

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 6 June, 1986.

Time — 10:00 a.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Member for Burrows.

MR. C. SANTOS: Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: I move, seconded by the Member for Lac du Bonnet, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: I am pleased to table the Report of the Chief Electoral Officer on the Kildonan By-Election, October 1, 1985.
Notices of Motion . . .

INTRODUCTION OF BILLS

HON. J. PLOHMAN introduced, by leave, Bill No. 15, An Act to amend The Highway Traffic Act; Loi modifiant le Code de la route; and Bill No. 16, An Act to amend The Snowmobile Act; Loi modifiant la Loi sur les motoneiges.

HON. J. BUCKLASCHUK introduced, by leave, Bill No. 18, The Statute Law Amendment (Elections) Act, (1986); Loi de 1986 modifiant le droit statutaire en matière d'élections.

HON. R. PENNER introduced, by leave, Bill No. 20, The Statute Law Amendment Act (1986); Loi de 1986 modifiant le droit statutaire; and Bill No. 21, An Act to amend The Real Property Act (2); Loi modifiant la Loi sur les biens réels (2).

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we proceed to Oral Questions, may I direct the attention of honourable members to the gallery where we have 18 students from Grade 6 from the Winnipeg Beach School. These students are under the direction of Mr. Moore and the

school is located in the constituency of the Honourable Member for Gimli.

We have 11 students of Grade 9 from the Ochre River School. These students are under the direction of Ms. Brezden and the school is located in the constituency of the Honourable Member for Dauphin.

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

NON-POLITICAL STATEMENT

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Madam Speaker, may I have leave to make a non-political statement? (Agreed)

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker.

In front of every member and the Speaker and the Deputy Speaker, you will see a plant that is known as a tomato plant. There are some unidentified other plants that are mixed in. I think most of the other unidentified plants went to people who are well-known in agriculture and should be able to identify the plants. The distributing of this star-fire tomato plant was made available by — I can't take the credit this year, Madam Speaker, because what has happened is that an election was called just at the time that I was putting the seeds into the ground and into little plants and pots. I was unable to start the plants from seed like I normally do, and my friends in the gardening business in the south St. Vital area came through. It was through their courtesy and a little effort on my part that the tomato plants are here as compliments of all of the people who enjoy tomatoes. It's a star-fire plant and it's compliments of all of the people who enjoy tomatoes in the Province of Manitoba.

In addition, Madam Speaker, there will be a prize given at the end of the season for the best tomato. I don't have to see it. It'll be under discussion, Madam Speaker. I'll have a look and we'll make a decision as to what suitable prize will be awarded. It will be an unbiased decision at that point, and I'm sure the members of the New Democratic Party will not be disappointed when a Conservative wins the prize.

MADAM SPEAKER: On behalf of all the members, I thank the Honourable Member for Niakwa, except I don't know where my plant is.

SPEAKER'S STATEMENT

MADAM SPEAKER: I have a statement for the House this morning.

As many members know, a Legislative Internship Program came into operation in this Assembly last September with the arrival of the first group of six

interns. This first group, three of whom work with the Government Caucus and three with the Opposition Caucus, will soon be completing their 10-month assignment.

During their assignment, interns perform a variety of research and other tasks for private members, as distinct from Ministers; participate in a series of academic seminars on the political process in Manitoba; and prepare an in-depth research paper on some aspects of the legislative process.

Successful applicants for the program are chosen on the basis of their academic achievement and potential. Personal qualities, such as maturity, judgment, responsibility, tact and discretion, and a demonstrated interest in the legislative process.

I would like to take this opportunity to express to the first group of interns, who will soon be completing their term, on behalf of the many members whom they assisted, the sincere thanks of this Legislative Assembly and best wishes for their future endeavours.

My main purpose today is to announce that six young people have been selected to form Manitoba's second group of interns and that they will begin their assignments in September.

Working with the Government Caucus will be: Mr. Chris Baker from Brandon University; Mr. Franco Bevilacqua from the University of Manitoba and Queen's University; Ms. Shelley Munroe from the University of Winnipeg.

And working with the Caucus of the Official Opposition will be: Ms. Patricia Chaychuk-Fitzpatrick from the University of Winnipeg; Ms. Shona Connelly from the University of Manitoba; and Ms. Beate Schiffer-Graham from the University of Manitoba.

Brief biographies of the newly-appointed interns are attached to my statement, copies of which are being distributed to all members.

I know that you will join me in welcoming the new interns when they take up their appointments in September.

ORAL QUESTIONS

Free Trade - position papers

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker.

My question is for the Premier. He was kind enough earlier this week to share a copy of the free trade papers that have been provided for the government by Professor Clarence Barber, by Steven Watson and Duncan Wasney Research. I wonder if the Premier could indicate whether any other research papers with respect to the province's position on free trade have been prepared.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

I'm advised by staff that that's it. The Leader of the Opposition has all of the . . . (inaudible) . . .

Free Trade - effect on agriculture

MR. G. FILMON: Madam Speaker, whenever the province or the Premier speaks on free trade and, indeed, when he made his statement on Tuesday, he repeated a concern about agriculture and agricultural marketing and stabilization programs. I note that none of these studies really touches on the field of agriculture. Essentially the one of Professor Barber's is an overview and a study of the literature available. The Steven Watson one has to do with manufacturing; and the Duncan Wasney one is also a survey of manufacturers. I wonder what research the province has with respect to agriculture for the position that it's taking.

HON. V. SCHROEDER: Madam Speaker, in addition to the reports, of course, there have been meetings with a variety of sectors of the business community in Manitoba, with farm organizations. It is, as a result of those meetings, that we have taken the positions we've taken, which, as the Leader of the Opposition I'm sure knows, are similar to the positions taken I believe by most provincial governments and by the Federal Government.

MR. G. FILMON: Madam Speaker, to the Premier; given that Manitoba has asked to have a place at the table itself and to be an active part of the discussion, I wonder whether or not he feels that it's adequate to take the position based on discussions, or whether or not we should be in fact doing our own research in the area of agriculture to ensure that we know the benefits and the costs to Manitoba that could be projected as best as possible by research in the field.

HON. V. SCHROEDER: There have been, of course, studies done by people such as the Pools and it's not very difficult, as I'm sure the member knows, to see the effect of the elimination — say, of supply-management situations. If you have supply management on one side of the border and complete, open production on the other side, it would very quickly lead to problems not only with agriculture, I might add, but also with the next stage, which is food processing.

If our food processors are required to compete in markets where the prices of inputs to them are considerably different than the price of inputs to their American competitors, and if there is free trade in those commodities which they have processed, it could put our people in a very difficult position.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I have a copy of the study that was done for the Pools. It was a very extensive one done by Deloitte Haskins and Sells, I believe. It states, for instance, that there would be a net benefit projected to Western Canada agriculture in the range of \$200 million. It does express some concerns.

It seems to me that given that Manitoba is taking this position . . .

MADAM SPEAKER: Does the Honourable Leader of the Opposition have a question?

Free trade - effect on culture

MR. G. FILMON: My question is, does the government have any studies that have led to its position with respect to culture being protected under a free trade agreement? I note that that is one of the bottom lines that has been put forward in the government's position. Are there any studies that lead to that conclusion?

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Madam Speaker, we don't see our culture as being something that we are prepared to place a dollar value on. We look to a Canadian culture, be it with respect to our magazine industry, be it with respect to our television, radio, all the way through. We see that as something very, very fundamental to us as a nation. We have said all along, very clearly, that is not something we are prepared to put on the table in terms of bargaining.

MR. G. FILMON: Madam Speaker, I wonder if the government would consider getting studies that would define specifically agricultural concerns and other concerns in food processing, so that if Manitoba is representing the interests of all the people of Manitoba, they are based on qualitative research that defines where we stand and where we ought to be with respect to a lot of these positions.

HON. V. SCHROEDER: Madam Speaker, I believe that is a reasonable request. Certainly we will do what we can to continue to comply to provide information. — (Interjection) — The Member for Pembina keeps mumbling about how can you take positions.

It is not only official studies that we have. We have had, as I have indicated, meetings with a variety of the farm sectors, who are telling us what the problems would be in terms of agriculture. Our staff people also have been providing us with information, not official studies, but certainly we are prepared to look at what the Leader of the Opposition has asked for.

Marc Eliesen contract

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. I have a question for the Minister of Energy and Mines. Would he table in the House a copy of the contract, or contracts with Mr. Marc Eliesen, with Manitoba Hydro and the Manitoba Energy Authority?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. That request, I believe, had been made to the Public Utilities Committee. It was indicated that that document would be tabled, and I believe at the appropriate time it will be provided.

MR. G. MERCIER: Madam Speaker, I would ask the Minister of Energy and Mines if those employment

contracts provide for a bonus of \$10,000 in the rental of a Volvo automobile?

HON. V. SCHROEDER: Madam Speaker, I've already indicated that we are prepared to table the contract and he will be able to read the contract. Quite frankly, I haven't read the contract.

MR. G. MERCIER: Madam Speaker, when the Minister tables that contract and provides that information, would he also table in the House a list of the total personal expenses paid on behalf of Mr. Eliesen?

HON. V. SCHROEDER: Madam Speaker, I didn't quite hear the full question. Could that be repeated?

MR. G. MERCIER: Madam Speaker, I asked the Minister of Energy and Mines if he would, when he's tabling the contract, also table a list of the personal expenses paid on behalf of Mr. Eliesen?

HON. V. SCHROEDER: Madam Speaker, I think there is a process for doing that. I think all expenses that are paid to people are listed — I'm sorry, he wouldn't be listed in the Public Accounts. I'll take the question as notice.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, further to the question that Leader of the Opposition raised about the study for the Pools, I'd like to . . .

MADAM SPEAKER: Order please. Question period is not a time for debate. If the Honourable Leader of the Opposition wants to ask the Minister of Agriculture a question, then the Minister of Agriculture can answer.

HON. B. URUSKI: Madam Speaker, the Leader of the Opposition, in his question . . .

Workers Compensation Act - review of

MADAM SPEAKER: Order please. The Honourable Member for Niakwa.

MR. A. KOWNATS: Thank you, Madam Speaker. I would like to direct my question to the Honourable Minister of Environment, Workplace Safety and Health.

The committee studying The Workers Compensation Act wants access to the files of the Workers Compensation to complete their review. As these members are sworn to secrecy and the review is of utmost importance, is the Minister prepared to bring in legislation to allow the committee access to these records?

MADAM SPEAKER: The Honourable Minister responsible for Workplace Safety and Health.

HON. G. LECUYER: Thank you, Madam Speaker. Yes, I agree the review is an important process and we do want it to — (Interjection) — yes, briefly, Madam Speaker — to achieve the intended goals and for that

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purpose we believe it should have access to the files. I have met both the boards and the members of the committee; I have tried to resolve that particular issue and I do believe it will be necessary to make that happen to bring in an amendment to the act.

MADAM SPEAKER: The Honourable Member for Niakwa with a supplementary.

MR. A. KOVNATS: Yes, a supplementary, Madam Speaker, to the same Minister.

Would it help the Minister in making his decision if the Opposition commits to support this legislation and agrees to pass this legislation within one day? Would that encourage the Minister to bring the legislation immediately?

HON. G. LECUYER: Thank you, Madam Speaker.

As I indicated, if there was no way else to make that access become a reality, I have indicated that we are prepared to bring in an amendment to the act. So, if it's only a minor amendment, Madam Speaker, I expect it would normally be considered under Statute Law Amendments.

It may be that because the committee is presently involved in public hearings and will be so involved until the end of July that the Public Law Amendments would be passed before then anyway.

Workers Compensation Board neurosurgeon - credibility of

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker. Another question to the same Minister. The credibility of a recently-hired neurosurgeon at the Workers Compensation Board has been questioned by Winnipeg Labour Council spokesmen.

Has the Minister investigated these allegations?

HON. G. LECUYER: Thank you, Madam Speaker.

The member refers to an article which appeared, I believe, in yesterday's paper. I have asked for information based on that article, Madam Speaker.

All I can say at this point in time, that the doctors on the board, or doctors that attend to patients, are not the people who make the decisions as part of the adjudication process. Of course, their opinions and the opinions from other sources are what the adjudicators base their decisions upon.

I will also remind the member that the committee, which is presently reviewing the act, is also mandated to review all of the procedures and policies in place in the board. So, if there is undue influence exercised from that quarter, I expect that the committee then will also be making recommendations in that particular respect.

Health Sciences Centre - accreditation of

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, my question is for the Minister of Health. The Canadian Council on Hospital Accreditation last year, in its review of the Health Sciences Centre, put it on a one-year probationary accreditation status.

Following that, they again studied the Health Sciences Centre and provided the Minister with a copy of their findings. Could the Minister indicate whether he has received a copy of that finding from the Hospital Accreditation, and would the Minister share a copy of that with myself, as Health Critic, to be better enabled to prepare for the Health Estimates?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: I haven't received it personally. I will check with the department. If it is there, I would be pleased to share it with my friend.

Free trade - effect on agriculture

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker.

My question is for the Minister of Agriculture. Can he in fact tell us a bit more about the impact of free trade. . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. C. BAKER: . . . can he tell us the impact on agriculture as put forward by the study commissioned by the Pools?

My interpretation of the impact is . . .

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I believe that the Leader of the Opposition has misinterpreted that study. If he read that study completely, he would have noted that all supply-managed commodities would have faced devastating effects from free trade.

Secondly, the assumption on benefits that he purported was in that study was based on the exchange rate between the American dollar and the Canadian dollar remaining the same. If there is any change in the exchange rate, all those benefits would go out the window, and not as purported by the Leader of the Opposition, Madam Speaker.

Wheat Rust Infestation

MADAM SPEAKER: The Honourable Member for Lac du Bonnet with a supplementary.

MR. C. BAKER: A supplementary, Madam Speaker.

I noticed in reading the Free Press this morning that there was a report of a serious infestation of a fungus disease in wheat in the Morden area. If I could quote one of the lines, it say, "The level of wheat rust . . .

MADAM SPEAKER: Order please. It is not in order to quote from newspaper articles in question period.

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MR. C. BAKER: Madam Speaker, I am sorry. I'm new here, as you can tell.

I was just wondering if the Minister could keep this House abreast with action that can be taken to combat this rust, if there is any action, and whether in fact his staff can report to him, and he to this House, as to what action can be taken so that farmers' fears might be alleviated.

HON. B. URUSKI: Madam Speaker, I thank the honourable member for raising those concerns. The infestation of rust into the province is of great concern to us, and I will endeavour to have an updated report as soon as I can.

Day care

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Community Services Minister, in that we know that there is a large waiting list for day care spaces.

I had a phone call this morning from a woman who will make a gross salary of \$13,025 and must pay day care of \$12.80 a month for her three children and cannot find a subsidized space. My question is would the Minister provide subsidies to caring parents in order that they could find a day care space in a private day care?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, the question raised by the Honourable Member for River Heights is a question that attests to whether there are enough spaces for all the people who require them for day care and whether we can immediately resolve the problem by giving money directly to parents and letting them make a choice as to location of day care.

Madam Speaker, the situation is that in the development of day care, there is not enough money to meet the need. The system has been growing, and at a faster rate in Manitoba than anywhere else in Canada, with the possible exception of Alberta.

We are painfully aware of the fact that the supply is only about a quarter of the need. We have been developing the system though in a steady way and a secure way, and it is our belief that the most effective way to use these scarce public funds is only to subsidize the parents who are using the non-profit day cares.

Freight rate proposal re grain by Fed. Gov't.

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker.

My question is for the Minister of Agriculture. A few months ago, the Canadian Wheat Board brought forward a freight rate proposal for eastward shipment

of grain through the St. Lawrence Seaway that would significantly increase the cost of shipping grain from Manitoba farms.

The Minister responsible for the Canadian Wheat Board, some few months past, delayed any implementation of this proposal until at least August 1, 1987, to allow time for study of the proposal. I would like to ask the Minister if the province is preparing any studies or has any studies under way to determine the impact of this proposal on the farmers of Manitoba?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, we are reviewing the situation but I can tell the honourable member that the proposal will have, as proposed, serious effects on the farmers of Manitoba. In fact, the analysis that we did on farmers in the Portage area would mean a virtual doubling of their freight costs if those proposals were effected. From just under \$5 a tonne to almost \$10 a tonne would be the effect of that proposal.

Both the Minister of Transportation and myself have strongly objected to those measures, and in fact there appears to be a rewriting of the whole grain system by virtue of attacking the whole basis of the Canadian Wheat Board and pooling concept by this backdoor approach.

MR. G. FINDLAY: Thank you, Madam Speaker. A supplementary question.

I would like to know who is doing the study?

HON. B. URUSKI: Madam Speaker, all the analysis and work that is being done is being done internally.

MR. G. FINDLAY: Will this information be made available to us in the short term and when it is available, will meetings be held around the province to inform the producers?

HON. B. URUSKI: Madam Speaker, I believe that it would be incumbent on the Federal Government in making those kinds of changes to hold those kinds of meetings with producers if they're going to implement those changes. If the honourable member is suggesting that the province now take the lead and get farmers very well informed on this matter, we can consider that, but clearly the proponent of that kind of a change should be the group that would be going and consulting with the farmers.

I believe the Minister responsible for the Canadian Wheat Board has a very clear message from Manitoba farmers about this proposal — leave it; leave it alone.

Payroll tax exemptions

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. Some two weeks ago, I posed a question to the Acting Minister of Finance with respect to payroll tax exemptions. I will now ask the Minister of Finance whether or not he can disclose to the House whether there are situations under

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which there are exemptions made under the payroll tax. Can he indicate the criteria used to determine who gains an exemption from paying that tax?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. That question was taken as notice by the Acting Minister of Finance and was related to me. That material is being researched and as soon as I have it I will provide it for the member.

MR. C. MANNESS: Could the Minister indicate, with his understanding of that particular tax, whether the threat of receivership is one of the criteria that may be used to gain exemption under that tax?

HON. E. KOSTYRA: I'm not aware of any situation like the member describes, but again I indicated that I am having it researched by staff of the Finance Department to give a full answer. If the member has a specific situation he'd like to bring to my attention, it might help in researching it.

MR. C. MANNESS: Madam Speaker, I had posed one other question at that time. I had asked the Acting Minister whether or not the government would consider providing a list of the names of those people who had gained exemption from that tax. I now ask that same question to the Minister.

HON. E. KOSTYRA: That was part of the questions that were taken as notice and are being researched at the present time.

Softwood lumber industry

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

It is my understanding that this morning the Reagan administration in the United States announced that there will be another study into the Canadian softwood lumber industry. I would like to ask the Minister of Industry, Trade and Technology, in view of the fact that this could have serious consequences for the Canadian softwood lumber industry, what actions he and his department will be taking in regard to this matter?

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

We were informed this morning by Mr. Clark that this investigation apparently is going ahead, notwithstanding Canada's requests. Of course, we do have some very serious concerns about that matter. We are starting off. Mr. Clark has asked Trade Ministers to attend a meeting with him this coming Friday to discuss our position, so we will be attending there and making our determinations from that point.

MADAM SPEAKER: The Honourable Member for Thompson with a supplementary.

MR. S. ASHTON: I have another question on the same matter to the Minister responsible for Manfor. I would like to ask the Minister whether such a move by the United States would have any impact on the operations of Manfor.

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

To the Member for Thompson, the answer is quite obviously yes. I think, as members know, the operations at Manfor comprise both pulp and paper operations and lumber production to the extent that any countervailing duties, any unilateral action on the part of the United States is going to affect the ability of our lumber to compete. Approximately 70 percent of the production from Manfor is exported to the United States, so the implications are rather severe for the sawmill, in particular, and to the some 300-plus workers that operate in the Woodlands Division and in the sawmill itself.

So it obviously is a concern, and anything that the Minister of Industry, Trade and Technology can do is going to be of benefit to the people of The Pas and the area.

High School Program - Review Committee

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker. My question is to the Minister of Education.

On June 3, in his response to a question I posed with respect to the High School Review, the Minister of Education indicated that the terms of reference of the High School Review, as announced by the former Minister of Education, would be altered. Will the Minister now table the new terms of reference for the High School Review?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

I did indicate that the High School Review may be — I said may be — modified somewhat. I said the question that is being asked of the panel review committee is substantially the same. How is our high school system functioning, and in what respects should we be changing the system to meet the future needs of students in the province?

I had indicated as well that the specific members of that committee have not been finalized. Before any final terms of reference are drafted, it would be my intention to meet with the committee and set some collective guidelines. I would point out that representation on that committee is going to include all of the major actors in the province in education. So clearly there will be broad terms of reference . . .

MADAM SPEAKER: Order please, order please. Could I remind the Honourable Minister that answers should be brief?

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The Honourable Member for Roblin-Russell.

MR. L. DERKACH: I would like to ask the Minister of Education whether he would indicate to this House whether the chairperson of that committee and the members of that committee have been selected. Would he table the list of those members?

HON. J. STORIE: Madam Speaker, I will certainly be providing all of that information when those decisions have been finalized.

International Baccalaureate Program

HON. J. STORIE: Madam Speaker, while I'm — (Interjection) — on my feet . . .

MADAM SPEAKER: Order please.

HON. J. STORIE: . . . I took as notice a number of questions over the past couple of days, and I have some information. The Member for Fort Garry had raised some questions with respect to interprovincial training agreements. I can inform the member that the province does have an interprovincial agreement with the University of Saskatchewan for veterinary medicine. The estimated enrolment in the Veterinary College is some 47. The annual intake is approximately 12, and the cost per student is somewhere in the vicinity of \$14,000 per student.

We also have interprovincial agreements with the University of Waterloo for optometry, the University of Calgary for surveying engineering, and in fact do have an agreement this year with the University of British Columbia for the hearing impaired.

I received some information from the Member for Fort Garry about a particular student. I am informed that departmental staff have contacted the Ministry of Higher Education in British Columbia and have been assured that if the individual that the member raised the concern with respect to meets the academic requirements at the University of British Columbia, the Department of Higher Education in British Columbia would make every effort to make sure that student could be accommodated.

The Member for Portage la Prairie raised a question a few days ago about the Community Mental Health Program, and wanted to know specifically where and from which department that program was funded. The program is under the jurisdiction of the Core Area Initiative, and the applicants' in-take students under that program fall under the guidelines of the Core Area Initiative. The course was developed by the Red River Community College, in conjunction with a number of other groups. The graduates of that program are capable of becoming counsellors in group residence, serving a number of other functions in the mental health service field.

Thank you, Madam Speaker.

High School Program - Review Committee

MADAM SPEAKER: The Honourable Member for Roblin-Russell with a supplementary.

MR. L. DERKACH: I would like to ask the Minister of Education if he could indicate to the House specifically

whether individuals and groups, such as parents' groups, not just a specific parents' group, throughout the province, will have an opportunity to express their views directly before this review committee.

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Yes, Madam Speaker, everyone in the province who is interested in education will have access to the panel, the review committee or subcommittees of that or personnel from the department. In fact I intend to travel throughout the province as well, to receive the views of people on the importance of high school education and, Madam Speaker, the changes to that system that are required.

Bill C-96 - effect on health care

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. My question is to the Minister of Health.

In view of the unilateral proposal of Bill C-96, presented now in Parliament, and the briefing we had this morning, I'd like to ask the Minister of Health, have any studies been done on the implications, as far as patient care, the number of beds that would be closed, the effects on the Pharmacare Program, by his department projecting the effects of Bill C-96 on direct services, rather than finance?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I can inform the House that if we kept on at the rate that we're going now, in 10 years, instead of my budget being \$1.2 billion, it would be \$3.5 billion, and it's obvious that we can't keep on the way we're going on. I think after — which was an excellent presentation — I hope the members of the House understand the need of working together on that safeguard and to save some of the health care that we've had in this country, because it could be going down the drain at the rate it's going now.

MADAM SPEAKER: The Honourable Member for Kildonan, with a supplementary.

MR. M. DOLIN: A supplementary to the Honourable Minister of Health.

I'm wondering if the department could look into specifically unique programs provided by Manitoba, in effect, such as Pharmacare, prosthetics and the Home Care Program. Will the department be looking into those items and the financial implications of them?

HON. L. DESJARDINS: Yes, during these last past years, Madam Speaker, many studies have been completed. Most of them, not all of them have been received now, and the next year suggestions will be made to, as we stated on a number of occasions, change the direction, to maybe go more in prevention

and also more in community health care, rather than just in institutional care.

Bill C-96 - effect on higher education

MADAM SPEAKER: The Honourable Member for Kildonan, with a final supplementary.

MR. M. DOLIN: A final supplementary, Madam Speaker. I'd like to direct a similar question to the Minister of Education.

Have such studies been done on the effect of C-96 on higher education and community college education effect on student enrolment, have projections been done?

MADAM SPEAKER: Order please, order please. That is not a supplementary question.

Public servants - reward for suggestions

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Thank you, Madam Speaker. My question is directed to the Minister of Finance.

Does the government intend to proceed with a scheme to reward public servants for making suggestions that would result in efficiencies in the government and savings for the taxpayers of Manitoba?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

I don't know, there is some work being done in a couple of departments to review options in that regard and, at some point, through the Department of Government Services and through the Civil Service Commission, there'll be options brought forward for Cabinet consideration of those kind of ideas.

MR. J. McCRAE: Madam Speaker, how soon does the Minister propose these ideas might come forward, so that he can bring an announcement to the House?

HON. E. KOSTYRA: I don't know the specific timetable for those reviews. I imagine it would be over a period of three, four or five months that information will be reviewed by the commission, and by the Department of Government Services and within that time period, probably within six months, options will be brought forward.

MR. J. McCRAE: One brief question, Madam Speaker, to the same Minister. I don't know, I may have misheard the Minister, but I wonder if the Minister included the Manitoba Government Employees' Association in his discussions and, if he has, what reaction has he received from the Manitoba Government Employees' Association.

HON. E. KOSTYRA: There is a process, Madam Speaker, in response to the question, for ongoing consultation with the bargaining agent of the majority

of government employees through a process called Joint Council, which meets on a regular basis to review areas of concern between the government and its bargaining agent, and that particular issue has not been discussed to date with them at that level.

Whether or not it has at the staff level, I can't answer, but it would certainly be our intention to have that discussed at Joint Council, if and when it would be an appropriate time.

While I'm on my feet, and interestingly, in response to a previous question from the Member for Brandon West, that he asked me on May 26 with regard to staffing implications out of this year's current Spending Estimates, I can report that overall there has been a net increase in staff positions within the provincial Civil Service.

There was a total of 283 new staff positions established, related to different program areas, a reduction in other areas of 204 positions, which would mean the overall provincial service has increased by 79 positions. Most of the reduction areas were in areas where there were vacant positions, seasonal positions or temporary positions, and any impact on present incumbents has been done in consultation with those incumbents and their bargaining agent. I'm told that process is continuing well and it is anticipated that there will not be any major problems in terms of current individuals.

MR. J. McCRAE: Madam Speaker, just on the last point raised by the Minister, the information he gives appeared to be fairly detailed, and I wondered if he could table that information.

HON. E. KOSTYRA: Yes, Madam Speaker, I'll give him that information.

Red River Community College - restrictions on courses

MADAM SPEAKER: The Honourable Member for Portage.

MR. E. CONNERY: I don't want to thank the Minister of Education for the information he gave us on the Red River College course. He really confirmed my fears that it would be . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. E. CONNERY: Yes, I do. This is my preliminary. Is that not allowed?

I would like to ask the Minister if he would reconsider the restrictive enrolment at the Red River course and allow all residents of Manitoba to partake of that course?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, the Core Area Initiative is an entity of three levels of government, is represented by the board of management, by those three levels of government. They make the decisions

about the eligibility and the terms of entry into such programs.

The objectives of that program have been supported by all three levels of government, so it certainly wouldn't be my intention to alter the terms of that. If the member opposite wants to make that suggestion to other levels of government, in terms of the requirements related to the Core Area Initiative, then he's free to do that.

MR. E. CONNERY: The Core Area is funded by three levels and I think all of the people of Manitoba are contributing to the funding, and when . . .

MADAM SPEAKER: Does the honourable member have a supplementary question?

MR. E. CONNERY: Yes, I do. Will the Minister ensure that the standards of the course are up to the standard of the RPN's of Manitoba, who are concerned of the quality of education on this course?

HON. J. STORIE: I have already given the member the assurance that the purposes for which this course was developed will be met through the training that is provided.

Forgiven loans

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister of Finance.

About a week ago I asked him a question about the loans that had been written off under the Interest Rate Relief Program to businesses that had gone into receivership or bankruptcy, and I wonder if he can now provide us with a list of those companies.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I don't have that information at the present. This is being researched. I can just comment so the member is aware, the reason that certain of those were listed by Order-in-Council, others not, the ones that were not listed were under \$5,000 which is done by ministerial decree rather than Order-in-Council, but that information is being collected and will be provided.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Orders of the Day, I'd like to draw attention of members to the gallery where we have 25 students from Grade 9 standing from the Edward Schreyer School. These students are under the direction of Mr. Erik Lindenschmidt and the school is located in the constituency of the Honourable Member for Lac du Bonnet.

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

ORDERS OF THE DAY

HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, on a matter of House business, I'd like to inform members of the House that it is the government's intention to call Second Reading on two bills this morning, then proceed into Capital Supply, to continue with Capital Supply next week until the item is passed; calling bills on Wednesday and Friday were required and once Capital Supply is passed next week to revert back to the discussion of the Estimates of the Department of Agriculture in the Chamber, and Highways and Transportation outside of the Chamber.

SECOND READING

BILL NO. 2 — THE REAL PROPERTY ACT (AIR RIGHTS); LA LOI SUR LES BIENS RÉELS (DROIT AÉRIENS)

HON. R. PENNER presented, by leave, Bill No. 2, An Act to amend The Real Property Act (Air Rights): Loi modifiant la Loi sur les biens réels (droits aériens), for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Madam Speaker, the proposed legislation will permit a Certificate of Title to be issued to an owner of an air space parcel, defined by a plan of survey, registered in the Land Titles. This will permit air space parcels to be dealt with in the same manner as land and will assist in financing a number of commercial and condominium developments.

Hitherto, Madam Speaker, any owner of a building, although assumed to own the air rights subject, of course, to certain limitations, both in The Real Property Act and subject of course to zoning rights, was able to deal with that land only by way of lease or sublease.

This amendment will assist in the financing of larger projects such as those encompassed in the North Portage Development, and I recommend it to the House.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, just a question first. Could the Attorney-General indicate whether similar legislation exists in other provinces and, if so, where?

HON. R. PENNER: Yes, it exists, to my knowledge, in two other provinces. British Columbia is one, and it's either Alberta or New Brunswick, but certainly in British Columbia.

MR. G. MERCIER: Madam Speaker, I thank the Attorney-General for his explanation and his answer

to the question. I think this is a bill which is rather technical in nature that we would prefer to deal with in committee. We're prepared to pass it onto committee to be dealt with there where we can ask the questions we would like to.

QUESTION put, MOTION carried.

**BILL NO. 4 — THE FAMILY FARM
PROTECTION ACT; LOI SUR LA
PROTECTION
DES EXPLOITATIONS AGRICOLES
FAMILIALES**

HON. B. URUSKI presented, by leave, Bill No. 4, The Family Farm Protection Act; Loi sur la protection des exploitations agricoles familiales, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Madam Speaker.

Madam Speaker, I'm very pleased to have the opportunity to introduce for Second Reading The Family Farm Protection Act. The legislation represents the fulfillment of a major commitment by this government which was made during the recent election campaign.

As the title suggests, the act is aimed at assisting farmers to protect and sustain their farming operations during these difficult economic times. The legislation will assist producers by, firstly, establishing a legislative basis for our farmers or peer advisory panels in strengthening their powers.

Secondly, it will assist producers by authorizing the courts to review impending foreclosures or other repossession proceedings and identifying alternative solutions.

Thirdly, it will assist producers by empowering the Lieutenant-Governor-in-Council to institute a moratorium on realization proceedings directed against farmers' essential assets during the crisis period.

Madam Speaker, I am confident that this legislation will facilitate improved communication between debtors and creditors, ensure consistency in the treatment of individual farm debtors, and identify solutions which will allow farmers to survive and work toward long-term viability.

Before describing the act in detail, I would like to outline the current economic climate and to identify a number of factors that have induced the government to take decisive action at this time.

At present, many farmers in Manitoba and throughout Canada are facing a serious financial crisis. In recent years their incomes, cash flows and equity have declined sharply; at the same time debt loads have increased, often very substantially. What was once thought to be a temporary problem brought on by high interest rates, poor crops and weak prices has now deteriorated into a chronic problem of massive proportions.

The result is that an unacceptably high number of producers are in severe economic difficulty and in possible danger of losing their farms. Farm liquidations, erosion of farm equity, farm debt restructuring,

decreases in farm incomes and demands for farm management counselling are all on the rise with no short-term end in sight in the absence of decisive government intervention.

Undoubtedly, the majority of Manitoba farmers, though they have suffered steady income losses in recent years, are not in imminent financial jeopardy. Indeed, some are free of debt. However, we should not allow this to obscure the existence of a very real crisis situation for some 3,600 Manitoba farmers in severe financial difficulty and another 1,900 facing less severe financial stress. In total, about 25 percent of Manitoba's commercial producers are enduring very difficult economic times. The most disturbing aspect of the present farm financial crisis is that the bulk of farmers in financial difficulty are the younger, beginning farmers who are very productive and who represent the future vitality of the farm and rural communities.

In recent years, 50 to 60 Manitoba producers annually have been forced to declare bankruptcy. These numbers though are simply the tip of the iceberg. While precise figures are not available, it appeared that each year hundreds of Manitoba farmers are forced to sell their farm units and to leave agriculture due to inadequate incomes and the inability to meet existing debt obligations. This represents a serious loss to agriculture and to the rural communities of which these individuals are a part.

During the term of the present Provincial Government, a number of major programs have been launched to increase and stabilize farm incomes and to provide emergency assistance to those in severe financial distress. While these initiatives have been of considerable benefit, their effect has in large measure been negated by the massive decline in grain prices announced earlier this year by the Minister responsible for the Canadian Wheat Board.

Unfortunately, the prospects in the near future are not very promising. The implementation of the U.S. Farm Bill, the likelihood of depressed prices for grain and the aggressive export promotion programs launched by our competition in world grain markets mean that farm incomes and, in particular, incomes from the sale of grain will continue to be very low.

In the near future then, more and more producers will encounter severe financial difficulties. In these circumstances, farmers are looking for decisive action by governments. Madam Speaker, this government is prepared to take such action. We're determined to fulfill our commitments made to producers during the recent election campaign. Manitoba is prepared to maintain its commitment to doing what it can to complement federal action addressing the national and international causes of the farm financial crisis.

Innovative and decisive measures are presently required in order to sustain many farm units in the province and across Canada. One such option is the introduction of farm debt legislation at the federal and provincial levels. The proposal for some form of farm debt legislation was formally advanced by my government in November of last year. At that time, a lengthy discussion paper entitled, "The Farm Financial Crisis — Policy and Legislative Options," was publicly released. Between December of 1985 and February of this year, I attended publicly advertised meetings in 14 Manitoba communities where I spoke to more than

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1,100 concerned rural residents on the subject of debt legislation.

The discussion paper received extensive distribution and to the extent that some meeting participants attended in a representative capacity on behalf of producer organizations, indirect contact was made with even more Manitobans than attended the consultative meetings.

These meetings were structured in such a way that after briefly outlining the economic context and legislative options, most of the meetings' time was devoted to answering questions and listening to comments from those in attendance. Much was learned from this process and I wish to acknowledge, Madam Speaker, and thank all those Manitobans who took part and took time to participate in this dialogue.

Besides the opportunity to put their comments on record at public meetings, meeting participants and others were invited to contribute to the decision-making process through the completion of questionnaires. I am pleased to say that the response rate was very high, allowing us to learn the views of a reasonable-sized sampling of rural Manitobans on the farm debt issue. I will say more about these survey results later on in the course of the debate.

The most salient point, Madam Speaker, is that by far the vast majority of respondents supported the legislative options advanced in the discussion paper. The three options advanced, discussed and surveyed included formalization of the farm financial mediation process, moratorium legislation and contract adjustment legislation. The paper was able to state, based on the results of legal advice obtained, that the Federal Government is in the most advantageous position to introduce legislation of this nature, because of its exclusive authority over banking, interest, bankruptcy and insolvency.

In the recent provincial election campaign, New Democrats promised a legislative package known as Farm Aid. The three elements of this election commitment were as follows: (1) Strengthening the role of existing farm mediation panels in mediating disputes between producers and their creditors; (2) Allowing the judicial system to review impending foreclosures, taking into account not only the farmer's capacity to repay but also the circumstances that led to the financial difficulty; and thirdly, providing the authority to impose a general moratorium on the repossession of farm property if conditions warrant. Madam Speaker, The Family Farm Protection Act accomplishes these three things, which I will deal with in sequence after discussing the general objectives of the act.

The objectives of The Family Farm Protection Act, which are found in Section 2, are as follows: to afford protection to farmers against unwarranted loss of their farming operations during periods of difficult economic circumstances; to preserve the agricultural land base of Manitoba and to ensure that farm land is farmed and managed during periods of difficult economic circumstance; to preserve the management skills of farmers during periods of difficult economic circumstances; and to preserve the human resources of the agricultural community of Manitoba; to preserve the existing lifestyle of farm communities in Manitoba and the tradition of locally owned and managed family farms.

Part 6 of the act deals with the provision of assistance to farmers and their creditors on a voluntary basis.

Section 26 establishes the Manitoba Farmers Peer Advisory Committee, whose membership will be made up of active or recently retired Manitoba farmers. The primary function of this body will be to respond to requests from farmers and/or their creditors. Upon a request for assistance, three or more members of the committee will be designated as a Peer Advisory Panel.

The panel will review the financial arrangements of the farmer with a view to bringing about a settlement with the creditors without recourse to legal proceedings, or provide whatever other assistance is specifically requested of it. To this end, it will make appropriate inquiries and investigations, and may also offer management advice, advice as to the availability of government assistance programs or other appropriate assistance or advice.

Madam Speaker, the main criticism to date of the Voluntary Debt Review Panels has been that their involvement in cases of acute financial difficulty frequently comes at a time at which it is too late for any mediated solution to be achievable. It is my hope that by establishing the structure of the voluntary peer advisory panels in this legislation, we are alerting more farmers to their existence and can encourage their use by both farmers and creditors at an earlier and less acute stage of financial difficulty.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

When an agreement is reached which altered the terms of any previous agreement to which a farmer is a party, Part VII of the act creates a registry in which such amended agreements may be registered. Upon registration, the modified agreement becomes legally binding and enforceable, even though all of the consideration for the new agreement may have been provided by one of the parties.

At present, secured creditors are not required to obtain permission from the court prior to initiating a realization proceeding against farm land, machinery or equipment.

Parts III and IV of the act establish procedures which interpose to judicial discretion between secured creditors seeking to realize against these assets and the remedies to which creditors can ordinarily resort.

In exercising their discretion, judges will be assisted by the Manitoba Mediation Board, a body established by Part II of the act.

The Mediation Board will have between five and nine members who will ordinarily work in panels of three or more members. When a creditor wishes to take steps to pursue its normal remedies, following a farmer's default, leave of the court must first be sought.

The application for leave must be made in the judicial centre where the debtor farmer resides. A copy of the creditor's application for leave must be served upon the Manitoba Mediation Board. Having received a copy of an application for leave, the board has 90 days to prepare a report for the court's use.

In most cases, a panel of the board will be constituted to prepare such a report. In so doing, the board or its panel will make such inquiries and conduct such investigations as are necessary or appropriate to address the issues raised in the application for leave, that is with discretion to hold a hearing. For this purpose, it will attempt to confer with a debtor farmer and all creditors.

In writing its report, the board or its panel may consider any factor, condition or circumstance which it believes is relevant to the application. The act specifically contemplates that the board reports may address whether an agreement might be reached between the farmer and the applicant, which would result in withdrawal of the application for leave.

The report may address whether the farmer might receive financial assistance or concessions from the creditor or from some other source. The report may address the effect or factors beyond the farmer's control, such as the inability to market agricultural products, depressed prices, high production costs, hail, flood, frost or pests; and also it would address the financial capacity of the farming operation to meet existing and anticipated cash flow requirements.

It should also consider the value and condition of the farm land or farm machinery and equipment, including its state of cultivation and repair, as the case may be, the impact of the loss of farm land or farm machinery and equipment on the ongoing viability of the farming operation.

It should consider, as well, the impact of the loss of the farmer's family and community, the farmer's production and financial management skills, and whether the farmer is making a sincere and reasonable effort to meet that obligation.

At the court hearing, which is to be relatively informal, the judge must consider the board's report as well as any oral submissions that may be presented. The onus is on the creditor to show that it is just and equitable to grant the application for leave. If the judge is not satisfied that the granting of leave for the creditor to pursue its remedies would be just and equitable, then the application may be adjourned for such a period as a judge considers appropriate. Conditions may be imposed on either or both parties during the adjournment period, again, as the judge considers appropriate.

Mr. Deputy Speaker, under sections 16, 19 and 22 of the act, Cabinet may at any time, subsequent to its proclamation, declare moratoria preventing the commencement or continuation of realization proceedings with respect to farm land, farm machinery, and equipment and livestock, respectively. The decision to declare such a moratorium would be based upon considerations of any temporary conditions directly or indirectly adversely influencing farming in Manitoba.

The declaration power is very flexible and may be used broadly or in a more focused way. For example, a moratorium declared could be province-wide in its scope or restricted to specific geographic regions. It could cover all farmers in the province or alternatively be restricted to producers of certain commodities.

Exemptions, or classes of exemptions, could also later be established by regulation. For the duration of a moratorium, no creditor affected by it could take steps to realize against farm land, farm machinery and equipment or livestock unless it was exempted by virtue of the regulation or obtained an exemption order from the court.

Upon making an application for an exemption order in the judicial centre where the farmer resides, the creditor must serve a copy on the Manitoba Mediation Board. The board will then have 90 days to prepare a report for the court, which it must share with the farmer and the creditors.

Again, the board will make such inquiries and conduct such investigations and hearings as it deems appropriate or necessary. It may determine its own procedures and may make use of its panel structure and/or the farmer's peer advisory committee where appropriate.

In each case, the mediation board will attempt to confer with the farmer and creditors involved. Its report, in respect of an exemption order application, will focus on any factor, condition or circumstance which the board deems relevant.

Among other things, it will address its mind to the same questions as the judge will ultimately ask when deciding whether or not to grant the exemption order; namely, whether the farmer is making a sincere and reasonable effort to meet its debt obligations and whether the farmer is carrying on a farming operation in a manner which is reasonable in the circumstances.

To succeed in obtaining an exemption order, the onus is on the creditor to show either that the farmer is not making a sincere and reasonable effort to meet debt obligations or that the farming practices employed are unreasonable in the circumstances. Failing to demonstrate one of these will result in the application being dismissed. An unsuccessful creditor may bring a subsequent application, but not within 90 days of the dismissal.

As I mentioned previously, and was mentioned in our widely circulated discussion paper on the topic, the Federal Government, because of its jurisdiction over such matters as banking and interest and bankruptcy and insolvency, is in a more advantageous position than is the province to pass contract adjustment legislation. We are not in a legal position to do so, nor does this legislation attempt to do so.

Our first preference in this whole matter, Mr. Deputy Speaker, and indeed our consistent position, dates back to a time before the present Federal Government was even elected. We believe that the government with the constitutional authority to do so should pass legislation providing for judicial review of pending farm liquidations, giving the courts the power to adjust debtor-creditor contracts where appropriate. To this end, we supported the former federal Bill C-17 which died on the Order Paper immediately prior to the 1984 federal election.

Along with Canadian farmers, we look to the Federal Government for farm bankruptcy legislation with teeth. In fact, the newly appointed Conservative Minister of Agriculture apparently agreed, since he said so as recently as December of last year; he wanted something with teeth, and something that would work and be effective.

Unfortunately, Sir, he or his Federal Cabinet colleagues must have experienced a change of heart since that time, since his government has made no move or given no indication that it will revive the concept of court imposed arrangements to avoid farm bankruptcies.

Perhaps their assessment of the agricultural economic climate is such that they believe such legislation is unnecessary. Sir, if this is the case, then 82 percent of those who responded to my questionnaire this spring would disagree with that assessment. Perhaps they believe we have the luxury of several more years in which to study the matter.

Sir, in this they are wrong. Every year more Canadian farm families are brought to the brink of financial

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disaster, replacing those who went under the previous year. The matter has been studied to death and the legislation has been drafted. All that remains is for the Federal Government to show the political will necessary to enact it.

In the absence of federal action on this front, and in the firm belief that the time for such action is now, my colleagues and I have made the decision to introduce The Family Farm Protection Act and to go to the full extent of our constitutional authority in protecting Manitoba farmers in difficult economic times.

As I mentioned earlier, the act deals with three classes of essential farm assets. In a non-moratorium period, it covers farm land, farm machinery and equipment. During a moratorium, both of these classes of assets are covered, plus livestock. With respect to farm land, we are confident of our constitutional authority and our ability to cover all farm landers with this legislation.

Accordingly, it is our intention to proclaim those provisions of the act dealing with farm land, as soon as the administrative mechanisms can be put into place and made operational.

With respect to farm assets, other than land, our legal advisers have pointed out the existence of a constitutional conflict. Sir, those lenders who take their security pursuant to Section 178 of The Federal Bank Act, and possibly also the Federal Farm Credit Corporation, could not be bound by the provisions of provincial farm debt legislation.

Should we proclaim these sections of the act immediately, it would have the effect of establishing different rules for the banks and FCC, on the one hand, and MACC and the credit unions on the other. This would, in our view, be unfair and be impractical and untenable.

Accordingly, Mr. Chairman, yesterday I wrote to the Federal Minister of Agriculture requesting his government to enact legislation which would require institutions, falling under the Federal Government's jurisdiction, principally the banks and the Farm Credit Corporation, to comply with the provisions of Manitoba's proposed legislation.

Sir, we have received legal advice to the effect that if the Federal Government were agreeable in principle, it could pass a relatively simple act to achieve this objective. A precedent for the type of legislation which we are seeking exists, and has been constitutionally upheld.

For example, the Federal Government has delegated its exclusive regulatory authority over the inter-provincial movement of goods to the various Provincial Motor Transport Boards. I'm optimistic that swift passage of the federal legislation requested will result in the province being able to proclaim the balance of the sections of The Family Farm Protection Act, dealing with chattels in a timely fashion.

This will allow us to deal with all of the essential farm assets as a single operational unit, rather than in piecemeal fashion. Mr. Deputy Speaker, in that light, I should advise honourable members and I would like to provide them, for their information, with a copy of the letter that I sent yesterday to the Honourable Minister of Agriculture, the Honourable John Wise, and if it could be distributed to all members of the House so they would know precisely what I sent to him, along of course with a copy of the legislation that's been introduced.

Sir, I mentioned earlier something of the consultative process involving individual farmers, rural Manitobans, and producer organization. I and my staff have also made a point of consulting with representatives of Manitoba's agricultural lenders, both with respect to the farm financial situation generally, and with respect to this legislation in particular.

Throughout the present period of protracted financial difficulty in the agricultural sector, lenders have, for the most part, shown reasonableness and flexibility in dealing with their farm borrowers. In their meetings with us, the banks' representatives have told us that while they are presently losing money in agricultural lending, this has not been the case historically, nor do they expect it to be the case over the longer term.

(Madam Speaker in the Chair.)

More than one bank representative, sir, has privately assured us that their full institution is in agricultural lending to stay. We do not have the sense that agricultural capital is about to flee the province, as a result of this legislation or otherwise.

My government has not entered into an adversarial or confrontational relationship with private lenders, nor does it intend to begin doing so with this legislation. Bank representatives advise that less than 5 percent of their farm clients are presently in acute financial difficulty, while our own information and that of FCC would estimate the figure to be considerably higher.

I am prepared to accept the bank statistics at face value, for present purposes. What this means is that, from the lenders' perspective, there will be no attempt under this legislation to interfere with debtor-creditor arrangements between themselves and their clients in more than 95 percent of all farm cases. Only where financial peril threatens the livelihood of a Manitoba farm family is there a role for the courts and the mediation board.

The banks' representatives also advise us that, both informally and through the voluntary Debt Review Panels, they have in many cases entered into arrangements with certain farmers facing financial difficulty, arriving at settlements to attempt to ensure the full viability of the farming operation, not at all unlike the kinds of settlements envisioned by The Farm Family Protection Act.

One of the things we wish to accomplish through the act is to ensure consistency of treatment as between farmers by making this same process available to all who could potentially benefit from it.

I want to indicate to honourable members, as we have had, with our experience that one of our major lenders, and I'll put it on the record, the Bank of Montreal has in fact, in the open, indicated that they're intending to stay with agricultural credit lending.

However, the statement doesn't meet with what is happening out there in the farm community, both in Manitoba, from our own staff in negotiations on behalf of farmers and, as well, the experience in the Province of Saskatchewan, from our discussions with them. They are basically saying one thing and doing another. Quite clearly, as I've said earlier, in one instance just as late as several months ago, the bank did, what I would say, jump the gun on a farmer who had a cow-calf operation, had the feed to carry them through the winter and had pasture available, but was in arrears on his operating credit. It was in the central part of this province. Without

notice, they basically moved in, took the herd and, in fact, all the cows were in calf. In fact, some of the chasing around and trying to round up the herd while the man was away working on another job, induced the birth of some of those calves. They were sold, in fact, we tried, through The Veterinary Act, because we got wind of it very late in the process, tried to stall off the foreclosure but they proceeded with it very quickly to the auction, resulting in a major loss to the farmer. The entire operating credit was not satisfied. The cattle were sold at what we would consider as a major loss.

I think members opposite would share with me that if a cow and calf would be sold for between \$400 and \$500, that would constitute a fairly major loss in terms of the potential value of those animals.

That kind of a circumstance should not continue to occur, Madam Speaker.

In the recent Budget Address to this House, my colleague, the Minister of Finance announced that our government was allocating \$6.5 million in special farm assistance to further strengthen and reinforce our efforts and commitment under The Family Farm Protection Act. These funds will be used to assist farmers with demonstrated production and financial management capabilities and excessive debt burdens, to sustain their farming operations, and work toward long-term economic liability.

Where lenders can agree to set aside portions of such a farmer's debt, without interest until the farmer's financial circumstances improve, the Manitoba Agricultural Credit Corporation may guarantee some portion of the unserviceable debt.

MACC may also refinance farmers whose existing lenders won't advance further credit following the mediation board process and will consider lease-back arrangements for former MACC clients in default on their loans.

For these purposes, and to improve its overall services to Manitoba farmers, MACC will hire some additional staff to try and deal with the situation.

I want to tell my honourable friends opposite that Saskatchewan did not put any money up front in terms of the mediation process and the foreclosure legislation that they put into place. We are basically putting our money where our mouth is to try and negotiate a better arrangement for the farmers who are in financial difficulty, Madam Speaker.

I have long been looking forward to the introduction of this legislation, Madam Speaker, for many reasons, not the least among which is that I will perhaps finally learn where the Conservative Opposition stands on this issue.

Late last year, the discussion paper was introduced. Their then Agricultural Critic gave a press conference, ostensibly for the purpose of making clear his party's position on farm debt legislation, though that, Madam Speaker, that certainly was not the result.

In his statement to the media, the Member for Arthur did not take a position with respect to any of the three legislative options advanced in the discussion paper, nor did his party leader, who was also present. When questioned, Madam Speaker, by a reporter, not once or twice, but three times on the question of moratoria, the best he could do was to state that his party would be prepared to discuss it with the farm community.

Does this mean that he was supportive of my series of community meetings designed to do just that?

Certain not, because he criticized it. That would be expecting, Madam Speaker, a level of consistency, from one minute to the next, quite uncharacteristic of the Member for Arthur.

Another question was asked of the Member for Arthur with respect to contract adjustment legislation, an option then being considered for discussion purposes. Several qualified and highly-regarded legal sources had spent months researching the question and had alerted us to its extreme complexity.

Despite this complexity, our Conservative member criticized me for not being prepared to speak with absolute certainty at that time on the province's constitutional position in the matter. However, as usual, he declined to put forward his party's position, as did his leader; nothing, he never said a thing.

They also declined to state whether they felt the Federal Government, which undoubtedly possesses the constitutional authority, should take action in this regard, and he didn't say that.

Madam Speaker, the shameful lack of either direction or candor was repeated by the Leader of the Opposition during the recent provincial election campaign. In the context of the televised Leaders' Debate, the Premier of our province challenged his opponent to state his party's views on our Farm Aid platform package.

MR. D. ORCHARD: What is it, what is the Farm Aid package?

HON. B. URUSKI: I hear now, the Member for Pembina just came into the House. I expect that he will support the measure, since he was not available in the House before.

Madam Speaker, showing all the leadership of a couch potato, the Opposition Leader steadfastly refused to do anything. Madam Speaker, if we are to have some intelligent debate in this House on this bill, and if the government is to benefit from the constructive criticism and input of the Official Opposition, then I sincerely hope that, along with the critic's responsibilities, the new critic, my colleague from Virden, did not and does not, inherit his predecessor's incisive analytical skill and his disinclination to say anything of substance when the situation calls for it.

There are many things, Madam Speaker, which The Family Farm Protection Act will not do, either because it was not designed to, or because of limitations placed upon what it can achieve, both by the Constitution of Canada and by the current state of the international agricultural economy.

I would like to briefly enumerate for the record some of those effects which will not occur as a result of the act. First of all, whether or not a moratorium is declared once the act is proclaimed, such a moratorium will not put an end to farm debt. The moratoria contemplated by this legislation would have the effect of temporarily suspending the creditors' ordinary remedies, but not their rights.

The debt will remain in existence and interest will continue to accrue and both will continue to be payable. The only difference is that a judge will review individual cases where creditors want to pursue default remedies and not allow them to do so during the period of a moratorium if the farmer is making a reasonable and

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sincere effort to repay the indebtedness and if the farming practices used are reasonable in the circumstances.

Madam Speaker, one message came through loud and clear in my province-wide meetings with farmers this spring and previously and that is with respect to the nature of debt. In most farmer's eyes, a debt is not an obligation to be avoided if possible, but rather an obligation to be repaid, if at all possible.

The farmers' pride and principles on this issue dictate that, for the most, their self-respect hinges on being able to eventually repay, under fair terms and conditions, most if not all of what was originally borrowed.

The main source, Madam Speaker, of financial problems for many producers has been the enormous interest expenses that they have been forced to finance. The exorbitant interest rates, in particular, in the late Seventies and early Eighties have imposed a huge burden on farmers. Many producers, Madam Speaker, have been unable to recover and they cannot currently meet their debt obligations.

Another thing which this legislation was not designed to do, and will not do, is to save every poor producer or ineffective farm manager, from going out of production. Several years of high interest rates and the cost price squeeze have already ensured that there are relatively few such farmers left.

Built into the act are considerations and criteria which will help to focus its benefits on those producers whose financial circumstances are largely the result of factors beyond their control.

Finally, Madam Speaker, the act cannot by itself create an economic climate which is conducive to the recovery of those farmers in precarious financial circumstances and to the revitalization of agriculture generally. To achieve that end, concerted action is required on the part of both Federal and Provincial Governments to address the national and international causes of the farm financial problem.

At the recent meeting of Western Premiers in Swan River, our Premier, Madam Speaker, took the position that among such measures should be included the following: mediate an accord among grain exporters to restrict export subsidies and predatory pricing policies and maintain price and market stability. There should be, immediately, an introduction of a national operating loan guarantee program to complement and/or replace provincial programs now in place.

Madam Speaker, to this end, this issue was recommended by all Ministers of Agriculture in this country, and at that time, there were a number of Tory Ministers like in Ontario and Prince Edward Island in October of 1984 to the present Conservative administration. It was rejected at that time.

Also, there should be introduced, a grain deficiency payment program to cover the difference between market prices received over the next two years and the 1985-86 Canadian Wheat Board initial prices.

There needs to be strengthening of the Domestic Farm Income Stabilization Programs, first and foremost, by implementing Manitoba's proposed changes to the Western Grain Stabilization Plan to make it crop specific and producer specific and by finalizing negotiations on the long-term Crop Disaster Assistance Program with no changes in federal cost-sharing.

What should happen, as well, is the increase made in the domestic price of wheat to \$10 per bushel effective the new crop year.

Madam Speaker, Manitoba, of course, remains committed to doing whatever is within its constitutional jurisdiction and its fiscal capacity to complement federal action and the actions of other provincial governments in this regard.

In conclusion, Madam Speaker, I look forward to what will hopefully be a healthy, thorough and useful debate on this act, its principles and its individual provisions. My hope is that it will receive the support of all members of this House and that members on both sides of the Chamber will come forward with constructive criticisms aimed at better achieving the act's legislative objectives.

Finally, I look forward to, and would welcome, the suggestions of any member who might know of constituents or other Manitobans willing to serve their province as potential nominees to either the Manitoba Mediation Board or the Manitoba Farmers' Peer Advisory Panel. As I have done in the past with our other panels, I asked members opposite to submit names of farmers in their areas. I want to say that some of the members opposite did submit names and, where possible, those individuals were appointed to the farm mediation process.

Madam Speaker, I thank the honourable members' attention in this respect. I would like to, at this time, for members' information, table for the House a brief statement that is being made and was embargoed this morning made to the media on this piece of legislation and, as well, a press release just so they would know exactly what is being said and has been said. — (Interjection) — Pardon me?

MR. D. ORCHARD: Is your brief statement in your notes today?

HON. B. URUSKI: The brief statement that was made is a brief compilation of what was said today.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I do not intend to use my opportunity to speak on Bill 2, but, with your permission, I would like to ask a couple of questions of clarification with respect to Second Reading, if I may. It has been done before . . .

MADAM SPEAKER: Is the honourable member wanting to ask questions of the Minister?

MR. C. MANNES: For clarification purposes.

MADAM SPEAKER: If it's the Minister's desire to answer questions.

HON. B. URUSKI: I will attempt to answer to the best of my ability.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I have three questions. Firstly, the Minister has indicated in cases where this bill may cause lending institutions to back away from offering borrowed funds, that if the farmer

happens to be a former MACC contract holder, there will be provision made under MACC to possibly consider carrying that person, whereas if he didn't have that opportunity, he would be turned down.

My question to the Minister: What about the individuals who were not previously MACC contractors, is there a provision within his bill to help those that may be denied — I stressed the words "may be" — operating loans because of Bill No. 4?

HON. B. URUSKI: Madam Speaker, the honourable member should be aware that the province presently is involved to the tune of more than \$100 million of guaranteeing operating credit where financial institutions have already refused to guarantee operating credit. So we are already in that market even though many of those clients are not our clients under MACC. The situation will not change with this bill. The process of the bill is a process to get people to the bargaining table to negotiate and mediate a settlement, whether it is on operating credit or whether it is on set-asides, to basically attempt to secure the long-term viability of that farm unit.

If the honourable member is suggesting that now MACC will take all comers, and that is what he is basically trying to suggest, that won't be the case, Madam Speaker, and it never was the intent of the legislation and is not the case of this bill.

MR. C. MANNESS: I don't want to abuse this opportunity I have, so I'll move strictly to my second question. Does the bill have a provision with respect to a sunset clause, given that, hopefully and expectantly, agricultural fortunes will change and improve once this cycle comes to an end? Is there a sunset aspect to this bill so that the moratorium part of it will be lifted in due course?

HON. B. URUSKI: Madam Speaker, the bill does not put forward specifically that a moratorium is in place when the act is proclaimed. A moratorium will be put into place whenever it is deemed that the crisis situation is such that a moratorium should be placed. So it is not automatic with the passage of this legislation that a moratorium is in place. It will be up to the government, in consultation with farm groups and farmers, to make a decision whether or not a moratorium will be placed. It empowers the Lieutenant-Governor-in-Council to declare a moratorium but does not, in fact, indicate that a moratorium is in place at the time the act is proclaimed.

MR. C. MANNESS: From the Minister's answer, I take it then that governments, from the day that this act is proclaimed, from then hence, will have the opportunity always to step in, to make a decision with respect to the lending institution taking action to secure their indebtedness.

My third question, Madam Speaker, and my final question to the Minister. There appears to be a lot of responsibility placed upon the judiciary within the context of this bill.

I would ask the Minister whether or not it's contemplated that the Justice, whoever that may be, who is to review the circumstances by which the farmer

may be in trouble, whether that Justice will have to bring with him to that hearing some sound understanding and profound understanding of agriculture.

HON. B. URUSKI: Madam Speaker, it is my hope that the vast majority of cases will not end up in the court. We hope that the mediation process that we're putting into place will in fact allow, but basically push, the lenders to in fact do as they say they have been doing up till now, and that is mediating, negotiating and setting aside debt and allowing, where possible, family farm units to survive. That is our hope.

What the courts will consider, of course, will not only be their own information in terms of the criteria that they will have to consider whether or not a farmer is making a reasonable effort to farm and whether or not the circumstances surrounding which will, in fact, what will pose a hardship effect on the family, and circumstances beyond just the financial situation of the farmer. They will also consider the report of the farm mediation board which will be presented to the courts prior to the court hearing if the lending institution is not willing to mediate and settle the dispute before it reaches the courts. That report will be considered by the courts.

So there will be some understanding and some review both by the farm review panels and/or the mediation board in conjunction together so that the court will have that advice at its hand when it is considering the case whether or not to send the lender back or deny the application for foreclosure. That's really what the court's role will be.

Basically, what the banks have said is that we are following the mediation process now and we're reasonably pleased with the process that's in place. What we are doing now with this process is trying to get more consistency into the process and highlighting the whole review process that's been in place so that more farmers might take advantage of this.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, I don't wish to speak to the bill today, but the Minister is answering questions of clarification, and I wonder if he might accept more questions.

HON. B. URUSKI: Sure.

MR. D. ORCHARD: Madam Speaker, could the Minister indicate? All of the focus of attention has been on the banks and credit unions as financial institutions providing lines of credit to the farm community.

Can the Minister indicate whether this legislation would also roll into its provisions any farm equipment dealer, any farm supply dealer in rural Manitoba who is servicing the agricultural community, providing credit to his customers as a courtesy to the customer, knowing the risks are there?

Do those machinery dealers and farm supply dealers throughout rural Manitoba become part of the protection provisions, put it that way, that the Minister has talked about today?

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HON. B. URUSKI: Madam Speaker, the honourable member should be aware that under The Farm Machinery Act there is a provision in which a mediation process is in place dealing with credit arrangements, conditional sales contracts made between a farmer and a farm machinery company. In fact, I believe there was something like 200 in the vicinity — I stand to be corrected — but I believe somewhere near 200 cases of applications for leave to repossess before the board, I believe last year, and between 80 and 90 percent of those cases were mediated and settled in that process.

This act will not deal with conditional sales contracts. It will deal with the provisions dealing with mortgages on farm land. If, in fact, a creditor would, by virtue, have a mortgage on farm land based on the loans that he would have extended, then they would, of course, be subject to this legislation, but conditional sales contracts are not part of the process. In fact, farm machinery dealers and The Farm Machinery Act has been in place for — it's a decade now — and the mediation process involved there has been working very well, and that's the process that is in place.

MR. D. ORCHARD: I don't know whether the Minister maybe misunderstood the question or didn't wish to clarify the question I posed. The conditional sales contract is a legal document that has formal process. What I'm asking the Minister about is accounts receivable for such things as repairs for fertilizers, for chemicals.

Do those become part of the moratorium provisions of this Farm Protection Act as they are provided by the small business community of suppliers in rural Manitoba to their farm customers? Does the act impact on that business relationship and impact upon the security of their accounts receivables in the small business community?

HON. B. URUSKI: Madam Speaker, as I understand it, unless there is an attempt by anyone to realize on their mortgage, if in fact there is a mortgage and a creditor is attempting to realize on that mortgage, whether it be a financial institution or other on the mortgage, that would be the only instance where they would be involved and that this act would impact. It would be the realization proceedings in relationship to a mortgage on land would be the provisions. — (Interjection) — well, I do, Madam Speaker. The honourable member says I don't understand the question.

This act does not impinge in the area of a moratorium on the whole. If the Federal Government will provide complimentary legislation, as we suggested, in that area, then, of course, anyone's move to realize on their assets would be subject to mediation process. As the act stands now, only in the realization of assets with respect to land would if anyone has a security in that respect.

MR. D. ORCHARD: The Minister, I believe, answered the question in the last sentence that, given the parallel legislation from Federal Government, it would be the intention of this Minister and the provisions of this act to have accounts receivable from prime suppliers, both machinery and fertilizer and chemical, to become part of this act.

HON. B. URUSKI: Madam Speaker, only where there would be a move to realize, one of the creditors would realize and move to foreclose. If someone was moving to foreclose, then all the assets would be subject under this legislation only on foreclosure action.

MADAM SPEAKER: The Honourable Member for Virten.

MR. G. FINDLAY: Madam Speaker, I would like to move, seconded by the Member for Ste. Rose, that we adjourn the debate.

MOTION presented and carried.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Madam Speaker. I move, seconded by the Minister of Agriculture, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair.

COMMITTEE OF THE SUPPLY

SUPPLY - CAPITAL SUPPLY

MR. CHAIRMAN, C. Santos: Committee please come to order to consider the following resolution, Capital Supply.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$169,700,000 for Capital Supply, Schedule A: The Manitoba Telephone System, \$65,600; The Manitoba Agricultural Credit Corporation, \$12.5 million; Farm Start, \$5 million; General, \$7.5 million; The Manitoba Development Corporation, \$65 million; The Manitoba Beef Stabilization Fund, \$16.6 million; the Small Business Loan Fund, \$10 million, for a total of \$169,700,000 for the fiscal year ending March 31, 1987.

(Inaudible)

MR. CHAIRMAN: Agreed? (Agreed)

A MEMBER: Committee rise.

MR. CHAIRMAN: Committee rise.
Call in the Speaker.

IN SESSION

Madam Speaker, the Committee of Supply has adopted a certain resolution, asks me to report progress and asks leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Member for Thompson, that the report of the committee be received.

MOTION presented and carried.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I move, seconded by the Minister of Industry, Trade and Technology that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of Ways and Means of raising the Supply granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair.

COMMITTEE OF WAYS AND MEANS CAPITAL SUPPLY

MR. CHAIRMAN, C. Santos: The Committee of Ways and Means please come to order. The Committee is in Session now to consider the following resolution, Capital Supply.

RESOLVED towards making good a certain sum of money for Capital purposes, the sum of \$169,700,000 be granted out of the Consolidated Fund.

MR. CHAIRMAN: Is that agreed? (Agreed)
The Member for Morris.

MR. C. MANNESS: Mr. Chairman, I just want to make sure what we're doing. This is the same resolution we were considering before that was passed around. Is it still the resolution stage? And upon passing this, we'll then have distributed the bill?

MR. CHAIRMAN: This is the procedure. The Committee of Ways and Means is considering . . .

MR. C. MANNESS: Mr. Chairman, that's all right.

MR. CHAIRMAN: Thank you. Pass? (Pass)
Committee rise.
Call in the Speaker.

IN SESSION

Madam Speaker, the Committee of Supply has adopted a certain resolution, asks me to report progress and asks leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

I move, seconded by the Member for Inkster, that the report of the Committee of Ways and Means be received.

MOTION presented and carried.

MADAM SPEAKER: The Honourable Minister of Finance.

INTRODUCTION OF BILLS

HON. E. KOSTYRA introduced, by leave, Bill No. 13, An Act to Authorize the Expenditure of Money for Capital Purposes and Authorize the Borrowing of the Same, The Loan Act, 1986; Loi autorisant des dépenses en Capital et l'emprunt des sommes requises à cette fin, Loi d'emprunt de 1986.

MADAM SPEAKER: The Honourable Minister of Finance.

SECOND READING

BILL NO. 13 - AN ACT TO AUTHORIZE THE EXPENDITURE OF MONEY FOR CAPITAL PURPOSES AND AUTHORIZE THE BORROWING OF THE SAME; LOI AUTORISANT DES DÉPENSES EN CAPITAL ET L'EMPRUNT DES SOMMES REQUISES À CETTE FIN

HON. E. KOSTYRA presented, by leave, Bill No. 13, An Act to Authorize the Expenditure of Money for Capital Purposes and Authorize the Borrowing of the Same, Loan Act, 1986; Loi autorisant des dépenses en capital et l'emprunt des sommes requises à cette fin, Loi d'emprunt 1986, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

In order to facilitate consideration of this bill, I'd like to give members opposite copies of my speaking notes for Second Reading, and also to facilitate further, copies of my speaking notes that I will use in Committee of the Whole.

Madam Speaker, this bill is intended to provide borrowing and expenditure authority required for a specific non-budgetary capital programs for the new fiscal year which began on April 1st. These requirements are included in the Capital Estimates for non-budgetary capital purposes which were tabled earlier in the Session and which will be authorized in two parts — by The Loan Act, 1986 and The Loan Act 1986(2). When only one Loan Act is submitted to the Legislature it is usually approved at the end of a Session. An early Loan Act is being submitted this year, as it was in 1984, as there is some urgency to obtain borrowing and expenditure authority prior to the end of the Session for the purposes listed in Schedule A.

Capital Authority is needed immediately to provide additional funding for the Manitoba Telephone System, the Manitoba Agricultural Credit Corporation, Manitoba Development Corporation, the Manitoba Beef Stabilization Fund and the Small Business Loans Fund. Due to the urgent nature of these requirements, it is important that this bill be approved as quickly as possible.

When the bill reaches the committee stage, I and my colleagues can provide any necessary explanations for the information of members.

MADAM SPEAKER: For clarification of the House, we seem to have slipped up somewhat procedurally in that the House has agreed to Second Reading. We can withdraw that if the honourable . . .

MR. C. MANNESS: No, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Madam Speaker, I beg to differ, sorry, but what we agreed to was to consent to leave, to allow it to be introduced without the proper motion. That was what we thought we were consenting.

MADAM SPEAKER: All right, fine. That helps a lot. The Honourable Member for Morris, did you want to speak on the . . . ?

MR. C. MANNESS: Yes, thank you, Madam Speaker. What is obvious, Madam Speaker, with the introduction of Bill 13 by the Minister of Finance, are two or three things. Firstly, that because of the election, the whole process of government has been pushed back two or three months, forcing the government to the realization that the Session may not be ended until — who knows for sure — maybe until September or October or November and, quite obviously, it also indicates that the government and some of the Crown corporations, as listed here, are desperately short of funds.

Now, Madam Speaker, I find it odd that the Minister of Finance did not tell us, at this particular point in time, although he indicated he would hold some of the further explanations to Committee of the Whole, I find it hard to accept that he would not tell us specifically whether all of these five Crown corporations require funds in an urgent fashion, or whether there is one or two of them, specifically, that have to be taken into consideration, such that this bill is dealt with to its final conclusion in an expeditious manner. So I would hope that the Minister could tell us that before we move into Committee of the Whole.

Madam Speaker, we have a various numbers of members here who want to address each and every one of these appropriations, but before they do, I would ask the Minister of Finance to indicate why \$65 million is required so urgently for the Manitoba Development Corporation; and hopefully, he will take my question as notice right now to give us the answers to some of the questions I have just posed.

HON. E. KOSTYRA: Madam Speaker, before I speak, just on a point of order, I presume if I speak now I will be closing debate on Second Reading and we would then go into committee.

MADAM SPEAKER: Again, a bit of confusion. Did the honourable member opposite, was that a question to the Minister? — (Interjection) — Would the Minister like to answer the question at this point then? I'll decide that's a question.

HON. E. KOSTYRA: I'm going to close debate. I intend to close debate on Second Reading.

MADAM SPEAKER: Right.

MR. E. KOSTYRA: Thank you, Madam Speaker. The detailed responses to the points that were raised by the member will be responded to when we get into committee. I would just say that it has been past practice for a number of years, particularly those where the Session either starts or continues later, then it is normal to have two separate bills with respect to the borrowing of money. So that is the usual practice and it is because of the needs of those areas listed that they are incorporated in this bill. Some have different time lines, in terms of the authority, but they are all needed in the earlier part of this fiscal year, rather than the late, because obviously we don't know if the Session is going to conclude in one month, in two months, or in three or four months, so we have to plan for the orderly affairs of the government. But, as I indicated, we'll deal with the detailed issues and points that were raised once we are into committee.

QUESTION put, MOTION carried

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: I move, seconded by the Minister of Labour, that Madam Speaker, do now leave the Chair and the House resolved itself into a Committee of the Whole to consider and report on Bill No. 13, An Act to Authorize the Expenditure of Money for Capital Purposes and Authorize the Borrowing of same. (The Loan Act, 1986)

MOTION presented and carried and the House resolved itself into a Committee of the Whole to consider and to report of Bill No. 13, An Act to Authorize the Expenditure of money for Capital Purposes, and Authorize the Borrowing of the Same, The Loan Act, 1986; Loi autorisant des dépenses en capital et l'emprunt des sommes requises à cette fin, with the Honourable Member for Burrows in the Chair.

COMMITTEE OF THE WHOLE HOUSE REPORT STAGE

BILL 13 — THE LOAN ACT, 1986

MR. CHAIRMAN, C. Santos: The committee will please come to order to consider Bill No. 13, The Loan Act, 1986.

The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

In view of the time and to help facilitate consideration of this bill, I would suggest that I did provide members opposite with copies of what I intended to provide for information on consideration of this committee and maybe I'll deal with those specific comments at the next sitting.

Given that we only have a few minutes before adjournment, if any members have specific questions,

we can see if any members have specific questions that we might be able to take as notice and provide the information at the next sitting.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman.

Mr. Chairman, in the explanation the Minister gave us on Second Reading of The Loan Act, he indicated that the bill is split because five, basically, Crown corporations and Funds urgently need funds and hence can't wait until, say, the end of the Session, to have their Capital Authority approved.

One of those is the Manitoba Telephone System. If my memory serves me correctly, from either the Budget or the Throne Speech, but I believe it is the Budget Speech, I believe the Manitoba Telephone System intends this year to flow \$140 million of capital expenditures. — (Interjection) — The Minister, from his seat, has corrected it to \$149 million.

In taking a look through the Crown corporations and Funds for which Capital Authority is being requested in The Loan Act 1986 (2), I note with a great deal of interest, Mr. Chairman, that the Manitoba Telephone System doesn't appear there.

It would seem that an explanation would be in order as to why, with a total expenditure of \$149 million in Capital this year that MTS is proposing to undertake, and their total loan authority they are requesting is \$65.6 million, that would leave, in rough figures, \$85 million that they would possibly be flowing from internal capital.

The question that would be in need of answering is what is the urgency for that \$65.6 million, which appears to be the entire loan authority that MTS is requesting at this time? Okay, do you want to respond to that later?

HON. E. KOSTYRA: Okay.

MR. D. ORCHARD: The Minister has indicated that he will respond to that on Monday.

Then, for certain, Mr. Chairman, if I can take the liberty of going down the line on these and pose the questions for the Minister for Monday.

We are quite interested in knowing the \$5 million Manitoba Agricultural Credit Corporation request for FarmStart and, particularly if we understand the program, I am not certain whether the criteria of the program has been struck yet. The Minister is indicating from his seat that that's not the case.

Once again, it begs the question of the urgency of getting it going. If he hasn't got a program in place, for which the criteria can be met to flow the \$5 million that you are requesting, according to your introductory remarks, as being needed immediately, that question has to be answered.

Indeed, Mr. Chairman, we would hope that before we pass The Loan Act, 1986, with this \$169 million of authority, that the Minister of Agriculture can provide to the committee and to the House the details of the FarmStart Program because this is being requested on an urgent basis by the Minister of Finance, and he indicates that it cannot wait until the end of the Session.

We would like to see the criteria on Monday of the FarmStart Program and what the anticipated cash flows are going to be, and via what security vehicles, etc., etc., that \$5 million will be flowed.

Since it is an urgent request for money, there should be absolutely no difficulty for the Minister of Agriculture to come in and provide us with the criteria on the FarmStart Program.

Secondly, moving down in the second portion of the MACC request for funding, the \$7.5 million for general purposes, certainly the Minister, since there should be no new program involved in that amount of funding, which it would appear to be going into MACC for the normal loan purposes of intermediate and long-term loans, maybe even securing of the Operating Loan Fund, we would certainly like to have the Minister's enlightenment to the House as to what he intends to do or what he foresees as being the target in combination of long-term versus intermediate that that \$7.5 million will go to.

Mr. Chairman, the major item here, and I have taken the liberty of bringing with me at least capital authority requests from other years, and I suppose, with all this material we have got delivered this morning, I have probably lost the previous years' requests for loan authorities and I apologize for that. In previous years, there has been either no request for the Manitoba Development Corporation or very, very minimal requests. Then the Minister indicates \$10 million. The one sheet I have before me was from 1982-83, where there was no request for the Manitoba Development Corporation.

Sixty-five million dollars is a sizable amount of money and I'm sure the Minister would appreciate our concerns on this side of the House as to where that Manitoba Development Corporation monies are to be allocated and the purpose of this \$65 million.

In terms of the Manitoba Beef Stabilization, once again, the Minister of Agriculture is urgently requesting this funding to be passed in a separate bill because there is some urgency. We would fully expect the Minister of Agriculture on Monday to indicate to us where this \$16.6 million will be spent, how quickly he expects it to be spent, because he must obviously be expecting it to be cash flowed within the next three months, which is a probable time frame before we pass the rest of the Capital bill.

We would like to know what area it is flowing to, to whom, and for what purposes, and whether in fact three months, four months, five months — it all depends on the honesty of the answers we get from the government. Mr. Chairman, the quality of the question to the Minister of Agriculture will be what he is going to use \$16.6 million on the Manitoba Beef Stabilization Fund for in such an urgent manner. I trust that he will come with that tomorrow (sic).

Similarly, and I am speaking out of turn on behalf of two of my colleagues, but since we are nearing 12:30, the Small Business Loans Fund is part of an election commitment of some \$50 million, which is now spread out over presumably five years at \$10 million per year. Once again, before we would entertain the passage of this Loan Act, 1986 as expeditiously as the Minister of Finance would have us do, we would like the Minister responsible for the Small Business Loans Fund to explain in some considerable detail the program, the

criteria for qualification, the target groups of business entrepreneurs that he believes — maybe it's she believes — we will find benefiting from these \$10 million funds.

We would like, from the Minister of Small Business Development, a projection that she must obviously have, of the staging of the cash flow of this \$10 million because she has made it the subject of an urgent request to be placed in the first Loan Act, and immediate passage is asked for.

I am sure that I have asked enough questions of the Minister. I know he will take, in his expeditious fashion, to provide those answers on Monday.

MR. CHAIRMAN: The hour is 12:30, the time for adjournment.

Committee rise.

Call in the Speaker.

IN SESSION

Madam Speaker, the Committee of Supply has considered certain resolutions, directed me to report progress and asks leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Honourable Member for Inkster, that the report of the committee be received.

MOTION presented and carried.

MADAM SPEAKER: The hour being 12:30, the House is now adjourned and stands adjourned until 2:00 p.m. Monday next.