

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 16 June, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I have a statement, Madam Speaker.

Today is the 10th anniversary of the Soweto uprising. This uprising followed the killing by South African police of unarmed students, many of them mere children. They had been demonstrating peacefully against the shame that is apartheid.

In the 10 years which have followed Soweto, the racist government of South Africa has done nothing to dismantle that policy. Indeed state violence against the blacks of South Africa has escalated.

As stated last week by the Eminent Persons Committee of the Commonwealth and by the Premier last Thursday in this House, Canadian and world-wide action to assist the people of South Africa must also escalate in a variety of ways principally, but by no means exclusively, by increased economic sanctions.

On this, Soweto Day, I am pleased and proud to be able to announce yet another step in our efforts against apartheid.

Beginning next week all South African liquor products held in storage by the Manitoba Liquor Control Commission will be listed for sale to the public at regular prices. The net profit will be paid over by the Commission to the government in the usual way. As received by the government this money will form a trust fund from which periodic grants will be made to the Manitoba Coalition Against Apartheid in order to strengthen its important education and advocacy roles in the fight against apartheid.

The 44-member coalition includes, Madam Speaker, church, labour, educational, youth, cultural and political organizations united in their vigorous opposition to apartheid.

The objectives of the coalition include the following:

1. Intensified and wide lobbying with the Federal Government and other levels of government for changes in Canada's policies towards South Africa.
2. Building local and regional solidarity efforts with the aim of becoming part of a nation-wide campaign against apartheid.
3. Carrying out a widespread and thorough education program with high-profile activities designed to reach the broadest number of people and to counter South African Government propaganda which seeks to apologize for apartheid.

4. Providing direct and indirect financial, moral and other support to the liberation movements in South Africa and the peoples of South Africa in their struggle against apartheid.

It is anticipated, Madam Speaker, that over the next three years, the trust fund should yield annual grants averaging approximately \$50,000.00. I should say here parenthetically, Madam Speaker, that in accordance with policy established some years ago by this government, we will not be obviously purchasing any more South African liquor. We're talking about the sale of liquor presently held in inventory. Details of the method of sale of the South African liquor products and of the way in which grants will be made, administered and monitored will be announced shortly.

We are confident that the overwhelming majority of Manitobans will support this step.

The grant of significant funds to such a broadly-based Manitoba organization is both appropriate and clearly timely. We wish the coalition well in its vitally important work.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you very much, Madam Speaker, and I thank the Minister for the statement that he has just made.

I compliment the government on coming forward with an appropriate plan to utilize the sale of the South African products that are stored currently by the Manitoba Liquor Commission in a fashion that will indeed support the position not only of the Government of Manitoba, but the Government of Canada and all people in this country in strong opposition to the apartheid policies of South Africa.

Madam Speaker, as long as the liquor supplies were in storage in Manitoba, they were obviously not of value to anyone sitting there. This allows them to be put to a use that will not only recover the investment that the people have in them, but also utilize the additional funds, the net profits, to go to a cause that I believe is supported by all members in this House and, indeed, by the vast majority of Manitobans.

I have said before, in response to the Premier's comments last week, that we supported any initiatives that would ensure that people know of our abhorrence for apartheid policies of South Africa and that would inform the public and educate the public about the opposition that this government, the Government of Canada and all others hold for their actions.

Madam Speaker, I also say to the Minister responsible that by setting up a trust fund, by making periodic grants upon which there will obviously be the responsibility of the organizations to report and to ensure that they are used in a way that is acceptable to the Government of Manitoba, I believe they are putting in the kinds and checks and balances which I had advocated in some discussions last week with people on this particular topic.

We believe, on this side of the House, that it's important for the government to continue to take the responsibility for the use of those funds so that they are not just simply turned over to an organization without having the opportunity to continue to monitor and ensure that they are being put to the use that they were intended, to programs that are acceptable to the Government of Manitoba and the people of Manitoba.

So we believe that in this initiative the government has acted in a responsible manner. We support the use to which those profits are being intended to be put and we will continue to, along with the government, monitor the results of that investment.

Thank you very much.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

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

On Friday, June 13, 1986, the Government of Manitoba revoked the Order-in-Council appointing Carl A. Laufer as the General Manager of the Manitoba Public Insurance Corporation, effective immediately on that date.

This action was taken following receipt of a report from a special audit conducted by the Provincial Auditor, Mr. Fred Jackson, which indicated that the General Manager had acted improperly in a number of instances. The special audit had been ordered by the Minister of Finance on April 28, 1986, in accordance with my request.

I received the Auditor's Report on June 12, 1986, and met with Mr. Laufer that afternoon to discuss its contents. As a result, Mr. Laufer was asked to resign. On June 13 when it became clear that he had chosen not to do so, the government moved to revoke his appointment in order to protect the integrity of the Manitoba Public Insurance Corporation.

While the report indicated that Mr. Laufer had not appeared to benefit personally from any of the improprieties reviewed, it did indicate that he had on several occasions exercised judgment that was not in the best interests of the corporation. These lapses in judgment brought about a perception of wrongdoing within the corporation which is not acceptable to this government and which made Mr. Laufer's removal necessary.

The Honourable Minister of Finance will be tabling the report of the Provincial Auditor on this matter this afternoon for the information of all members of the House.

In response to suggestions within the report that there are areas in which corporation policy regarding certain types of expenditure can be improved, I have requested that the MPIC Board of Directors put together a plan of action to deal with the concerns raised by the Auditor as soon as possible. I expect to receive the board's recommendations within the next several weeks.

I expect to make an announcement of the appointment of an Acting General Manager of MPIC very shortly.

This government is committed to the concept of a public insurance corporation which works for all Manitobans and which acts in the best interests of the people of this province. We will take appropriate action

whenever necessary to ensure that Manitobans receive the best possible service.

Thank you.

MADAM SPEAKER: The Honourable Leader of the Opposition.

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

I rise on behalf of my colleagues in Opposition in expressing our shock at the new revelation of moral degradation within the administration of this NDP Government in Manitoba. Tragically, Madam Speaker, this is one of so many scandals that have rocked this administration over the past few months and indeed throughout the past year that it seems to me that we're getting to almost an epidemic proportion in the numbers of charges, in the numbers of allegations, in the numbers of prosecutions of senior administrators and public officials under this administration that I believe that the people of Manitoba are becoming very, very concerned and upset to the point that they have to wonder just where is the leadership in that government. What are the standards that are being set by those people in government that are leading to this kind of action?

Madam Speaker, the Premier has a quizzical look on his face, so perhaps I should remind him about the McKenzie Seeds scandal where three senior officials were charged with conflict of interest, with misuse of public funds in the corporation; where two officials in the Highways Department were convicted of coercion and misuse of funds; where an individual in the Natural Resources Department had been misappropriating public funds for years and was convicted as well, all of this under this administration.

It seems to me, Madam Speaker, that there has to be an end to this. It seems to me that sooner or later the Premier and his colleagues had better get their act together and clean up the affairs of this government. Madam Speaker, the Minister responsible for MPIC can talk about it in terms of poor judgment, in terms of indiscretion, in terms of just improper handling of the public trust, but it's happening all too often and it's happening in too many areas of this government. I suggest, Madam Speaker, that it has to do with the standards that are being set by this Premier and by this government.

Madam Speaker, those standards are not good enough. Those actions that are resulting in the conduct of members of this administration in this respect just simply aren't acceptable to the people of Manitoba. The people of Manitoba deserve a government that's at least as good as they are, and they're not getting it from this administration.

MADAM SPEAKER: The Honourable Minister of Finance.

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

As indicated by the Ministerial Statement from my colleague, the Minister Responsible for the Manitoba Public Insurance Corporation, I'd like to table the Special Audit into Manitoba Public Insurance Corporation conducted by the Provincial Auditor.

At the same time, I'd like to table the Supplementary Information for Legislative Review for the 1986-87 Estimates of the Department of Finance.

MADAM SPEAKER: Notices of Motion . . .
Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we move to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 47 students from Grade 5 from the Hastings Elementary School. These students are under the direction of Mr. Harry Bushby and Mrs. McMurchy. The school is located in the constituency of the Honourable Member for Riel.

We have 50 students from Grade 3 from the Westgrove School. These students are under the direction of Miss Audrey Chwaliboga. The school is located in the constituency of the Honourable Member for Charleswood.

We have 12 students from Grade 10 from the R.D. Parker Collegiate. The students are under the direction of Miss Linda Bass, and the school is located in the constituency of the Honourable Member for Thompson.

On behalf of all the members, I'd like to welcome you all to the Legislature this afternoon.

ORAL QUESTIONS

MPIC - firing of President

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is to the Minister responsible for the Manitoba Public Insurance Corporation, and it follows upon the shocking revelation of the firing of the President of MPIC as a result of an auditor's investigation.

My question to the Minister is: when was he first informed of the allegations that led to the investigation and the eventual dismissal of the President?

MADAM SPEAKER: The Honourable Minister responsible for the Manitoba Public Insurance Corporation.

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

I acted on the information provided to me within a matter of days of receiving that information; however, to give the specific date, I'll take that question as notice and provide that information.

MR. G. FILMON: Madam Speaker, I wonder if the Premier could indicate when he was first informed of the allegations and the investigation.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: The Minister responsible for the Public Insurance Corporation advised me a day or two prior to transmittal to the Provincial Auditor, and at that time, of course, instructed that the matter be forwarded to the Provincial Auditor.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, reports indicate that the investigation was only to do with the period of time

between January 1 and April of this year. I wonder if the Minister could indicate whether or not any of the investigations of the Auditor go beyond that point earlier.

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: The information that is provided is essentially correct. My understanding is that the period which was researched by the Provincial Auditor was basically from the first of the year to the end of April. I will, however, be asking the Minister of Finance to ask the Provincial Auditor to go back some time, particularly with respect to the practice of the disposal of vehicles by direct sale from the time that the directive was issued which no longer required the authorization of a senior executive member for such sales.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, given that the investigation turned up several items that were obviously not in keeping with the normal practice of the administration of the corporation, I wonder if the Minister would extend the investigation to cover the time of occupancy of that position of President by the individual, Mr. Laufer.

HON. J. BUCKLASCHUK: Yes, I'll take that as notice and give consideration to a further report on that period during which Mr. Laufer was the General Manager of the corporation.

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate whether this matter, the allegations, were discussed by the board of MPIC prior to it being brought to his attention.

HON. J. BUCKLASCHUK: I am not aware that the board was at all aware of any of these concerns. However, once this information had been brought to my attention and I was satisfied that there was some substance to the allegations, I did then inform the chairperson of the board that an audit was being carried out and we were looking into these areas.

MR. G. FILMON: Madam Speaker, why is the board not responsible for the operations of the corporation and not doing its own internal investigation to matters of this nature?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: Yes, I'm sorry. I didn't hear that question. Could the member repeat that, please?

MR. G. FILMON: Madam Speaker, to the Minister, is it not the responsibility of the board to oversee all of the actions of the administration of the corporation and for them to initiate internal investigations upon receipt of information of this nature?

HON. J. BUCKLASCHUK: The information was provided to me as the Minister responsible for the corporation. I felt in the best interests of the corporation that this matter should be investigated as quickly as possible and as indicated, I drew this to the attention of the Minister of Finance and requested the Auditor to look at this and to provide a report. This report is being provided to the board at their next meeting and the Provincial Auditor will be able to deal with that in detail and to respond to any further concerns that the Board of Directors may have.

MR. G. FILMON: Madam Speaker, does the board not have any responsibility to oversee the day-to-day affairs and to ensure that there is ongoing checks and balances on all of the members in the operations of the corporation to avoid this kind of thing?

HON. J. BUCKLASCHUK: Yes, the board certainly does have responsibility for the overall administration of the corporation, however, when the information that is provided . . . first of all, there's no way that the board could have been aware of some of the issues that were raised and secondly, when the board is provided with incomplete or incorrect, inaccurate information by a senior officer of the corporation, then it does make it rather difficult for them to deal with that issue.

MR. G. FILMON: Madam Speaker, given that what the Minister responsible is suggesting is that there was misinformation or in fact that the President was deliberately misleading the board, has he investigated whether or not there should be criminal charges laid as a result of any of these issues?

HON. J. BUCKLASCHUK: The reference that I made to incomplete information is an observation made by the Provincial Auditor. The statement indicates, and this is with respect to the expense accounts, our review indicates there is not an appropriate level of accountability for corporate executive expense accounts and charge card expenses because the charge card expenses are not included in the Annual Report to the Board of Directors. As is required by corporation policy as a result, the report is incomplete and inaccurate. Those are the Auditor's words.

MR. G. FILMON: Madam Speaker, is the Minister going to take immediate steps to change the operations of the corporation to ensure that this sort of financial reporting now becomes accurate and that no lack of information prevents the board from overseeing the operations of the corporation?

HON. J. BUCKLASCHUK: Yes.

MR. G. FILMON: Madam Speaker, who was the chairman of the board at the time these allegations were brought to the Minister?

HON. J. BUCKLASCHUK: At the time that the allegations were brought to my attention, the former chair had been appointed — as a member of Executive Council had advised me that he would be conveying his resignation from the board and it appeared at which

time there was no acting chair. Subsequent to that, though, I did appoint the vice-chairperson of the board to be the acting chairperson of the board.

MR. G. FILMON: Madam Speaker, was the former chairman of the board, now a member of Executive Council, informed of all of the allegations prior to his becoming a member of Executive Council?

HON. J. BUCKLASCHUK: I do not believe so, but I'll take that as notice.

MR. G. FILMON: Madam Speaker, given that the Auditor's investigation indicates that in terms of the exorbitant expense accounts that other senior members of the corporation were involved in the submitting of inordinately high expense accounts, will the board be launching a further investigation into these expense accounts and actions of other senior members of the corporation?

HON. J. BUCKLASCHUK: Madam Speaker, I'm not aware that the word "exorbitant" was used in the Auditor's Report. He did, however, report that the expenditures that were carried out were in excess of what would normally be expected as directed by the General Manual of Administration.

I do believe that some of the expenses incurred for meals, for dinners or lunches, were quite legitimate when persons from outside of the corporation were transacting business. However, there were a number of situations where the only persons attending the meal were corporation staff and that is clearly not acceptable.

MR. G. FILMON: Madam Speaker, I'll readily admit that the use of the word "exorbitant" was my word, but the \$9,000 in a four-month period that was questioned by the Auditor is the amount to which I am referring. Now, the Minister may not think that that's exorbitant.

My question to him, though, is are they going to launch further investigations into these expense accounts that clearly are beyond the guidelines of the corporation?

HON. J. BUCKLASCHUK: Yes. Again, I think the Leader of the Opposition is misquoting what appears in the Provincial Auditor's Report. The sum of some \$9,000 represents the total expenses, both what I think would be considered to be legitimate business expenses and those that were spent amongst staff which are not acceptable. So I think that requires clarification.

Secondly, the board is being asked to deal with this matter immediately, and I will be asking the board to consider very strongly going back into the past to see if this particular practice had been ongoing for some time.

MR. G. FILMON: Madam Speaker, could we also have the assurance from the Minister that in taking the investigation into Mr. Laufer's actions over a period of time leading up to this, that he would also do the same thing with all senior administrators in the corporation so that we would know whether or not this practice has been carried on and whether, in fact, the \$9,000 is just the tip of the iceberg?

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HON. J. BUCKLASCHUK Yes, the \$9,000 does involve the expense accounts of senior staff, not only Mr. Laufer. This will be part of the overall review, yes.

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate what types of items, other than just lunches and meals amongst staff, were included in that \$9,000 that the Auditor took exception to?

HON. J. BUCKLASCHUK My recollection is that the 9,100-and-something dollars represented meals and beverages.

MR. G. FILMON: How many senior administrators would be involved in that \$9,000 of meals and beverages?

HON. J. BUCKLASCHUK: Again, the question is the number of senior administrators. I do not have the knowledge as to how many individuals were involved in these meals because again it's important to note that a number of these meetings involved business persons from outside of the corporation. However, in terms of the number of senior members that were involved, it's the executive management committee, excluding one current member. The management committee, incidentally, consists of the president and, I believe, five vice-presidents.

MR. G. FILMON: Madam Speaker, then, will the Minister ensure that the investigation will be wide open to include the affairs of all of these people since they have been placed in suspect as a result of the Auditor's Report?

HON. J. BUCKLASCHUK: The investigation that will be carried out will involve all issues that are dealt with in the Provincial Auditor's Report.

Audits (Special) - Provincial Auditor

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. I direct my question to the Minister of Finance.

We, on this side, are aware now of three special audits that the government has asked the Auditor to undertake over the last two or three months.

I'm wondering if the Minister of Finance can indicate whether the Auditor has received instructions to undertake any other audits, any other special audits within any Crown corporation or within any department of government.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I'm not aware of the three that the member makes reference to. There have been two requests made by myself, as Minister responsible, for special audits — this one and the one that was previously indicated with respect to 115 Bannatyne.

MR. C. MANNES: Madam Speaker, I didn't hear the Minister. Did he indicate that there were no other special audits that were taking place at this point in time?

I would then ask him, Madam Speaker, how it is or when it is that the government decides to release this information? I understand that this audit was undertaken on April 28. Can the Minister indicate why members of the Opposition were not given notice of that audit at that time?

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

The members have been given a copy of the report. It was provided to us at a briefing by the Provincial Auditor last week, and it has been provided. I am not aware of any practice where any requests for a special audit would be provided in advance to members; indeed, I would find that rather questionable. If there are allegations made, and until such time as those allegations can be proven, I think it would be in fact improper to provide that kind of information until there is the opportunity to find out whether or not the allegations that are made are proven to be true or are false.

Manitoba Development Centre, Portage

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

On Friday last, the Minister of Community Services, in replying to a question, said some plastic pipe had been purchased where, according to this memo, equipment has been stored on the grounds since 1979, enough equipment to supply the building with a Type 4 fire alarm system, voice communication system, and smoke and heat detectors.

Does the Minister now want to correct her statement of Friday last?

MADAM SPEAKER: Beauchesne Citation 357(t) says that it is not in order to impugn the accuracy of information conveyed to the House by a Minister.

The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Would the Minister now rephrase her answer that she made that day?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, it would be of great assistance to me if I could have a copy of the memo from which the member is drafting his question.

MR. E. CONNERY: To the same Minister, Madam Speaker, I'd like to know if the Minister kept the Provincial Fire Commissioner in the dark by not making him aware of the memo dated November 20, 1985, that stated: "It is my opinion that this building is not safe for the habitation by residents in its present state."

MADAM SPEAKER: Was the honourable member asking to have some information verified by the Minister?

MR. E. CONNERY: I'm asking why was the Fire Commissioner not made aware of the memo?

MADAM SPEAKER: The last comment from the Member for Portage la Prairie is in order. The previous comments were implying motives to the Minister. So if the Honourable Minister would like to answer the last question, she may.

The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, once again, it would help if we could have the memo. I will undertake to discuss to get a chronological listing of the communication. As I said the other day, there was a decision made at the beginning of the Welcome Home Project not to proceed with major fire upgrading at Northgrove with the Fire Commissioner's agreement that we would, within a period of time, remove the clients from there and, in fact, level the building.

Now, it would help very much, Madam Speaker, if but one of what is probably a series of exchanges, if that particular memo were tabled, and then I could undertake to put it in some chronological order and some context.

MR. E. CONNERY: Madam Speaker, after we have given the Minister her own departmental memos, will she then release to the Fire Commissioner all memos and correspondence relating to fire safety at the MDC, including the November 20, 1985 memo from Mr. Ebel to Mr. Neil Upham?

HON. M. SMITH: Madam Speaker, the concern of our department for the safety and well-being of the people at the Developmental Centre is front and foremost in the process of determining where upgrading will occur and where temporary precautions will be taken.

We have been in ongoing communication with the Fire Commissioner, with Government Services and with our own department. Now there are many communications that proceed on this issue, Madam Speaker. So all I can really do is to repeat my request to see the memo and also to say that, to my knowledge, the department has acted responsibly in ensuring that short-term provisions are in place pending the emptying of the particular building and its demolition.

MPIC - firing of President

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker, my question is to the Minister responsible for MPIC.

Can the Minister tell us why, in light of the Auditor's Report, Mr. Laufer was given the opportunity to resign?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: It was very clear, Madam Speaker, that it would be in the best interests of the corporation that Mr. Laufer not continue on as the president. However, one must take into consideration that the gentleman had provided 15 years of service

to the corporation, and the option was certainly there, a resignation or otherwise. It was a decision that he had to make, and I don't think it was an unfair option to provide.

MRS. S. CARSTAIRS: What considerations, if any, were offered to him if he were to resign?

MADAM SPEAKER: To which Minister does the honourable member want to address that question?

MRS. S. CARSTAIRS: I'm sorry, Madam Speaker, to the same Minister.

HON. J. BUCKLASCHUK: The options that were given to Mr. Laufer were just that, either resign or the appointment would be revoked.

MRS. S. CARSTAIRS: To the same Minister, Madam Speaker, on a final supplementary.

Was the Minister intending to provide the House with the Auditor's Report if, in fact, Mr. Laufer had resigned and it had not become necessary to fire him?

MADAM SPEAKER: The question is hypothetical.

Film production costs re Limestone

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker.

I direct a question to the Minister of Energy and Mines in the hope that the Minister is not covered by the recent gag order supplied by the Chairman of the Manitoba Hydro, and that doesn't extend to the Minister responsible for reporting on Hydro matters to this House.

I ask the Minister a specific question, Madam Speaker. Can the Minister tell me what the cost of the film contract that was recently awarded to the Lank Beach Productions Group? What was the total value of the cost of that contract?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

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

I was hoping when the member rose that he would rise to apologize for the inaccurate information he had provided to the Free Press suggesting that there had been a violation of The Election Finances Act. It's unfortunate he didn't do that.

MADAM SPEAKER: Order please, order please. Order please.

The Honourable Member for Lakeside on a point of order.

MR. H. ENNS: Madam Speaker, I rose to clearly indicate that imputation of motives is against the Rules of this House.

Furthermore, Madam Speaker, you have often admonished all of us on both sides of the House. We

ask a straightforward question. You have a reasonable hope of getting a straightforward answer. I asked a straightforward question. How much did a film contract cost that is being paid for by the public . . .

MADAM SPEAKER: Order please, order please. Let's deal with one issue at a time. Your point of order is well taken.

The honourable members on both sides should not cast aspersions, and I was about to rise when the honourable member was putting his question and wondering whether he was casting aspersions on members outside the House. So I would hope that we would continue in a manner which behoves all of us, without casting aspersions on anyone.

The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker, I will take the question as notice.

MR. H. ENNS: Madam Speaker, if the Minister's prepared to take the question as notice, I would ask him to take a further question as notice.

When the normal tendering system is circumvented, particularly by a public agency, I think the question always has to be asked, why? So I would ask the question. Why was the lower tender not accepted, and why was this particular proposal or tender for a film contract for which we as yet do not have the amount for, but accepted?

HON. V. SCHROEDER: I will be providing a fuller answer at a later time, but the tendering process was not circumvented. There were five firms who came forward with proposals, and those proposals were more or less expensive. They weren't necessarily the same proposals.

Manitoba Hydro, as they have done with Long Spruce, Kettle and other projects, took a look at the proposals and looked at which proposal would combine economy and quality to the best degree possible, and came to the conclusion that a film which will cost approximately \$200,000 would meet that criteria better than one which would have cost somewhere in the range of \$570,000 or \$160,000 overall. So they picked one that they felt was one that was going to provide the schools of this province and the other organizations in this province, which usually request this useful information, they felt this was the level of quality and economy that would best suit their needs.

MR. H. ENNS: A final supplementary, and I must say that, you know, following your admonition, we can get along very civilly in this House if we answer and ask questions the way you suggest we do.

Madam Speaker, the final question to the Minister, as he gives us more information. It would be of interest, as he's taking these questions as notice, what the film production costs for Kettle and Long Spruce were, as compared to the film production costs that are now being attributable to Limestone. I do recall the .75 million that was spent just prior to the election, now \$200,000.00. I would ask the Minister to take that question as part of the question that he's taking as notice.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, I do believe that gave me an opening. The member did suggest — and that's a follow-up to what he said on the weekend — that the Hydro expenditures had somehow gotten into our election expenditures. That is patently untrue, and the member should be required to apologize and withdraw that statement. That is a statement that is completely false. He knows it, every member on this side and on that side of the House know it, and I think it's time he apologized to us.

MADAM SPEAKER: If this is civility, I'd hate to see acrimony.

MHSC - Funding to non-union health care facilities

MADAM SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: Madam Speaker, my question is to the Minister of Health.

In view of a question asked by the former Member for Turtle Mountain on June 5, 1985, the question being: will the Manitoba Health Services Commission be providing the same level of financial support for an employee to non-unionized facilities, when the wages are paid the same? Your answer at that time was: yes, providing the same amount for each employee — no discrimination.

My question to the Minister is: has there been any change in government policy?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: I don't know if my honourable friend is referring to the Estimate debate or to a question in the House. I don't recall that direct answer. I think the question that I was asked at the time would be to investigate, and I said I would.

MR. G. DUCHARME: It was a question in the House.

A supplementary question is: if this is not the case, why, in recent correspondence in January of 1986, with a local health facility in the Riel constituency, is your department not allowing the same funding, for example, to the non-unionized staff that they employ to the tune of a difference of \$85,000.00?

HON. L. DESJARDINS: Madam Speaker, I did inquire what had been done, and I was told — and I must admit this was something I didn't know at the time — that there had never been, or for quite a while anyway, the wages were not the same for unionized employees in the hospital as those who weren't unionized. It might be that the difference is larger now and that is being looked at; but to say that it was a policy that they were paid the same, that is not the case, even when my honourable friend was in government.

MR. G. DUCHARME: A further supplement is: does this Minister have any plans at this time to probably change this discriminatory practice?

HON. L. DESJARDINS: Madam Speaker, I think the employees are in a better position to do that, than I

am. You're probably going to have a suggestion of legislation from the MMA, who are suggesting that there be compulsory dues and so on. If the people are negotiating through a union, I would imagine that they have a better chance of obtaining what they want, than if there is no negotiating at all.

MR. G. DUCHARME: A final supplementary, Madam Speaker.

Would the Minister consider that if they do negotiate that, even if the other non-unionized facilities would even have the difference between what the union dues are and the non-union facilities?

HON. L. DESJARDINS: Madam Speaker, I didn't really get the question, I'm sorry.

MR. G. DUCHARME: What I'm asking, to repeat it, was: in his negotiations, and if they are considering granting more to the unionized facilities, would he consider that the non-unionized be just given the difference between that and their union dues?

HON. L. DESJARDINS: Madam Speaker, one should remember that the negotiating is not between the people of certain hospitals and the government or the commission. It is with the board of the hospital, and that would have to be discussed with the board.

Ontario residents hospitalized in Manitoba

MADAM SPEAKER: The Honourable Member for Elmwood.

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

In light of recent reports by the Canadian Medical Association that they're urging hospitals outside Ontario to demand cash for medical treatment given to Ontario residents, could the Minister inform the House if Manitoba hospitals will be requiring Ontario patients to pay for his services in cash?

HON. L. DESJARDINS: Madam Speaker, this is an issue that is being monitored by the commission at this time. They are monitoring the situation. I could say that it is not an issue that causes us any problems at this time. We will continue; we have an agreement between provinces. Manitoba has been a referral point for Northwestern Ontario for a time now and this will continue, I'm sure. Anyone attending hospitals here will be taken care of and the commission will pay the hospitals and then recover from OHIP. As far as medical bills, the doctors will not charge any extra, as they do not in Manitoba, will give the proper care and then send the bill to OHIP.

MR. J. MALOWAY: A supplementary to the same Minister. Have any Ontario residents contacted his department as to whether they would have to pay cash for any Health services in Manitoba?

HON. L. DESJARDINS: Madam Speaker, not to my knowledge and, if they did, they would be given the information.

MR. J. MALOWAY: A final supplementary to the same Minister. Will the Minister be making representations to the Federal Government denouncing this CMA proposal which, if implemented, would seriously erode the concept of portability of our health care system in Canada?

HON. L. DESJARDINS: No, Madam Speaker, I think they've done enough damage to their cause already.

Farm foreclosures

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Yes, thank you, Madam Speaker. My question is to the Minister of Agriculture.

Given the fact that this government is supposedly attempting to help farmers in financial difficulties, especially those who are in danger of losing their farms to the point of preventing foreclosures on farms by financial institutions, my question is: will this legislation, if passed, apply equally to the MACC?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I hope that the honourable member reads the legislation and contributes to the debate.

MR. G. ROCH: Well, given the Minister's answer, all I can ask is: why is MACC currently pursuing foreclosure proceedings against small farms in financial difficulties with a vicious zeal? Why is the Minister allowing them to do, very callously, the very things that he publicly criticizes the financial institutions for doing?

HON. B. URUSKI: Madam Speaker, this matter — as the member well knows, he has corresponded with me and has received information from my office dealing with the situation — had gone through a panel. The discussions and negotiations with the operator have been ongoing over the last number of years. Based on recommendations of the panel, the member knows what those recommendations were, because I provided them to them in general terms; and the recommendations made to the farm family, they initially indicated that they were going to accept them. Then, of course, they changed their mind in this whole process and the corporation was left with basically no alternative but to take action in attempting to recoup on the assets that are there.

MR. G. ROCH: On the specific case the Minister is referring to — and that's what I'm getting at — I reviewed that recommendation and it was a favourable one . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. G. ROCH: Yes, I do, Madam Speaker, I'm sorry. I'd like to know why, allegedly, the Minister's assistant, Mr. Lowe, indicated to them that because they

contacted an Opposition member, in this case their own MLA, which is myself, that they could expect no help whatsoever from the Minister and indeed that MACC has not begun foreclosure proceedings.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I regret that the honourable member would make those kinds of allegations. Madam Speaker, my office has prided itself in dealing with any constituent, regardless of who the MLA is, and we will continue to do so, notwithstanding the honourable member's allegations.

Hunting, illegal

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Thank you, Madam Speaker. I have a couple of questions directed to the Minister of Natural Resources.

Considering that illegal hunting, otherwise known as poaching, is raised as an issue in the province, can the Minister inform this House and the people of Manitoba about the measures that are being taken to deal with this problem?

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, one of the programs which was implemented in cooperation with the Manitoba Wildlife Federation was the TIP program, which has been in operation from the 15th of August of 1985. It was staffed on a full-time basis from August 15 until the latter part of December, and being that it was an experimental program, there was — as the Member for Emerson is indicating — a period of time during which the calls were received by an answering service.

This was discussed with the Manitoba Wildlife Federation and we are now operating on the basis whereby the calls are received directly for a period of time. In the other period of time, the calls are accessed by an answering service. I just want to indicate that when you look at the distribution of calls from members

MADAM SPEAKER: Would the Honourable Minister please keep his answer to the question brief?

HON. L. HARAPIAK: On a fairly general question, Madam Speaker, I would want to only add that, as some members may be concerned about how the calls are accessed, the record of information shows that most of the calls are received in the fall period and there's a reduced number in the spring, so I think the system is working quite well but we are working with the various interest groups to fine tune it.

MR. C. SANTOS: A supplementary, Madam Speaker. What is the level of success that these measures have now achieved so far?

HON. L. HARAPIAK: The information I could share with the House is that on the basis of the calls received in the period from August to December, in that period of time, 370 calls were received; 192 of the calls were for information only; 178 offences were actioned; and there were 64 prosecutions and 14 warnings.

Now in the other period of time, the number of calls diminished but the proportion of cases actioned and prosecutions were about the same.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY

ORDER FOR RETURN NO. 8

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Yes, Madam Speaker, moved by myself, seconded by the Member for Springfield, that an Order of the House do issue for the return of the following information:

Details of all travel incurred by the Department of Business Development and Tourism for the fiscal year 1985-86 showing for each trip:

1. The destination and purpose;
2. The total cost, including transportation, hotels, hotels stayed at, and all other related cost to whom money was paid;
3. The names of all government employees, contract workers and other people accompanying the government at government expense and those not at government expense; and
4. The names of organizations, businesses and people met.

MOTION presented.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Madam Speaker. I've had some brief discussions with the Honourable Member for Portage and the Opposition House Leader on this, and we are prepared to accept it with the deletion in Paragraph 3, of the words, "and those not at government expense," in the last line of Paragraph 3; and we've agreed to accept it for all travel incurred by the department, acknowledging that it is some significant cost and will take a period of time to prepare that material.

MADAM SPEAKER: Is that agreed? Agreed and so ordered.

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I move, seconded by the Member for Ellice, 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.

MATTER OF GRIEVANCE

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, it grieves me to rise today and to speak on a matter that I believe is a black mark against this administration, and indeed, unfortunately, by implication, reflects badly on so many legitimate public servants who are . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.
The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, it reflects, unfortunately, very badly on so many legitimate public servants who are long-time employees of the Government of Manitoba and whose reputation is being tarnished and whose actions are being put under suspicion, as a result of what I regard as the total moral bankruptcy of this NDP administration. Madam Speaker, it's a matter that has become a grave concern to the people of Manitoba.

We have seen evidence over the past year and more, time and time again, of scandal, of resignations, of criminal charges and convictions, of allegations and evidence of dishonesty amongst people in this administration, a pure unadulterated moral turpitude of an administration that's totally rudderless; it is totally out of control; and has spread its gospel of "anything goes" through an administration that, as a result, has led to people taking the kinds of liberties and people taking the kinds of actions that are unfortunately a shame on so many public servants, and indeed, this whole administration.

I speak today, Madam Speaker, in the hope that I can salvage some degree of self-respect for all of those legitimate career-oriented, honest, hardworking civil servants who are being tarred with the image of this dishonest and immoral government.

Madam Speaker, many of the people who have been placed in these circumstances and who have been shown to have acted improperly in the administration of the affairs of this administration have been appointed people, appointed by this particular NDP administration. They have led the parade of people who have been fired, who have been convicted, who have embarrassed and who have exposed the lack of morality of this administration; and the people of Manitoba, during the past year or more, Madam Speaker, have witnessed this great series of embarrassment and the outright dishonest public dealings at a greater rate than we've ever seen in this province of ours.

I know, Madam Speaker, that people on that side will sluff this off and will say it happens in any administration. They'll say that it happens in Ottawa, for instance; they'll say that every government has these problems. But I say to you, Madam Speaker, that the very government that they keep bashing away at saying was so hard-hearted and tight-fisted, the former Conservative administration of this province from 1977-81, did not have, in its four years, the kind of litany of embarrassing public incidents that they have had,

even in the past four months, Madam Speaker. And that, I believe, is a signal and a symbol of the attitude of this administration toward its public responsibilities.

Madam Speaker, I'm going to be laying out a list of these tragic events; laying out these events before you, Madam Speaker, in the hopes that it will finally bring to the attention of this premier and this government just how badly they have been acting and how badly they have served the needs and the interests of the people of Manitoba in the course of the last while as they have come to this arrogant attitude that they can say anything, do anything, utilize the public purse for whatever purpose necessary, because it's all in their best interest and the people of Manitoba ought to be grateful for it. Well I tell you, Madam Speaker, the people are not grateful; in fact, they're offended, they're embarrassed, they're ashamed and they're upset and this is only one in a long series of events.

Madam Speaker, I could have risen in grievance last week, when we got, finally, after so many months, the report of Manfor, its Annual Report, and the terrible circumstances that it laid out in terms of mismanagement and the kinds of funding that happened under the administration of the now Minister of Education. That total lack of administrative competence that has resulted in all of the losses of Manfor. I could have gotten up then, Madam Speaker, and grieved about what their actions are doing to the people of Manitoba, but only a few days later, I get another opportunity, and I'm sick and tired of listening to all of these evidences of maladministration and misinformation and dishonest actions on the part of senior people in this administration, and it's time, Madam Speaker, it came to an end. It's time that this administration woke up and took the responsibility for all of the actions that have been taking place under its administration.

Madam Speaker, the firing of the President of MPIC, as I said earlier, is just one in a long series of events that paints a picture — not a very attractive picture of an administration — of the quality of the administration, of the morality of the administration, and of the outright dishonesty and illegal actions that have been fostered under the leadership of this premier and this government.

Today it was MPIC, Madam Speaker, but previously we had the McKenzie Seeds affair. Madam Speaker, the McKenzie Seeds affair, and you'll recall very well, led to the dismissal of three senior executives. Charges, criminal charges, laid against those three senior executives and, indeed, a conviction rendered against those senior executives in a court case that ended not too long ago; as a matter of fact, Madam Speaker, I believe later this week they will be sentenced, those individuals.

Well, Madam Speaker, it's not just the fault of those three people. Madam Speaker, I have to lay on the record and lay straight the information that was alleged by the Minister of Industry, Trade and Technology who suggested that the actions of those people at McKenzie Seeds began under the former administration. Madam Speaker, I looked into the registration of the corporations that those people administered. Those corporations were registered in October of 1981 at the time that an election was under way in this Province. Those corporations were registered at that time and,

in fact, they carried on all of their activities and all of their actions under this administration because, of course, by the time they had registered those companies and approached the Board for the various initiatives that they were undertaking, they were already under this new NDP administration.

Indeed, Madam Speaker, let's face it. One of those individuals who was involved was very, very close to this NDP administration, not only the former campaign manager, the member for Brandon East, but a former NDP federal candidate in Brandon and, indeed, a close personal friend of many on that side of the House. So let it not be said that that individual was acting in the way in which he did because he thought that a Conservative Government would give him the same kind of latitude. Those corporations were registered in October of 1981 on the hope that the NDP would come in government and that they obviously could carry out their intended plans and their efforts to get involved in business with the corporation of which they were senior officers.

So don't let the Minister of Industry, Trade and Technology attempt to tell anyone in this House that they began under a Conservative administration. The full responsibility for their actions rests with the NDP and, indeed, Madam Speaker, nobody, nobody will try and argue otherwise who knows anything about the circumstances.

Madam Speaker, those charges and those allegations that led to prosecution were involving conflict of interest, misuse of authority and illegal actions in positions of responsibility at McKenzie Seeds.

Madam Speaker, we then had the Lotteries Foundation. Two senior officers dismissed from the Lotteries Foundation; dismissed, Madam Speaker, because of actions that they undertook that were in direct conflict with their responsibilities as senior officials of that Lotteries corporation. And, Madam Speaker, I don't have to tell you I'm sure, that one of them was a close relative of the minister, the former minister responsible for the Lotteries Commission. So if, indeed, one of the charges against the president, the now deposed president of MPIC was nepotism, that he had resulted in the employment of, I believe, a son and a daughter and a close relation of his, or a close personal associate of his; if indeed, nepotism was one of the charges, well, Madam Speaker, this government has shown him the way. This government has shown him the way in terms of various employment opportunities in the Lotteries Foundation that were relatives of the former Minister responsible for the Lotteries Foundation.

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

But if indeed, Madam Speaker, nepotism was one of the charges, and that's what the report of the Auditor shows, well, he had other examples from which to take his lead, because it wasn't only in the Lotteries Foundation that you could find examples of nepotism under this administration. How about, Madam Speaker, the appointment of the Assistant Deputy Minister of Community Services?

MR. DEPUTY SPEAKER: With all due respect, I'm not Madam Speaker.

MR. G. FILMON: Mr. Deputy Speaker, I will attempt to ensure that I call you by your proper title. I was

reading in the newspaper the other day that Madam Speaker was concerned that people continued to refer to her as Mr. Speaker, so I guess I'm trying to even up by this speech. But Mr. Deputy Speaker, there have been other countless examples under this administration of nepotism, not only in the Lotteries Foundation, but the appointment of an Assistant Deputy Minister of Community Services. Early on in this administration, one Aleda Turnbull, who has become notorious for the advise that she's been giving her minister. Mr. Deputy Speaker, that appointment happened to be to a wife of a former NDP Cabinet Minister. Mr. Deputy Speaker, nepotism certainly is not new to this administration and if, indeed, some of its corporations are getting involved in it, they have certainly taken their lead from the actions of this administration.

But it goes beyond that. All you have to do is look at the list of these executive assistants and special assistants to Ministers in this administration and you'll find the names, Mr. Deputy Speaker, even in the list of those previously appointed before the new administration has taken over since this election campaign in March, that one of the daughters of the former member of Concordia was appointed as an executive assistant by this administration. You'll find that a number of the close relatives of senior party officials were appointed to these political-appointed jobs by this administration, Mr. Deputy Speaker. This is all in the list of nepotism. So if indeed the President of MPIC was guilty of that, he took his lead from the proper authorities, his very political bosses, Mr. Deputy Speaker.

We found further to that, of course, that there had been the appointment at MPIC itself. The chairman of the board under which this president operated was, of course, the brother of the Minister of Northern Affairs. Well, if that wasn't nepotism, Mr. Deputy Speaker, I don't know what was. So how could he be expected to operate otherwise when he was following the very example set for him by his political masters?

We've had further examples. We had a report done by WMC Research Associates, a report done at public expense, commissioned by the chairman of the Manitoba Energy Authority, a report that produced a recommendation that Hydro form a new Corporate Affairs administration with an executive director head, and the job was given to the wife of the person who produced the report recommending that division.

Now, Mr. Deputy Speaker, that's nepotism as practised by this administration day by day, week by week, month by month during its term of office. So when the President of MPIC is accused and discharged because of nepotism, Mr. Deputy Speaker, I say that he took his lead from his political masters and he was merely convicted or charged for doing what his bosses had taught him to do.

Mr. Deputy Speaker, you can go farther as you view the things that have happened under this administration. I detailed McKenzie Seeds, I detailed the Lotteries Foundation, but let's look a little further than that. The Highways Department, we had two people convicted in the Carman division last year of coercion and misuse of authority in dealing with contractors who had contracts with the Highways. Those people were part of this administration and were charged and convicted

in working under this administration, Mr. Deputy Speaker.

We have the Selkirk Bridge fiasco whereby a bridge is rerouted into a different area, happens to go on the land that belongs to, just by coincidence, the former Minister of Highways, a Minister of this government in the last administration, allegations of political interference in the rerouting of that bridge over a Cabinet Minister's lands, allegations that I don't believe have ever adequately been addressed by anybody in this administration, Mr. Deputy Speaker.

We have the Natural Resources Department where a clerk was convicted for misusing funds over a period of a couple of years and was convicted, again under this administration, Mr. Deputy Speaker.

We have currently an investigation going on by the Ombudsman of the Natural Resources Department and allegations of misappropriation and misuse of expense accounts and so on that are going on under this administration.

When will it end, Mr. Deputy Speaker? When will it end? When will this administration finally take its responsibilities to lead and to set the moral tone and attitude that we want all of the people who work for this government to undertake and to carry out in their light as political servants? When will we have this administration wake up and say we set the tone and we set the attitude because, Mr. Deputy Speaker, I believe that it all comes down to the way in which they conduct themselves.

I believe that they have set as an example an attitude that says anything goes as long as it serves the purpose of this NDP Government in being re-elected, anything goes; and that holds true, Mr. Deputy Speaker, with the way in which they conduct themselves in a public sense.

We have seen, time and time and time again, the use of advertising by this administration to manipulate the public, to polish their image, to do so at considerable public expense. Mr. Deputy Speaker, they have run advertising to an art in political terms in Manitoba. They're now spending in excess last year, I believe, of \$6 million collectively in all the various pockets to advertise the image of this administration, and it shows up in strange ways, Mr. Deputy Speaker.

We have, of course, the story now of a tenant of the Brokerage Building — and I haven't even talked about the Brokerage Building yet; I'll spend a little time on that — but a tenant of the Brokerage Building, working on a film of Limestone as a kind of corporate image building for Manitoba Hydro and the NDP Government. But did anybody notice the film footage that was in the NDP commercials of Limestone? Did anybody notice that those were expensively produced pieces of film? Many of which had been done from helicopters at tremendous expense to the public, Mr. Deputy Speaker, in putting together those films to publicize Limestone and the great good work of this NDP administration that found their way into NDP advertising; something that no Opposition party could afford to do, invest that kind of money, but it was invested because it was public money.

Mr. Deputy Speaker, what happens is that they spend tens of thousands of dollars, if not hundreds of thousands of dollars, of public funds to produce these films, and then all they do is charge the final cost of

a few seconds of film out of thousands of feet, the proportionate cost, that ends up going into the NDP commercials. That's all that ends up being charged to the NDP for their commercials for the election because they have already invested all of that taxpayers' money in producing the film footage and then they can buy a few seconds of it for a few hundred dollars or a few thousand dollars despite the fact that there have been tens of thousands dollars of public money invested in it.

That's the kind of attitude that they have towards the use of the public funds, Mr. Deputy Speaker, and they set the tone and they set the attitude, and they set for people what is going to be the standard of conduct for this administration. Indeed, they are reaping what they sow, Mr. Deputy Speaker, because we are seeing, month by month, week by week, the examples of people who are now acting in the manner and the attitude that has been set by this Premier and this administration.

Mr. Deputy Speaker, they have the largest Cabinet in the history of this province. They have the largest political support staff in the history of this province. They have the largest senior bureaucracy in the history of this province. Is it any wonder why Crown corporation people feel that they can pad their expense accounts, that senior administrators feel that they can hire friends, that they can hire people who are perhaps relatives of theirs, that they can set rules that say, well, it doesn't really matter because we're all part of the government?

They have set the attitude, they have set the example, and that's why we're having the problems we're having, Mr. Deputy Speaker, and it won't end until this Premier and his administration take the responsibility to clean up their act and to change the attitude and to set their own moral standards in a way that Manitobans can be proud.

Mr. Deputy Speaker, we heard of the allegations that were investigated by the Auditor. The Minister responsible reported today and said that it was a case of misleading information and incomplete information having been put forward to the board, and that's why the board wasn't aware of the things that were going on and that's why the Minister wasn't aware until the allegations were brought to him. Where would the president or where would any senior officer in that corporation get the idea that he could put together misinformation and misleading and incomplete information to give to the public? Well, I'll give you a few examples of where he might get that idea from, Mr. Deputy Speaker.

How about the promise that was made during the election campaign by the Premier that he would regulate and control gasoline prices at the retail level in Manitoba? Now was that not a piece of misinformation? Was that not a dishonest statement that was made by that Premier, Mr. Deputy Speaker? Indeed, it was, and it was never able to be carried through. I doubt that it was ever intended to be carried through, Mr. Deputy Speaker, because they don't care what they say as long as it serves their political purposes, and their people who are working for them can do nothing more than adopt the same attitude.

What about, in terms of misinformation and incomplete information, Mr. Deputy Speaker, the withholding of the Third Quarter Financial Statement

during the course of the election campaign, and the failure to publish the projection of the deficit in the Second Quarter Financial Statement for the first time in seven years. Would that be a kind of attitude that would say to the public servants of Manitoba, well, it doesn't matter if you misinform; it doesn't matter if you provide incomplete information because, in fact, the government itself is doing it day by day? The government thinks it's fair game because it got the government re-elected, so why doesn't it go for the senior public servants and the people who work for this government? There's another example, Mr. Deputy Speaker.

What about the Flyer sale, Mr. Deputy Speaker? What about the sale of Flyer Industries? Mr. Deputy Speaker, that sale of Flyer Industries was done after the election campaign and, indeed, information on it was withheld because it told the sad tale of \$100 million turnaround, negative turnaround under this administration in four years. There was no way that they wanted that to become public before the election campaign. So they misled, misinformed and withheld the information from the people of Manitoba during the course of the election campaign. The sad news came out only after the election. That's the kind of attitude and example that they set for these public servants and is it any wonder that the public servants act likewise, Mr. Deputy Speaker?

What about the Manfor statement? We called a news conference. I personally stated last fall, when we got news of the fact that they had changed the date of the annual financial statement, the year-end of Manfor from September 30 to December 31, I said there's bad news coming. I said this administration and the Minister responsible want to hide from the public just how badly Manfor has done and the reason that they extended that year-end date to December 31 has nothing to do with the explanations they gave; they don't want that information to come out before an election campaign.

We found out why, because when the information came out last week, after weeks and weeks of asking, when the information came out, it detailed the sad story of a \$31.3 million deficit in 15 months of operation, over \$2 million per month bleeding of taxpayers' dollars as a result of the maladministration of this government. But to withhold that information from the public, to misinform the public was fair game as far as this Premier and this administration went.

Can you understand now, Mr. Deputy Speaker, why senior administrators, such as the President of MPIC, would think that it was fair game to misinform or to withhold information from the board?

What about the Hydro deals, Mr. Deputy Speaker; what about the Hydro deals? This administration went to the public of Manitoba in an election campaign and said we have signed three deals on Hydro. They put forward a Throne Speech a couple of months later that said we have three agreements — three agreements with American utilities that would involve the sale of Manitoba energy to those utilities, at great profit and great returns to the people of Manitoba. Only after extensive questioning did we find out, Mr. Deputy Speaker, that they had one deal and it was a summertime sale of off-peak power for \$40 million, nothing near the \$4 billion of returns that they said would happen during the election campaign. They didn't

have any of that signed, sealed and delivered. Mr. Deputy Speaker, it's questionable whether they ever will because they still don't.

Mr. Deputy Speaker, is it any wonder that anybody under the administration of this government would say, well, we can't say that because it isn't quite true; we don't want to misinform the public; we have to be careful. Why would they take that attitude towards honesty and towards fair dealing and integrity, when they get the example from the Premier and his senior Ministers who say, say whatever you have to, as long as we get re-elected; that's all that counts.

They set the example and it's their moral attitude and standards, and moral decay that have actually led to the circumstances that we have seen over the past number of months, Mr. Deputy Speaker.

Mr. Deputy Speaker, there are many other examples that I could give to you. There are many other instances in which this administration has acted improperly, has misinformed the public of Manitoba.

I want to tell you about a few things that we have dug out just in the course of various different discussions in question period. Here's one, Mr. Deputy Speaker, that I haven't used before in this House, but it's an example of how they play a little loose and careless with the truth.

This is an example of the Minister of Education in his former role as Minister of Business Development and Tourism, Mr. Deputy Speaker. It comes from the front page of a newspaper called "The Hong Kong Standard." It was provided to me and I found it most interesting. It's Thursday, October 17, 1985, last fall.

Our former Minister of Business Development and Tourism, now Minister of Education, was over there on a promotion trip to Hong Kong on behalf of his department. He was interviewed by this particular magazine, Mr. Deputy Speaker, and he said on arrival — it says here, "Mr. Storie said on arrival, 'To be honest with you . . . and I'm quoting verbatim, "'To be honest with you, Manitoba has not spent a great deal on our pavilion at the Expo.'" Mr. Deputy Speaker, I know that you know that we don't have a pavilion at Expo. Yet he goes there telling people, leaving the impression that we have. He doesn't say to be honest with you, we don't have a pavilion at Expo. He says, "To be honest with you, Manitoba has not spent a great deal on our pavilion . . ." "He refers to our pavilion at the Expo. Can you believe that, Mr. Deputy Speaker? Is this honesty? Is this a forthright attitude on behalf of the people in government? Is there any wonder that their people would misinform the people of Manitoba when they get the attitude and the direction from Ministers who would say something like that?"

Mr. Deputy Speaker, this is the same individual, that sterling leader of men, that Minister from Flin Flon, who gave the \$200,000 contract to the former Chief Executive Officer of Manfor, a huge expense account and nine weeks holiday and golf course membership in Montreal, because he was going to turn around Manfor. Now, that's where you get the attitude towards inordinate expense accounts. That's where the President of MPIC decides that anything goes; anything goes because his senior administrators, his political bosses and masters have let him know what their attitude is towards spending money. Anything goes, Mr. Deputy Speaker. I'll go further . . .

A MEMBER: Will you table that?

MR. G. FILMON: Of course, I'll table this. This is legitimate information. I would want the government to have it, to know what their Minister is saying in Hong Kong, Mr. Deputy Speaker.

This former Minister of Business Development and Tourism, now the Minister of Education, said, and I quote again: "Mr. Storie said the government owned vast resources of provincial Crown lands, which it will practically give away to investors."

Mr. Deputy Speaker, if they're going to practically give it away to investors in Hong Kong, why don't they give it away to Manitobans?

Members on our side of the House are approached continuously by people who try and get cottage lots on provincial Crown land throughout this province, who know that there are lakes yet to be developed, who know that there are beautiful recreational areas that they'd like to get an opportunity to own a cottage on, and they're turned down, week by week, month by month, by this administration. But he goes to Hong Kong and he says they'll practically give away Crown land.

(Madam Speaker in the Chair.)

Madam Speaker, he says another statement. He says we have the lowest manufacturing wages in Canada. Well, that may be true, Madam Speaker, but is that what he tells the Manitoba Federation of Labour when he wants to tell them what a wonderful job the NDP is doing for the people of Manitoba? Is that what he said during the election campaign when he told people how good it was in Manitoba? He says we have the lowest manufacturing wages in Canada. He's proud of it; he's bragging about it, and he's selling Manitoba to the people in Hong Kong on that basis.

Is that what they said to the people of Manitoba during the election campaign? Absolutely not, Madam Speaker, absolutely not. They say one thing when they're in Hong Kong and another thing when they're in Manitoba running for election. If that isn't an example of the lack of honesty and the lack of morality of this administration, Madam Speaker, I'll give you some more.

He goes further in this article and says, "Manitoba is the boom area of Canada at the moment," and I'm quoting. He says, "We had an 18 percent," — 18 percent — "growth rate last year, which is double the national average."

Madam Speaker, we did not have an 18 percent growth rate in any year in our history. The figures that were presented by the Minister of Finance in his Budget said it was somewhere around 4 percent, and he's off in Hong Kong telling people that we had an 18 percent growth rate last year. Is that any example of morality? Is that any example of honesty that we want to give to the senior public servants of this administration?

Madam Speaker, he goes further. He says in this article, and I quote again, "Mr. Storie said that the greatest possibilities for investment lie in the tourist industry, with miles of waterfront land available for development."

Madam Speaker, I'd like to know about the miles of waterfront land for development available under this administration. Is he talking about the kind of proposal

that Mr. Jarmoc had in the Whiteshell, where one could develop condominiums and commercial properties in our provincial parks, in our provincial Crown lands? Madam Speaker, I could be mistaken, but I have never heard of this administration giving opportunities to Manitoba developers to develop recreation land, commercial properties and recreation facilities on Crown land in Manitoba. Yet he goes to Hong Kong and he gives the impression that there's miles of waterfront land available for commercial development to the investors of Hong Kong. Madam Speaker, that is a shocking example of political morality and honesty by this administration and it continues on and on and on.

Madam Speaker, we have, of course, the examples that have been talked about and I won't belabour them about the SRTC investments, where two Ministers acknowledged that they had invested in the SRTC's. One Minister, in particular, the Member for Transcona, the former Minister of Energy and Mines, gave the standard in the example of honesty that everybody apparently should take their lead from, and apparently many civil servants are taking their lead, when he was asked at the time during the provincial election in March whether or not he had bought into the quick profit type of tax shelters being denounced by his colleague, the Minister of Finance, and he said, and I quote, "I haven't made out my income tax form this year. I'll have to talk to my accountant about it."

In retrospect, Madam Speaker, we know that at that time he had invested for two years in SRTC's and yet he said, "I haven't made out my income tax return. I'll have to check with my accountant." That's morality? That's giving straightforward, honest information? Madam Speaker, that's the kind of example that leads to the kind of firing we had today because the people in the Civil Service of Manitoba take their example and take their lead from this government, and its Ministers, and its Premier. I tell you, it's a shocking, shocking set of circumstances that we have to deal with.

Madam Speaker, we have a Freedom of Information Act that was passed virtually a full year ago; we're just under the full year. Yet we do not have it proclaimed. Why won't it be proclaimed, Madam Speaker? It won't be proclaimed because there's too much, obviously, that is within the affairs of this administration that would result in the kind of embarrassment we had today with the firing of the senior officer of MPIC, that resulted in the charges and the convictions of people at McKenzie, that resulted in the charges and convictions of people in the Natural Resources Department, in the Highways Department, and throughout this administration. There obviously is a great deal more to hide because this administration will not — will not proclaim The Freedom of Information Act.

There is so much there, Madam Speaker, that they have to hide and be embarrassed about that they are not going to give anybody any more information than they absolutely have to.

Madam Speaker, I say to you that leadership sets the example. Leadership sets the tone. Leadership sets the moral standards that people have to act under and this administration has obviously set the tone, the moral standards, and the example that has resulted in the firing of the President of MPIC, and all of these other scandals that have occurred in the last four months.

Madam Speaker, I referred to the fact that one of the charges against him, that apparently was substantiated by the Auditor, was nepotism. Another was the misuse of authority, the misuse of authority and the manner in which he dealt with people in the corporation and the power of the corporation.

Where would he get that example, Madam Speaker? Would he get that example perhaps from all of the contracts that have been let to friends of this administration without tender, things like the WMC contract, things like the contract to Michael Decter or the contract to Andy Anstett? Would he get an example of the way in which one is able to use one's authority if one is on the inner group of the NDP administration? I would suggest to you, Madam Speaker, that he might think that wasn't a bad way to operate because he sees the Ministers, who are his political bosses, operating with that kind of attitude, that if you have the authority, you use it to the benefit of yourself and your friends and the NDP. That's the only attitude that seems to prevail and that seems to be the only standard of test that you weigh when you're making a decision, Madam Speaker.

The Brokerage Building that's being investigated now, all of the relationships between tenants of that building and the grants that they're getting from government and the contracts that they're getting from government, whether it's a Limestone film, or whether it's the redevelopment of a co-op arts club, or whether it be any of those things, Madam Speaker, it has to do with the relationship, the incestuous relationship of friends of a government.

The appointment to senior positions of people who were all friends of the former Minister of Energy and Mines as part of that great group that was known as the Planning and Priority Secretariat of Cabinet in the Schreyer administration, one by one put into senior significant positions, Chairman of the Manitoba Energy Authority in Manitoba Hydro; Senior Deputy Minister; Clerk of the Executive Council. On and on and on; you can trace them through the system, Madam Speaker.

What about the appointment of all those people to senior Civil Service jobs who gave contributions to the NDP? Go through the list, Madam Speaker, and find out the people who get consulting contracts, the people who get senior level positions with this administration, people who get new jobs created for them, all done as a result of their close relationship with the New Democratic Party and, indeed, their financial and physical support for this party results in those. Now, is that not a misuse of authority, Madam Speaker? Would that be one of the ways in which the President of MPIC took his direction and took his lead, by following the actions of this NDP Government?

What about the purchase of all of this expensive china and dinnerware? Do you suppose that he'd have examples of that to follow, Madam Speaker? I think that all he had to do was take a look at the amount of money that was put into the redecoration of the Workers Compensation Board office, or the redecoration of the Premier's Office when he came into government, or any of those examples, Madam Speaker. He followed the example that he saw set by his political masters and that's why those decisions were made, because the examples that they had were the examples of spending whatever you wanted to because it didn't

really matter. This government had a few sacred cows and MPIC was one of them; he was in charge of it and he had plenty of examples to follow.

What about the expense accounts, Madam Speaker? Have you seen the list of how many of the Ministers in the last NDP administration travelled to the Far East, travelled to the Far East at the taxpayers' expense? I read the article where the former Minister of Business Development and Tourism was in Hong Kong. Fully a third of the Ministers on that side in the last term went to the Far East on various different assignments. Some of them may have been potash, some of them may have been farming and agriculture related investigations, some of them were business development, some of them were, you name it; they were all over there on financial business, on presumed government business at taxpayers' expense.

So do you suppose that senior officers of MPIC had any other example to follow than the example of their political masters who would spend any amount of money for their own self-gratification as long as it was taxpayers' money and they were in charge? Everything goes! That's the example that's been set. That's why their expense accounts run the way they do because they follow the example of their political masters.

Madam Speaker, it is their very examples that leads to this kind of morality, to this kind of standard setting, to this kind of judgment in making decisions on behalf of the taxpayers of Manitoba. Madam Speaker, when it comes to breaking the law, we have shown that the government has been willing to break the law itself. In terms of the Workers Compensation Board, they've been in violation of the act for three years now. For three years they've been in violation allowing the class fund to be in a major deficit position.

We've been told in the newspaper on the weekend that their wild rice policy, their policy of handing out contracts on wild rice, violates their legislative authority, is illegally essentially, and yet they continue to practice it because they believe that they are the only authority, that they can be beyond the law and without question. Believe me, Madam Speaker, when you take that kind of attitude and set that kind of standard, you're going to get the kind of actions that they got in terms of all of the recent scandals that have happened and rocked this administration.

Madam Speaker, this government has the morals of an alley cat. This government has said to the people of Manitoba, and to its own civil servants, do as I say but not as I do. They have now dismissed the President of MPIC for carrying on activities in exactly the same fashion that they have been carrying on activities for the past four years. They have followed the lead and the example that has been set for them by the people who are elected to serve the people of Manitoba by the senior administration of the Government of Manitoba who are the NDP Cabinet Ministers and all of their colleagues.

But, Madam Speaker, the other side of the coin is all of the people who have done all of these things, in my judgment, in an immoral and dishonest fashion are in Cabinet. Those who have shown some semblance of morality and proper judgment and standards are sitting in the back seat in the back row or kicked out of this government. That's the kind of reward that is given.

Can you blame senior officers in any Crown corporation or in any administration of this province for saying to themselves, well, listen, if we do what's good in a political sense, if we carry on our affairs to use our power for whatever purposes we believe is right, we're not going to be rapped over the knuckles for it; we're, in fact, probably going to be elevated. We'll probably get to a more senior post because that's what happens to people in Cabinet. If they carry on all of this, if they spend the taxpayers' money on advertising, on senior bureaucrats, on political support staff, on trips to the Orient, on all of these things, they're elevated. If they stand up with some moral standards and say this isn't right, they're in the back row or they're out.

Madam Speaker, this administration is rapidly developing the reputation of being the most corrupt, immoral and scandal ridden administration in the history of this province. It's totally lacking in any moral standards and the fault is the leadership. The fault rests with the Premier and the members of Cabinet that he has surrounded himself with because they set the example, Madam Speaker. They feed their friends and all of the party hacks and all of the political supporters at the public trough; they are the ones who say do as I say but not as I do.

Until they clean up their own house, until they do something to change the moral standards of their administration, Madam Speaker, there will be more scandals, there will be more embarrassing incidents and the public will not stand for it. The public deserve better. They deserve, as I said earlier today, an administration that is at least as good as they are, that sets standards for themselves or at least what the public sets for itself. Physician, heal thyself!

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I too, Madam Speaker, rise on a grievance. I had intended to make a grievance earlier today prior to hearing the speech of the Leader of the Opposition, but I think had I had no intention of making a statement today, Madam Speaker, making my grievance for this Session, I certainly would have done it after hearing that speech from the Leader of the Opposition because I don't think I've ever heard such puffery in my life, Madam Speaker. That has to be one of the slimiest speeches I have seen made by any member of this Legislature in the five years that I've been here.

Madam Speaker, people who live in glass houses should not throw stones. I make that statement, Madam Speaker, because the reason I was going to get up on a grievance today perhaps may not have great import for this House but certainly did to myself. It was a very personal matter, Madam Speaker, related to the fact that my mail was intercepted by the members of the Opposition. I can prove that statement, Madam Speaker; I could get up and say that is an illegal act, and I believe it probably is. What I want to do is lay out before you basically what happened so you can know that when I make such statements, unlike the Leader of the Opposition, I back it up with facts.

On Monday, Madam Speaker, in question period last week, the Leader of the Opposition quoted from a letter

that he said I had sent to my constituents in regard to a reception for day care graduates in Thompson. I found it rather interesting, Madam Speaker, because no such letter was sent. In fact, Madam Speaker, what the Leader of the Opposition appeared to be quoting from was a draft of a letter which was never sent, a draft of a letter which was delivered to my former office in Room 151 of the Legislative Building, which is now occupied by members of the Conservative Caucus.

Madam Speaker, that memorandum was put in a sealed envelope, and I have the statement of the secretary in the Department of Community Services to that fact. It was addressed to myself, it was delivered personally by that secretary to Room 151, and the next time that memo was seen was in my mailbox in Room 234 when it, Madam Speaker, was not in an envelope. So what happened, Madam Speaker?

A letter that was not sent out suddenly becomes the focus for the Leader of the Opposition's question, a letter which was sent to my former office, now occupied by members of the Opposition, in a sealed envelope appears in my office with no envelope. Madam Speaker, it's obvious what happened. A member or members of the Opposition intercepted that mail, opened it, copied it, returned the original to my office and then used that in question period.

Madam Speaker, where is the moral leadership of the Leader of the Opposition when he uses a memo gained in that means? Where is the moral leadership? Did that member, Madam Speaker, contact me immediately and say that there had been some terrible error, that that letter should not have been opened, that that was a breach? And I will say that it was a breach of my privileges as a member of the Legislature. Where was the moral leadership from the Leader of the Opposition in realizing that opening of mail, Madam Speaker — and, if it were to take place in the public mail system, would be illegal . . .

MADAM SPEAKER: Could we please have order in the House? Order please. The Honourable Member for Thompson has the floor.

The Honourable Member for Morris on a point of order.

MR. C. MANNESS: On a point of order, Madam Speaker, maybe you can help me here somewhat. The member has indicated that somebody in Room 151 intercepted the member's mail. Madam Speaker, I am a resident in Room 151, and I want to indicate to the member that I did not intercept his mail. I would ask him to name the person, or the people, within Room 151 that did so, because he's casting aspersions on all the members of the House that reside within 151 and there are five of us, Madam Speaker. I'm standing to indicate that I did not open his mail.

MADAM SPEAKER: Order please.

The Honourable Member for Morris has raised a point of order. I'm taking it under consideration. Could we please have order in the House?

On the point of order for the Honourable Member for Morris, I will take that under advisement and peruse Hansard.

The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.
As I stated before, Madam Speaker . . .

MADAM SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: I also happen to be a resident in 151, and I have not ever opened any mail in 151. All mine's delivered to 228, but there's something else in the point of order. We have employees in 151, and I think there should be an apology from the Member for Thompson to make those accusations to employees in 151. There are other members in 151. I think he should get up and apologize to those people.

MADAM SPEAKER: I will take the matter under advisement as to whether the honourable member has breached anyone's privilege, and report back to the House.

The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.
You know, I find it very interesting, Madam Speaker . . .

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, the Honourable Member for Thompson has not levelled the accusation just to people who happen to spend time in Room 151. If I recall, and if Your Honour reads Hansard, I think you'll find that he said that members of the Opposition, or the Opposition, are intercepting his mail. Now, Madam Speaker, that is a very serious charge, and I consider that I should be included in the question of privilege or the point of order, if one should exist.

MADAM SPEAKER: On the point of order, I will read Hansard and I will report back to the House on the propriety of what the honourable member has said. I think we have many different interpretations, and I will read Hansard and see exactly what has been said, and whether the Honourable Members for Morris, Riel and Brandon West have a point.

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, on that point of order, will that also include . . .

MADAM SPEAKER: Order please. I've made a decision on the point of order. I will take it under advisement.
The Honourable Member for Thompson.

MR. S. ASHTON: Okay, I raise a new point of order as to whether my privileges as a member were breached by what I consider to be prima facie evidence that my mail was opened.

MADAM SPEAKER: Order please, order please. If the member is rising on a point of privilege, that's one thing; I understood the honourable member to be speaking on a grievance.

The Honourable Member for Thompson.

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

You know, I find it interesting that members opposite all of a sudden are so concerned, Madam Speaker, about my particular concerns when I feel I can prove that I have prima facie evidence that my mail was opened.

Madam Speaker, we heard from the Leader of the Opposition today time and time again what I would consider to be some of the sleaziest personal attacks I have ever heard in the time that I've been in this Legislature. Madam Speaker, do you remember his comments on McKenzie Seeds? Do you remember his comments? He tried to, Madam Speaker, gloss over the fact that the origins of the problems with McKenzie Seeds, with the three individuals he referred to, started in October of 1981. What did he say, Madam Speaker? That they somehow thought — those three individuals — there would be an NDP Government elected and they were setting this up in advance so they could take advantage of that, Madam Speaker. Do you remember those statements? Well, I certainly do.

I remember a particular reference to the fact that one of those individuals was a New Democrat, ran for the NDP. Did we hear any reference to the other two individuals; one of whom was a prominent Conservative in the Brandon area? Madam Speaker, I don't get up to say that there was anything in that fact, Madam Speaker; I get up to say that it is sleazy in the extreme for the Leader of the Opposition to suggest that that arrangement in October of 1981 was somehow a plot by New Democrats to set things up for what — for the election which followed November 17th. That's got to be about the flimsiest attack I've ever seen from anyone.

He mentioned about Highways, Madam Speaker. Well this government is the government that cleaned up the mess in that particular scandal. Those activities had been going on prior to our election. I might add that they were going on in the constituency of the Minister of Highways under the previous government, the Member for Pembina. People in glass houses, Madam Speaker, shouldn't throw stones. Would members of the opposition like us to get up at this time and accuse the Member for Pembina of the many puffery-style terms that the Leader of the Opposition used before of moral bankruptcy, scandal, dishonesty, moral turpitude?

Madam Speaker, it continues. We hear talk about lotteries. They neglected conveniently, once again, a lot of the difficulties also occurring under their administration. Does that mean I apply every single one of the statements the Leader of the Opposition used, Madam Speaker? Well no. We heard about trips to the Orient. You know, I remember the previous Minister, now the Member for Sturgeon Creek, I remember his expense forms and the many trips he undertook on behalf of this province. Well I, for one, would not get up and accuse that member of abusing the system. I remember the expenses that were incurred, Madam Speaker. I think the Minister was doing his job on behalf of the government.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: On a point of order, Madam Speaker. I think if the member is going to outline my

expenses on a trip to Australia, where I was on business for the Federal and Provincial Governments, he should say so, but not give the impression that I took trips that were not business on behalf of the government; nor did I make statements that were wrong while I was there.

MADAM SPEAKER: On the member's point of order

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. On the member's point of order, a dispute over the facts is not a point of order.

The Honourable Member for Thompson.

MR. S. ASHTON: I will state too, Madam Speaker — as the member opposite apparently did not hear what I said — that I did not criticize him, nor do I now for his activity on behalf of this province and I would hope that he would talk to his leader and expect the same common decency that I, and other members of this House, extend to him. We certainly don't accuse him of any impropriety for representing this province and promoting this province at various locations.

Madam Speaker, though it's interesting as I go through these various examples of what could have been said by members of this side, which haven't, how members of the Opposition jump up to their defence. The unfortunate thing, Madam Speaker, is that so many people that were impugned by the Leader of the Opposition today cannot do that. They're not members of this Legislature. They cannot respond to some of the slimy attacks that I heard.

You know I heard him even make reference to the fact of the appointment of the daughter of the former Member for Concordia to a position, Madam Speaker. I heard that and I must say I find that particularly distressing and disappointing. If he knows that the person of whom he talks, he will know that that person is more than qualified for that position, and that the appointment had nothing to do, Madam Speaker, with the relationship of that individual to the former Member for Concordia. I find it particularly unfortunate that member is not in this House today to respond to that cheap personal attack.

Madam Speaker, I think you see more and more from members of the opposition that there is a reason why they are following this approach today.

MR. D. SCOTT: They're morally bankrupt.

MR. S. ASHTON: Well, one member on this side suggests that perhaps they are morally bankrupt. I would say they're bankrupt as an opposition. You know this attack today, Madam Speaker, is a deliberate attempt to try and gain some sort of profile as an opposition, something they failed to do consistently since the beginning of this Session.

Madam Speaker, I think the Free Press has basically been acting as the opposition. They've certainly taken an aggressive approach in terms of their dealing with some of the items mentioned by the Leader of the Opposition, and I really think that they're embarrassed.

I think that they feel the approach to be taken, Madam Speaker, is to try and outdo some of those accusations that have been made in the press. I think today, certainly, the Leader of the Opposition did. I will say he outdid anyone I've seen on his benches in any speech I've seen in the entire five years that I've been here. I heard more puffery, more emotion-laden terms used, Madam Speaker — I heard more personal aspersions than I've seen for many years.

It's because that Opposition has failed — it failed for five years before and it's failing again, Madam Speaker. It does not realize that the people of this province expect constructive opposition. Certainly they expect the opposition to keep this government on its toes, and certainly, Madam Speaker, the line of questioning taken by the Leader of the Opposition, in question period today, was constructive. He sought information. The Minister responsible for MPIC provided it, Madam Speaker. So why the great difference between that approach — which I think is what people expect and want from this opposition — and this grievance?

MR. D. SCOTT: Headlines.

MR. S. ASHTON: As the member points out, the type of approach taken by the Leader of the Opposition in question period doesn't get the headlines; this grievance does. But is it right, Madam Speaker? Did that member, that Leader of the Opposition demonstrate the moral leadership that he talked so loudly about in his speech? Did he show any leadership whatsoever?

Well I pointed to one personal example, which I feel clearly proves it to be otherwise; but, Madam Speaker, I think if you look at the entire speech, the entire use of personal innuendos, the slimy personal attacks; it is clear that he hasn't and if you look at the fact, for example, in raising the MPIC question, the Leader of the Opposition did not point out that this Minister took immediate action in response to the accusations or went to the Minister of Finance, an Auditor's Report was conducted, Madam Speaker, and action was taken last Friday. That's direct action, Madam Speaker, that is leadership and it's happened in previous cases.

It's happened in regard, Madam Speaker, to the highways issue I mentioned before. It's happened in regard to lotteries, Madam Speaker. It's happened in regard to McKenzie Seeds, each and every one of those cases, when accusations of impropriety were made, they were investigated and when those accusations were proven action was taken, Madam Speaker. That is the appropriate course of action for any government to take, the appropriate course of action is not for governments to act as the Leader of the Opposition has and respond to personal accusations and innuendo. It is to prove whether there is impropriety, prove the facts, and then take action. That's leadership, Madam Speaker, that's morality, that's ethics in government. That's something that the Leader of the Opposition clearly proved today that he did not understand.

You know, Madam Speaker, as I make this grievance, I know perhaps that I will not end up in the headlines, as will the Leader of the Opposition today, but that doesn't bother me because I don't know how the Leader of the Opposition really will be able to sleep tonight after he considers some of the accusations he's made today, Madam Speaker.

I'm not worried so much about the criticism of this government, I think we all have to expect that through an opposition in government that there will be criticism, Madam Speaker. Certainly, as a member of this government, I do not take this personally, but I really wonder how the Leader of the Opposition will be able to live with some of the accusations he made today, some of the impugning of characters of individuals. How will he be able to sit there and think about his lectures of moral bankruptcy and talk about the need for leadership when he clearly did not demonstrate it today?

Madam Speaker, as I said, perhaps I won't get the headlines; perhaps this will just be recorded for posterity in Hansard why I feel that I can speak with some confidence about the fact that when I look at the accusations made by the Leader of the Opposition that I do not see anything like what he's talking about in terms of lack of leadership. Instead I see the opposite.

I see that this government has taken leadership when accusations of impropriety have been made and action has been taken. That's what good government is all about. I would just hope though, Madam Speaker, perhaps this is for posterity. Perhaps the members of the Conservative Party now in this Legislature aren't really interested in listening because the political gain is certainly the type of approach followed by the Leader of the Opposition. But really when you consider the ethics of government, when you consider the ethics you consider morality and honesty, can they really say that the speech given by their leader today fell into that category, that there was any demonstrated moral leadership in that speech? I think not.

I think when these comments are reviewed, perhaps sometime in the future, when those headlines have faded away, Madam Speaker, when the comments are read for their own value, I think then that the view will be different, that when posterity views this situation they will see that emotion-laden terms used by the Leader of the Opposition were inappropriate . . .

MADAM SPEAKER: Order please. All this chatter's been going on, I can't hear the Honourable Member for Thompson who has the floor.

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, they will read those comments and I think they will see the situation in a different light, and that is that this government has made a real effort to deal with that situation.

So in conclusion, Madam Speaker, I began this grievance with a reference to a very personal concern of mine and for the Member for Brandon West, if he can establish for me that no one in that office did intercept . . .

MADAM SPEAKER: Order please.

The Honourable Minister of the Environment on a point of order.

MR. G. LECUYER: Yes, Madam Speaker. I sit right in front of the member who speaks, but because of the chattering from members who have changed seats across, I can't hear what he's saying, Madam Speaker.

MADAM SPEAKER: Order please.

The Honourable Member for Thompson has the floor. The honourable members do expect to be listened to when their turn to speak arrives, and I would appreciate if they would abide by their Rules of the House.

The Honourable Member for Thompson.

MR. S. ASHTON: As I said, Madam Speaker, in conclusion, I started this grievance on a very personal matter of concern to me. I feel I have prima facie evidence that my mail was interfered with. I made no accusation against any particular member opposite because I don't use the same sort of ethics of convenience that the Leader of the Opposition used earlier.

If the members opposite can prove to me that the prima facie case I have that my mail was interfered with is wrong, if they can show me how the Leader of the Opposition could obtain a memo, Madam Speaker, which included a letter which was never sent out, which was delivered to 151, which did appear in my office . . .

MADAM SPEAKER: Order please, order please.

May I remind the Honourable Member for Thompson that I have taken that matter under consideration. There have been points of order raised.

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, as I said, not to reference the specifics of that matter, I have always believed that you do not make accusations without evidence. I feel I have the evidence. If I'm wrong, I'll be the first one to withdraw it. I would ask that the same approach be taken by the Leader of the Opposition. I would ask that tonight or at the first opportunity that this Hansard is made available, that the Leader of the Opposition will read his words and read his accusations and he will withdraw each and every one of those accusations which are wrong, that he will withdraw each and every one of those personal attacks that he made today.

Because what we're talking about is we recognize that we can't ride in our white horses, we can't get up and not practise what we preach. What I said at the start of my speech is really what it's all about — people who live in glass houses shouldn't throw stones — and I hope the Leader of the Opposition will remember that.

MADAM SPEAKER: The motion before the House is 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. Moved by the Honourable Government House Leader, seconded by the Honourable Member for Ellice. All those in favour?

The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, I think given the time there's a disposition on the part of the Opposition and ourselves to go right into Private Members' Hour and call it 4:30 . . .

MADAM SPEAKER: We have a motion on the floor.

HON. J. COWAN: I would withdraw the motion if that is possible at this particular time with leave from the Opposition.

MADAM SPEAKER: Does the honourable member have leave to withdraw his motion?

The Honourable Government House Leader has requested leave to withdraw his motion. Order please.

We have to either deal with the motion on the floor one way or another.

The Honourable Government House Leader.

HON. J. COWAN: Yes, I would request permission then and leave to withdraw the motion at which time we would then be prepared to call it 4:30 and enter right into Private Members' Hour.

MADAM SPEAKER: Is it the will of the House to withdraw the motion from the floor and to call it 4:30? (Agreed) Agreed, with leave. The hour being 4:30.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

RES. 7 — MACC YOUNG FARMER REBATES

MADAM SPEAKER: On Private Members' Business, the proposed motion from the Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker, I move, seconded by the Member for Ste. Rose

WHEREAS the cost-price squeeze on farms is most acute on young farmers; and

WHEREAS the greatest financial stress and highest farm failure rate is occurring among young farmers; and

WHEREAS the farm industry needs a continuous influx of young farmers; and

WHEREAS the purchase of land and machinery is a necessity for young farmers to enter the business.

THEREFORE BE IT RESOLVED THAT the Manitoba Government consider the advisability of extending the Young Farmers' Interest Rebate Program to \$100,000 from \$50,000.00, seconded by the Member for Brandon West.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Virden.

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

I am privileged to have the opportunity to rise and speak on this matter at this time.

This program to have the interest rebate in place through MACC was brought in by the Lyon Government in 1979, a PC program. The NDP, as the Minister of Agriculture mentioned the other night in Estimates debate, did not object to this program being in place. It was a good program at the time, but a lot of things have changed since that time and the strength of the program, at this point in time, needs to be strengthened.

If we look at the Statistics Canada figures for the age of farmers, it is particularly distressing to see that there are so many farmers in the older-age category and not enough in the younger-age category. Presently

we see over 40 percent of our farmers 55 years and older. There is an obvious large group of farmers that are needing to be able to sell their land to a younger farmer.

I have had discussions with many young farmers over the last few years. Because of the high cost of farming, they are finding it increasingly more difficult to get into the business; they are finding a fair degree of stress when they're in the business because of the high costs; and they look around and they see older farmers wanting to get out of the business, and their wanting to get in, but they can't afford to buy the farm. MACC has programs in place that need to be strengthened to achieve this.

Another thing that I hear quite often mentioned by young farmers is that they see a piece of property that has not been adequately farmed, maybe the farmer there has reached an age where he isn't putting out the effort he used to, he isn't using modern agronomic practices, and the young farmer says: "Why can't I have the opportunity to purchase that farm and put my young energies into making a good job of it?"

One of the other things that is quite important in rural Manitoba is to continue the family farm. That means being able to move the family farm from father to son. In the past, when I was at that age, it was quite easy for the father to help the son get into the business by taking the mortgage on a piece of property he would buy, help him in terms of his operating costs, help him in terms of buying his machinery. But as the cost-price squeeze has become greater and greater in recent years, it is becoming increasingly more difficult for the father to help his son get into the business. The father now can really only help the son in terms of some costs, some machinery sharing. The son really needs to be able to purchase his beginning piece of property by a mortgage from some outside agency. This is where MACC clearly comes into the picture.

The system works quite well for the father-son transfer, if that mortgage can be obtained from the outside. MACC's mandate to lend to the young farmers has worked well, there are many good programs in there, and what we're asking for at this time is a strengthening of one of those good programs. Just in the way of statistics, there are now some 1,700 young farmers who qualify for that interest rebate program. But, as I mentioned, conditions do change over time.

The first thing that has become very apparent to the young farmer is the cost-price squeeze which makes it very difficult for him to compete in terms of paying commercial interest rates. For a young farmer to start an operation, even in conjunction with his father, he must have a viable land unit. In today's farming, I think a viable land unit is a half-section or more and, in many cases, a three-quarters to one section. In order to purchase that piece of land, \$50,000 is not sufficient funds; \$100,000 is a much better piece of money to achieve the purchase of a viable farm unit, and that's why we're recommending that the interest rebate be extended from \$50,000 to \$100,000.00.

As we look through society and the young farmer now coming out of school, looking at what his chums are doing, wonders about the risks of going into farming. As he looks around, many of his classmates have gone into jobs working for the government and working for other companies where there is a certain degree of job

and income security. The young farmer doesn't get that, but he needs support in these other directions.

There is another factor that comes into play, and that is, the degree of society independence that young people want nowadays. Some young people are very reluctant to expect their father to guarantee their loans and that's why they turn to an organization like MACC for money that is below commercial lending rates, money at a rate which they can afford to get into farming with.

Another thing that must be kept in mind is that young farmer's operating costs are always higher than the established farmer because he has to buy so many things that the established farmer already has bought and paid for, and it's very difficult for him to get into the business.

I've heard many comments in the rural communities about young farmer's situations. No. 1 comment that comes forward time and again is that the young farmer is in trouble. He will have severe difficulty in surviving this cost-price squeeze that we're in, or this economic depression that we're in and he does need help. He needs consideration as a special-status situation, and every community realizes that they need these young farmers. A community of 1,000 people, it used to be a community of 1,500 people, it does not want to become a community of 500 people. They must have a continuous influx of the young farmer raising a family, paying taxes, supporting community events and also supporting the small businesses of the town which allows the population to remain static. Everybody would like to see the population grow, but at least let's keep it static.

I've never yet heard anyone speak out against supporting the young farmer through MACC. They realize the necessity and need for it and support it wholeheartedly.

The one thing that concerns me about the young farmer situation, as the last two or three years have developed and we look to the next two or three years, they have a tremendous desire for that way of life. It is a way of life, they realize that; but sooner or later, if the economic stress becomes too high or the risk becomes more than they can bear, they will start to lose that desire. When they start to lose that desire and don't want to farm, then our rural communities are definitely in trouble.

Many of our young farmers today have better training and education than 20 years ago; many have attended university, taken either a degree or diploma courses, attending community colleges or taken other short courses offered by the Department of Agriculture, but in order to make that unit run, they also need significant financial help. Anytime I talk to somebody about, "well, is it throwing good money after bad?" They say, "No. When you support a young person in a community, that young person will be there for many years. He will eventually be a taxpayer. He will contribute to the community," as I've mentioned earlier, "and as being a good taxpayer, the government will eventually get their money all back that they had invested in him in his early formative years."

Another thing that comes up when we get into discussing putting money into agriculture, because often somebody says, well, the government doesn't have money. What comes up is that when we look at what

has happened with some of the government Crown corporations — Manfor, Flyer, McKenzie Seeds — they say if we had invested the money that was lost by those corporations, if we'd invested it in agriculture, we'd have had substantial help for the farm community. We'd have had significant economic stimulus in rural Manitoba. We wouldn't need moratorium legislation and we'd be able to keep a lot of more young farmers on the land. When we're talking about losing \$30 million in one year or 15 months, that would have gone a long ways in supporting agriculture.

MACC has its lending policy to lend to young farmers and that is good and the community is benefiting from it. In recent years, particularly in the last couple of years, they've shifted from an equity base to cash flow purposes for granting mortgages. In 1985, as we found out in Estimates, roughly 25 percent of the young farmers applying were turned down. In 1986, over 50 percent of the young farmers were turned down because their projections would not cash flow, therefore we have a serious problem if we can't get our young farmers in a situation where they can cash flow their year's projection.

If we increased the young farmer rebate to \$100,000 from \$50,000, that will help — to some degree — in reducing the interest costs of his operation in the coming years. That's the level of support we believe is needed. There may even be further considerations that must be given to the young farmer in terms of extending their rebate beyond five years.

Madam Speaker, I request this Legislature to seriously consider further support to the young farmer in terms of extending the young farmer rebate from \$50,000 to \$100,000.00.

Thank you very much.

MADAM SPEAKER: The Honourable Minister of Agriculture.

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

I appreciate the Member for Virden bringing forward this resolution in terms of highlighting the plight of young farmers and farmers in general, but specifically those who have started into agriculture within the last decade or so. I find no great fault or great difficulty with the honourable member's resolution, in what he is in fact proposing, but the real question at hand is, of course, one of priorities in terms of who do you help and how much can you afford to help in terms of the community at large.

Madam Speaker, the honourable member, in his remarks, hit the nail on the head, when he spoke near the end of his comments, when he said, young farmers, this will be a help, but likely down the road they will need longer term help in terms of financing their operations. That's really the crunch of the issue. Young people getting into agriculture need low stable interest rates, not for two or four years or five years; they need it for the length of time of the mortgage, and preferably, when you're getting into farming, in terms of the needs of purchasing equipment and land and facilities, they need it for at least 20, 25 years.

(Mr. Deputy Speaker in the Chair.)

Quite frankly, Mr. Deputy Speaker, I am pleased that the honourable member speaks that way because that

certainly gives me a clue that the opposition intends to support the amendments proposed for the Farm Start Program. Precisely, Mr. Deputy Speaker, what we're proposing is that there be a concession on interest rates over the long term. In effect, accomplish what the honourable member is speaking about, without the need of massive public subsidies as a result of the Federal Government's insane high interest rate policies over the last number of years, because it really comes down to a matter of subsidies at the provincial level when one speaks about saying, let's lower one of the major costs of getting into farming, and that is, of course, cost of purchasing the assets of either a retiring farmer or someone who is partially selling out and starting into farming in a slow and part-time way.

The real question is: is the question of the huge debt load that someone entering farming has to take on and the difficulty has been, of course, those who have entered farming over the last decade and some who have been helped by this program. They consider it a help, but quite frankly there is a number of those — once the five years is off and they go back to the normal rate of interest — they're in the line with everyone else, in difficulty. I will be the first to admit it and that's why we did come up with a broader program in terms of assisting farmers like the write down, like the buy-down provisions of interest rates, the Loan Guarantee Program and income stabilization being the fundamental one.

Income stabilization to the farm community, along with the attack on input costs such as interest rates, energy and the others, you have to really deal with the problem on both sides and we've committed ourselves to a very large extent — that I don't think has been acknowledged by members of the opposition — over \$60 million over the last number of years in income stabilization measures alone to support the livestock industry. That isn't peanuts, Mr. Deputy Speaker, and I think members opposite realize it out in the community, but they're not prepared to acknowledge it in this House.

I have yet to hear statements from members opposite to say, yes, there was a massive commitment to income stabilization in this province and there will have to continue to still be an ongoing commitment in terms of our hog industry, which we're now committed into tripartite on income stabilization, but we will also have to commit ourselves to long-term stability under the beef side because, in my mind, there's really no way that Manitoba producers would say, we want any part of the federal program because there would have been virtually no assistance, no financial support for those producers in the cow-calf areas in those sectors in terms of the national proposed program. There is virtually no support there.

Quite frankly, unless you attack the problem on both sides — both on the input sides and interest rates being one of the major ones — and the honourable member acknowledges it and also on the income side — producers will continue to have a difficult time but, Mr. Deputy Speaker — I think the real crunch is lower interest rates over the lifetime of the mortgage.

Really what we are talking about in the Farm Start Program and the amendments that have been put forward in this House are really part — and I only say part because it's an option on one of the inputs, on the interest rate side in terms of what we're proposing.

The income question still has to be addressed and we will continue to do our part as a province, as much as we can, but the real question on the grain side and that's really the fundamental question is what's going to happen with grain prices. In fact, many of the programs, Mr. Deputy Speaker, that we've put into place over the last number of years — I've said it before and I'll say it again — have really been nullified by the move to lower grain prices in this country. I concur that it's an international problem. I have never shied away from it, but there comes a time when our national government has to stand up and take responsibility for income stabilization in this country, and grain being one of our major export dollar earners, it has to come nationally.

Mr. Deputy Speaker, the other countries who we compete against are dealing with it by the U.S., by major billion dollar, multi-billion dollar investment into the grain industry on the income side, and as well, the European economic community who for a number of years have said the production of food shall be supported by the multi-nation agreement that they have in the European economic community and they will continue to do that. I don't believe that any move that the United States will make in terms of trying to depress the world price will deter the European economic community from its course of supporting its farmers. I don't believe that will happen. They will continue to have that support.

Now, the measure, Mr. Deputy Speaker, that is being proposed is, of course, to assist producers getting into agriculture. Our priority at the present time, although we're putting forward measures that will produce, we believe and we hope will produce a concession to the younger farmers over the life of the mortgage which will be, as the member pointed out in his remarks, is really what is required for young people to get into agriculture.

Our priority at the present time is to assist as many farmers as possible to sustain their farming operations and, of course, to fulfill this objective, the province has fulfilled its election commitment to introduce legislation to protect and preserve family farms in Manitoba. But, Mr. Deputy Speaker, in contrast to this, the Federal Government has not basically put its money where its mouth is in terms of the development of legislation. They're bringing forward a totally voluntary process that will provide no incentive for lenders to get to the bargaining table. I hope the honourable members opposite recognize that. Mr. Deputy Speaker, how many minutes? Five minutes, that's fine.

There will be no incentive for lenders to come to the bargaining table and deal effectively with some of the crisis cases that are out there. There needs to be a massive change in approach in terms of the federal legislation or, in fact, we believe to pass as we've suggested to them to pass the simple amendment to make the federal agencies bound by the provincial legislation. We have also not only asked for that amendment, we've also put our money where our mouth is.

We've put forward \$6.5 million as a bargaining tool to assist the farm community in working through some of the cases we expect to come before the boards dealing with the financial cases. The Federal Government has not put up one cent in terms of dealing with those questions.

We are prepared to put money up to see if financial solutions can be arrived at and there has to be governmental commitment in order to further some of the guarantees or write down or set aside whatever might be agreed to, we're going to do our part there. We would expect that the Federal Government would do the same but clearly they fail to develop any such program to complement their own proposed legislation.

Further, Mr. Deputy Speaker, there is an urgent need to assist farmers to secure operating credit. To this end, of course, our own province has instituted and will continue to operate what I would consider a highly successful loan guarantee program. It has been highly successful. There is just no doubt about it.

But it's really time, and I've said this before and I'll repeat again, time for the national government to move and complement the provincial programs that have been put into place by this province and other provinces in the absence of the agreement that was not reached in November of 1984 after the new Conservative Government was elected and installed and these recommendations were made by 10 of all provinces of this country, it's time for them to move on this area.

All the financial institutions have supported us in the call for this measure and other provinces have supported this whole recommendation and yet they are not prepared and have not been prepared to move in this area.

Mr. Deputy Speaker, I accept that the resolution has merit in terms of providing some furtherance of assistance. There is no doubt, we are going to attempt by measures through the Farm Start Program, as I've indicated earlier, to really deal with the long-term question in terms of lower interest rates by concessions, and in terms of this measure I propose the following amendment:

I move, seconded by the Member for Lac du Bonnet, that the resolution be amended as follows: that we strike out all the wording following BE IT RESOLVED, and the words that will be struck out is,

That the Manitoba Government consider the advisability of extending the Young Farmers Interest Rate Rebate Program to \$100,000 from \$50,000," and replace it with:

BE IT RESOLVED that the Manitoba Government continue to provide innovative options of support to young and beginning farmers through the Young Farmer Rebate Program, MACC Part-Time Farmer Program and the new Farm Start Program.

BE IT FURTHER RESOLVED that this Legislature urge the Federal Government to introduce a national operating loan guarantee program to complement provincial credit programs and introduce a deficiency payment scheme to offset the cash shortfall created by the decline in Canadian Wheat Board initial prices as has been recommended by all Provincial Ministers of Agriculture and the Western Premiers.

MOTION presented.

MR. DEPUTY SPEAKER: The question before the House is whether or not this amendment is in order, considering that if this amendment changes the substance of the motion, it will be out of order; but, considering that the rule of relevancy has been

generously interpreted during question period as a matter of tradition in this House, the fact that the motion has reference to the subject matter or substance of the original motion, namely, the MACC Program, and considering that the amendments seek to expand that original motion rather than change the substance, and since it is a tradition in this House that the rule of strict relevancy be generously interpreted, the Chair is of the opinion that the amendment is in order.

MADAM SPEAKER: The Member for Ste. Rose.

MR. G. CUMMINGS: Madam Speaker, it's a pleasure for me to have an opportunity to say a few words regarding the Young Farmer Rebates. I guess I speak from the heart because at one time, believe it or not, I was also a young farmer who wanted to get involved in the agricultural endeavour in this province. It seems to me that the rebate program, as first viewed and as first implemented, was a program that was intended to help the young farmers of this province through what are always difficult economic situations. It was provided to help them when they wanted to obtain some independence. It was provided to give them some incentive and some help when they were attempting to become established without having to ride entirely on the coattails of their parents.

I can tell you, Madam Speaker, from observation, that it doesn't happen only in the agricultural community but it happens in any business community where a second generation is attempting to become part of the business, that it's always a possible source of concern, always a possible source of friction when two generations are working together and one becomes unduly dependent on the other for financial support.

I'd like to draw attention, if I could, first of all, to the report of the Manitoba Agricultural Credit Corporation, in the report where in 1981 some 99 percent, for those farmers under the age of 40, 99 percent of the loans were issued; in 1982-83, 85 percent; in 1983-84, 93 percent; 1984-85, 92 percent.

Obviously, the people that are going into agriculture, when they're first acquiring their financing, when they're first looking to the institutions from which they hope to acquire long-term financing as well as operating capital, have a great demand on the financial institutions, not only the government corporation but the private institutions as well, at that particular stage in their life for capital; not only capital but, of course, operating funds which, by and large, remain in the realm of the private lending institutions.

So let me say that this program, viewed in that light, probably dovetails very nicely with the requirements of young farmers in this province. If they can go to the Agricultural Credit Corporation and obtain good long-term financing under this particular program, a reduced interest rate, at exactly the same time as they're going to be going to private institutions and asking for operating capital and possibly machinery loans, it gives them some opportunity to show a stable loan portfolio for the long term while they are looking to the private institutions for funds to get their enterprise actually under way.

For those members of this House who may not understand some of the demands that are made on

the purse strings of the beginning agriculturalist, let me talk about some of the problems that are involved. First of all, it would seem that the old story about how does one get involved in farming these days tends to be more and more true as the cost of entering into agricultural endeavour rises because it seems that for many people, if they are not already the son or the daughter of a farmer, that the only way they will be able to get into the agricultural field is to marry the son or the daughter of someone who is already there because in fact the cost of accessing into agriculture is almost beyond any realistic expectations of someone who, as I said, is not already part of a family that is involved in agriculture.

There are exceptions, and I know of those exceptions, but I would challenge, almost without fear of being contradicted, for anyone to show very many operations in the last three or four years where this has in fact been the case where someone outside of agriculture has been able to get into the business and make a go of it. Outside of being independently wealthy, I would suggest that anyone who had enough money to invest in agriculture and start a farming operation these days would probably be foolish to invest in those areas.

First of all, when I mentioned a minute ago that the first criteria seems to be are you a member of an already-established farm family; secondly, do you have access to long-term loans? Well, we have the corporation in place, both provincially and federally, where young farmers can go to acquire a long-term loan portfolio. But when he starts looking at the demands that are going to be placed on those loans, they become such that it is virtually beyond reason for those of us who stand back and look at the financial requirements in agriculture, it's beyond the reason of normal investment procedure, to think that this amount of money would be borrowed and possibly borrowed to produce a return that is not equal to the return on investment on almost any other sector of our economy.

We look at land costs. If we were to take a grain farm, a possible base of six quarters, it would be impossible for a young farmer to go out and buy it in his beginning stages because he's possibly looking at something close to a quarter of a million or three hundred thousand dollars. So he's going to have to purchase a home base at something under \$100,000, possibly, and then rent the additional land. Madam Speaker, I haven't even begun to talk about the cost of machinery that would be involved in that; I have not even begun to discuss the problems that are involved in acquiring all of the operating capital and the various other aspects of running a commercial farm operation. So it becomes increasingly incumbent on the corporation, if it is going to be the vehicle by which this government would hope to aid the agricultural community, to take a look at this type of a resolution and say, yes, this is a real way in which we can encourage young farmers into agriculture.

While I do not have the numbers at my fingertips, Madam Speaker, it appears, from my experience, that the numbers of new and beginning farmers have slipped considerably in the last few years, given the state of the economics in agriculture. If we take that as a given, and if we also would look at the fact that when the young farmer goes to the banks, and the Minister and I have had some exchanges on this in Estimates,

whether or not the corporation and the banks are looking at cash flow rather than equity, if the young farmer can go to the banks and show that his loan portfolio for his long-term debts are not only locked in at a reasonable interest rate but will in fact during the beginning stages of his loan be at an advantageous rate to him and to his family so that he can begin to build up some equity in his operation so that his operating loan will not continually be at the highest possible level but will, in fact, be gauged by what his requirements are for production, rather than having to borrow the full amount of his value.

I would compare this to the Farm Start Program, in as much as I challenge the idea that the senior members of our agricultural community should be again asked to go a little bit further in subsidizing the cost of the beginning farmer.

After all, as I outlined a minute ago, that is virtually what's happening now, that the retiring generation is doing everything that they can in most cases, when they have sons or daughters who are attempting to become involved in agriculture. If the Farm Start Program means that they may have to take a little bit less in their interest rate in order to pass on a little bit better interest rate down the road, then I wonder if this isn't a better program to expand upon, that the interest rate could be reduced. In fact, as we've talked about previously, this is a cost; this is a direct dollar cost, whereas the other method is simply using someone else's money, if I understand the program as it has been outlined up to this stage.

We can talk all we want about stabilization. We can talk about federal pricing or their effect of federal policies on the price of commodities; but the long and the short of it is that within the jurisdiction of the province, this is one area where we can visibly, actually do a job in terms of making it possible for the young farmers to get those first few years under their financial belt, if you will.

I know that there are many members opposite who are not very closely linked to agriculture and they hear a lot of comments from our side about farm programs, about the needs to put money into agriculture, but by and large the farmers of this community, of this province and of Canada as a whole, are an independent group who wish to operate as independently as possible. I suggest that a loan taken out by a farmer is never intended to be a loan that would be reneged on and I don't think that there's anyone in this room who would disagree with me.

But if we could use the beginning years of those loan portfolios as the time when we would spend a few dollars to have helped that beginning operator build up his equity and get his operation so that it is financially sound, then the myriad of other programs that go on in this province and across this country would probably not be called upon to the same degree that they presently are.

I would challenge the members of this House to defy the fact that if an operation is financially viable, if it's given the financial leg up at the beginning, whether it's a small business in town, or whether it's a small business that is referred to as a farm, I challenge you to show that if it's given a financial leg up at the beginning where the return rate of that business coming back to government, or coming back to the public purse in any

way, shape or form to ask for additional help, I challenge you to show that rate would not be considerably reduced if you can put the money in at the beginning stages.

I know that it's not a 100 percent effective situation that you could never guarantee the returns; but knowing the make-up of the agricultural community, knowing the make-up and the intelligence of the business people of all stripes in this province, I think that effecting . . . Does my light blinking indicate my time? Three minutes? Thank you.

The willingness of the entrepreneurs of this province and the businessmen, if they're given that leg up to begin with, they will not be coming back to the public coffers to ask for additional programs and additional help.

Madam Speaker, I support the original resolution before it was amended. I believe the amendment totally guts the intent of the resolution by the Member for Virden and I believe that by increasing the subsidy, the reduction in interest rate through subsidy to the beginning, agricultural farmers of this province would be a practical, reasonable and a first step towards making sure that we have a continued activity in agriculture in this province.

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

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

I would like to add a few thoughts to the resolution, as amended. I think the resolution originally was a good resolution and I think the resolution, as amended, is even better than it was before.

But I think it's necessary for us, before we take or embark on a new course in agriculture, to review what we are doing now. I would like to do just that, Madam Speaker, tell you a bit about what the Department of Agriculture is now doing.

The organization of the division is such that it provides for major front line delivery of the department. This includes five regions: Agricultural Crown Lands and Manitoba Water Services Board. The division serves some 28,000 farm families, towns, villages and communities. Most of the department's agricultural extension education is carried out through five regional offices and forty district offices. Programs delivered on a local basis include: Farm Financial Management, Crop Production and Marketing, Livestock Production and Marketing, Soil and Water Conservation and Management and, of course, Human Development, through 4-H and Home Economics and the likes of that.

There are 34 farm business groups, 371 farm people have completed a two-year course; 21 groups, 214 people have completed the first year of their course. The courses are being provided in each of the ag rep districts to assist farmers to improve their financial planning and management. During the past fiscal year, 1,000 farmers received indepth consultation with regard to financial management of their farms.

Nine debt review panels have been carried out this past fiscal year for farmers facing financial bankruptcy. There were 22 panels since the inception of the program. These panels have considered options

available to farmers and lending institutions made recommendations to each of them.

The Department has arranged with the Manitoba Co-operator to print and distribute farm account books that were developed by the staff. Agricultural representative offices have the prairie provinces farm account book. The staff has organized meetings of many aspects of farm business such as the state planning, farm law, farm business, organization and planning, credit, use of computers in planning, and others as requested.

On the farm demonstration with the federal-provincial Agro-Man and Agri-Food Development Agreements, have provided support for management demonstrations of potatoes, corn, soybeans, forage seed, pulse and crop variety adoption. These were held throughout the provinces to provide farmers with first-hand demonstrations of their crops.

Crop management groups: the staff have utilized the Agri-Food Development Agreement to initiate high-yield crop management groups which have an objective to obtain higher yields and economic returns for cereals and oilseed crops. Farmers will maintain records, analyse and evaluate the inputs and resources on a 40-acre area of their farm.

Success with lupins and soybeans indicate that these crops can be successfully grown. Lupins can be used as high protein for feed for animals. Winter wheat can be grown successfully when planted in the fall directly into undisturbed stubble. The staff have developed a unique computer activity to help beef producers in making management decisions and utilizing farmers' own records, physical and financial, to provide an analysis of the operation. The computer is increasingly assisting staff to provide farmers with a more intensive analysis of their farm operation. During the past fiscal year, Agro-Man and Agri-Food, federal-provincial agreements, have supported such demonstrations as demonstrations as: pasture and hay management; on-the-farm seeding and finishing of feeder cattle; forage harvesting and storage; management of replacement heifers; bull testing for the efficiency and rate of gain; feedlot management; insect control; and many other aspects of livestock production.

The regional staff assist beef, hog, dairy and sheep producers with a record of performance program activities to assist at analysing and utilizing the results.

Presently, the province and the Federal Government is negotiating the method of maintaining this valuable management aid, and the Federal Government has announced that it is dropping the program.

Through the Agri-Food Development, federal and provincial agreement, the staff have developed activities with the producer groups to carry out soil and water conservation practices with their normal farm operation. An example of the cooperating groups are: Manitoba Peatland Farmers Association; Keystone Potato Growers Association; Morden, Winkler Vegetable Growers Association; and the Deerwood Interlake and Delta Conservation Co-op. Staff have provided demonstrations in conservation tillage, planting shelter belts, managing snow and spring runoff and utilizing forage in crop rotation.

Manitoba Agriculture, in cooperation with the Department of Natural Resources, is placing renewed emphasis on the conservation district concept to further

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soil and water management. Existing conservation districts are: Whitemud Watershed, Turtle River, Alonsa, Turtle Mountain and Cooks Creek.

Additional emphasis through ERDA, agricultural development subagreement has been given to prototype locations including the Pasquia, Washow Bay, Tobacco Creek, Elgin Plains and Collin. It is hoped these will develop into active conservation districts.

Staff continued to support rural youth and their volunteer leaders to emphasis on training and personal development with an additional focus on agriculture and homemaking clubs. Staff are emphasizing financial management, family stress reduction and family living, as well as food and nutrition.

Agricultural Crown Lands Branch is responsible to administer and develop Crown lands and are suitable and designated for agricultural use.

The branch provides forage leases, crop land cash rental, renewable hay permits and specific parcels of land, casual hay permits, grazing permits. These leases and permits support the beef-cattle industry by providing for hay and pasture. The branch administers a sale of Crown lands under leases to existing leasees.

In 1985, 85 parcels of land were sold. The value of the land is derived through the appraisal process. The branch, under the terms of the agreement, administers LGD lands. These consist of 1,500 parcels of land in 9 LGD's totalling 243,000 acres.

Agricultural Crown lands have made available over the years, 424 PFRA managed community pastures. Approximately 1,100 patrons used these pastures in 1985. The department encourages Crown land leases to develop and improve suitable land.

Since the inception of the program in 1973 to March, 1985, approximately 120,000 acres of bush have been cleared and the land improved for forage and pasture. Improvements have provided pasture and hay for an additional 21,000 head of cattle.

The Manitoba Water Services Board provides for technical and financial assistance for the construction and operation of water supply and sewage disposal for farmers, rural residents and municipalities.

Activities include: the operation and management of water treatment plants for 47 municipalities; provision for farm water source; technical and financial assistance, 290 applications in 1985-86 . . .

MADAM SPEAKER: May I bring to the honourable member's attention our Rule 30, which says: "Speeches shall be direct to the question under consideration . . ." "I'm having great difficulty following how the member's comments relate to the amendment before the House.

MR. C. BAKER: Madam Speaker, I suppose I could justify what I am saying by the conclusion of my speech. Maybe then you will agree that it is relevant.

MADAM SPEAKER: Order please. First of all, may I caution the honourable member that he should not get into arguments with the Chair. I am pointing out to the honourable member our Rule 30, which deals with relevancy of debates. Could the honourable member please address the amendment?

MR. C. BAKER: I'm sorry. Madam Speaker, I guess, in conclusion then, I might just say, that what I have

outlined to you is a pretty darn good program, I think, insofar as assisting farmers in developing their management skills. I want to tell you, Madam Speaker, that times have changed since the time that I took farm management courses.

I think that when we're talking about a proposal such as the motion that is before us, that really you can't divorce financial aid from the kind of aid that the staff is providing through their various departments.

As I said before, when I took my farm management courses a number of years ago, the norm at that time, if you were going to borrow money, as far as the economics professors who used to guide us, was that if you had \$2 or \$3, it was safe to go out and borrow \$1.00. The honourable members on the other side of the House will, I'm sure, agree with me, that in the last decade that logic, or that yardstick, for borrowing has somewhat been perverted. We have people now who are lecturing diploma grads in the universities saying that if you now have a dollar go out and borrow two or three.

I want to say to you, Madam Speaker, I think, by and large, that is really what brought this present generation of young farmers into a lot of difficulty. The fact that a generation removed from the 30's and re-embark on borrowing more money than really land can sustain.

I just wanted to emphasize by what I was saying prior to the few remarks that I am making now, that I think it's necessary that we have good farm advisory groups and good farm management.

Having said that, Madam Speaker, I think that all of the money that we can throw at agriculture in the world is through farm management won't mean a thing unless we can get the prices for farmers up to the price, up to the level, where they can afford to carry the loans that they already have.

I agree with members opposite that what the farmers need today is a price and not more money. I think they have said that in several of their speeches prior to this; I agree with that. I think this is what the amendment to the resolution states; that not only do we have to have loans to farmers at reasonable prices, but we have to have a price for their product in the final analysis so they can pay back whatever money they borrowed.

Madam Speaker, thank you very much for these few words.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I believe we will agree that it is now 5:30 p.m., given that it was 4:30 p.m. an hour ago. — (Interjection) — I take the advice of the Opposition House Leader that we probably should have the next 2.5 hours, take two hours and 46 minutes, to transpire so we'll get back on our schedule at 8 o'clock.

At 8 o'clock, Madam Speaker, I believe it will be appropriate to move into Estimates. So I would move 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. Estimates to commence in the House with Agriculture and in the Committee Room — (Interjection) — If withdrawn.

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I had anticipated this potential problem, Madam Speaker, and it's my understanding that since I really didn't make the motion in the first instance previously, I can probably make the motion now.

However, with leave, if that's granted and that's considered the appropriate fashion, I make that motion and, of course, Highways and Transportation will commence at 8:00 o'clock — the real 8:00 o'clock in this instance — in the other committee room. Madam Speaker, that's seconded by the Member for Kildonan.

HANSARD CORRECTION

MADAM SPEAKER: The Honourable Member for Virden before I put the motion on the floor.

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

I would like to request a correction in Hansard, Thursday, June 12, Page 841, in the left-hand column,

where it says: "RES. NO. 7 — MACC YOUNG FARMER REBATES." That is the wrong resolution. On that day, we were debating Resolution No. 6, Education Taxes on Manitoba Farm Land. I would request that change.

MOTION presented and carried, by leave, 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 for Agriculture, and the Honourable Member for Kildonan in the Chair for Highways and Transportation.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — AGRICULTURE

MR. CHAIRMAN, C. Santos: The time being 5:30, I am leaving the Chair, where we'll reconvene at 8:00 p.m.