

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 30 March, 1982

Time — 2:00 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. D. James Walding (St. Vital):** Presenting Petitions . . . Reading and Receiving Petitions . . .

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. JERRY T. STORIE (Flin Flon):** Mr. Speaker, The Committee of Supply has adopted a certain resolution; directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Dauphin that the report of the Committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. LAURENT L. DESJARDINS (St. Boniface):** Mr. Speaker, I wish to bring the House up to date on the matter of negotiations with the Manitoba Medical Association. As you know Cabinet had designated a subcommittee to deal with the nonfees issues; the major one being binding arbitration.

In so doing it was the hope of this government that we would be able to demonstrate our good faith to the medical profession and have them return their negotiators to resume fee negotiations with the Manitoba Health Services Commission.

I relayed this information to the Manitoba Medical Association on March 25, 1982 asking specifically if they would now have their negotiators meet with the MHSC today at 2:00 p.m.

In response to this request, Dr. Pearson indicated to me that they wished to meet with a subcommittee of Cabinet before any commitment could be made to return to the bargaining table.

The subcommittee of Cabinet met with the delegation from the MMA this morning at which time I made the following statement, and I quote: "As an expression of good faith, government has appointed the subcommittee of Cabinet to review the various aspects of compulsory binding arbitration as proposed by the MMA. The subcommittee will act as a fact-finding committee and should not in any way be considered as a fee negotiating committee.

"Compulsory binding arbitration is a complex issue which has major ramification. It is not an issue of which government can make a hasty or uninformed decision. It requires a great deal of study and discussion with many groups and individuals as well as with other provincial governments. Dr. Pearson and the members of the subcommittee are prepared to meet

with you on a regular basis over the coming year to discuss your proposals. Obviously there will also have to be some meetings at the staff level to consider specifics and details. I sincerely hope the MMA will agree to separate the question of fee negotiation and binding arbitration. The subcommittee of Cabinet will now be pleased to receive your official presentation regarding this complex issue."

Dr. Pearson of the MMA responded by distributing a copy of the MMA Policy Objectives which are attached as Appendix B. I don't intend to read them at the time. I have given a copy to the member of the Opposition and I'll table a copy. There is not that much new in it.

On further discussion with the MMA this morning whereas we had originally committed ourselves to have a complete and thorough airing on the issue of binding arbitration finalized within one year, the MMA request that the same process be completed within a 30-day period. In an effort to meet the demands of the MMA with respect to the method of fee bargaining, the subcommittee of Cabinet made the following commitment:

(1) To commence negotiations immediately on the method of fee bargaining to be used in subsequent years;

(2) To set November 1, 1982, as the deadline for completion of such negotiations, and;

(3) To resume fee negotiations between the MHSC and the MMA immediately, separate and apart, from the ongoing negotiations on the matter of binding arbitration.

The MMA was asked to accept this proposal as an indication of the government's desire to negotiate in good faith. At the same time, the MMA was asked to suspend its job action campaign while negotiations are taking place. The MMA responded by giving government an ultimatum that negotiations with respect to the major issue of binding arbitration must be completed to the point that government could either agree in principle or not agree in principle within the 30-day period.

Mr. Speaker, I need not say that this ultimatum is unacceptable to this government and I would further say that it is irresponsible of the MMA to even request that such an important issue be finalized in a 30-day time frame.

We explained to the MMA that this time frame was not possible, bearing in mind the heavy work load of this House including the review of Estimates and legislation that many of the subcommittee members will be involved in during the coming month.

At the conclusion of the meeting I was advised by Mr. LaPlume of the MMA that the moratorium on the fee negotiations will continue until the matter of binding arbitration is resolved. I'm hoping, Mr. Speaker, that on reflection, the executive of the Manitoba Medical Association will reconsider its position and not only instruct their negotiating team to resume negotiations with the MHSC but also to enter into serious discussion, dialogue and negotiations with the subcommittee on this major issue of binding arbitration.

Thank you.

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

**MR. L. R. (BUD) SHERMAN (Fort Garry):** Mr. Speaker, on behalf of the Opposition, I would like to thank the Honourable Minister for his statement and advise him that it's certainly accepted on this side of the House with considerable concern and considerable dismay.

I think, Sir, that it would be prudent for the Opposition to withhold any definitive assessment of the situation or definitive comment at this point in time. I think my colleagues and I would like to think about the scenario as outlined by the Minister in his statement to the House just now. It certainly disappoints us. I gather from the tone and tenor of the Minister's remarks that it disappoints the government too.

I would hope that a spirit of quiet consideration could be maintained during the next few days and that ill-contrived or ill-conceived rhetoric could be avoided on both sides and I think the Opposition has a responsibility in that respect too.

I can only say, Sir, I would hope that in the light of the failure to move towards conclusion of this impasse that the government and the Minister are taking every step necessary now to ensure that the care of patients affected by the work-to-rule tactic is being reinforced everywhere where it's required. It is that care, it is that concern that is paramount in this situation and while the MMA executive considers the implications of the Minister's statement, I would hope the Commission and the Minister are reinforcing patient care everywhere that the work-to-rule tactic is in force and everywhere where it is scheduled to go into effect in the next few days.

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

**HON. EUGENE M. KOSTYRA (Seven Oaks):** Yes, Mr. Speaker, I'd like to table the Annual Report of the Department of Cultural Affairs and Historic Resources for the year ending March 31, 1981.

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

**HON. VIC SCHROEDER (Rossmere):** Yes, Mr. Speaker, I'd like to table the 1981 Report of the Workers Compensation Board.

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

## ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. A. BRIAN RANSOM (Turtle Mountain):** Mr. Speaker, my question is for the Minister of Energy and Mines.

Can the Minister confirm that International Mineral and Chemical Corporation has suspended its exploration activities which could have led to the selection of a shaft site for a \$640 million potash mine in Southwestern Manitoba within the next few months?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. WILSON D. P. PARASIUK (Transcona):** Mr. Speaker, on October 1, 1981 Mr. Childers of IMC sent a telex to Mr. Mel Anderson of the government indicating that they had provided a tentative Manitoba Milestone Schedule whereby they completely changed Schedule A of the Memorandum of Agreement between the Province of Manitoba and IMC dated May 15, 1981.

In that schedule the development plan was supposed to be completed by October 30, 1981 and a whole set of activities was supposed to have been done in May of 1981, June of 1981, June 30, 1981, a whole set of activity was supposed to have been completed — the government put out a lot of ads saying a lot of work was happening in that respect — and then on October 1st the IMC sent a telex saying that they would choose an engineering firm on November 1st, 1981 even though they said they would be doing so on May 15, 1981 in the Memorandum of Agreement.

They would complete an analysis of core from drill holes November 15, 1981; that they would complete an assessment of ore body re locate shaft site January 1, 1981; that they would complete engineering studies by August 15, 1982; that they would start shaft pilot holes November 1, 1982; that they would commence full-scale engineering November 1, 1982; that they will mobilize for shaft sinking May 1, 1983, Mr. Speaker; that they would start surface construction May 1, 1983; that they would complete a shaft by October 1, 1986 and; that they would have a start up April 1, 1987.

That's what the telex said even though the Minister responsible on Thursday the 21st of May, 1981 said that actual core drilling would start by October 1981. So the delay took place when that government was in office but they never informed anyone, Mr. Speaker, because an election was at hand.

**MR. RANSOM:** Mr. Speaker, in view of the fact that a shaft site would have been selected in, I believe, August of 1982, and in view of the fact that there could have been a potash mine in production in 1987, can the Minister confirm that it is as a result of his government allowing the Memorandum of Agreement to expire and to in fact cease negotiation with IMC, that Manitobans can no longer look forward to that happening?

**MR. PARASIUK:** Mr. Speaker, I reject that charge completely. The Memorandum of Agreement was extended by the previous government, Mr. Speaker, in exchange for a press release that was put out by IMC on October 10th, 1981, just before an election, whereby they were saying that certain things were delayed, Mr. Speaker. What we had going at that time was a lot of politics leading up to an election campaign. We had at the same time during the election campaign, very serious allegations brought forward to the negotiating committee by advisers to the previous government, Mr. Speaker, very prominent advisers, very prominent people within the Conservative party who, during the course of the actual election campaign, submitted documents indicating that

Manitoba's position had weakened drastically during the last two months preceding an election and that as a result there were recommendations that everything be reconsidered, that there were a number of factors that should be reconsidered, Mr. Speaker, and that the whole project should be slowed down to assure that assessment took place because Manitoba's position was indeed being weakened.

We have those documents. We do not want to jeopardize the negotiations, but, Mr. Speaker, they have those documents as well. They have those documents as well, so for them to start grandstanding now about what existed, when they have documents from their own people indicating how seriously the negotiations had weakened, Mr. Speaker, —(Interjection)— is, and I can't use any of those parliamentary terms, Mr. Speaker, but is some considerable straying from the truth as to what was taking place before an election campaign.

**MR. RANSOM:** Mr. Speaker, in view of the fact that the deadline of the Memorandum of Understanding had been extended to December 15th because of the intervening provincial election, can the Minister advise the House what he did to have that deadline extended further in order that negotiations might continue?

**MR. PARASIUK:** The material I had received which was exactly the same material that the previous government had received but seemed to want to ignore, Mr. Speaker, which indicated that Manitoba's position had indeed been weakened. Our position with IMC is that we are letting the Memorandum of Understanding pass, that we invited them to sit down with us and negotiate afresh, which indeed I believe we can do; I believe we can do that. We have to try and regain the ground, which was considerable, that was lost by that government, a month, six weeks before the election when they were desperate, when they knew they would end up being the losers that they are today. They were prepared to give up a lot. They would not listen to advice, Mr. Speaker.

We are prepared to fight for the people of Manitoba, to negotiate a fair deal. That is an open invitation to IMC, we have made that invitation, we expect them to respond; we know that other companies are interested. We believe that that is a responsible way for government to act, not to act as sell-out artists and not to have the former Premier acting as the host for the T.V. show, "Let's Make a Deal," Mr. Speaker.

**MR. RANSOM:** Mr. Speaker, when the Honourable Minister was a member of the Opposition he insisted that negotiations be conducted publicly. In view of the fact that he now has some serious concerns and he doesn't wish to make those concerns known to the public or to this Legislature - even though the Memorandum of Understanding is public - can the Minister advise whether or not he has made those concerns known to IMC?

**MR. PARASIUK:** Mr. Speaker, that was the basis of the meeting that took place between the Government of Manitoba negotiating team and IMC and we said that we would like a new proposal taking into account the concerns that were raised by the person who was

indeed the Chief Financial Officer of the Conservative Party during the last provincial election.

So, Mr. Speaker, we were acting responsibly in this negotiating process. We ask that the Opposition show a bit of responsibility now, Mr. Speaker.

**MR. RANSOM:** Mr. Speaker, will the Minister confirm what my understanding is of his answer and that was, that the negotiating team which met with IMC, for the first and only time on the 24 February, communicated all of the concerns which the government had with respect to the Memorandum of Understanding, that they communicated all those concerns to IMC at that time?

**MR. PARASIUK:** A very large number of concerns. What was communicated at the time were the major concerns - there were a whole set of concerns that were significant, one might consider them minor or less significant than the three major ones - that were in fact communicated by the government negotiating team to IMC. That, in fact, was communicated because Manitoba's position had been weakened from the signing of that Memorandum of Intent to the election period. Manitoba's position had departed significantly from the May 15th Memorandum of Intent; Manitoba's position had been weakened significantly, Mr. Speaker; that was going on in private, while in public the Conservatives were going around using public taxpayers money, trumpeting the fact that they had signed, virtually signed and sealed an agreement, Mr. Speaker; that's what was going on.

We have felt that that was an irresponsible position to take. It's important for the province to sign a fair agreement, Mr. Speaker, a fair deal, one that benefits Manitoba in the short run and in the long run, but one that isn't a sellout. We are pursuing that position; we believe it is the proper one to pursue; we are pursuing it systematically, diligently; IMC has heard our concerns; we have invited them to submit a proposal; we hope that they do so, Mr. Speaker, the ball is in their court. We will be continuing discussions with them in terms of further clarification.

But, Mr. Speaker, the major concerns that were outstanding on November 17th, on October 30th, still exist and they remain outstanding concerns between the Province of Manitoba and IMC.

**MR. RANSOM:** Mr. Speaker, in view of the fact that the prospectus filed by the Minister of Finance in New York on March 8th — and the main part of the supplement was written on December 23rd, which was eight days after the Memorandum of Understanding had been allowed to lapse by those members opposite — in view of the fact that the prospectus states that in May 1981 the province entered into a Memorandum of Agreement with International Minerals and Chemical Corporation (Canada) Limited, IMC, relating to construction of a \$640 million potash mine and refinery in Western Manitoba, with a proposed annual production capacity of 2 million tons of potash, and providing for joint ownership of the facility by Manitoba Mineral Resources Limited, a Crown Corporation and IMC, can the Minister advise the House what he is doing by way of negotiations to make that statement come true?

**MR. PARASIUK:** Mr. Speaker, we are proceeding in a responsible manner to make it come true so that we have a fair agreement between Manitoba and IMC, or any other proposed potash developer.

The way in which the Conservatives could have made it come true, Mr. Speaker, would have been to sell out Manitoba. We reject that completely, Mr. Speaker. The people of Manitoba rejected that sell-out approach completely on November 17th. We want development in this province but it has to be development on fair terms, not the way the Conservatives would do it, by backing away from positions, from positions of weakness by adopting a sell-out approach by the Chairman there, who was in fact playing "Let's make a deal" with the resources of Manitoba — not only today's resources, Mr. Speaker — but the future resources of generations to come.

That is too dangerous a game to play, Mr. Speaker. It is too important to play politics with, to tie it to four-year electoral terms as that government was doing. We are prepared to be prudent; we are prepared to negotiate in good faith no matter how much time it would take to negotiate a fair deal, a good deal, Mr. Speaker. That's why we are pursuing discussions with IMC; that's why we are pursuing discussions with other firms. We hope that they will conclude successfully without a sell-out.

**MR. RANSOM:** Mr. Speaker, in view of the fact that the Minister says that negotiations are ongoing, and in view of the fact that the First Minister, in an interview in the Manitoba Business Magazine says that negotiations are ongoing with respect to this matter, will the Minister advise the House precisely what form the negotiations with International Mineral Corporation are taking place? In what form are they taking place?

**MR. PARASIUK:** Mr. Speaker, the IMC has indicated that they are going to take into consideration the concerns that had been raised by us; they will review it internally and they will determine whether they will be submitting a renewed proposal to us. We are awaiting that, Mr. Speaker.

We are in contact with them on an ongoing basis. They require some clarification from us but we have asked them to submit a new proposal which takes into account the concerns and the changes that had taken place, Mr. Speaker, between May 15th and November 17th. So we are acting responsibly with IMC.

We hope they will accept our invitation, Mr. Speaker. We know that there are other potash companies interested. We believe that we can negotiate a fair deal. We will not negotiate a giveaway, Mr. Speaker. That was done by the Province of Manitoba with respect to the CFI agreement; that was done by the Conservative Party, they never learned by their mistakes, they never learned, Mr. Speaker. The people of Manitoba told them that on November 17th.

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

**MR. STERLING LYON (Charleswood):** Mr. Speaker, in view of the fact, as we can attempt to discern the facts among the rather rabid rhetoric of the Minister of

Mines and Energy, in view of the fact that he is now confirming to the House and to the people of Manitoba that the planned potash mine, a joint venture between Manitoba Mineral Resources and International Minerals and Chemicals — the agreement for which expired on the 15th of December of 1981 when this government was in office — will the Minister now confirm, Mr. Speaker, that we are back to Square One and that the people of Manitoba have the same prospect of having a potash mine in Manitoba as they had from 1969 to 1977, which was no prospect at all?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**MR. PARASIUK:** Mr. Speaker, the world situation is such that there is a softness in the potash market and the Leader of the Opposition, who wants to make a deal at any price, is quite willing to prostrate himself. That party there was quite willing to sell out our resources, to negotiate from a position of weakness.

We believe that if the market is strong that the medium term for potash is strong. We believe we can negotiate a fair deal, Mr. Speaker, a deal that we can be proud of 5 years from now, 10 years from now, 20 years from now.

We are quite prepared to do that; we are proceeding; we have an ongoing process under way with IMC. We have other discussions taking place, Mr. Speaker, with other potash corporations. We hope that we can conclude a deal. A lot depends on the market situation because the inventory of potash has risen tremendously over the last six months. IMC's own financial position has weakened significantly over the last six months, their shares have decreased in value, Mr. Speaker. They had some serious difficulties of a financial nature that they were trying to take account of in respect to their negotiations that had caused your negotiating team some grave concerns.

We hope that the market will improve, that IMC's position would improve. We hope that we, indeed, can negotiate a deal in good faith, but I say again, it will be a fair deal, not a sellout.

**MR. LYON:** Mr. Speaker, again asking my honourable friend this question, in view of the fact that there was a Memorandum of Agreement in place between the Government of Manitoba through Manitoba Mineral Resources and IMC, which agreement, we found out the other day by questioning, has now been allowed to expire, can the Minister of Finance tell the House and tell the people who have loaned \$200 million to the people of Manitoba on the basis of this paragraph that was read by my colleague, the Member for Turtle Mountain, can he tell the people of Manitoba whether he's going to issue an addendum, a correction, to point out that the statement that he made on the 8th of March, 1982, repeating a statement on the 23rd of December, 1981, is, in fact, not true?

**MR. SCHROEDER:** Mr. Speaker, I thought we'd gone over this ground to some extent last week. If we're going to start again we may as well, and I think maybe we should start back on May 21st, 1981, when the then Minister of Energy and Mines said on page 3,713 of Hansard, "Mr. Speaker, the schedule that was tabled

with the announcement indicates that the site selection for the main shaft itself will probably not be finalized until about October, when the actual core drilling starts for the site on the actual site of the main shaft." Just a few minutes ago the Member for Turtle Mountain was suggesting that construction was to start in 1982. That construction was to start in 1981, and I have a prospectus here from 1981 prepared by people on the other side. This one is a very positive document. I'm sure the Leader of the Opposition will jump forward and prepare an addendum that May, 1981, the province entered into a Memorandum of Agreement with International Minerals and Chemical Corporation Canada Limited, IMC, relating to construction of a \$640 million potash mine and refinery in western Manitoba with a proposed annual production capacity of two million tons of potash. A definitive partnership agreement is expected to be signed shortly providing for 25 percent share ownership, subject to increase to 40 percent of the facility by Manitoba Mineral Resources Limited, the Crown Corporation, with the balance held by IMC. Construction is expected to commence late in 1981, etc.

Now, unfortunately, that didn't happen and there was no doubt at election time that it would not happen; there was no doubt about that, and that's regrettable. I don't blame the Opposition for that. If they were trying to set up a good deal with IMC, then I am grateful for that, and I am grateful that, before November 17th, they didn't sell out the province by giving away the potash. For that, we are grateful on this side. We have continued the negotiations. The fact of the matter is, Mr. Speaker, that the agreement was entered into; the fact of the matter is that the document from which the Leader of the Opposition reads, states very clearly that agreement and others, are under review by the New Democratic party administration which had been elected on November 17th, 1981, and the fact of the matter is, that with negotiations continuing . . .

**MR. SPEAKER:** Order please. Does the Member for Turtle Mountain have a Point of Order?

**MR. RANSOM:** Yes, Mr. Speaker, I would draw to your attention the citation in Beauchesne which says that answers to questions should be as brief as possible, should deal with the matter raised and should not provoke debate. Mr. Speaker, I suggest to you, Sir, that the Minister was asked a direct question which lends itself to a direct answer. He is, in fact, provoking debate and making an unnecessarily lengthy answer.

**MR. SPEAKER:** Is the Minister speaking to the same Point of Order?

**MR. SCHROEDER:** No, Mr. Speaker, I was losing my train of thought on the answer but I do have some part of the answer left.

**MR. SPEAKER:** If not, I would share the hopes of the Honourable Member for Turtle Mountain that a short question would not provoke a lengthy answer.

**MR. SCHROEDER:** Yes, Mr. Speaker, as I was saying, there have been some delays with respect to finaliza-

tion of that agreement. Certainly there is no doubt, and the Leader of the Opposition, as a lawyer, should be one of the people most aware of that fact, that the so-called Letter of Intent, that was so-called, as he is trying to make out, allowed to expire on December 15th - there is no doubt that there was no legal commitment on the part of either party to that document, and the fact of continuing negotiations right now is the important issue. If we were not negotiating right now, then, of course, they might have a point, but the fact is we are doing our best to negotiate a fair deal for Manitobans.

**MR. LYON:** Mr. Speaker, I wonder if I might ask the same question in a way that, perhaps, might be intelligible to the Honourable Minister of Finance so that he could grapple with it. His train of thought, which seems to be rather a single hand car, didn't quite grasp what was asked. Why, in the prospectus of December 23rd, after the Letter of Intent had been allowed to expire by this government, and then on the 8th of March, 1982, did the Government of Manitoba, through information provided by the Minister of Finance, say to the people who loaned \$200 million to the people of Manitoba, based upon the integrity of this government, and its statements, why did they say this: "In May, 1981, the province entered into a Memorandum of Agreement with International Minerals and Chemical Corporation Canada Limited, IMC, relating to construction of a \$640 million potash mine and refinery in western Manitoba, with a proposed annual production capacity of two million tons of potash and providing for joint ownership of the facility by Manitoba Mineral Resources Limited, a Crown Corporation, and IMC. (See gross investment)."

Mr. Speaker, in the light of the information given to the House since last Thursday and Friday by the Minister of Mines and Energy, how can the Minister of Finance face the investors and say that statement is true when it is patently on the record, false?

**MR. SCHROEDER:** Clearly, Mr. Speaker, the Leader of the Opposition wasn't listening very closely when I answered him the first time. That particular agreement is as close, or closer, to implementation today with a shaft in the ground, as it was in June of 1981 when that group filed another prospectus. It is ludicrous, Mr. Speaker, it is absolutely ludicrous to suggest that we have in any way been put in a position where there have been some changed legalities as of December 15th or any other date. Because, if we have, then I would like the Leader of the Opposition to stand up and tell us what were the obligations of the Government of Manitoba, in respect of that Letter of Agreement, Letter of Intent on December 14, 1981; or let him stand up and tell us what were the obligations of IMC. —(Interjection)—

The Member for Virren is saying show us the agreement. He was a member of the government that had that agreement since May of 1981 at least.

**MR. SPEAKER:** Order please, does the Honourable Member for Turtle Mountain have a Point of Order.

**MR. RANSOM:** Mr. Speaker, Sir, you will be aware of the citation which I read from Beauchesne just a few

moments ago which says: "answers should not lead to debate." The Minister of Finance is standing in this House asking members on this side to stand and respond to questions that he is placing. Surely, Sir, that tends to lead to debate and he knows very well that members on this side of the House are not in a position to stand and respond to questions placed by the Treasury Bench, they are the government.

**MR. SPEAKER:** I am sure the Honourable Minister is aware of that particular point and I hope he will not invite members of the opposition to enter into a debate in the future.

The Honourable Minister.

**MR. SCHROEDER:** Thank you, Mr. Speaker, I take those questions back, I don't believe that they could be answered by that side anyway. I will say, however, that I will certainly check with other members of Cabinet with respect to that particular agreement for the Member for Virden.

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

**MR. LYON:** Mr. Speaker, in view of the fact that is becoming very evident today, from questions that have been put in this House since mid-last week about the status of the Potash Agreement and about the knowledge of this Minister of Finance of what his colleagues are actually doing, could the Minister of Finance tell the House and the people of Manitoba today when he became apprised of the fact that the Memorandum of Agreement, which expired on the 15th of December, 1981, was going to be allowed to expire by his colleagues, or was he ever told of that fact, Mr. Speaker?

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

**MR. SCHROEDER:** Yes, Mr. Speaker, as the Minister of Mines and Energy has already stated, after December 15, 1981 there were continued negotiations. I have seen copies of correspondence, both from IMC and from the department, talking about continued negotiation; I have indicated that I do not believe that there were any legal obligations that ceased on December 15th, either on the part of the Province of Manitoba or on the part of International Mineral and Chemical Corporation; the negotiations are ongoing just as they were then. If the people on the other side are saying that we should not talk to anyone else, only the people that they have talked to, I don't think that I would be prepared to accept that. I think that as trustees, for the people of the province, of our resources, I would not be prepared to put myself into that kind of a position. I'm glad that the Minister of Energy and Mines is not putting us in that position.

**MR. LYON:** Mr. Speaker, would the Minister of Finance be good enough to advise the House and the people of Manitoba when he became apprised of the fact that the Memorandum of Agreement that is mentioned in the prospectus issued under his name on the 23rd of December, 1981 and the 8th of March, 1982,

issued as though it was still in force, when did he become aware of the fact that that agreement had been allowed, by his government, to expire?

The Minister of Finance won't answer that question, won't tell the people of Manitoba when he became aware of the piece of information that made his statement false.

**MR. SCHROEDER:** I will go over it again for the benefit of the Leader of the Opposition. He has now asked that question four times or so, and if he wants to keep asking I will, again, explain to him that there were no changes in the legal relationship, in my opinion, between IMC and the Government of Manitoba between November 30th, 1981 when we took office and this very day, March 30, 1982.

**MR. LYON:** Is the Minister of Finance saying to the House, Mr. Speaker, that contrary to the information given to us by the Minister of Mines and Energy over the past few days, that no Memorandum of Agreement now exists between the Government of Manitoba or its agents and IMC, is he now trying to tell us that there is such an agreement in effect, and what forms the basis for his statement to this House that we are closer to having a potash mine today than we were when we had an agreement leading to one?

**MR. PARASUIK:** Mr. Speaker, there was a Memorandum of Agreement dated May 15th that had certain provisions in it that hadn't, in fact, been lived up to. They had not been lived up to, Mr. Speaker, there had been grave concerns by the previous government that, in fact, IMC hadn't lived up to a number of items; there was concern by the previous government that maybe, Mr. Speaker, IMC was playing Saskatchewan off against Manitoba.

Mr. Craik had flown down to Chicago on July 28, 1981, Mr. Speaker, to plead with IMC to live up to aspects of this agreement. There were, from May 15th on, some nine draft agreements that were the focus of attention between the Provincial Government and IMC; 6 drafted by government lawyers, Mr. Speaker, or a firm employed by the government, Pitblado and Hoskins, Mr. Speaker, and then in September IMC's legal firm in Winnipeg, Thompson Dorfman and Sweetnam, took over the drafting of the draft agreement which were the focus of discussion. The lead lawyer for those re-draftings, Mr. Speaker, was a one, Garry Brickman, who was a former special assistant to the Premier, Mr. Speaker, right before an election when you had a vulnerable government, was now drafting agreements, weakening Manitoba's position on behalf of IMC; that was what was going on, Mr. Speaker, when they were in office, and we were saved by the bell, saved by the election of November 17.

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

**MR. LYON:** Mr. Speaker, very simply and I think even the Minister of Mines and Energy can grasp what I'm asking, when did he tell the Minister of Finance that he had allowed the Memorandum of Agreement between IMC and the Government of Manitoba to expire on the 15 of December, 1981, or did he ever tell him? Why

was this House not told until last week?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**MR. PARASIUK:** Mr. Speaker, the extension to December 15 may or may not have been communicated to anyone when the government was in office. —(Interjection)— That's true, Mr. Speaker. It certainly wasn't communicated, it certainly may or may not have been communicated.

What they're trying to introduce is a red herring. What it is, is whether in fact they have been negotiating something that was for the benefit of Manitoba and their own advisers told them that they'd weaken their position, Mr. Speaker. That's the key issue that we're talking about, whether we're going to have a fair deal for Manitoba or not and they are concerned about whether — I don't remember whether he was informed or not informed, Mr. Speaker — but that is what they are trying to get at. They're not trying to get at whether in fact they had weakened their position significantly, whether in fact there was an enforceable memorandum or not an enforceable memorandum because, Mr. Speaker, when IMC strayed from that memorandum, it didn't comply with his provisions, this government did nothing. They did nothing because they couldn't.

It was a Memorandum of Understanding, it had nothing in it, Mr. Speaker, that was hard and fast. Therefore since we know that all of these things have been postponed indefinitely, since we were told in this agreement — and the agreement is pretty straightforward — that certain things would take place on May 15, June 15, June 30, September 1, who was informed that those things weren't happening, Mr. Speaker? Even though this government was spending taxpayers' money, telling people that everything was happening, Mr. Speaker, that they were sitting on a gold mine, that blue skies were ahead. Mr. Speaker, no one was telling the truth that these things weren't being complied with, Mr. Speaker. You had that responsibility and you didn't do it.

**MR. LYON:** Mr. Speaker, a question to the First Minister.

In view of the fact that in the last four weeks under questioning in this House, it has become apparent to this House and to the people of Manitoba that Manitoba stands a much worse chance, if any chance at all, of getting an Alcan smelter and according to the most recent revelations of the Minister of Mines and Energy, that it's back to Square One in the negotiations on a potash mine, can the First Minister tell the House how long he is going to tolerate that particular Minister as Minister of Mines and Energy before he breaks this province in terms of the kind of industrial development that we could have?

**MR. SPEAKER:** The Honourable the First Minister. Order, please.

**HON. HOWARD R. PAWLEY (Selkirk):** Mr. Speaker, in response to the question from the Leader of the Opposition as to occurrences within the last four weeks, I think what is quite clear and indeed has been

clear for the last year that this party whether it was in opposition or whether it was in government, is not prepared to sign an agreement that is unfair to the public of Manitoba. Mr. Speaker, that has always been made clear. There is no revelation in that respect.

Mr. Speaker, we will on the other hand do all that is humanly possible to ensure economic development in the Province of Manitoba that is fair and is reasonable to Manitobans' benefit, not to the detriment of the overall benefit of Manitobans, but to the overall benefit. To this extent, Mr. Speaker, I am pleased with the work that has been undertaken by my Minister responsible for Energy and Mines.

**MR. SPEAKER:** Order please. Order please. I regret the time for Oral Questions having expired.

### ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable Government House Leader. Order please. Does the Honourable Minister of Agriculture have a point of order?

**HON. BILL URUSKI (Interlake):** Mr. Speaker, could I have the . . .

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

**MR. URUSKI:** Mr. Speaker, could I have the indulgence of the honourable members and have the pages distribute copies of the Interest Rate Program to representative caucus . . . ?

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

**HON. ROLAND PENNER (Fort Rouge):** Mr. Speaker, would you please call the adjourned debate on Bill No. 8, The Loan Act?

### ADJOURNED DEBATES ON SECOND READING - GOVERNMENT BILLS BILL NO. 8 - THE LOAN ACT

**MR. SPEAKER:** On the proposed Motion of the Honourable Minister of Finance, Bill No. 8, the adjourned debate stands in the name of the Honourable Member for Pembina who has 15 minutes remaining.

**MR. DONALD ORCHARD (Pembina):** Thank you, Mr. Speaker. At the conclusion of the debate on this yesterday, I was mentioning to honourable members opposite that I had an opportunity to discuss the credit needs of young farmers in the Province of Manitoba with some bank managers in my constituency and the one thing that they pointed out very clearly, Mr. Speaker, to me was that the prime need of young farmers who are the backbone of our industry today and indeed its future for tomorrow, is the need for some long-term security for the purchase of their land base.

They further added that the availability of long-term mortgage money should be at a fixed rate so that they can know their costs over a period of time — and

there's no hesitation in continuing the present program that MACC has in place of a five-year review of those interest rates and a five-year adjustment if necessary on individual loans — but they emphasize the necessity for the availability of long-term credit.

Now, my question that we will be pressing the Minister of Agriculture in the course of his Estimates — and I give him advance notice of it now — is will the Minister before he changes the role of MACC for which we are providing \$26 million in this Bill, before he changes the role as we suspect he is going to, away from long-term land mortgages back into the state farm program, will the Minister consult as his government, his First Minister has promised to do, to consult with the affected Manitobans, consult with the people involved with policy change? Will he consult with the Credit Unions, the chartered banks and other lending institutions that make credit available to the farm industry? Will he consult with them to find out what they believe is necessary for the long-term viability of our young farmers entering and remaining in agriculture?

Now, you know, we've made this concern known already to the Minister of Agriculture that we don't want to see MACC back in its former role that it had from approximately 1974-1977 as a provider of a land base through the state ownership Land Lease Program. We don't want a return to that program because that program, Mr. Speaker, as the Minister well knows allowed Manitoba Agricultural Credit Corporation to be in direct competition with our young farmers in the province to buy a land base. MACC would go out and compete directly with our young farmers in buying that land and because of the availability of instant money through the government Crown Corporation, they often could buy that land before a competing young farmer could arrange his credit through other sources. We want to make sure, Mr. Speaker, that doesn't happen again and we want to have this Minister assure us that before he makes that policy change would he consult with young farmers? Would he consult with the credit unions? Would he consult with the chartered banks and other lending institutions to determine the wisdom and the validity of that change in policy that we fear is imminent.

Now, Mr. Speaker, I want to deal for a brief moment with the monies that are available in Bill No. 8 for Manitoba Mineral Resources. Now, I understand that is for the Trout Lake mining venture. We have been promised by this government and we are afraid that it will be one of the few promises that this government will keep with Manitobans; that being the creation of ManOil as an arm of Manitoba Mineral Resources or as a free-standing corporation. We are greatly concerned that this may happen and our concern stems from the fact that once again — and I'll read that promise for all the back benchers over there that their leader made: "that with ManOil and Manitoba Hydro we can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates." In view of that promise we want to know how many dollars this government in this fiscal year is planning to provide for the creation of ManOil. We want to know, Mr. Speaker, because information tabled in the Manitoba Mineral Resources Limited annual report for 1980-81 reveals some very interest-

ing facts about the past Schreyer administration involvement in the search for oil in the Province of Manitoba. The total royalties for oil as my colleague, the Member for Turtle Mountain pointed out to members opposite, for the fiscal year 1980-81 were in the neighbourhood of \$60 million; total oil resources. So that if your government confiscated all of the oil resource that presently exists in the Province of Manitoba, you would provide \$60 million. That, as my colleague, the MLA for Fort Garry has identified, is the money that would be required on a one-year basis to provide interest rate relief to the homeowners. So you confiscate all of the oil revenue and you help out only one sector of the economy, that being the homeowners.

So, what we see, Mr. Speaker, is the answer as promised and guaranteed by the now First Minister, that ManOil will provide the revenues to provide interest rate protection from farmers and homeowners in the province. Well, we see they're going to provide some \$20 million to ManOil. Well, on the basis of their experience during the glorious Schreyer years of administration of the N.D. Party, they spent some \$900,000 on oil exploration in the province. They have to their credit better than fifty dry holes. That's why we called their leader "dry hole Howard" during the election campaign because the record shows that they spent \$900,000 and had the commendable success or fifty-plus dry holes. They did strike some oil, Mr. Speaker, and the revenues in 1980-81 were some \$1,403 for that \$900,000 investment. Now, that means that for spending \$20 million they are going to be able to get that revenue up based on past experience to some \$25,000 per year. How many homeowners and farmers are going to receive that guaranteed promise; that they will not lose their farms or their homes from \$25,000 worth of income from a \$20 million ManOil drilling program in the Province of Manitoba. Twenty five thousand dollars will be the revenue; \$20 million will be the expenditure if past experience is true and no doubt, Mr. Speaker, it will be because we do not believe that any adherent to the N.D. Party philosophy knows how to find oil any better today in the Province of Manitoba than they did during the Schreyer years.

So, Mr. Speaker, we've got considerable concerns about ManOil providing the revenues to provide interest rate relief for homeowners and farmers in the Province of Manitoba as guaranteed by the First Minister. To back up our concern, Mr. Speaker, Manitoba Hydro was also mentioned as being the revenue provider; to provide that kind of revenue to support homeowners and farmers against high interest rates. Well, what have we seen so far from the Minister of Energy and Mines who has a great deal of trouble answering questions on how he has now blown the potash deal and how he has blown the Alcan deal and how he will blow the power grid deal. Well, so far what we definitely know from that Minister who is responsible for Manitoba Hydro is that he has lost a sale of surplus power to Ontario. That's going to decrease the revenues of Manitoba Hydro so I find that his First Minister is going to have some difficulty carrying out that election promise; that guarantee that they made. We know that he is in the process of blowing the power grid and that was given to us by none other than the Chairman of Saskatchewan Power Corpora-



tion who said that when the previous government, the Conservative administration was in power in Manitoba there was a 75 percent chance that the grid would proceed and now under this new government, this N.D. Party government; they are down to 40 percent chance of the power grid ever proceeding. So, the power grid isn't going to provide revenues to Manitoba Hydro to carry out this guaranteed promise by the First Minister that no Manitoban will lose their farm or their home because of high interest rates. Mr. Speaker, this government is falling fast on the rocks of broken promises. When are they going to deliver one promise to Manitobans other than the creation of ManOil? Well, we do know that they are contemplating increasing the revenues of Manitoba Hydro by one move and one move only. It doesn't involve the sale of surplus power to Ontario. No, the Minister of Energy and Mines, the Member for Transcona has blown that; that's not available. We now know that the Western Power Grid which would have provided significant revenues to Manitoba Hydro is now down to a 40 percent chance of success, so we can safely say that one is probably not going to proceed, so where are the revenues to Manitoba Hydro going to come from to guarantee this promise made by the First Minister?

It's going to come from their removal of the Hydro rate freeze and they're going to bleed every single Manitoban with higher power rates to finance this phony election promise, Mr. Speaker, this election promise that they cannot deliver under any other circumstances other than bleeding individual Manitobans who are forced to buy electricity from Manitoba Hydro. They are going to remove the rate freeze to generate the revenues to carry out their election promises.

That's not what Manitobans voted for in November of 1981. They didn't vote for that, Mr. Speaker, but that is what we are going to get in the delivery of foolhardy promises by the First Minister and his group of candidates in the N.D. Party in the last election; and Manitobans, one by one, as they apply for interest rate relief to save their farms and are turned down by the Minister of Agriculture; and homeowners who, one by one, want to save their homes from loss because of high interest rates are turned down one by one by the Minister of Natural Resources; and businesses one by one who are turned down from interest rate release by the Minister of Economic Development and Tourism; they, as they are turned down, those businessmen, those home-owners and those farmers will realize that the First Minister, the MLA for Selkirk and the Leader of the Opposition in the last election campaign, gravely misled them in the election campaign with promises that he has no way of delivering other than to bleed Manitobans with the removal of the Hydro rate freeze and to charge them more for Manitoba Hydro for the electricity that they will consume, and one by one those deceived, disillusioned, disenchanted Manitobans who may have voted for that group to form the next government will turn their backs on the ND Party, turn their backs on the socialist philosophies that they are espousing right now, and one by one when the promises are being broken to them by that government, will turn to the only alternative for sane, sensible good government in

Manitoba, that being the Progressive Conservative Party of Manitoba.

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

**MR. HARRY ENNS (Lakeside):** Well, Mr. Speaker, I had not intended to speak. I know that has been said before in this Chamber, but I have to rise. I rise as the Member for Lakeside, the potentialsite, hoped for site of a major wealth producing, job creating industrial activity, namely, the Alcan proposal, and I see that now obviously sliding down the same tube that the potash project that we discussed in the question period is heading for, Mr. Speaker, and certainly on behalf of my Lakeside constituents and the vast majority of people, despite what the Honourable Member for Inkster may want to say or to what extent he wants to create difficulties at Balmoral, the vast majority of Interlakers who have traditionally over the years have had to go elsewhere to look for jobs either to Northern Manitoba or to Alberta or to Ontario or somewhere, but they had an opportunity for productive jobs being created in that part of the Interlake which needs jobs so desperately. The land owners, the farmers had an opportunity of seeing their taxation rates on their property being kept at reasonable limits and reasonable levels for the next 20, 30, 40, 50 years, Mr. Speaker, because of the kind of contribution that a major industrial complex like that provides to the municipalities.

Our school divisions, Mr. Speaker, in the Interlake would have benefited from that involvement; our hospitals, but it becomes increasingly obvious to all of us that this government here is prepared to throw that all away. The Honourable Minister of Finance, the Honourable Minister of Energy and Mines, they can maybe play the little game they played today at question period and give half-hour little speeches to shorten the succinct questions, and they may even fudge or fool some of us in this Chamber for a little while about the state of preparedness and the true intentions of both the companies in question and the government of that day as to such things as potash development and Alcan development; but I want to tell you something, nobody is fooling the constituents, the residents of McAuley and Virden, the Honourable Member for Birtle-Russell about these intentions of IMC prior to the change in government, Mr. Speaker.

It is not just a little matter of how you interpret agreements that were allowed to lapse or not pursued or negotiations and discussions not being pursued because, Mr. Speaker, there are far too many people that are involved, appreciating the fact that upwards — I don't know the exact figure, but it could well be within the range of \$2 million were spent by a private company in the hopes of pursuing an agreement. Sure they were going to nail the hardest agreement they could from their point of view and this government was prepared to nail the hardest agreement that we could on behalf of the people of Manitoba. We can fudge around and we can talk about whether or not that agreement was a good agreement or fair agreement as this government is now taking but what you cannot hide from the people is that was a serious

effort. Those monies were spent; those holes were drilled in that McAuley-Virden area; the ore body was located, something which by the way didn't take place during eight years of previous NDP administration.

That potash lay there — I've always said, I've said it before the House — Conservatives didn't put that potash in the ground, the NDP didn't put that potash in the ground, the good Lord put it there a long time ago or the Ice Age if you happen to be an atheist. If you happen to be an atheist and you don't want to believe in the good Lord, fine, then, and let's blame it on the last Ice Age and whatever geological movements took place at that particular time. But, Mr. Speaker, what the residents of Virden-McAuley know is that there was a deadly serious effort being made upwards as I say to the expense of some \$2 million to locate that ore body. People were employed; staff assignments were being hired in the Brandon area and in the Virden area and the project was on go, and no amount of fancy talk of this Chamber is going to alter that impression that is left in western Manitoba.

The impression that, of course, is being left right now is that this government who has a doctrinal hang-up about dealing with companies, that worries more about spending taxpayers' money in drilling dry holes around this country and looking for some way to get into that high-risk oil business that they haven't got time to take these discussions seriously. They've met once, Mr. Speaker, since they've come into office with the principals of the potash developing group.

Mr. Speaker, I say the same for the Alcan group, of course, in the Interlake. Again, Mr. Speaker, they can make all the statements they like about the fact that the agreement wasn't signed, the i's weren't dotted, the t's weren't crossed; in fact, I've made that statement. They now say that they were saved by the bell; they were saved by the November 17th election. Well, that's fine and dandy, Mr. Speaker, but you're not going to convince my constituents in the area of Balmoral, where land options have been taken up; where monies have been paid; where, again, a private company is in the process of expending upwards to \$4 million-\$5 million in a serious feasibility study to locate a major industrial plant in the heart of the Interlake where goodness knows the jobs are being worthwhile.

So, Mr. Speaker, I simply want to put it on record that a year from now, two years from now and three years from now, when election time starts coming around again, it will not simply be a little game of words that we can play in this House as to whether or not a Memorandum of Agreement, a Letter of Intent really signified government's intention or not, or whether the conditions changed to the extent that this government now saw good reason to back away from it, Mr. Speaker, that's taken out of our hands. I must tell the honourable members that, that's not going to be decided by politicians or by the 57 members in this Chamber. The residents in Balmoral knew and are aware, and are aware today, of the seriousness of Alcan in their desire to locate a major job-producing industrial plant in this province. Mr. Speaker, this government has objected to the amount of advertising that company has undertaken to underline that particular point.

So, Mr. Speaker, let me make it very clear, on that

particular score, this government has left itself wide open, in an inexplorable arrogant manner in which they are shrugging off the possibility of \$2 billion worth of construction activity in this province; several thousands of jobs, indeed, that figures higher — 3,000-4,000 jobs when you take in the construction activity in the first few years. Mr. Speaker, yesterday in the House, the Minister of Consumer Affairs - and we all applauded with some understandable pride - announced the fact that Air Canada was going to build a \$30 million computer centre in the Core area of the City of Winnipeg and we applauded that move. But, let's understand, and the headlines of the Winnipeg Free Press bear that out, and I think the Minister's own statement bore that out, is that's going to create a hundred jobs, a hundred jobs. Mr. Speaker, I don't say that in any disparaging way but let's also remember that they are all public service jobs, not new or wealth-producing jobs in terms of productivity in this country, but we're talking about a hundred jobs in a Crown Corporation. That's fine and dandy, we're not disparaging it, but, Mr. Speaker, if that merited a Ministerial Statement, and one which is supported in this Chamber, why this cavalier attitude about 600, 700, 800, 1,000 jobs in this province? Why is there no concern being expressed about creation of those jobs and why is this group letting those opportunities slip by, Mr. Speaker?

Mr. Speaker, we're dealing with Capital Supply. It's not our intention to delay the passage of Capital Supply because we do hope that worthwhile public institutions like the Manitoba Agricultural Credit Corporation requires the Capital that's included in the Capital Supply Bill that we're now dealing with - you know, an institution, by the way, which I will possibly have to remind all members was brought into being by a Conservative administration - has done more for the farmers in this province than ManOil will do for anybody in this province. The best that you can say about the possibilities of ManOil is that, like with the \$40 million expended on Saunders, you might end up with some greasy, oil-stained coveralls with the inscription ManOil, just like we still have a whole raft of stewardess' uniforms and attendant uniforms for Saunders Aircraft - very pretty in blue and gold but that are really not adding to the productive well-being — (Interjection) — Skywest I believe it was. Skywest it was, I think we even have a couple of cartons of matches still left, Mr. Speaker, of Skywest Enterprises. But, that's the extent that we can really seriously count on in terms of ManOil.

So, Mr. Speaker, I take the advantage of speaking on Capital Supply to voice my very sincere regret that an opportunity for providing and for correcting a chronic job problem in the Interlake is obviously, under the handling of this government, going to be dealt a hand that will see that it will never come to fruition. I can say, Mr. Speaker, that a very large number of my constituents are going to be extremely disappointed. Many of them, without any big effort on the part of any organized group, signed petitions, just in the last few weeks, throughout the communities in and around Balmoral pleading with this government to get off its cavalier way of dealing with Alcan and get on with the job of signing an agreement. Mr. Speaker, the efforts that the Alcan group have put in,

in the Interlake, in their monthly meetings with people, they have not shied back from meeting with the people at the grassroots level. They have had informational meetings set up in the various community halls in Balmoral, in Stonewall, in Teulon, and, Mr. Speaker, when none of that turns out to be true they will have no other recourse but to fault this government for having blown what my leader, quite rightfully called during the election campaign, an opportunity that doesn't very often present itself to a province like Manitoba.

The 1980's indeed could have been, despite the difficulties that we face in Canada as a whole, could have been a very exciting decade of development in this province. It could have been well spread out to benefit all of the province. In Western Manitoba a \$600 million - \$700 million potash development; in the north resumption of the multibillion dollar development of the Nelson River; and in the Interlake, where jobs are badly needed, another 600 - 700, indeed by that time it would have been a billion dollar aluminum plant production centre that could have all dovetailed together in the '80s, that could have kept Manitobans working, could have made it possible for us to supply those services that all of us want to supply in terms of our schools, in terms of our hospitals, in terms of our education program, in terms of our desire to help our senior citizens, and do all of that with reasonable taxation levels. We would not have been looking at increases in the sales tax, we would not have been looking at rates of increase that approach confiscation in terms of property taxes as we are now looking. All of this could have been possible had we moved together and took advantage of those unique circumstances that the resources of Manitoba provided, not the Conservative Party, but at least, Mr. Speaker, all we provided is the will to make sure that would happen.

I remind the honourable members whether it was the potash or whether it was the availability of surplus hydro power that is the integral part of the aluminum plant, it was all there during the eight years of the previous NDP administration. There was no glimmer, there was no sign of them pursuing these kind of worthwhile developments. They were too busy trying to prove to somebody they could manufacture Chinese food and they threw our taxpayers' money into Chinese food manufacturing plants. Or they were too busy buying boats and airplanes, we had the Red Navy and we had the Red Air Force or they were too busy trying to prove to De Havilland or Douglas or Boeing that they could build airplanes better than anybody else. And so we took \$40 million of Manitoba taxpayers' money and tried to build airplanes. That's what you did during your eight years in terms of industrial development. We knew that had to change and we, at least, steered Manitobans in the right direction that used our resources in the most appropriate way for Manitobans first and for all Canada to benefit in terms of the economic boost that would have meant.

Mr. Speaker, it's becoming evident that those golden opportunities, those rare opportunities are literally being frittered away by this N.D. administration. Mr. Speaker, I'm satisfied that the record two or three years hence will cause them no end of difficulty when

they have to face the people on account of that.

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

**MR. DAVID R. BLAKE (Minnedosa):** Thank you, Mr. Speaker. I likewise hadn't intended to participate in this debate at this time, Mr. Speaker, but so many interesting things have developed lately that I feel that I should comment on one or two of the items in the Capital Supply Authority before it moves on. Representing an area, Mr. Speaker, in western Manitoba, I won't dwell too much on what has been part of the debate so far today and that is the proposed potash mine in western Manitoba, but, Mr. Speaker, that is of great importance to that particular area of Manitoba and there was great expectations there that negotiations would continue, whatever government was in power, to bring that to a successful conclusion because the chance of the number of jobs that plant would create in that area, those chances just don't come along every year. And it's extremely disappointing to the people out there who now find that the negotiations are on hold in spite of what the members opposite might say. It's starting to look bleaker and bleaker every day, the possibilities of that mine becoming a reality. It's only last week that the Member for Virden and I had a delegation into the Minister's office petitioning him and pleading for an extension of Highway 355, which goes into that particular area and is a necessary expense to allow the people to not only have a route to employment but a further route west for trade and whatnot into our sister Province of Saskatchewan. Not that we want to see them go that far but it's a convenience for them in many cases to go to Regina for implement parts which the government has sort of encouraged to move out there, the former NDP government, I should say in case that's taken up by members across the way, as being our government.

So, Mr. Chairman, we are extremely disappointed that the present government is allowing negotiations to fall into a state of slack or whatever term you might want to use. The momentum has been lost, the company naturally is going to lose interest in coming in to do business with a group with a philosophy that they have over here that the government has to completely control everything. There is a good deal has been struck with a good interest in that proposed mine for the people of Manitoba and for the taxpayers and the jobs that would create for the young people who are having to leave that area, Mr. Speaker, is of extreme and acute importance to that area, because we just don't have that many opportunities in that part of our province.

But coming closer to home, the other one that alarms me, Mr. Speaker, is the loss of the potash development that was progressing so well with site locations and the protestations of environmental groups certainly were necessary, I think one of the largest and best orchestrated public forums for the examination of the environmental impact of that particular plant was being undertaken by that company, one of the most responsible, I think probably, in modern times, when a plant of that magnitude is considering locating in our midst. That particular plant would provide a great number of jobs that are of a fairly high

technical nature and are fairly high paying jobs and I'm just shocked that the members from that particular area are not up on their hind legs in this House demanding that this government get on with those negotiations and bring that plant into fruition because that is larger than the potash development. There are 1,000 jobs at stake, Mr. Chairman, and no one over here seems to be a bit concerned about maintaining those jobs in this particular area.

We all know that on that development, of course, hinges the power and it was appearing every day that the Western Grid or the Western Inter-Tie that has been referred to is slipping further and further from the grasp of this government. Their sisters in Saskatchewan if they talk about ripping somebody off or working a deal or selling out to Manitoba, if we're ever going to get sold out, Mr. Speaker, we're going to get sold out to the sister comrades in the other province —(Interjection)— and I have never, never really been able to establish the difference between a brother and a sister in comrades, Mr. Speaker, but we know that those arrangements are slipping away. The deal is further from completion now than it was when we left office in November. Those jobs, Mr. Speaker, with the fulfillment of those negotiations that were going so well would mean about 5,000 jobs in Manitoba and that would be such a boon to this province, Mr. Speaker, at a time now when we're considering, in the Capital Authority requirements, some \$2,800,000 for the Trout Lake venture. That is part of our initial investment in that company which gives us an interest in it and, Mr. Speaker, that was well on the way to being developed under the former Conservative government. We don't know whether it's going to be developed now or not because there's great threats of very, very heavy layoffs in that particular area, Mr. Speaker. When I see what's happening up there I just get a little leary whether we should be blowing another two or three million dollars into an area, with what we hear from the opposite side, about the soft mineral markets, the soft potash markets, everything's soft over there, Mr. Speaker. They've got to get down to some hard bargaining with these people and bring some of these deals home. We can't let them slip away from us now, and you start pouring another 3 million down into Trout Lake when there's going to be 2,650 men and women laid off at Hudson Bay Mining and Smelting Company in Flin Flon, it begins to give me some concern, Mr. Speaker. Hopefully it's only going to be five weeks.

You see, Mr. Speaker, we can build a dynamic future in Manitoba, we can turn around the harsh economic circumstances of the past four years. We can tap our resources of energy wisely. You can't tap your energy resources wisely, you can't tap them wisely until you've got a sale. We can provide interest rate relief and all that stuff, and we'll go into that in a minute, but, Mr. Speaker, I want to quote from this great document that you're going to hear a lot more of in the Sessions to come. "The Manitoba No Development Party believes working people deserve job security in a workplace that poses no threat to their health and safety." We agree with "no threat to their health and safety." Manitoba No Development Party would provide security from layoffs, up to 12 months notice of compensation to employees would be required in

the event of shut-downs or layoffs involving 50 people or more. I haven't heard a word from the Member for Flin Flon about this massive layoff that we're being faced with up north. It's a shut-down, sure. What about all the families that have taken their holidays already, before June? What steps are you taking to provide them with Unemployment Insurance? What negotiations have you had with that company so far? We haven't heard a thing. We didn't make that promise; you made it. We understand that layoffs are possible and probable in great developments like that.

Mr. Speaker, Old Landside from Thompson, there, is throwing a Conservative election brochure in his hand which was truthful. He can't find any lies in that one. You won't find any lies in that, but I'll tell you, Mr. Speaker, we're going to read back some of the speeches that were made on that side a couple of years ago when there was a little layoff up in his area, up in his part of the country. We're going to be reading those speeches back. I'm sorry that I don't have one with me right now. As if the whole problem was ours. Now you say it's a normal thing. Mr. Speaker, we didn't make a promise that there would be no layoffs, that there would be job security. We said that we will do what we can so that layoff is going to be short lived, but we were railed and railed from this side of the House by the members opposite who were over here, and will be back over here again in three short years. Those speeches will be read back. Mr. Speaker, what happens when this government comes to power? What happens when this government gets in power? There's a big layoff up North. They find some nice little guy up there to say, well, layoffs are inevitable, they happen, we're going to get by, and it's Christmas, and they show everybody unwrapping their Christmas parcels and everything's lovely. Not when it happens under a Conservative regime, Mr. Speaker, and we haven't promised the wild, wild, job security and great intervention in the employee-employer relationship that this government has promised, where we will guarantee job security, Mr. Speaker. We haven't promised anything like that, and we're concerned, Mr. Speaker, we're concerned with those layoffs because they affect a great number of people. They affect a great number of families and it's a terrible thing to see at a time like this when our economy is in such dire circumstances.

I mean, the Prime Minister the other night, apparently someone said he mis-spoke himself when he talked about a depression. But, Mr. Speaker, I think that he was speaking the truth; I think we are in a depression now. When you get a great big recession, you've got a depression, and I think we're into that now and in spite of our modern-day methods of trying to prop up the economy and trying to hold things in order and our social programs that are gradually swamping us, to provide assistance to those unfortunates that are laid off in these times. But, Mr. Speaker, the country is in bad problems, and every weekend when I go home, we happen to be on the junction of a couple of fairly important highway arteries in this country, we have young men coming through those areas with vehicles, some of them are not modern vintage, from Newfoundland, from eastern provinces, heading for Alberta, some may even stop in Saskatchewan, looking for jobs. They don't have a job to go

to, they're looking for jobs out there, and that's a serious thing, Mr. Speaker, because there are some of us in this House that can remember, although we were very small, the Member for Wolseley wouldn't remember because he wasn't around thirty years ago, but, these times, Mr. Speaker, when the young men of this country were riding the rails or riding the rods, as they referred to it, if it wasn't so damn cold right now they'd be doing it now. They've got heated vans now, even though they may not be very up to date, but they are going across this country looking for work, Mr. Speaker, and there's no work there. They're going out to Alberta and they're not finding jobs because the market is pretty saturated out there, as you know. That is because another great project has been let go down the tube by government inaction and rivalry between factions in governments, and that's very, very serious when it leads to the type of things that I just mentioned, Mr. Speaker, because it does not bode well for this country.

This economy in Manitoba is going to get worse under this government. There is no doubt in my mind about it, Mr. Speaker. That is one of the reasons that I'm in politics, that hopefully we can slow them down to the degree where they won't completely ruin us. The things were just starting to move; the projects were coming on stream; —(Interjection)— that's right, Mr. Speaker, given the opportunity to turn the economy around and create the climate that was needed in the private sector, and now what do we see, Mr. Speaker? We're being asked to provide \$9 million, that's \$9 apiece for Manitobans, Mr. Speaker — not quite — because there's \$1,026,000 I hear today. We're being asked to provide this kind of interest rate relief. Well, I certainly hope that there are going to be some qualify because the small businessman today, the farmer and the home owner are the ones that are in real trouble and are going to need it.

But these applications, Mr. Speaker, I just wonder who is going to sit in judgment when the small businessman fills this in? Who is going to sit in judgment and decide whether he has put up all of the additional resources that are at his disposal? Does he have to cash in his Registered Retirement plans and throw that into the business? Does he have to mortgage his home to the absolute hilt and throw that into the business? Does he sell the second little car that his wife goes shopping in? The Minister of Economic Development and Tourism is saying no, no, no. Well, by God, Mr. Speaker, I think I might apply. I've got a small business. It's in trouble as most of them are today. I might just apply. I don't know whether I would get ruled out as being a member of this Legislature or not, but my wife's president of the company, so maybe under that guise I could qualify and gain some assistance, but I just wouldn't want to risk it with this government, Mr. Speaker, because I think they might end up owning my business. They seem to want to own everything else in the province and I just wouldn't want to take this chance.

I don't doubt, Mr. Speaker, that farmers are in trouble. My God, I see them every weekend when I go home and there's great problems on the farm and the Interest Rate Relief Program, while it may keep the odd one from going down the drain, it's not going to do that much. I hope that when all of the applications

are in that we are going to have a meaningful report, and then again, Mr. Speaker, who is going to go out to that farm and decide? I know, he said, I hereby apply for benefits under the Manitoba Interest Relief Rate Program and declare that the statements and information provided in this application are to the best of my knowledge true and accurate and that no relevant information has been withheld, and we authorize and give our consent to the securing of any information records or documents from any source as may be deemed necessary in conjunction with this application. Mr. Speaker, we haven't heard who the great posse is that's going to be formed to go out and check all of these applications, go and inspect that farm. It'll be another great committee of hangers-on and party faithfuls probably that'll be appointed an ad hoc committee to come to the rescue and to make decisions as to who is going to qualify. —(Interjection)— I think they've got other plans for our friend Harry.

Mr. Speaker, we know that the government has to have money to enact these programs and we're not going to hold up Capital Authority unduly, but I didn't want to let this particular item pass without some mention, and I'm amazed that the Member for Flin Flon hasn't been up speaking on the amount of money that's going to be put into Trout Lake. I thought he would be expounding the benefits to his area and decrying the layoffs in that plant up there, but no, we haven't heard anything about it, Mr. Speaker.

The Supply Bill is when you have wide-ranging debate. You can speak on anything under that, and I just didn't want to let these expenditures go by without saying a word of how disappointed I, as a member from western Manitoba, am that negotiations with International Minerals and Chemicals have been allowed to come to a standstill and it would appear from what we heard today that there is very, very faint hope now of that potash mine being developed; and I would urge this government to get their act together and try and get this province moving again because without those massive developments we aren't going to see the power development because we know what a disaster it was previously when they produced 30 or 40 percent more power than we had need for and it cost the taxpayers of this province dearly, and we know what it's going to cost them if this Hydro freeze is lifted, Mr. Speaker. There are people out in rural Manitoba shaking in their boots right now because this government is reviewing that program and they lift that Hydro freeze at their peril, Mr. Speaker.

Well, Mr. Speaker, thank you for your indulgence. I wanted to put those remarks on the record before we let Capital Authority requirements go by and I know that there may be one or two other members on this side of the House that want to make a contribution, so with those few words I will pass debate on to whoever is waiting.

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

**MR. ARNOLD BROWN (Rhineland):** Thank you, Mr. Speaker. As already has been mentioned many times, this present government has made a lot of promises during the election campaign and is planning on spending a lot of money during the period of time that

they will be government, the next four years. They have planned to spend more money in the resource field. They plan to go into partnership with labour and business. They will create a Crown corporation involved in exploration and development of petroleum resources in Manitoba. They will provide funding for exploration and discovery in mineral resources, and all of the things that I have mentioned so far have been looked after quite adequately by the private sector and I don't really see where this government is going to find any of the money required to go into these projects because they are going to have their hands full just with ordinary running of projects within the province.

They have said that they will review only the massive programs of capital investment that the previous government was involved with and would provide a larger tax base in Manitoba and we need that larger tax base. We need it badly. Our teachers want the same wages that the teachers get in Saskatchewan; so do our doctors, our civil servants, and unless we're going to get a larger tax base and get it soon, we are going to find ourselves in deep trouble.

This government, I am sure, is not going to see any of these big projects, the so-called mega projects, come to pass because they have no idea of how to put them together. This government has also promised spending millions of more dollars in the Department of Health and we all know that we need to spend more money in health and mental health programs and personal care homes. Every town that you go to is in need of more health facilities. We know that we need more money spent on roads, especially our PR roads. They're in atrocious condition. So more money needs to be spent in that area. More money needs to be spent in every area, and it is going to be very difficult for this government to meet the commitments that they made during the election campaign.

The agricultural community was hit very hard. They were hit especially hard by the high interest rates and the increased costs in production. The revenue that should go into the government coffers because of the large crop that we had last year, are going towards paying high interest rates on mortgages and on working capital. You're not going to see the agricultural community contributing all that much towards the revenues of the province.

The business community is caught in the same squeeze. Revenues will not be forthcoming. Unemployment is going to be on the increase and the inflation rate will continue to rise because more and more people will be looked after by the state.

I would say that because the agricultural community is in the dire straits that it is in at the present time — I've been talking to a number of bankers throughout the province and they say that the working capital now and in most areas is larger than what it was last spring and the farmers have not even started making their purchases for this coming crop — so the agricultural community certainly is not going to do any buying beyond whatever it requires to put in their crops.

This is going to be extremely hard on the business community. You're going to see implement dealers falling by the wayside left and right because they will not be selling the equipment which is required and this, of course, is going to mean unemployment in the

cities because the farming community will just not be able to make the purchases that keep the economy rolling, especially in Manitoba.

As I already stated, that it is essential that this province provide a larger tax base in Manitoba, if we don't, the circumstances will be disastrous. In order for us to attract industry into the province, our tax base must be similar to the tax base in other provinces or industry just won't come. In order for the government to attract industry and business, the climate must be conducive to attract business and industry. This means that you will have to court business and by your actions gain the confidence of the business world or your efforts are going to be in vain. They will not trust you.

You have only one bargaining item to attract industry and that is electrical power, the availability of electricity and the relative low cost of electricity. You can continue to develop electrical power and maintain a relatively low cost, if you do this in its proper sequence. If we can sell power to Alberta and Saskatchewan and have them pay for the next power site so that when this power is required in Manitoba, the dam is paid for, or almost paid for and this can be accomplished if we are going to work hard and see that the power grid materializes.

If we can get a major user of electricity like Alcan to pay for a power site up front, pay Manitoba Hydro for administration, pay for the transmission lines, pay for their share of Lake Winnipeg Regulation and the Churchill Diversion, pay for the water that is required to run the power plant, at the same time not have this major industry take advantage of power that is already paid for or partially paid for, then we can assure that power price will remain relatively constant and we will be able to continue to attract industry and provide low-cost electricity to our Manitoba consumer.

If this government will continue along the same line as the previous administration did, that is, be certain that the sale of power will pay for the construction of the next power site, and the next, and the one after that, then Manitobans will enjoy low-cost power for many many years. We will be able to attract industry, build a larger tax base and indeed become a have province.

There, however, must be an understanding by government on how to attract industry and this understanding seems to be lacking at the present time. This government has no one that seems to be able to put a deal together. This government doesn't even have anyone that seems to be able to assess and evaluate the deals that the previous government had almost completed. This government is afraid of making mistakes and rather than taking a chance on a mistake by going into a deal such as Alcan, the Western Power Grid, potash and all the ancillary industries that these industries would attract, they would rather let them slip through their fingers and tell the people these were bad deals, thereby convincing the people of this province that Manitoba would be better off without the so-called mega projects.

I am certain that they can sell this to the public because the public is quite gullible in many of these areas because they have not been clued in completely as to the deals and the public by and large, would buy a lot of this. But what are the consequences? This will

ensure that Manitoba would forever be a have-not province.

There is a lot of urgency attached to acting immediately. We have to have a larger tax base. We must not raise taxes beyond other provinces or we would lose our competitive tax structure which is a must if we are to attract industry.

With these few comments, Mr. Speaker, I would like to pass this on to the next speaker.

**MR. DEPUTY SPEAKER, Mr. Jerrie T. Storie (Flin Flon):** The Honourable Member for Virden.

**MR. HARRY GRAHAM (Virden):** Thank you, Mr. Deputy Speaker. Mr. Deputy, it was just five short weeks ago that this House first sat for the new Session with a new government who are going to control the affairs of this province for the next four years or maybe a shorter term, hopefully.

When the Throne Speech was brought down, there was a Mover and a Seconder and I was particularly impressed with the remarks of the Honourable Member for Burrows who seconded the Throne Speech Debate — and I notice the honourable member here today — and I want to once again pay tribute to him for his contribution to this Chamber because he spoke about responsibility and morality in public service and in government and this Chamber is part and parcel of that.

In five short weeks, Mr. Deputy Speaker, we have seen more evidence and every day it is increasing of lack of morality, lack of integrity on the part of this government. We have seen a public debate carried on by the Honourable Minister of Health in his negotiations with the doctors. I think today we had chapter 7 of the public debate on his so-called negotiations with the doctors. Most of those statements by the Minister have been rather one-sided explaining the Minister's position and, I would have to say, Mr. Deputy Speaker, that in most cases the tone of those statements was not intended to produce a spirit of co-operation and one in which negotiations could be carried on in good faith and in a climate of co-operation.

I would hope that future negotiations will be carried on at the bargaining table rather than in the public forum as they have been up to now. Mr. Speaker, we also heard the First Minister in some of his statements and his statements are somewhat varied, speak about co-operative federalism and we were going to see a new era of co-operation between the Provincial Government and the Federal Government and that would lend itself to, hopefully, better relations between the Province of Manitoba and the Federal Government. And yet, it was just last week, Mr. Speaker, where the Honourable Minister of Transportation introduced a resolution and I should like to read just the first quotation: "WHEREAS the Government of Canada has announced its intention to abolish the statutory rates." Now I would assume that the Minister has to have some documentation to justify a statement of that nature. He did provide us with what he called explanatory notes and information which, I, as a conscientious member, read and yet I found in all of the reading and the statements of the Federal Government that there was no indication whatsoever on the part of the Federal Government of abolishing these

statutory rates. In fact, the opposite was true. The Federal Government was very careful to point out that all the benefits that have existed from the Crow will continue to exist. And yet the Minister stands up here and says that they have announced their intention to abolish.

Now, Mr. Deputy Speaker, may I suggest to you that in any debate or in any resolution when you start with a false premise you'll probably end up with a false answer. We will see as this debate continues in this Chamber whether or not we arrive at that conclusion. But I think it is imperative, Mr. Speaker, that Ministers of the Crown follow the advice that was given to them by the Honourable Member for Burrows, that morality and truthfulness are exemplary characteristics that should be displayed and are expected to be displayed by Ministers of the Treasury Bench, in particular, and by all members of the House in general. So, Mr. Speaker, it is of some concern to me to see these various actions taking place where the essence of truth seems to be secondary to the personal political ambitions of this government. It is indeed disturbing, Mr. Deputy Speaker, when you see things of this nature occurring.

Mr. Speaker, I represent the constituency of Virden. It's a constituency that has oil, potash, farming, and possibly even ManOil. Rural Manitoba in today's society, Mr. Speaker, is not in a healthy economic climate. Grain prices are falling, cattle prices have been disastrous, the Minister of Agriculture has yet to announce the final quarter prescribed price on the beef stabilization which ends tomorrow and he hasn't even announced the price yet for the last quarter. No wonder the farmers of Western Manitoba vote Conservative; no wonder the farmers of Western Manitoba have little faith in this government, no wonder the farmers consistently turn their backs on socialism because socialism has a habit of corrupting and we have seen evidence of that in this Session already.

We heard the Minister of Energy today under repeated questioning evading truthful answers. That, Mr. Speaker, does not lead to faith in the political process or faith in the people that are charged with the responsibility of government. I say that, Mr. Speaker, because it was just last week that same Minister came out to the Constituency of Virden and made rather definite political promises to some of the people of that area, and built their hopes up very high that some activity would occur in the future. I happen to agree with the action that has been promised by the Minister and I would encourage him to put forward the legislation that he has promised, but I have to ask the question, Mr. Speaker, in the light of yesterday's and today's activity in the House, whether the people that he spoke to last week will have the same faith in him today as they did a week ago.

Mr. Deputy Speaker, this province is not one that is blessed with ample financial resources and when we announce certain programs we have to find the necessary funds to finance it from time-to-time. And when we find our Minister of Finance taking financial prospecti to foreign markets to borrow money it is incumbent on that Minister to present, fairly and accurately and truthfully, the affairs of the Province of Manitoba. Failure to do so, Mr. Speaker, would only bring into discredit not only this government but the

Province of Manitoba as a whole; and when we hear the answers that were given today by the Minister of Finance he did not do justice to the office that he temporarily holds, because he has brought into discredit the Province of Manitoba and the people of this province as a whole.

I sincerely hope that those people from other jurisdictions will have the kindness of heart to forgive him for some of his errors, but, Mr. Speaker, in doing so, I sincerely hope that those mistakes will not happen again. If this Chamber is to be a worthwhile place and if the people that are elected and sent here to look after the affairs of this province can do so in a spirit where honesty, integrity and morality are paramount at all times, then I think the affairs of this province, regardless of what political party is in power, will be respected by the people. The political philosophy, we will always have differences of opinion on the various philosophies, and the people have a right to choose but, once elected, I say to any person, any government, that they must be honest, they must be forthright and open with the people or else they bring the entire political spectrum into disrepute.

Thank you, Mr. Speaker.

**QUESTION put, MOTION carried.**

**BILL NO. 14 - THE INTERIM  
APPROPRIATION ACT, 1982**

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

**MR. DESJARDINS:** Would you call Bill No. 14 now, please?

**MR. CHAIRMAN:** On the proposed motion of the Honourable Minister of Finance, an Act for Granting to Her Majesty Certain Sums of Money for the Public Service of the Province for the Fiscal Year Ending the 31st day of March, 1983, and to Authorize Commitments to Expend Additional Money in Subsequent Years.

The Honourable Member for Minnedosa.

**MR. DAVID R. (Dave) BLAKE (Minnedosa):** Thank you, Mr. Deputy Speaker. That is almost encouraging enough for me to carry on. I am not quite prepared to speak at the present time so if someone else wishes to speak I would defer and I'll make my comments later.

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

**MR. LYON:** Mr. Speaker, I welcome the opportunity to make some comments on the matter of Interim Supply which we will be voting upon later this evening.

This is an occasion for new members of the House to witness this procedure in the last few days, an opportunity for Members of the Opposition and members of the Government for that matter, to make comment upon the expenditures of this large sum of money which is being voted, as was explained by the Minister, to tide the government over until such time as its Main Supply can be voted by this

House a little later on.

It leads me to fill out that brief explanation by saying to honourable members, particularly those who are new to the House, that in that very Act we are fulfilling the very essence and the heart of parliament, that is to vote Supply. Parliament exists primarily for that reason, to take money from the people and then to spend money on behalf of the people. When we are in a Supply debate, as we are in Interim Supply, and later on we are in Main Supply in the Estimates, we are really conducting the heart of parliament's business.

So I welcome the opportunity along with the other members, to participate in this Interim Supply debate and to make some comments about the situation, economic and otherwise, as we find it in Manitoba today; make some comments — I hope not all critical — perhaps some that will be helpful in a positive way for the members of the government, perhaps to offer some advice which may be treated as being gratuitous advice by them but nonetheless when I offer it, it will be made with the interests of the people of Manitoba in mind and the furtherance of the public interest and of course, to offer criticism which is the job of the Opposition to offer criticism to the government for their sins of omission and their sins of commission. Mr. Speaker, as I look upon that latter aspect of my remarks and as I look at the clock, I tell you, Sir, that I could be here for an awfully long time.

Mr. Speaker, some of the documents to which I wish to refer today, I'm going to lay on the table of the House because I think that for the sake of the historic record, for the people who will follow after us, for students who will be doing studies of this particular period in the history of the province, I think it's important that they should have not only the Hansard record, wherein members on this side make quotes from documents and members on that side make quotes from documents but if we file those documents — or at least some of the ones to which I will be referring — if we file them with the Clerk of the House, in his very capable hands, they then become available to all members of this Chamber and indeed to all members of the public in Manitoba for purposes of research; for purposes of accuracy; for purposes of checking the facts and so on; the documents will be there. I do this, Mr. Speaker, because very often in the hurly-burly of debate we find that our good friends in the press, we find some of our own members, we find members of the government perhaps not listening as attentively as they should or not reading all sections of Hansard as we certainly do not expect them to, will miss certain points that are made from documentation that is freely available to them. So, Mr. Speaker, for those purposes I wish to lay certain documents on the table of the House. They are all public documents that are freely available to anyone in the House.

I particular commend to the new members of the House on our side of the House as well as on the government side of the House, that in any spare time that they have I ask them not to read my speech particularly because they will form their own subjective judgments on that, but I ask them to look at some of these documents which represent the historic fact and record of Manitoba and bear upon some of the things that I will be saying today and that my colleagues here have been saying for the past several



days; indeed, since the House first met on the 25th of February.

Mr. Speaker, amongst those documents that I lay on the table of the House at the present time would be the following: First of all what is entitled the prospectus supplement; the date of this prospectus supplement is March 8, 1982 and this is a document which has attached to it another document entitled Prospectus Province of Manitoba Debt Securities and at the bottom of the page it says the date of this prospectus is December 23, 1981. In the last few days members on this side of the House and the government side have been quoting from this document at some length and so I think it's worthwhile to have the document tabled. I do so now, Sir.

The second document I should like to lay on the table of the House, Mr. Speaker, is a document that also has been referred to on a number of occasions during the course of the Throne Speech Debate and Estimates Debate and that is a document turned out by the New Democratic Party during the last election called A Clear Choice For Manitobans; Policies of the Manitoba New Democratic Party. Then at the bottom it says: Great People, Great Future; Manitoba and the NDP. And on the first page of that document for better identification, Mr. Speaker, is a picture of the current First Minister, Mr. Pawley, with a few paragraphs with his signature beneath it. So, I lay that document on the table of the House because I think it's important that members opposite, future people who are looking at the historic record in Manitoba have those documents in front of them when they are considering the worth and the value of the government that we have in the Province of Manitoba at the present time.

Mr. Speaker, there's another document I should like to lay on the table of the House. It's a document that I understand was freely available; certainly came to my hands with no difficulty. It's a part of the New Democratic Party Convention resolutions from last February, I believe it was, when the government sitting as a party had a convention in the City of Winnipeg at which they celebrated their victory and at which they discussed a number of resolutions. For the sake of bulk, I'm only tabling the resolutions which run from Pages 19 to 58 which I also lay on the table of the House, Mr. Speaker. I'm also laying on the table the final communique of the Federal-Provincial Conference of First Ministers entitled Conclusions of the Conference, February 13 to 15, 1978, Ottawa; that's entitled Document 800-7/078. This is the final communique of a First Ministers' meeting that was held in 1978 amongst the Prime Minister, then Mr. Trudeau and the 11 premiers as they then were in Canada. That is a document which I would particular commend to the Minister of Finance because he seems to be somewhat unaware of its terms.

Another document I have, Mr. Speaker, that I think should be tabled for the edification of all of the electorate in Manitoba is a document entitled Notes For an Address by Premier Howard Pawley to the annual meeting, Brandon Chamber of Commerce, Wednesday, March 17, 1982; hold for delivery; 6 p.m., the Red Oak Inn and the pages that follow there; pages running from one I believe over to ten. I table that document, Mr. Speaker.

Mr. Speaker, I also table a document entitled The

Twenty-Second Annual Premiers' Conference, Victoria, British Columbia, August 11-15, 1981, final communique, Review of the Economy. Then there are other documents attached to that, Mr. Speaker, which represent a compendium, as I understand it, of all of the communiqués that were issued by the ten premiers of Canada last August at the Victoria Premiers Conference; the second document in that group is a communique on Federal-Provincial fiscal arrangements. Then there are attachments which are quoted in that document such as the Declaration of the Ottawa Summit and the Declaration of the Venice Summit which was referred to in the Premiers' communiqués from Victoria. I table that document as well, Mr. Speaker, thank you.

If any others come to mind and if time permits me to refer to others I will certainly do so, Mr. Speaker, but I want those to be on the record for the time being at least.

I should like to begin today, Sir, with a general discussion about the economic future of Manitoba. We know what the prospects were for the economic development of our province as at November 17, 1981 and because of persistent questioning we have begun to get a fair idea in the last few weeks since this House met as to how that situation has changed. I must say, Sir, changed regrettably for the worst, since our colleagues, the members of the New Democratic Party were given the honour and the responsibility of forming the Government of Manitoba. We heard only today, Mr. Speaker, and last Thursday as well, the alarming intelligence from the Minister of Mines and Energy to the effect that the Memorandum of Understanding that the previous government had signed with IMC for the development of Manitoba's first potash mine — which said memorandum had been extended by the previous government to the date of December 15, 1981 — has now been allowed to lapse by those who are temporarily in charge of public affairs in this province, the members of the New Democratic Party.

Mr. Speaker, that is a matter not only of great regret but that, Sir, is a matter that augurs very badly for the economic future of this province, because notwithstanding all of the rhetorical devices that were used today by the Minister of Mines and Energy and the greatest rhetorical device that the Minister of Finance apparently has which is dumb silence, notwithstanding all of those peregrinations that we witnessed this afternoon.

The hard fact remains, Mr. Speaker, that we are much further away now from the development of Manitoba's first potash mine than we were in November of 1981 and, Mr. Speaker, we are trying to find out on behalf of the taxpayers of Manitoba why that situation has come about. Now I accept because I know that negotiations of this kind are delicate; I know that negotiations sometimes will change terms of agreements and so on. I accept the fact that negotiations when we left office were still ongoing on some substantive matters and so on but, Mr. Speaker, why were they allowed to lapse?

Why, Mr. Speaker, is IMC apparently now put into the position of being just another supplicant at the door of this new socialist government? And IMC, if we can believe the words of the Minister of Mines and

Energy, has now been asked to submit a proposal as though it were someone who had never dealt with the Government of Manitoba before. At the same time the Minister of Mines and Energy is quick to tell us that there are other potash companies with whom the Government of Manitoba is prepared to deal, without naming them of course.

We know of course, Mr. Speaker, because in our term in office a company called Amax did obtain exploration rights on a mineralized area in Southwest Manitoba north, as I understand it generally speaking, north of the area on which IMC was interested in developing its mine and went ahead to the extent of many millions of dollars of expenditure in order to update drilling, do core sampling and other things that were necessary in order to ensure that we had a viable potash mine in Manitoba, the first in our history, Mr. Speaker.

May I take a moment and recall for your benefit and the benefit of the House, without getting into all the detail of the matter, that the major findings that IMC had come up with and had made public as a result of its renewed drilling over the last several months and years of negotiation on this matter was first of all, that there was a quality of ore in Manitoba that was generally believed to be higher than had been the belief heretofore - No. 1.

No. 2. That there was an ore body that was economically viable for purposes of mining and, indeed, that the tonnages involved in the delineation of that ore body within the boundaries of Manitoba were such as to encourage the mining company doing the exploration, and so on, that there were tonnages beyond what they had anticipated the case to be when they first embarked on this first exploration program.

So, Mr. Speaker, this was not some will-o'-the-wisp election promise gimmick as the Minister of Mines and Energy would now like us to believe. This was an ongoing serious prudent discussion negotiation between the two parties which was reported upon in this House on at least two different sessions — and I believe the Memorandum of Understanding, unless I'm mistaken, was filed in this House so that members opposite could be made aware of the potential that existed for Manitoba to have its first potash mine — and the Memorandum of Understanding which was referred to by the Minister of Finance in his prospectus, the words that he used were for all practical purposes so far as we were aware, Mr. Speaker, up until the middle of last week, those words were true.

We thought that the Memorandum of Understanding that we had left them with upon which we expected they would negotiate in good faith and prudently on behalf of the people of Manitoba, we thought that that Memorandum of Understanding was still in existence because this company had spent millions of dollars in Manitoba to tell themselves and to tell the government and the people of Manitoba what this exciting potential could be for a potash mine. But lo and behold, Mr. Speaker, last week like a bolt from the blue we were told by the Minister of Mines and Energy that the Memorandum of Understanding had been allowed to lapse and had been allowed to lapse, Mr. Speaker, on the 15th of December, 1981.

Now, Mr. Speaker, later on in my remarks I'm going

to be quoting from remarks that were made by the now First Minister of this province when he talks about restoring confidence to the business community, when he talks about being a partner of business and I want to address a question right now — and they'll have ample opportunity tonight or during the rest of this Session — to the First Minister or if he chooses, as is usual not to respond, to his Minister of Mines and Energy. How is that a manifestation of the building of confidence among the business community? How is that kind of shoddy treatment a manifestation of the kind of partnership that the Government of Manitoba would like to have with business people, whether from Canada or from abroad who wish to come and make large sizable investments here, that will have a generational impact upon our economy and it will create thousands of jobs directly and indirectly for the people of Manitoba and particularly for the young people?

Mr. Speaker, as I listened on Thursday and Friday to the Minister of Mines and Energy make these alarming revelations to the House, my mind went back to a fall afternoon in the little hamlet of McAuley, Manitoba where we visited during the election campaign and the school turned out that day and the citizenry of McAuley and surrounding districts turned out, representatives of IMC were there and we were talking about the potentials in the constituency of the Honourable Member for Virden, talking about the potential of this great potash mine for the people of Manitoba but particularly for that community and for the surrounding area in Southwest Manitoba.

Mr. Speaker, I know that the Minister of Mines and Energy is not very familiar with Western Manitoba but if he knew something about how the people of that part of the world have worked in Saskatchewan at the potash mines, have seen those headframes rise up half-a-mile over the Manitoba boundary in Saskatchewan because the ore body was there, and have gone to work there and have benefited from that. If he could only begin to understand how important it is to them, psychologically and economically, to know that they were going to have their potash mine in Manitoba because the government had been working with IMC on a joint venture for at least two years to make that dream of theirs come about.

So, Mr. Speaker, when we heard these revelations from the Minister of Mines and Energy last week, my mind did go back to the people of McAuley and to the kind of disappointment that I am sure they must be undergoing at the present time when they hear him dismiss IMC as being just another group who are able, under this new munificent regime that we have here, able to come and make a proposal to the Government of Manitoba along with anybody else who may wander in the door and I suppose listening to the words of the First Minister, we can expect that one of those people wandering in the door, who will be treated I suppose somewhat better than IMC with whom we've been carrying on negotiations in good faith, a term that I hope means something to our friends opposite, I suppose one of those people who will get a slightly warmer agreement if they submit a proposal would be Sask Potash, that great Crown corporation from Saskatchewan because the First Minister of this province already has admitted that he and his mentor, the Pre-

mier of Saskatchewan, have been talking about joint development and exploitation of potash in Manitoba.

Now he did later on, Mr. Speaker, to keep the record straight, he did try to water that statement down and say, well no, we were talking really about marketing. But if you read carefully, Sir, the question that was put to him early on in the life of this House about his discussions with his mentor and his advisor from Regina, then you will see, Mr. Speaker, that he has more serious things in mind than just marketing and I dare say that the comments like that don't do much to imbue that level of confidence among business people wanting to do business in Manitoba when they know that a couple of socialists can get together and scratch one another's backs and play around — well if there are other things that you're scratching perhaps you would tell us, and play around . . .

**MR. SPEAKER:** Order please. The time being 4:30 p.m., we have reached the time of Private Members' Hour

The Honourable Government House Leader.

**MR. DESJARDINS:** Mr. Speaker, I believe that there is a indication that both the Opposition and the government are ready to forego this Private Hour in order to facilitate the passing of 14 today and that we . . .

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

**MR. RANSOM:** Yes, Mr. Speaker, there is an agreement that we are prepared to continue the debate on Bill 14.

**MR. SPEAKER:** Then by leave of the House, we will continue with Bill 14.

The Honourable Leader of the Opposition.

**MR. LYON:** Well, Mr. Speaker, I am sure that we are beginning to see only the unfolding of what I hope devoutly for the sake of the future of Manitoba will not be the kind of sordid tale that we have been hearing in the last few days from the Minister of Mines and Energy, a sordid tale of disappointment, a sordid tale of frustration, a sordid tale of defeat for the people of Manitoba who, up until the 30th of November with good negotiating still going on, had within their grasp the realization of Manitoba's first potash mine which now, Mr. Speaker, seems to be something off in the distant sky, something that anyone can come along and make a proposal on including, I suppose, the Crown corporation from Saskatchewan working with some new socialist plaything or Crown corporation that my friends opposite are probably going to put in place.

Well, Mr. Speaker, that's not good enough because that was a \$640 million to \$800 million project that my honourable friends are tinkering around with and thus far, we have very little upon which to base any hope that potash mine is not now well beyond our reach in terms of implementation and all of the benefits that would flow from that potash mine to the people of Manitoba. So, Mr. Speaker, on the potash mine they went to bat and they appear to have had one strike so far, no hits at all, no fly balls, nothing.

Let's take a look at Alcan, Mr. Speaker, and I think that in the, when we left office on the 30th day of November, 1981, Alcan was still in serious negotiation with the Government of Manitoba about the development of a \$600 million or more aluminum smelter at a site in the Interlake which they had selected as being the most economic site for them to base their first nonseaboard operation in North America and that was not something, Mr. Speaker, to use the words which he will come to regret, as his time on the Treasury Bench grows longer as it may not, having regard to his rate of success thus far — which my honourable friend will come to regret when he referred to it as being a political negotiation.

My honourable friend knows full well, Mr. Speaker, that these negotiations, like potash negotiations had been going on for some considerable period of time, were well advanced; they were negotiations that were being made in good faith. Indeed, all members of this House, Sir, including yourself, last year had the opportunity to meet with the members of the Alcan negotiating group who came out to Manitoba to explain to this whole Legislature, to the press, the people of Manitoba what they were attempting to negotiate in terms of Manitoba's first aluminum smelter and Alcan's first smelter off seaboard, or off salt water and we thought that that was a good thing for the people of Manitoba and that its completion and — subject to the environmental studies that had been put under way and the socioeconomic studies that had been put under way and that were well under way when we left office — that was moving forward with good prospect for the people of Manitoba and that the jobs, the thousands of jobs that were potentially within our grasp from that Alcan smelter were jobs that would benefit, not only the Interlake including the constituency of the Member for Selkirk, not only the Interlake, but the whole of industry in Manitoba. This was a big venture, Mr. Speaker, this was something that comes to a province, something that a province would have to negotiate say once in a lifetime.

And now, what do we hear from the same Minister, Mr. Speaker? Well we hear that negotiations now are in limbo. I think that's the term that he has used, words to that effect. The socioeconomic studies are in suspension; the economic studies are in suspension; the prospects of the people of Manitoba of having an aluminum smelter which would become the greatest single user of hydro-electric power in the history of our province guaranteeing that kind of development on the Churchill-Nelson River over the next 20 years that would continue to give to Northern Manitobans the kind of uninterrupted economic progress that they want and we want to see for them. That is now in limbo, Mr. Speaker, because well, first of all, why?

First of all, because the current Minister of Mines and Energy and his itinerant deputy that he brought in from Mr. Broadbent's office didn't like Alcan's advertising. Now isn't that a shame? No, these two socialists didn't like the advertising, so one of the biggest projects in the history of Manitoba is put in jeopardy because of their private whim, and that is it, Mr. Speaker. When I asked the Minister of Finance this afternoon when he had found out about the action of his colleague, the Minister of Mines and Energy, in permitting the potash Memorandum of Understand-

ing to lapse, he didn't answer.

It reminded me, Mr. Speaker, of the comments and the shillying and the shallying, I didn't hear it and you didn't hear it, and the comments that came out in the press after this little fiasco about the advertising and Alcan, because the Minister of Mines and Energy was away at that time and somebody phoned him and he said, as I recall, well, I told Cabinet about it; and somebody else said, well, I didn't know anything about it; and the Premier, he was off on cloud nine and he didn't know anything about it.

Mr. Speaker, I begin to sense a kind of intellectual and communications disorder across the way that does not augur well for the proper carrying out of the public business of this province. I know that from time to time we all say well why doesn't this or that group get their act together, and we say it partially in jest. I say it, Mr. Speaker, in as serious a tone as I can and as sincerely as I can to my honourable friends opposite because a lot of the future of this province resides on how well they conduct their public affairs. I say to them please, in the name of goodness, get your act together and don't jeopardize projects of the magnitude of the potash mine and the Alcan smelter merely because of your private ideological or subjective whims or those whims of transient itinerants that you bring in to delegate negotiations and try to intrude their rather odd ideas onto the public affairs of Manitoba.

This province has a reputation and a good reputation throughout this country and I think internationally as well, in terms of the forthright manner in which it deals with business people, first of all, in our own province; secondly, in Canada and people elsewhere - even though I know that the Minister of the Environment would like to refer to them in one of his favourite ritualistic knee-jerk words as multinationals and so on. Well, Mr. Speaker, all multinationals, just as an aside on that term, all multinationals that I know once started out as small businesses, and I've never been able to understand from socialists here or socialists anywhere in the world, and they're all cut from much the same cloth, I've never been able to understand when a business that is moving ahead from small and gets into medium size, and when does it start to become undesirable because it's too big? It's apparently good in the lexicon of left-wingers. It's good as long as it's small, but it ceases to be good when, through its natural growth and its own wisdom and through its exploitation of markets and so on, it becomes big and then, all of a sudden, they refer to it as multinational which is a word in the socialist lexicon, Mr. Speaker, of calumny; they don't like multinationals.

I guess that's maybe one of the reasons that IMC finds it very difficult to deal with the Member for Transcona and that's probably one of the reasons why the Alcan people find it difficult to deal because they are a multinational company, yes; and I suppose that's one reason why the Minister of Mines and Energy yesterday was unable to supply any adequate answer as to how he and his government are going to be dealing with the unprecedented layoff, five-week layoff, of people in the Flin Flon-Snow Lake region.

Could I wildly speculate, Mr. Speaker, on this set of circumstances, knowing the knee-jerk reaction of my

honourable friends opposite to any multinational, even though HBM&S has been in this province operating, providing jobs, built the community of Flin Flon and has been, I think, a good asset, a good corporate citizen of Manitoba, even though it's a multinational; could it be, Mr. Speaker, that because the Hudson Bay Mining and Smelting Company now has ownership that resides in South Africa, that my honourable friends are finding that just adds to the ritualistic knee-jerk negative response that they must have and that accounts for their laid-back attitude toward this announcement of over 2,000 people being laid off for a five-week period in Flin Flon.

Mr. Speaker, nobody in this House, nobody in Manitoba rejoices in that fact at all, and we are willing to say to our honourable friends opposite, we accept the fact that mineral prices worldwide have caused this unfortunate circumstance to, partially at least, take place. But, Mr. Speaker, when such layoffs were taking place when we were in office, did we get that kind of frankness and candour from across the way? No, it was because of the misguided policies of the Lyon Government or of the Tories or of the reactionaries. I stand before the people of Manitoba, Mr. Speaker, and say when HBM&S suggests that the international price of minerals is such that they have to lay off people for five weeks, I accept that and I don't blame the NDP for that, although God knows they've done nothing in the course of their term in office from '69 to '77, and now from '81 to the short period that lies ahead of them; they've done nothing to indicate to any of the major employers in the mining industry in this province that they regard them as good corporate citizens at all - and I'll be dealing with that a little bit later on too - because the lunatic fringe, Mr. Speaker, of this government and of this party doesn't reside all with the people who come to conventions as delegates. We have a fair manifestation of it from time to time in this House and I'll be dealing with a few of those manifestations a little bit later on, I'm sure, for the edification, particularly of some of the new members here who haven't realized perhaps what kind of neighbours they've gotten into bed with over here and what kind of pillow talk goes on - and I mean that, Mr. Speaker, not in any sexist way but purely in an ideological way - what kind of ideological pillow talk goes on amongst some of the members opposite.

Well, Mr. Speaker, Alcan is in jeopardy because this government is not conducting negotiations with Alcan in the best interests of the people of Manitoba - period - paragraph. And that's a judgment, Mr. Speaker, that I think anyone will have to come to a fair understanding of after listening only to the comments that have been made by the Minister of Mines and Energy. So that's the second big project that was within sight of realization for the people of Manitoba. It held prospects for jobs and opportunities and for industry in this province of a size that we had not been able to contemplate before, and when you consider that the potash mine and the lead time that is required for these large projects we know is great; the potash mine; the Alcan smelter and the construction of Limestone could all have been coming on to the development scene together in the Province of Manitoba.

Then we begin to see the combined impact in terms of jobs; in terms of suppliers in Manitoba; in terms of

buying in the western region; in terms of Canadian suppliers benefiting from these huge projects; the largest ever contemplated within the history of our province.

Mr. Speaker, I think it's a sad day indeed for Manitoba when we have to listen to the likes of the Minister of Mines and Energy tell us that project is now in jeopardy; tell us that the terms that have been entered into between the previous government and Alcan, whether binding in law or not but a Memorandum of Understanding; heads of agreement that have been entered into, no longer are in effect; tell us that the studies that were commissioned by government are in suspension; tell us that the site chosen by the company — and God knows, Mr. Speaker, isn't it the company subject to the environmental and socio-economic studies — isn't it the company that should be saying where it should locate its process? Doesn't it know more about its internal production and marketing and international marketing situations than anyone on that Treasury Bench? Anyone on that Treasury Bench in particular, Mr. Speaker, or have they received, because of the political, philosophical endowment that they have, powers that go beyond those of any other elected politician to understand, that they can stick their nose into somebody else's business and they can run Alcans and they can run Amexes and they can run the IMC's and whatever better than the people who have an investment in them; better than the people who have made them into profit-making companies? Well, I don't know what motivates my honourable friends opposite and I'm in a charitable mood today, Mr. Speaker, so I'm not going to speculate. I'm very charitable today. I'm not going to speculate on that at all. But I'm merely saying this; that the potash development is back to square one. It's as though — if we believe the words of the Minister of Mines — it's as though those negotiations, those studies had not gone on for the last two years. Alcan in the same position.

Well, Mr. Speaker, what about hydro? Surely to heavens he's got to come up with one glimmer of hope for the people of Manitoba. Surely there's something that he can indicate in his four-and-a-half months of tenure that he has done that is good for the public interest in Manitoba. Well, he came back from his meeting in Regina; he went out to the socialist Valhalla and bathed around in that marvelous air in Regina and wished and washed away — yes, but he isn't affected by the funny ideas. Mr. Speaker, he wished and washed away out in socialist land out there and came back and reported to the people of Manitoba what? He reported — well, Mr. Speaker, the Minister came back from Saskatchewan and reported that well, negotiations were ongoing but you know, it's going to take some time. There are a lot of amendments that he had to make to the previous negotiations that have been going on in the studies for three-and-a-half years — this by the way, Mr. Speaker, was another one of these in his terms, his jaded terms, politically-inspired agreements that were being negotiated by the previous government, you know, one of these last minute things that we rushed in to try to get re-elected. Well, we didn't get re-elected, Mr. Speaker, but I say to my honourable friend with all of the candour that I can muster, he owes an obligation and his

Treasury Bench owe an obligation to the people of Manitoba to see those negotiations through to successful conclusion.

Well, Mr. Speaker, the report that he made on Hydro was not at all reassuring. Earlier in this Session I said to the Honourable Minister of Mines and Energy, is it true that the Chairman of Saskatchewan Power had been reported as saying that negotiations on the Western Power Grid or Inter-Tie were now not as favourable in terms of their results as they had been under the previous government. He, I'm sure quite correctly said that he had no indication of that fact. Mr. Speaker, I give him the indication of the fact that other people have had for some time and I lay it on the table of the House as well. I quote from the Financial Post of February 6, 1982. The headline, Mr. Speaker, is very interesting: "Manitoba puts the brakes on power grid deal." That's the headline. The particularly quote — I won't read it all to my honourable friend — but the particular quote I would like to read from this story which carries the picture of his new Deputy Minister by the way, Mr. Eliasson, is that the name, seeks to share risks as well as benefits of projects. This is this brilliant, new negotiator we've got in to help us with these delicate negotiations, whose background in Manitoba is so deep and whose concern and his loyalty to the public interest of the people of this province is so well known by everyone on that side of the House.

Well, Mr. Speaker, here is the paragraph from this story: "At the first discussion of Manitoba's position since the election, Robert Moncur, President of Saskatchewan Power Corp. apparently told his counterparts from the other prairie provinces that while he previously thought they were 75 percent on the way to agreement, he now thinks they are only 40 percent along the way." unquote. Mr. Speaker, I lay that document on the table of the House because I think it's important for the record that we have these exhibits to the great negotiating ability of my honourable friends opposite. That's three we've talked about now; three up, three down, you're out.

Mr. Speaker, I have never; and I've been in and out of this Legislature since 1958, I say this, Mr. Speaker, that I have never in those 24-odd-years seen a government so early squander not only the electoral mandate that the people of Manitoba gave them in November, which I don't argue with; they had that electoral mandate, but they are now squandering the confidence of the people of Manitoba — worse still, Sir, they're squandering the future of Manitoba because of their ineptness.

Well, Mr. Speaker, that's only a brief review of the alleged negotiating abilities of my honourable friends opposite on three projects. I haven't even begun to talk about ManFor. Remember ManFor, Mr. Speaker? Remember the First Minister went up to The Pas during the election — and it just shows the good humour of the people of The Pas, they voted for his candidate notwithstanding his nonsense and that's what they told him — he went up to The Pas and said that for 10 million we're going to create more jobs at ManFor. Mr. Speaker, we had under negotiation with the Federal DREE people and the Federal Department of Regional Development, negotiations with outside companies for the major expansion at The Pas of some \$300 to

\$400 million which would secure better markets in terms of a change of product that has to be brought about up there, at a time when the Leader of the Opposition admittedly uninstructed, but that's a condition he's been in for a long time, admittedly uninstructed, was running around trying to kid the trouts and tell anybody up at The Pas that he could create jobs or save the situation at ManFor with \$10 million.

Well, notwithstanding that, I give the First Minister credit for this, at least he has some concern about it. But now that he's been in office for four-and-one-half months, or whatever that period may be, I hope that he has educated himself to the potential that exists in that project as well, for hundreds of millions of dollars of development.

I know that the pulp market in North America is depressed at the present time and I know that this isn't perhaps, the best time to be talking about expansion of a pulp mill in Manitoba, so he's not going to hear us trying to lay on his shoulders the fact that the international situation, over which he has no control thank God — I put in parenthesis — over which he has no control, obtains in the free market today.

But, Mr. Speaker, let's hope that we hear a bit less nonsense and a bit more rationality from my honourable friends opposite about the potential for that development as well, Mr. Speaker.

I would like to take some time now, Mr. Speaker, to refer to a document that has been alluded to on a number of occasions during the last several weeks in the House, and it's a document that I filed on the table so I feel that I can quote from it freely and I hope that members opposite, particularly the new members, will read what's in this document because all parties engage in political rhetoric.

I stand before this House and say that I have made rhetorical speeches from time to time in my political career — you're darned right I have — and sometimes, Mr. Speaker, I might even be accused and some of my colleagues might be accused of taking some political license or political advantage against members of former governments, saying that the record of the Schreyer government was maybe a touch worse than it was — and only God knows, one could never depreciate that record to its proper depth — but, Mr. Speaker, I admit that takes place. I admit that from time to time we have been maybe excessive in some of our criticisms when we were in Opposition from '69-77 and again perhaps some might say, during the course of the Throne Speech — although I regard this Throne Speech Debate that we terminated some weeks ago as being a relatively good debate in terms of not too many rhetorical flourishes — as I recall the Member for St. Boniface kept out of the debate and that helped to elevate it rather considerably.

But, Mr. Speaker, admitting that, from time to time we all do speak somewhat excessively and paint pictures of the record of previous governments. Did we ever see any list or any indictment that bore less on fact and more on fiction than that document that I have tabled in the House called, "NDP Program and Promises," or words to that effect? We all have to remember, Mr. Speaker, that when we are speaking in the House we are going to get caught up from time to time in the hurly burly of debate and say things sometimes that we wish we hadn't said; we've all done that

and sometimes not be as accurate in the transcription of our facts as we should be and we want to correct the record whenever we can.

But, Mr. Speaker, there is one occasion when a government has to tell the truth and that occasion arises, Mr. Speaker, when it's going out to the people and borrowing money. We have set up an apparatus in this province and in this country and in North America, known as Securities Commissions. If you're ABC Company and you want to go out and raise some money on share subscription, or on equity purchases, or on debt involvements with the people in the financial world or citizens or pension funds or labour groups or whatever, you have to file a prospectus with the Securities Commission in Manitoba, in all the provinces of Canada and indeed in the United States. The Federal Commission down there is one that has set the standards for the rest of the world, or certainly the Western world, and the reason for that is to protect the subscribers. In that prospectus you're allowed to say what the money is going to be used for; what the background of the company has been; what you reasonably expect its future to be and you're not allowed to tout, you're not allowed to make statements in that prospectus that do not reflect the truth, and that's the law that we apply, Mr. Speaker, to private businesses in Manitoba and to private businesses right across Canada.

We used to have an understanding that when governments filed prospectus' that they would obey with equal integrity, that rule, with respect to telling the investors the facts about a particular situation. I suppose the usual rule in this regard is that if you're in doubt about the validity of a statement, Mr. Speaker, then you don't put it in. Or if there's some caveat that you want to put on it, then the lawyers and the senior Civil Servants who helped to draft these matters, and the agents for the consortium who helped the Province of Manitoba borrow its money, they're very very careful about that, Mr. Speaker.

Let me, as an aside, say this, nothing that I say about this prospectus reflects in any way on the Civil Service of the Province of Manitoba at all, not at all, because, Mr. Speaker, as we have found in the last few days from members of this government, they don't even talk to one another about what's going on with Alcan or potash or other developments. So if they don't talk to one another how can they expect the Civil Service to write a prospectus that reflects the truth of their peregrinations as they're running around complaining about advertising and not telling their colleagues and indulging in all of these whims that they bring so salaciously to government. If they're not telling their own colleagues, God knows that they're not telling the senior Civil Service, unless it's those chosen ones who have been brought in, the chosen itinerants.

Remember the old TV series, Mr. Speaker, that used to be on, you see it now on the late night movies, with an actor who's now regrettably dead, and the title of it was "Have Gun, Will Travel." I believe the leading man of that series was known as Paladin. What we're witnessing across the way, Mr. Speaker, is a form of Left Wing Paladins, who have cards, and I suppose on their cards they write, "have dogma will travel." And, you know, David Cass-Beggs was probably one of the

first of that group. He helped to ruin Hydro in Manitoba, in British Columbia and where else? He was one of the head Paladins. And we're merely, Mr. Speaker, seeing a new generation of the left-wing Paladins coming forward now who are apparently giving such marvelous advice to the Ministers with the result that the Minister of Finance ends up in what I seriously . . . . Well, Mr. Speaker, I don't want to take the time of the House to explain because I shouldn't have to explain but for the benefit of new members opposite and I hope they listen because this is serious business. It's the business of the people of Manitoba, it's not NDP business, it's the business of the people of Manitoba. It's a damn sight more important than any narrow partisan socialist business you'll ever consider. It's the business of the people of Manitoba.

Now, this is the business of the people of Manitoba regardless of who occupies the Treasury Bench and they're under the same obligation, Mr. Speaker, to tell the truth as any other government. And now, Mr. Speaker, we're going to see, I am going to surprise them because I'm going to tell them that there are a number of statements in here that do tell the truth. It's only in the last three or four days that we've uncovered through constant questioning of the Minister of Mines and Energy that there are some statements in here that are not in accordance with the facts and so, Mr. Speaker, I want to take a little bit of time and look at this prospectus because it's a good reading background piece for any member of the Legislature to learn a bit about his province without having any great partisan rhetoric or anything involved in it, it tells the truth. It used to tell the truth about the situation as people find it in Manitoba, and so it's headed up and on page 3 it gives a general rundown of the situation, the highlights of the facts, and so on. There are many things that could be commented upon, one, Mr. Speaker, I bring to your attention on Page S-3 when they're describing the Province of Manitoba - population as of June 1, 1981 - 1,031,000.

I think we should hesitate there just for one moment, Mr. Speaker, because we've had, particularly from the Member for Brandon East over the years comments about oh, the terrible evacuation of people from Manitoba and how our population was rapidly diminishing to the point where the province was almost going to be as vacated as Saskatchewan was when they lost 50,000 people back about 1972 or thereabouts, and have only since gradually been regaining them back. Well, Mr. Speaker, I have some population statistics that come from Statistics Canada and they show that the population of Manitoba on October 1, 1977 was 1,029,900 and they show that on July 1, 1981 even a later figure than the one quoted in the prospectus the population was 1,031,700. Now it seems to me, Mr. Speaker, that while there was not any great increase and while admitting that those figures are always adjusted from time to time to show the fractional errors that can occur within the taking of the samples, and so on, it seems to me, Mr. Speaker, however though, the population in Manitoba didn't decrease from October of 1977 until at least July 1 of 1981, it increased. Only marginally, but it increased. And while it is true that we had in-migration and out-migration of people I've always been taught to count that the person who was born in Manitoba is just as

good as the one who comes into Manitoba and that, in terms of a census count, he is just as good or she is just as good a person.

And so I register that one small point, Mr. Speaker, to indicate that the overall population of Manitoba far from decreasing the way the Member for Brandon East used to talk about remained about the same or - Mr. Speaker, I hear across the way noises which our forebearers uttered when they were still wearing fur. Well, Mr. Speaker, if need be I can file those Stats Canada figures but I'm sure I have you . . . .

**MR. SPEAKER:** Order please, order please. I'm having some difficulty hearing the honourable member. If there are honourable members who wish to carry on their own private debate would they kindly do so elsewhere so the rest of us can hear what is being said.

The Honourable Leader of the Opposition.

**MR. LYON:** Well, Mr. Speaker, hearing now the rabid interjection of the Member for Brandon East I know that we must be striking pay dirt because he was the one, in his rhetorical flourishes and I'm not holding him accountable for any of the errors in the prospectus, my God they wouldn't let him within a hundred miles of it. But, if his statistics were used we'd never be able to borrow any money. Mr. Speaker, all I say is that those are the Stats Canada figures and I daresay that they will be adjusted and Manitoba's population didn't go down, it stayed almost the same, marginally higher according to the latest stats we have and they will be adjusted in due time. But let's forever put to rest the little piece of mythology invented by my honourable friends opposite for their own narrow partisan purposes and which helped them, Mr. Speaker, get elected.

Well, Mr. Speaker, there is a particularly loud mouth on the backbench over there and that's probably why he's there, —(Interjection)— no, he's not, but he's talking - the Member for Selkirk says he's getting to me - the Member for Selkirk will never get to me. Mr. Speaker, he would find it difficult even to get to Selkirk.

Mr. Speaker, I'm trying in these remarks not to stimulate my honourable friends into rabidly considered interjections but to educate them and particularly for the benefit of their new members some of whom haven't learned yet that it's better to listen for a while than it is to talk. To educate them. Because, Mr. Speaker, in the course of that education think of the great service I'll be doing for the people of Manitoba for the next three years or so, because after they won't be around to bother us too much more. Mr. Speaker, I just realized that's only one fact that I've mentioned and I've got hundreds more to talk about.

On Page S.4 of the prospectus which is filed as an exhibit here in the House, I read under the recent developments; S.4 denotes, Mr. Speaker, that this is a supplement to the December 23 prospectus and the date of this prospectus supplement I remind members of the House is March 8, 1982. Unless I am mistaken the facts then should reflect the situation in our province up to three weeks ago.

Economy. Overall economic activity expanded in Manitoba in 1981 led by record agricultural crop pro-

duction and related supply; processing and distribution activity; estimates of Gross National Product for the year indicate an increase of 13.3 percent over 1980; preliminary projections indicate that gross provincial product increased approximately 16 percent to about \$13 billion, an increase of \$1.8 billion over 1980.

Mr. Speaker, those I take it are the most recent facts that the members of the Opposition have and I can only suggest that — (Interjection) — I'm sure my honourable friend, the Minister of Finance will regard as excruciating detail. I'm going to read sections of his prospectus to him because the next time he writes one he'll maybe read it. Next time he writes one, Mr. Speaker, he'll stick closer to the truth, I can guarantee the people of Manitoba that. I can guarantee the people who have loaned money to this province, Mr. Speaker, that they won't get a document like this again which doesn't tell the full story.

Now the next matter that catches my eye, Mr. Speaker, and I ask you to cast your mind back to a statement made by the same eminent Minister of Finance when he turned out his third quarter statement to the effect that the deficit was \$290-some-odd-million but by dint of applying a municipal fund matter that had been already dealt with in the budget, he was bringing it down to \$264 million. Well now, Mr. Speaker, do we see the figure \$290 million as a deficit anywhere in there? No, no.

Three weeks ago when he was reporting to the people who were going to be investing in Manitoba — the bottom of Page S.4, Excess — expenditure over revenue. Original budget estimate \$219.8 million; that's the budget deficit they never talked about during the election. That was what was reported last spring. Revised estimate as of December 31, 1981, \$264.3 million, increase \$44.5 million. Now isn't that what the former Minister of Finance was trying to tell his successor was the case? What was all this talk we heard about coming into office and finding that the books were somewhat different than they expected?

Mr. Speaker, we take it on this side of the House — although it may be subject to debate — that all of our friends on the Treasury Bench are literate, we take it that they can read and that being the case, Mr. Speaker, why do they make statements like, we came in and found the books in that and that shape? They found the books in exactly the shape that the quarterly reports and the budget told them the books were going to be in. Mr. Speaker, they found them, if I may use the street term, in a damn sight better shape than any books they'd ever managed before.

Mr. Speaker, in the interests of time I'm not going to read all of this. On Page S.7 however, Mr. Speaker, I call attention to the underwriting and I call attention to the names of all of the companies — most of whom are American companies, although some Canadian as well — who subscribed \$200 million on the credit of the people of Manitoba based on this document. My honourable friend I think had better as I have suggested to him before, issue a couple of addendums based on the information that is coming forward from his colleague, the Minister of Mines and Energy, if he wants to retain faith with these people.

Mr. Speaker, the Minister of Finance who was struck dumb today — which is not an unusual situa-

tion for him to find himself in and wouldn't answer a question — is mouthing away from his seat. He's been in office four and a half months, maybe he should listen to a little bit of good advice because the people who subscribe, Mr. Speaker, to the credit of this province based on this statement in the supplement and in the major part of the prospectus, here's what they read, and I quote from the bottom of S.9:

"The information set forth herein except the information appearing under Underwriting and Delay Delivery Arrangements, was supplied by the Minister of Finance of the Province of Manitoba in his official capacity as such Minister duly authorized thereto by Order-in-Council."

Now, Mr. Speaker, they don't say the New Democratic Member for River East or Rossmere. They don't say the New Democrat who is temporarily holding an office on the Treasury Bench. They say the Minister of Finance of the Province of Manitoba. My advice to this Minister of Finance, Mr. Speaker, is very simple and I give it to him in full heart because it will do him good if he follows it. Let him remember that he is the Minister of Finance and not just a street corner politician when he's writing these prospectuses because more important, Mr. Speaker, more important than his word or his integrity, much more important than that, is the integrity of the Province of Manitoba.

Well, Mr. Speaker, on Page 4 we get into the prospectus. This is going to take some time I find. On Page 4, we have a repeat of that piece of solid information that seemed to be lost to the Member for Brandon East and all of the New Democratic Party speakers when they were talking about the great population outflows in Manitoba. The estimated population of Manitoba on June 1, 1981 was 1,031,000 persons. Repeat it again.

Well, Mr. Speaker, what are some of the other things that we find in the document because one has to be selective, Mr. Speaker? Exploration under the heading of Minerals, a matter that my honourable friends claim to know something about.

"Exploration activity remains," says this document, "at a high level." Following right upon that, Mr. Speaker: "In May 1981, the province entered into a Memorandum of Agreement with International Minerals and Chemicals Corporation Canada Limited, IMC, relating to construction of a \$640 million potash mine and refinery in Western Manitoba with a proposed annual production capacity of 2 million tons of potash and providing for joint ownership of the facility by Manitoba Mineral Resources Ltd., a Crown Corporation, and IMC Sea Gross Investment. And that paragraph — now we're not inhibited by the restrictions of question period, Mr. Speaker, — that paragraph that has been quoted before in this House which we know now is supplanted and superimposed by the information given by the Minister of Mines and Energy, that that Memorandum of Agreement is now defunct, that it does not exist anymore and was defunct when this document was written, Mr. Speaker, which is the shame of it all because that wasn't indicated. And I daresay that my honourable friends, as an aside, my honourable friends if a private company were to try to get away with that kind of maneuver wouldn't let them do it; the Security Commission wouldn't let them do it, but they think that they can get



away with it because they can take off the hat of Minister and put on the hat of politician and say we're just going out to raise this money in the States and we don't like the Americans anyway — and I'll be dealing with that a little bit later on — we don't like the Americans anyway so I guess we can tell them this and nobody's going to know the difference.

Well, I merely indicate, Mr. Speaker, that it's included in the whole context of mineral development in Manitoba, this reference to the Memorandum of Agreement with IMC which no longer exists. And they're presuming to give the investors some idea of what's happening in Manitoba, but they're not telling the full story.

Well, under the heading on Page 7, Mr. Speaker, Manufacturing. In recent years, I guess in recent years would be even including 1977 and onwards, manufacturing has become increasingly important in the Manitoba economy, and on it goes about the food and beverage industry and so on. Under Manufacturing, Mr. Speaker, listen to this, under the heading of Manufacturing, they're describing what's taking place in Manitoba, what our background is, what our potential is, listen to this, "Page 7, under a Letter of Intent between the Aluminum Company of Canada Limited, Alcan, and the province, Alcan has commenced a feasibility study for the construction of a \$500 million primary aluminum production and processing plant in the province. Alcan has announced the selection of a site approximately 25 miles northwest of Winnipeg and is conducting environmental and socioeconomic studies (see gross investment)." And then, Mr. Speaker, it goes on after that — notice how carefully that paragraph's included in the general narrative of what is happening in Manitoba under Manufacturing — then they show the gross value of manufacturing shipments and there's a table attached to it.

Well, Mr. Speaker, wouldn't that indicate to you that Alcan has chosen the site and that Alcan has a Letter of Intent with the Government of Manitoba and everything was just going ahead as it was on the 30th of November? Yes, and we thought that was the case up until recently, until under questioning the Minister of Mines and Energy told us what the real situation was. The real situation, according to him, is well the feasibility study is in suspension, we've got a precondition about Alcan not being able to purchase part of a Hydro plant. Did they mention that in here, Mr. Speaker. Don't you think that the investors who are going to be called upon — just catch the importance of this, Mr. Speaker — under the negotiations with Alcan that were proceeding with some degree of optimism up until the 30th of November 1981, Alcan was negotiating with Manitoba Hydro and the then Government of Manitoba an arrangement under which Alcan would put up \$500 million to \$700 million of the front-end Capital required for the construction of the Limestone Generating Plant in return for which there would be a negotiated price over a 35-year period with escalators, etc., without getting into all of the data. That would give them some Security of Tenure in the machine, not in the resource but in the machine, Mr. Speaker.

Now, if my honourable friends opposite, Mr. Speaker, follow through to its illogical conclusion their position, which is, Alcan can't subscribe Capital

for the construction of Limestone, and if it doesn't subscribe the Capital, who has to put it up? That is presuming that Alcan even comes when that precondition is put in place. The people of Manitoba have to put it up. And the people of Manitoba have to then go with a prospectus to the American market — and God forbid, not some of the other markets that my friends have dipped their ladle in, in some of the exotic currencies that they have gotten into — go to the American market and say, sorry boys, we've got to raise another \$700 million from your terrible Americans whom we don't like in El Salvador and so on, but we sure as hell like to borrow your money, we've got to raise another \$700 million because we had an ideological doctrinal precondition that we attached to Alcan which means that we've got to raise another \$700 million so that we can own outright this new plant that we're building.

How do you suppose that explanation is going to reach that great American market? My honourable friends haven't thought that far ahead have they? How does that square with what the First Minister said, Mr. Speaker — and I'll be coming to this in due course — what the First Minister has said about his desire to work in co-operation with industry, and about his desire to re-establish confidence in the market in Manitoba? Mr. Speaker, we'll be looking at those words in some close detail.

But what did they say in the prospectus? Electric power construction — this is at the bottom of Page 8. This is an important statement, Mr. Speaker, because it also destroys another piece of socialist mythology, electric power construction, which represented 15 percent of total construction expenditures in 1976, declined thereafter reflecting the decision made in mid-1977, by the Board of Manitoba Hydro, to defer the construction of further hydro-electric generating capacity until such time as additional markets could be assured.

Mr. Speaker, do I not detect, again, a statement that we have heard juxtaposed by politicians on the other side of the House, always trying to say that when the Tories came into office they stopped construction on the Nelson River. Mr. Speaker, you've heard that, eh? And one of their less discerning members, says "Right on." Well, Mr. Speaker, right on all right, electric power, and I repeat again, electric power construction which represented 15 percent of total construction expenditure in 1976 declined thereafter, reflecting the decision made in mid-1977 by the Board of Manitoba Hydro to defer the construction of further hydro-electric generating capacity until such time as additional markets could be assured. Mr. Speaker, mid-1977 — for the edification of the member opposite who, unfortunately for him, spoke up — was when the NDP were in office.

And, Mr. Speaker, we've been saying for some time that the records of Manitoba Hydro revealed that they had turned off the construction on the Nelson River and so on, but my honourable friends opposite kept repeating — how will I call it — the prevarication, the politically-inspired prevarication. What was the expression that Churchill once used that I think would be appropriate.

When speaking of Hydro, my honourable friends opposite, their statements and the truth seldom coin-

cide. I think that's about as parliamentary as one can be, faced with that kind of outright misrepresentation, that everyone from the First Minister on down engaged in, or on up, depending on how you look at it, engaged in, in their attempt to become the Government of Manitoba. So, another piece of socialist mythology, another piece of mythology is destroyed by the word of this document. Mr. Speaker, my condemnation of the document is restricted to those areas where, patiently, they have not been telling the full story, but where they do attempt to tell the full story they set right some of the mythology they've been feeding, ladling, shoveling, bulldozing onto the people of Manitoba for these many years in order to squeeze themselves into office so they can start to implement some of their funny ideas.

Well, Mr. Speaker, here it goes on. I can hear the Member for St. James across the way talking about agony. I'm sorry that I'm contributing to his, but he'd better get used to pain because he's in for a lot more.

Mr. Speaker, I continue to quote from page 9. In October, 1981, the Provincial Government requested Manitoba Hydro to prepare construction schedules for the commencement of work on a new generating station on the Nelson River - see Manitoba Hydro Electric Board Construction Program. Mr. Speaker, that is a true statement and that was done based on the interim agreement that the three Ministers of Alberta, Saskatchewan and Manitoba had recommended to the Governments of Manitoba, Saskatchewan and Alberta, which agreement, the now Minister of Mines and Energy said was just a political bit of fluff. A political bit of fluff, Mr. Speaker, that's caused that statement to be made in the prospectus on which they are borrowing \$200 million from the investors in the United States.

**MR. SPEAKER:** Order, please. The time being 5:30 p.m., I'm leaving the Chair to return at 8:00 p.m. when the debate will resume on the same topic