type of thing. In the allocation of moneys another good example of where you can squeeze things too fine and cause problems. It's rather a mundane thing. Six little ducks got killed the other night in the park because the Minister of Urban Affairs cuts back his grants relative to the park. — (Interjection) — Mr. Chairman, the former Member for Thompson, he told us a story one time about people who were raising pigs and the fatter they were, the better. So they used to test how deep the fat was and they'd stick a needle in until the pig squealed. Everytime you come down with something simple, you know, that people can understand, they laugh. They laugh. They can't even see the relationship. I use the word "aetiology", the cause of relationships, they can't see the relationship between six little ducks dying because some vandals could get in the park, because one guy was sick and they didn't have enough staff to cover this fellow up for being sick. But I digress, Mr. Chairman. I don't want to try your patience.

MR. ENNS: Think of the ducks, the millions of them in the wild that don't have staff looking after them. Millions of them. All the way from here to Mexico, they fly all alone without staff accompaniment. You know, all those ducks, Mr. Chairman, they fly all the way from Florida up to Manitoba all by themselves.

MR. CHAIRMAN: Order please.

MR. BOYCE: No, I thought maybe this was the time that the Member for Lakeside would storm angrily out. You know, put on his big act.

MR. ENNS: Never, never, never, never have you seen me do that.

MR. BOYCE: Well, to take the Minister of Public Works' admonition that he should get a smaller fig leaf, he should get a smaller hat too. But nevertheless, Mr. Chairman, I couldn't sit and listen to the Minister keep on this particular theme that the Lord Selkirk was intended as a viable commercial operation, especially from the bank manager from Minnedosa.

MR. SPEAKER: The Honourable Member for Transcona.

MR. PARASIUUK: Mr. Chairman, we've talked a lot about the Lord Selkirk and in talking about it, I notice that the Minister responsible is also responsible for railways and he comes from a landlocked constituency. He comes from a town made famous by the fact that it was successful and didn't have a railway. I notice that he's responsible for ships and responsible for trying to prevent railway line abandonment. He's not been particularly successful in preventing railway line abandonment and he certainly hasn't been successful in dealing with ships.

But I don't want to talk about the Lord Selkirk. I'd like to paraphrase the Member for Inkster and I'd like to ask: What about the Lady Selkirk? Because when we start talking about evaluating a business,

there is some difficulty and there are whole sets of judgments involved in trying to do that. But when you start looking at a smaller boat like the Lady Selkirk, you have some very easy, simple comparisons to make. I'm quite positive that the Minister did not take any type of commonsense precautions and get a valuation of the Lady Selkirk. If he's going to tell me that a boat that size, with diesel engines, can be bought by anyone else for \$23,000, he is full of prunes. Obviously it can't be; obviously it can't be.

Now, I would like to get the documentation from the Minister showing the appraised value of the Lady Selkirk because what that is, by getting that boat, that businessman getting that boat for \$23,000 in a sense stole it from the public of Manitoba and he stole it with the witting or unwitting collusion of the Minister responsible. I wonder whether, in fact, the sale of the Lady Selkirk was publicized. Was it advertised, was it tender package advertised? Were people aware that they could in fact bid on that boat? Was there a reserve bid put in for that boat and was there any documented appraisal of the boat? I would like to ask those specific questions of the Minister with respect to the Lady Selkirk.

MR. CHAIRMAN: Item 1.— The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, I think the Minister was going to stand up. I thought he was going to stand up. If not, I'll rephrase the question.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, I guess dealing with the last speaker first, the Lady Selkirk was included in the proposal for offers. There were a number of offers received. It was open to the public, it was advertised, the packages were provided for the public and this was the highest offer received. I understand that the Lady Selkirk had been sitting close to Gull Harbour for the last year or so and had not been used at all and was just sitting there. That is what I understand.

Dealing with some of the other areas that different members have raised, let me first of all say, I guess what we're talking about here is we're arguing whether an expenditure of \$500,000 was justified in the operations of the boat. On that, I guess the members on the other side differ from the analysis that we made. I felt, along with my Cabinet colleagues, that to spend \$500,000 a year for the next . . .

MR. EVANS: Where do you get \$500,000 a year?

MR. BANMAN: From the same figures that the member opposite, the same figures . . . Well, Mr. Chairman this is interesting then. The Member for Brandon East just finished saying that the salvage value was worth \$350,000.00. That's what he said and he's using the figures of the gentlemen that bought the boat. And that is how he has based his whole argument, saying that we didn't get a good price. So he's using those figures but if I want to use that same figure for my argument, then it's not valid.

MR. DESJARDINS: You're not using the same figures. You're using the same person, not the same figures.

MR. BANMAN: Well, Mr. Chairman, however you want to look at it. Well, Mr. Chairman, the premise of saying that the boat is worth \$350,000, if you take the same figures that those people have used, they claim that their operational study, that the costs of operation would be \$500,000 a year. — (Interjection)— That's right; that's right. The Member for Brandon East in his speech says that we underestimated the salvage value by \$100,000.00. How can he say that? How can he say that? Well then, I can say it would cost \$500,000 to run it.

MR. EVANS: Just on a question then. In the case of the . . .

MR. CHAIRMAN: Will the Minister permit a question? The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Chairman. In the case of the operating losses of the Lord Selkirk, you have some definite data to go on. Could the Minister go over the losses of the Lord Selkirk in the last three or four years, per year. What has been the losses per year of the operation of that boat? In some years, I believe, it's been a very small number. I don't know what the numbers are. I haven't got that information but I don't think it's \$500,000.00. So what I'm saying is, that at least with regard to the operating loss, you know, at least with regard to that, you've got some evidence. It's been operating for some years so what has been the operating loss per year and that should be a basis of fact.

MR. BANMAN: Well, as I mentioned, Mr. Chairman, the Estimates, as close as you can come to operating loss estimates, and the member knows that we, throughout the years, whether it be with MDC companies, we've done projections but you never can be sure of them. They very often don't come to pass but they're usually worse than what our projections really are. But we were projecting between \$300,000 and \$400,000 loss for the coming year so those are our figures. So, taking that into consideration, that is the projection that was given for this coming year.

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Mr. Chairman, the other thing that has to be pointed out here is that a lot of time and energy was being spent by different — whether it be at the ministerial level or the deputy level or other levels of government in dealing with the administration of this facility and that is a cost that you can't touch either. You don't know how much time the different people have been spending on this.

The other thing that should be pointed out is that if this boat was to sail this year, there was some refitting to be done. I understand there were some engine problems, there were some generator problems and it was due for some maintenance, maintenance work and expenses on engines and related parts. So we're looking at some more maintenance . costs.

The member says that the salvage value is \$350,000.00. Mr. Chairman, if you take the \$250,000 that we got for the boat and if nothing is done as far as salvage or anything is concerned over the next while, we're gaining interest on our money and the people that have bought it are paying out interest so that that gap is, if indeed those figures are right that he's quoting, which I question because that is not the information we were given and not . . .

MR. PAWLEY: What about the interest on the \$2.5 million you've lost in value.

MR. BANMAN: Well, Mr. Chairman, I mean that is the premise that the member is basing some of his argument on. You have a facility here which is going to cost money to operate. What's a facility like that worth? I mean, that's an academic argument.

Mr. Chairman, I think the other thing that we have to realize is that there is only so much money that we have at the disposal of the Department of Tourism to do different things with regard to park development in the province. When we're looking at things, the Member for Winnipeg Centre mentioned park development, we're dealing with, for instance, we signed the agreement to enter in and help the restoration of the Albert Street, the downtown area, that's \$500,000.00. Mr. Chairman, we are also embarking on and continuing with the Linear Park, the ARC agreement. That is going to require a substantial amount of money to acquire right of way or to acquire the lands along that. So these are things that have to be weighed.

Now, you haven't got money to do all these things and with the increasing losses that we were faced with this particular boat, it was decided that we would rather want to spend those funds in a direction and different park areas where we thought we would get a better benefit for the people of Manitoba. So we only have so much money to spend and we can't just simply keep on spending money on items that there is no hope in sight to recover any of these moneys and that is the decision we made. You know, the members opposite, if they don't agree with that position, that's fine. That's the undertaking that they have taken but that was the position we took. We felt that there was too much money being spent on one particular isolated project with the future not being very bright because operating costs are increasing and the members opposite have to realize that you can only charge so much before the position becomes even worse because people would not be willing to pay exorbitant rates on that particular boat to meet the overhead and that was one of the problems that the previous administration faced too.

Let me say that in response to the Member for St. Boniface who mentioned that I was not accepting responsibility for it. I totally reject that. I think that I have never said that I shirk my responsibilities as far as that. I realize that if there are any problems that come up in my department, I'm responsible for them and I'm there to accept the responsibility. The member also knows that when you're dealing with large departments such as this — and he dealt with a very large department, the Department of Health — you have to rely on people with expertise to provide you with the information and one can't do all the leg work and the checking personally so you have to rely on recommendations from people and your staff. I think in regard to the Lord Selkirk, I think I had some pretty good information from people who were very close to it and I made my decisions on those recommendations and I stand and I announced that sale with that in mind. I don't —(Interjection)— Mr. Chairman, under the circumstances, you know, let me just say about the sale. I think all the members opposite read the article the other day by the people that built the boat originally and who at that time, in that article, claimed that it was a fair price, that the government had got a pretty good deal. Mr. Chairman, those are the people that built the boat so I think that the argument as far as exactly what the value of the salvage is is one which . . .

MR. PAWLEY: They didn't say they agreed with your sale of the boat.

MR. BANMAN: Well, Mr. Chairman, I think in the article, if my memory serves me right, he said the government got a good deal.

MR. PAWLEY: Once you decided to sell it.

MR. BANMAN: I would also say that it was open for public offers and I think if anybody thought that there was a tremendous amount of money to be made as far as salvaging is concerned, my goodness, people would have put in a contingency bid or offer on it just in case they had a chance to buy it. It was open for the public to give offers on and that is the line that we followed with regard to this offer. So I think that if anybody thought that there was a lot of money to be made on salvage, there would have definitely been an offer in there. But I think the majority of people realized that the operating losses would be such which made the purchase very questionable and people really came up with that decision. Like I say, this was the best offer as far as the Lord Selkirk was concerned, the best offer that

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we have had, and that's the decision we made. We are going to be using the money in other areas that we would have spent here, for park facilities, for camping facilities. —(Interjection)— Well, Mr. Chairman, the member says "advertising." I think if he will wait until the Estimates, he will find we are spending very much the same as the previous administration did and even though you can't put your finger on advertising, I don't think the member is advocating . . .

MR. CHAIRMAN: The hour of 12:30 having arrived, I am now leaving the Chair to return at 2:30 p.m.