

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 5, 1978

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): The Honourable Minister of Northern Affairs.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I appreciate the opportunity that you have afforded me. It's possibly a rare occasion when I have the opportunity to introduce to yourself and to this House a large delegation from the city of Thompson. They are standing above me. They won recently, last weekend, the provincial Minor Peewee Hockey championship for the Province of Manitoba. They are accompanied by their coach, Mr. Art Jarvis; Manager, Mr. Bill Scott, and some of their parents.

Just three things fairly important about this group: first of all, they are from that great place called Thompson; secondly, a very important person belongs to that team, that happens to be my son;

HON. WARNER H. JORGENSON (Morris): Mr. Speaker, on behalf of the Minister of Finance, who normally reports to the House for the Manitoba Hydro, I wish to table the Annual Report of the Manitoba Hydro Electric Board for the year ending March 31, 1977. I believe members have already received copies of this report.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, I direct my question to the First Minister. Now that the Federal Minister of Finance has removed from speculation the possibility of a major regular budget to be presented for Canada's economy, can the First Minister indicate if he has it in mind to take note of that formal confirmation of a regular budget being brought down to communicate officially to the Federal Government certain observations with respect to our fiscal and economic needs in our country at this time?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON, Premier (Charleswood): Well, Mr. Speaker, in response to the Leader of the Opposition, I'm not sure as to the detail of the particular comments that he would wish me to make to the Minister of Finance with respect to his problems in Ottawa. I can advise my honourable friend that we are aware of the fact that a federal budget is proposed. I met with the Minister of Finance yesterday in Ottawa and I daresay that we will, in the course of our budget, be having a few comments to make about the general state of the fiscal state not only of the province but of the country, and I can assure you that we will not hesitate from time to time, as we have in the past, to let the Prime Minister, the Minister of Finance and others in the national government know what we think about the management of national affairs and how they impact, prejudicially or otherwise, on the people of Manitoba.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to direct a question to the Minister of Mines, Resources and Environmental Management. I would like to ask whether the Minister is committed to accepting recommendations of the International Joint Commission on matters in dispute between the Government of Canada and the Government of the United States, which these governments refer to the International Joint Commission, and in particular, is the Minister relying for Manitoba's protection from adverse effects of the Garrison Diversion on the International Joint Commission?

MR. SPEAKER: The Honourable Minister of Mines.

HON. BRIAN RANSOM (Souris-Killarney): Well, Mr. Speaker, we naturally support the recommendations of the IJC when those recommendations protect the interests of Manitoba. With respect to the Garrison Diversion, I believe I answered in some detail yesterday the action that this government, in consultation with the Government of Canada, have taken.

MR. GREEN: Mr. Speaker, I would like the Minister to clarify whether he is suggesting that he would not accept the decision of the International Joint Commission if he thought, in some way, it did

not protect Manitoba's interests.

MR. RANSOM: Well, the IJC, as I understand it, Mr. Speaker, make recommendations to the governments that are involved and in the case of the Garrison, we believe that those recommendations adequately protect the interests of Manitoba.

MR. GREEN: Well, Mr. Speaker, I have one further question to the Honourable Minister. In the absence of both parties having some regard for the recommendations of the International Joint Commission and in particular, if the United States decided that they wouldn't accept those recommendations which they didn't like, what protection would the Province of Manitoba have and what means would they have available of preventing either the full Garrison Diversion, or the entire effects of Roseau River development in the United States without any possibility of International control?

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Well at the moment, Mr. Speaker, we have the undertaking of the Government of the United States that they will honour the provisions of the Boundary Waters Treaty with respect to the Garrison Diversion. If that undertaking by the United States Government was not to be honoured and the recommendations of the IJC were not to be honoured, then we would have to see what other types of action might be available to us.

MR. SPEAKER: Order please. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, just following on that line of questioning and going back to the statement the Minister made yesterday, would the Minister consider requesting Federal officials and himself to appear as a delegation, or to visit in Washington to meet with the political officials in the Congressional side so that they can explain the position considering that the report has gone to Congress and that there should be some necessity to clarify very clearly what the Canadian position is.

MR. SPEAKER: The unonourable Minister of Mines.

MR. RANSOM: Mr. Speaker, we are in fairly frequent contact with the federal officials in Ottawa in the Department of the Environment and in External Affairs and if there was indication that the action that the Honourable Member refers to would be in the interest of Manitoba, then we would consider doing that. But at the moment that does not seem to be the case.

MR. AXWORTHY: A supplementary, Mr. Speaker. I would ask the Minister to explain why he does not think that is the case considering that there has been a revised impact statement that has gone to the Congress in the United States but there is strong evidence that there is increased political pressure of, it would seem, proper time for himself or other members of this government to join with the federal officials and try to seek some discussions with political officials, either from North Dakota, from the Congress — perhaps the Vice-President who seems to also be involved, the Vice-President of the United States — to make very clear what the position of this government is and to ensure that they very much understand that the revised impact would have serious damage to Manitoba waters.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Well, Mr. Speaker, we have communicated our concern to the Government of Canada, and as the honourable member knows, the principal avenue open to us in terms of discussion or negotiation with the United States is through the Federal Government and the Department of External Affairs. They have communicated those concerns to the Government of the United States. Our Federal Government certainly has not indicated to us that they think that the case can be made any stronger by appearing before a committee of the United States Government or asking for a meeting with the Vice-President. When we have some indication from the Canadian Government that that sort of representation might be worth while, Mr. Speaker, then we would be prepared to consider it.

MR. AXWORTHY: A final supplementary, Mr. Speaker. Would the Minister then undertake as soon as he has the time — perhaps when Question Period is over — to undertake conversation with the Minister of Environment in Ottawa to ascertain whether they feel that the diplomatic channels that they're now using are sufficient to communicate the concerns, not just to the Executive Branch of the United States but to the Congressional Branch, and to determine whether it may not be in the interests of Canada and of Manitoba to seek those very kinds of discussions at the political level

rather than simply relying upon official or diplomatic channels?

MR. RANSOM: Mr. Speaker, in my capacity as Minister of the Environment I have indeed taken time to be in touch with both the Department of the Environment — my officials at least have been in touch with the Department of the Environment and with the Department of External Affairs in Ottawa. And I have full faith and I am confident that I am being informed of all the pertinent information by that government.

If the honourable member has some information through his connections with the government — information that is not available to me as a Minister of this government — then I would appreciate having that information.

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

MR. A.R. (Pete) ADAM: Thank you very much, Mr. Speaker. My question is to the Minister of Finance, or the Premier, whichever Minister my question applies to. Some time ago a question was asked of the Minister of Finance, I believe, in regard to assistance for CCIL, and at that time the answer was that the province was waiting on the Federal Government to come up with their proposal.

My understanding is that Mr. Horner was in Winnipeg yesterday and indicated that the Federal Government has been waiting on the provinces and that the money is available to assist CCIL if the provinces are willing to do likewise. I wonder if I could have a reply on that, please.

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, in reply to the member, the matter is still under negotiation and I expect fairly shortly there will be some sort of a statement made by the Federal Government and the provinces involved.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is to the Acting Minister responsible for Leaf Rapids Development Corporation. Can he confirm that a Mr. Nate Nurgitz has been named Chairman of the Board of Leaf Rapids Development Corporation?

MR. SPEAKER: Does the Honourable Member for Transcona want another question?

MR. PARASIUK: Yes, my question is then to the First Minister, seeing as how there isn't an Acting Minister in the absence of the Minister responsible for MHRC. Would the First Minister confirm that a Mr. Nate Nurgitz has been named Chairman of the Board of Leaf Rapids Development Corporation?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the answer to the question is "Yes".

MR. PARASIUK: A supplementary. Has Mr. Nurgitz any experience in the land development or land servicing area?

MR. SPEAKER: The Honourable Member for Transcona with a supplementary.

MR. PARASIUK: Will the First Minister then confirm that the South St. Boniface Land Servicing Project will not be terminated by Mr. Nurgitz?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I would have to take that question as notice and give my honourable friend a reply in due course.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, given the announcement by the U.S. Executive Office of the President, that as a part of a national program to alleviate unemployment and in particular unemployment among younger people, that the Government of the United States was proceeding to finance the hiring of 415,000 additional people for the public service of the United States, federally, state and municipal. Can the First Minister indicate if doing something proportionate in Canada was among the matters discussed with the Minister of Finance in recent days?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I would have to ask the Honourable Leader of the Opposition' with respect to Ottawa's intentions, to listen as I must listen to the Budget Speech when it's brought down, to see to what extent if any that topic is dealt with in the Federal Budget Speech.

Wednesday, April 5, 1978

With respect to the Province of Manitoba I can only ask my honourable friend to wait patiently until the Provincial Budget is brought down and there may be further light shed on that topic at that time.

MR. SCHREYER: Well, Mr. Speaker, I appreciate that matters of specific budgetary intent must await the Budget. I nevertheless pose to the First Minister, by way of notice for consideration, whether the government will consider the merits, the pros and cons of a program similar to the hiring of 415,000 in the United States for the public service, proportionate to population in our country, proportionate to population in our province.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, I have a question for the Minister of Resources. I wonder if the Minister could confirm that the Moose Lake Fishery or the fishermen at Moose Lake, in conjunction with the Freshwater Fish Marketing Corporation, have structured their operation in such a way that they are now dependent upon the completion of the road into Moose Lake. And if that road is not completed the fishery will probably not be able to proceed this year.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: Mr. Speaker, to the Member for The Pas, I am not aware of any particular specific arrangements that have been made with the group or fishermen in the Moose Lake area. You say here that they have made some arrangements with the Fresh Fish Marketing Corporation. I haven't been made aware of that.

MR. McBRYDE: Yes, Mr. Speaker. I wonder if the Minister could tell the House if the fate of Minago Contractors has yet been determined and if so what that fate is.

MR. MacMASTER: There is some discussion taking place at the moment in relationship to Minago Contractors.

MR. McBRYDE: Mr. Speaker, I have a supplementary but I'll redirect it to the Minister of Highways. I wonder if he could tell the House when the tenders will be called for the completion of the Moose Lake Road and when he anticipates that road will be completed and whether or not Minago Contractors, which made a profit last year, will be involved in that tender for the completion of the Moose Lake Road.

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I think it probably calls for an Order for Return, but I'll accept that question as notice.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, my question is by way of follow-up to a previous question to the Minister of Health. I'd like to ask the Minister of Health if he has had an opportunity to ascertain whether the nature of the arrangements with the dental nurses in training is in the nature of a legal obligation or moral obligation or both, and whether the Minister in fact has met with representatives of the dental nurses or whether he has refused to, as has been allegedly reported.

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I can advise the Honourable the Leader of the Opposition that the follow-up is under way. I have requested from my colleague, particularly from the department of my colleague, the Honourable the Attorney-General, an opinion as to whether there is a legal commitment to the student nurses or not.

On point number two, I haven't met yet with representatives of the dental nurses, nor to my knowledge have I refused to meet with them; I think that my office has indicated to them that the question, the subject is under review, under study at the present time. I am aware of the situation that they are in; I am also aware of the situation that I am in and no useful purpose would be served for a few days as far as a meeting is concerned.

While I am on my feet, Mr. Speaker, I wonder if I could respond to the Honourable, the Leader of the Opposition with respect to a question that I took as notice from him on Thursday, March 23. I am afraid I don't have a concise response because the honourable gentleman asked me about the cancellation of certain special education classes in the Portage la Prairie area, producing the necessity of students to be bussed on a once or twice-weekly basis to St. Boniface for that said service. Mr. Speaker, I have checked high and low in my department and I have not been able to ascertain any such cancellations. If the Leader of the Opposition knows of something specific of which I am unaware and my department is unaware, I would ask him to provide me with more precise information. I passed the question on also to my colleague, the Minister of Education, just in case

there is something relative to his question that has happened in that department.

MR. SCHREYER: Mr. Speaker, I could take this opportunity without further ado to ask the Minister of Education then if he will undertake to check within and through his department to ascertain whether some approximately 20 or 30 students, or slightly more, that were receiving certain special educational services or classes in the Portage district, are being required to be bussed on an occasional basis each week to St. Boniface for the same type of special education services.

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I would be pleased to undertake that particular task.

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): I would like to respond to the Member for Brandon East, questions that he posed to me yesterday regarding the number of engineers at the two feed plants in Brandon. There is 1 first-class engineer, there are 4 second-class engineers, 6 third-class engineers, and 6 fourth-class engineers for a total of 17; also 1 chemical, 1 mechanical and 1 physics engineer — these are at Hooker Chemical.

Now, as I mentioned yesterday, they wrote exams at the end of March and they will know this week the results of them so it is not inconceivable that there could be 10 second-class engineers there.

With regard to Simplot, there is 1 first-class engineer, 3 third-class engineers, 5 fourth-class, for a total of 9 power engineers, plus 7 mechanical, 5 chemical and 1 electrical for a total of 13 professional engineers. That's at Simplot. And they too wrote the exams.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, I thank the Honourable Minister for that information. I think the critical question, though, is to put these numbers into context; this is the critical point. This was the thrust of my question and the Member for Kildonan, and that is, whether the staffing of power engineers is adequate to meet the safety requirements outlined by the Power Engineers Act. So while I appreciate the information, my question is: does this complement of power engineers satisfy the safety regulations of the act? I presume the answer is no, otherwise there would be no need for an exemption of those two plants at this time.

MRS. PRICE: I understand that they are running in a safe capacity, that there is a satisfactory number of engineers. As we mentioned yesterday, they do have, just as I say, they have 4 second-class engineers now but the occasion arises when these people leave for other jobs and that's when it becomes burdensome and they are reduced in the number of second-class engineers they have. As of this week, as I said, it is hopeful that there will be 10, but I do understand with a complement of only a little over 50 employees, it certainly would seem that they have a satisfactory amount of engineers.

MR. EVANS: A supplementary question, then. The Honourable Minister left the impression yesterday that the process of inspection seemed to amount to harassment of some kind which I think is rather unfortunate, but my question is — whether she considers it harassment or not — I want to know from the Honourable Minister whether the process, the normal process of inspection is going on by her safety inspection staff at these two plants, as indeed any other plants in the province that have power engineers. I would advise the Honourable Minister that the plants are highly automated and my question therefore is, as I have stated: is the process of inspection, the normal process of inspection, carried on as required under the law?

MRS. PRICE: Yes, Mr. Speaker, they are being carried out according to the law.

MR. EVANS: Well then, very specifically then, is the Honourable Minister telling us, based on the previous information and based on the —(Interjection)— Well, Mr. Speaker, I'm trying to put the question, but I am being interrupted from the Honourable Minister of Highways from his seat. Based on the Honourable Minister's information given to us a few moments ago, and based on her other answer that the process of inspection is going on, have there been any infractions reported? In other words, are there any infractions now occurring under the Act, under the regulations as they stand, and therefore if that is the case, then is there any need to carry on the exemption? In other words, have we been told that there is no need for exemptions any longer?

MRS. PRICE: Mr. Speaker, I mentioned yesterday and again today, it's just in short terms that they don't have second-class engineers because of people going to seek employment in other provinces. It isn't that it's an ongoing thing that they are continuously breaking the laws.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HOWARD PAWLEY: Mr. Speaker, my question is for the Minister of Health. I would ask the Minister in view of the fact that the dental nurses in Regina entered into an agreement with the

Wednesday, April 5, 1978

Province of Manitoba based upon the premise that they would serve in the role as dental nurses, as employees of the Province of Manitoba, and since those students have been attending courses during the past year and two years towards that objective, would the Minister confirm that until this past Friday that the students in Regina were neither informed by himself as Minister, or by anybody in his department, as to the fact that they might not receive employment with the Province of Manitoba upon their graduation?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, I can confirm that and I believe I can also justify it. The future of the program and the future of the nurses has not been determined. I really find it difficult to accept the implication in my honourable friend's question that certain notification and certain direction should have been given to people with respect to a situation that's still hypothetical.

MR. PAWLEY: Would the honourable member confirm that neither he nor members of his department have approached the Manitoba Dental Association in respect to the suggestions which he had made the other day that attempts would be made to incorporate the dental nurses into the proposed new denticare program being developed by the Manitoba Dental Association.

MR. SHERMAN: No, Mr. Speaker, I emphatically disassociate myself from that suggestion. In fact, precisely the opposite has been the case since the very beginning of my discussions with the Manitoba Dental Association shortly after this government assumed office.

MR. PAWLEY: Mr. Speaker, then I would draw the honourable member's attention to comments by the president of the Manitoba Dental Association to the effect that they had not been consulted in connection with the incorporation of the nurses and ask the honourable member —(Interjection)— I'm addressing my question, thank you, to the Honourable Minister — and ask the Honourable Minister to affirm or deny that particular statement.

MR. SHERMAN: Mr. Speaker, I think it would be improper of me to venture confirmation or denial of a statement by a third party as reported in the media. I want to assure my honourable friend that my discussions with Dr. Garry Nowazek, who was the immediate past-president of the Association, and was the president at the time that this government assumed office and that talks were first initiated, included a specific request on my part that part and parcel of the consultation and negotiation must include consideration of the future of those dental nurses.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. I have a supplementary question for the Minister of Health. I find it incredible that he makes a statement that he did not know whether he had refused the nurses a meeting. Mr. Speaker, my question to him is, why did he refuse, or his office refuse, to meet with three nurses who travelled from Saskatchewan to Manitoba specifically for the purpose of requesting an audience with the Minister to find out what the situation is with respect to their future in this program? For two days they waited around this building trying to get a meeting with the Minister. Why did he refuse that meeting?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, all I can say to the honourable member is that he sketches a scenario of which I know nothing. I'm not aware of that. There well may have been a request to my office for a meeting with me which my schedule did not permit. That should not be construed as a reflection of the attitude of this Minister or this government where the fate of those nurses is concerned.

I'm sure that when the honourable member was a Minister of the Crown, he found it impossible to respond on 24 hours notice or had his office indicate that it was perhaps impossible to respond on 24 hours' notice to requests for meetings. If he wishes to place a particular reflection on it, that's his problem. I have assured him and his colleagues that the future of those nurses is a concern of mine and is receiving intensive and conscientious examination by me.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, quite apart from the probable difficulty of scheduling time to meet with the dental nurses, can the Minister indicate, however, if prior to the announcement or the musing through the public media with respect to the possible future of the dental program and the dental nurses need for employment, can the Minister indicate if he was in communication with the 60 or so dental nurses in training prior to the public media statement?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: No, Sir, I was not in communication with them prior to or subsequent to it.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I wanted to direct a question to the Minister of Public Works. Could he confirm that the provincial garage construction is now complete and ready for occupancy?

MR. SPEAKER: The Honourable Minister of Highways.

MR. ENNS: Yes, Mr. Speaker, I'm more than happy to confirm that that \$3 million structure is ready for occupancy, has been ready for occupancy since January, except that we don't know who should or who ought to occupy it. All I know is that thanks to the previous administration and to that Minister, that we're paying a \$3,500 a month light bill and heating bill in keeping that particular monument to the former Minister of Public Works free from vandalism and in heat.

MR. DOERN: Well, Mr. Speaker, unfortunately the Minister isn't aware of the requirements under which the garage was designed and constructed. I might have a word with him later on that. But assuming that he is not aware of the requirements . . .

MR. SPEAKER: Order please. Questions of assumption should hardly be raised at this particular time. The Honourable Member for Elmwood wish to rephrase it?

MR. DOERN: Well, Mr. Speaker, in view of the Minister's admitted ignorance on the central provincial garage in his requirements, could he indicate whether it is true that the government is considering a costly conversion or renovation to put that facility to some other use. For example, the Department of Health and Social Development.

MR. ENNS: Well, Mr. Speaker, I have not made any plans with respect to the building because we are awaiting the 30-foot bronze statue which the former Minister of Public Works commissioned that is to repose over the six gas pumps in front of the building that were to serve the public and undoubtedly drive the three or four private operators out of business in that area. When that statue arrives, then I will be able to make proper disposition of the building. I think it will generally add to its availability and its feasibility of whatever future client or customer may wish to do with that building.

MR. DOERN: Mr. Speaker, I could ask a simple question of whether or not the Minister is willing to take gas himself. But I would like to know whether, in view of the Minister's comments, he is in fact intending to sell that facility, which was custom-designed for the requirements of the central provincial garage, as indicated by the senior officials in the department, or how does he intend to operate that facility?

MR. ENNS: Mr. Speaker, very seriously, I will invite the Honourable Member for Elmwood to give me whatever information and suggestions that he can with respect to the disposition and the ultimate use of that building at the time of my Estimates but I am, and I admit, in difficulty in finding a use for it. The same officials that worked for him indicate to me that the present provincial garage is operating in a satisfactory manner.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, I would like to direct a question to the Minister of Labour. Yesterday, the Honourable Minister stated that she did not consider a Royal Commission into fatalities in accidents as a necessity at this time. My question to her today then is: what, in her opinion, would necessitate such a Royal Commission?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, that's a hypothetical question.

MR. COWAN: Sir, perhaps I would rephrase the question. I would ask the Honourable Minister what criteria she is using upon which she is basing her decision that there is no necessity for a Royal Commission into mining accidents at this time?

MRS. PRICE: Mr. Speaker, the Workplace Safety Act is comparatively new. We are studying all facets of it and I think, at this time, it is the opinion of my department, that working through the Safety Committees — having them do the educating of the people — is far more of a safeguard than it is to get somebody in on a Royal Commission that would take a year to two years to determine what was the matter.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Speaker, I wish to direct my question to the Honourable the First

Wednesday, April 5, 1978

Minister. In the light of the response given by the Minister of Health with respect to putting the future binding status of a number of contracts into uncertainty with respect to the dental nurses, does that apply to all contracts entered into prior to October 11th by the previous government or any government — that their future binding status is also uncertain pending whatever review or reviews this government chooses to make?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I think the honourable member, being a lawyer, is well aware of the answer to the question before he puts it. Contracts, generally speaking, of previous governments are carried on by successive governments except where there are changes of policy and where plans and programs change as a result of those changes of policy.

There are many contracts, I may say to my honourable friend, that this government is carrying on that it would never have entered into in the wildest of its dreams. But they are being carried on because they were entered into by the previous administration, even though they may not be in the public interest.

MR. SPEAKER: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Speaker, I would like to address a question to the Minister of Labour. I wonder if the Minister of Labour has instructed the mining inspectors in Northern Manitoba to stop harassing INCO, to stop harassing Sherritt Gordon, and to stop harassing Hudson Bay Mining and Smelting Company, Mr. Speaker, whether she has instructed them to stop harassing these companies by not doing their normal and regular inspection?

MR. SPEAKER: Order please. May I suggest to the honourable member that questions of that nature are clearly out of order. The Honourable Member for Wellington.

MR. BRIAN CORRIN: Mr. Speaker, my question is to the Honourable Minister of Urban Affairs. Could the Minister confirm whether or not he has yet had the opportunity to make a decision respecting the City of Winnipeg's application for an increased share of growth taxes? I am referring specifically to pari mutuel betting taxes and liquor taxes.

I don't know whether the Minister wishes to respond first, before I ask any supplementary.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, Sir, that matter has been considered and is being considered, and will be responded to in due course by the Minister of Finance.

MR. CORRIN: In the light of that answer, Mr. Speaker, I would ask the Honourable Minister whether he is aware that the City of Winnipeg is at this very moment in the process of setting its current budget? And I would ask whether he could confirm — and I know know he could — that as a result of his reluctance to make a decision that the City of Winnipeg will not be able to ameliorate the burden of property taxes on its taxpayers this year?

HANSARD CORRECTION

MR. SPEAKER: Orders of the Day. The Honourable Member for Ste. Rose with a point of privilege.

MR. ADAM: Yes, Mr. Speaker, I don't want to prolong going into Orders of the Day but I would like to rise to correct an error appearing in Hansard, Page 413. Is it in order to do so at this time?

MR. SPEAKER: Order please. May I suggest that if there are corrections to be made in Hansard, if they are brought to my attention we will assure that those corrections will be made. I don't think that it should be considered as a point of privilege in the House. But if the members would prefer to have it that other way, it's all right with me. The Honourable Member for Ste. ROSE, then, may proceed.

MR. ADAM: Thank you. On Page 413, Tuesday, April 4th, in my questions to the Minister of Industry and Commerce in Estimates, fourth paragraph, I was asking the Minister about the policy statement in his opening remarks that there would be no disruptive or interferences placed on small business. And I asked the Minister, "And it appears to me that they are very opposed to any more disruptive and interference of this type." And the wording is very "imposed" and it should be "opposed".

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Minister of Finance.

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

MOTION presented.

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, during the Question Period I attempted to get some answers from the Minister of Mines and Resources relative to the position of the Manitoba Government concerning the Garrison Diversion. I now rise, Mr. Speaker, and utilize the time that I have to speak on a grievance motion to indicate, Mr. Speaker, that I, as a citizen of Manitoba, am very much concerned that the position of Manitoba and Canada, vis-a-vis protection from any adverse effects of the Garrison Diversion, is being seriously deteriorated by a lack of understanding on the part of the Government of Manitoba with regard to what our protections are under the Boundary Waters Treaty Act.

Mr. Speaker, it became evident today, when the Minister in response to the question that I put: "What protection does Manitoba have if the International Joint Commission recommendations are not accepted by one country or another?" — the Minister said that we have the protection of the Boundary Waters Treaty. What the Minister fails to appreciate is the question that has been referred to the International Joint Commission is exactly that, whether the Garrison Diversion, Mr. Speaker, as presently constituted or as contemplated by the United States would be a violation of the Boundary Waters Treaty. And that is the question that has been referred to the International Joint Commission, Mr. Speaker. —(Interjection)—

MR. SPEAKER: Order please. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, this subject occupied the attention of this House for some five years, during which the Government of Manitoba, through a carefully planned position on this question — a position which I may say, Mr. Speaker, that we had to sustain in the midst of all kinds of hysterical attacks on that position — that by having that position and carefully protecting the position of the Province of Manitoba we got what the honourable member has referred to. He said we got a very favourable report from the International Joint Commission. And then, Mr. Speaker, the Minister stands up in this House and says that we are prepared to accept recommendations of the International Joint Commission when they are favourable to us, and the First Minister applauds. Well, Mr. Speaker, I can tell you that proponents of the Garrison Diversion on the other side of the border — and if my honourable friend thinks that they are in a minority he makes a very bad mistake — the proponents of the Garrison Diversion in North Dakota are an overwhelming majority.

The Senators are in favour of the diversion. The entire Congress, the entire House of Representatives are in favour of it and the Senate is in favour of it. And my honourable friend is relying on the fact that there are some groups — and although I have great respect for them, Mr. Chairman, I have great respect for the people who think environmentally and wish to express caution — my honourable friend is relying on those groups to be the ones to stop the government of the State of North Dakota and the Government of the United States from proceeding with the Garrison Diversion, to protect Canada. If he is relying on them — and by his answers, Mr. Speaker, he can only be relying on them — then he is dooming Manitoba to all of the worst adverse effects of the Garrison Diversion because, Mr. Speaker, he is opening the flood gates.

There are people on the other side of the border who are looking for just the kind of answer that was made by the Minister of Resources in this House today and the previous ill-advised steps that he has taken with the International Joint Commission to say to the Congress of the United States, to say to the President of the United States, to say to the State of North Dakota, Canada doesn't give a damn for the International Joint Commission. They will only accept its recommendations when they are favourable to them and therefore, Mr. Speaker, we can now say, "Yes, we've looked at the recommendations of the International Joint Commission. They do not suit us," and since the Minister of Mines and Resources in Canada has said that he can ignore the findings of the International Joint Commission when they do not suit him, what is good for the goose is good for the gander as was said by that famous editorialist "Ted Stupidly," we can ignore the findings of the International Joint Commission.

Now, Mr. Speaker, the honourable member then says, "That if one or the other country ignores the recommendations of the International Joint Commission, he will rely on the Boundary Waters Treaty."

Mr. Speaker, the honourable gentleman obviously doesn't understand that the Boundary Waters Treaty, like any other document, like any other treaty, has two problems. Any agreement, even a legal contract, leaves an argument to either side as to whether there has been — and the wording in this case is — "pollution affecting persons or property." The Americans will argue that it doesn't. It does not amount to pollution affecting persons or property. And he can argue till he is blue in the face that

it does amount to pollution affecting persons or property and who makes the decision? The Americans will not be bound by a Canadian judgment. Will he put Canada in the position of being bound by an American judgment? Or will he say, Mr. Speaker, that we, because you are violating our treaty, are going to use selfhelp to stop you from doing so. And what will be the benefit of that?

Now, Mr. Speaker, I would say "yes" to the honourable member if he said that we will ignore the recommendations of the International Joint Commission if they do not suit us, if he tells me what he will then do. He says he is going to be protected by the Boundary Waters Treaty, but what has in fact been referred to the International Joint Commission is whether the Boundary Waters Treaty has been violated. And if he doesn't in advance, Mr. Speaker, indicate that good or bad or however we see it, we will accept this international authority for determining whether there has or has not been a violation of the Treaty or is or is not being a violation of the Treaty, then what will he rely on? Because, Mr. Speaker, the honourable member must know something that I didn't know. I sat with that problem for seven years and nobody, Mr. Speaker, was able to suggest that there was any way of dealing with the matter except two ways: One, diplomacy; and secondly the IJC.

We went the diplomatic route as long as Ottawa wanted to go that route — and I was willing to take it a little further but Ottawa wanted to stop. And then they said, "Refer it to the IJC."

Now, Mr. Speaker, what is the IJC? I had the advantage — and it is an advantage which I was privileged to have and I don't claim any particular superiority over my learned friend in this area — I had the advantage of attending a conference on water in the Argentine, and between most countries that were there and participating in the discussion there was no International Joint Commission. That what would happen is the upstream countries would do exactly as they wished; the downstream countries would take the consequences and yell bloody murder.

Between Canada and the States we have tried to adopt a civilized procedure and that civilized procedure, Mr. Speaker, is one which says, "We know there are going to be problems affecting waterways. We know that there are no legal ways of remedying these problems. We are friendly people and we do not wish to go to war with one another, so let us agree in advance that when these problems occur we will set up an international tribunal composed of representatives from both countries, composed of scientists from both countries and we will put the best information to these people and they will make a recommendation. And we hope that the procedures we have taken, the intensive study and involvement of both sides and the entire process and the necessity, the self-interest on both sides will cause people to accept those recommendations."

But, Mr. Speaker, the honourable member who appears to be adopting some form of jingoism says, "I will adopt those recommendations when they are favourable to me, and when they are not favourable to me I will not adopt them." Who gains by that statement, Mr. Speaker? The people who gain by that statement are the people in the United States who are upstream, who say, "Let's ignore the International Joint Commission and do whatever we want to do, and we have good authority." The Minister of Mines in the Province of Manitoba says he will not follow those recommendations if they do not suit him.

But, Mr. Speaker, for seven years we dealt with this question. We dealt with it in a friendly way. We dealt with it in a civilized way. We dealt with it knowing that we neither had the power nor should anybody want the power to behave unilaterally in that respect, but we knew that in our case, the case of the Province of Manitoba, the avoidance or the prevention of unilateral action or postures taken by one side or the other, was distinctly to our advantage.

Unless the Minister can tell me which river, which waterway flows from north to south, which he is intending to do something on and which he says, then I can ignore the International Joint Commission because there is one in Saskatchewan. There is one indeed, in Saskatchewan, and the Saskatchewan Government is now going before the International Joint Commission, and the Saskatchewan Government is making noises to the effect that it may not want to accept the propositions or the findings of the International Joint Commission.

I can understand Mr. Speaker, although I recognize the problem and I would hope that in similar circumstances I would not be taking a unilateral posture and many of our friends in the States were not taking a unilateral posture. To their credit, Mr. Speaker, they were not at any time, in our discussions with them, taking a unilateral posture. What has happened is that they have got a bad report and they are embarrassed by it and they have a problem with it, and the bad report from the American point of view, have given some groups the strength to see to it that the United States Government as distinct from the state of North Dakota, is told, "Well, you just cannot do this thing". But now these people, Mr. Speaker, will go back to the same United States Government and say, "Why can't we do these things?" and the President will say, that part of the state department that is trying to protect this civilized process, will say, "Well there is an International Joint Commission Report and we are morally bound to behave in accordance with that report". And they will say, "Why are you morally bound to behave in accordance with that report?" The Minister of Mines in the Province of Manitoba says he won't behave in accordance with the report unless he likes it. And furthermore, the Minister of Mines, whose government participated in trying to determine what would be done with the Roseau River, has already said that he won't accept that report.

Now if he doesn't accept the report and if the Minister can tell me everything, Mr. Speaker, that I am now warning about, I will in advance agree is wrong and misconceived if the Minister will tell me that in the absence of the International Joint Commission, he has a way of stopping developments of water activities in Minnesota and in North Dakota. But, Mr. Speaker, we know of no way, and I submit

that there are representatives of countries all over the world — all of the countries that were represented in the United Nations in the Argentine when I was there — knew of no way. But this Minister who says he won't tell us what it is, as a matter of fact, what he said indicates that he has no way. He said that he is relying on the Boundary Waters Treaty. The United States has said that it will not violate the Treaty. Of course the United States has said it will not violate the Treaty. The question is, what does the Treaty mean? That was referred to the International Joint Committee and if the Honourable Member says he won't accept their determination as to what it means, if it is not favourable to him, then how can we ask our neighbours to accept the decision and the recommendation of the International Joint Commission s if they think it is unfavourable to them?

Now, Mr. Speaker, you can engage in all of the jingoism that you like. You can say that these are Americans, that we don't care what happens to them and we don't care what water programs they want, if it is going to affect Canada, we won't let them do it. And I suppose somebody thinks that is a good posture to present before the Environmental Council or other groups that haven't thought this thing through. But it's not a good posture, Mr. Speaker. The United States authorities can go through Canada, can go to the City of Winnipeg and show that what we do in the City of Winnipeg, causes much more pollution to the Red River than anything that the Garrison Diversion will do to the Souris River. I think the Member for Fort Rouge said, when you negotiate — and by the way it's a good rule even beyond negotiations, it's a rather new thought, Mr. Speaker, it's a new thought but maybe it's been around for some time — you must do unto others as you would have others do unto you. That's right. And, Mr. Speaker, the fact is that there are water programs in Canada which we consider normal. And what we are saying with respect to the Garrison Diversion is that no matter what happens, if there is any problem at all, if there is any change, we will not do that if we do not like the recommendation of the International Joint Commission.

Now what the Province of Manitoba said, Mr. Speaker, and the Government of Canada, up until this Minister got into the act, we said cannot accept any deterioration of our water quality, we cannot admit to any deterioration of our water quality, and if there is to be a change, it will have to be one decided by an independent tribunal and the independent tribunal to which we referred it, was the International Joint Commission. But we then said, Mr. Speaker, that when the International Commission makes a recommendation we will certainly look at it, yes, but we recognize that there is some moral need to be sensible about such a recommendation.

Now, Mr. Speaker, I say that there is no choice in this matter because to adopt my friend's choice is to get the worst of all results. The worst of all results, Mr. Speaker, if we say the International Joint Commission means nothing, then how will you stop them going ahead with the worst features of the Garrison Diversion in its most environmentally obnoxious predictions? What authority will you use? The honourable member says the Boundary Waters Treaty. What does the Boundary Waters Treaty mean? You will say it means one thing, the States will say it means another thing. Who will decide what is right? We said the International Joint Commission. The honourable member says, "I will, not the International Joint Commission, I will, and if I don't like the recommendations of this Commission, after having put my investment into it, I will tell them that we are not going to do it."

MR. SCHREYER: They are already aware of it down south.

MR. GREEN: Well, Mr. Speaker, yes, my leader tells me, and I don't see how it could be avoided, that in North Dakota, the people who have been looking for that type of statement know that it is there and are aware of it. How could they help it. The honourable member who gets a unanimous report on the Roseau River because he has got some debts to pay to some . . . in Dominion City, who said that he was going to get an injunction against the Roseau River project; why didn't you let him get an injunction against it? He is going to get an injunction — and who wanted to hold the United States up for ransom — and that is a good word — by making them pay tribute for going ahead with the Roseau River said, "ou say that we will not accept this report". Well, Mr. Speaker, the Roseau River is one where there would be very few problems if the International Joint Committee Report was accepted. I am not saying there would be absolutely no changes. And to suggest that the people in the United States cannot in any way deal with their resources which would have any effect whatsoever in Canada is stupidity. We would not accept that kind of a statement from a United States person, we would immediately start calling him some jingo name.

But to suggest that that is the way you are going to deal with the United States is stupidity because if you take that position, what happened on the Roseau before we went to the International Joint Commission? Is the honourable member not aware that they worked on projects in the Roseau River since 1920 and all of the effects of those projects were felt in Canada without compensation, without any amelioration, because there was no reference to the International Joint Commission. That's what happened. And there have been other water projects, in other parts of the world, where they just do exactly what they damn well please and the receiving country screams bloody murder.

Now, we happen to have, as between Canada and the United States, a pretty sensible procedure but sensible procedures, Mr. Speaker, never foresee insensible people. Although the procedure is sensible, and although that procedure resulted in what the Minister admits were the gains in this area over a period of seven years on which this House finally, and grudgingly, unanimously agreed, by vote, was a good posture to take with regard to that program, that this Minister, Mr. Speaker, is in danger of sacrificing all of the good that has been done with regard to protecting Canada and Manitoba under the Garrison Diversion, from the adverse effects of the Garrison Diversion, because he, Mr. Speaker, is giving those people in the United States who want to ignore that procedure,

perfect authority to so ignore it. And that's a grievance of mine, Mr. Speaker.

Now I still hope that the problem can be remedied, but the problem cannot be remedied, Mr. Speaker, on the basis that Canadians take the position that there is no irrigation program in the United States which can take place if one can show that there is any change whatsoever insofar as Manitoba's situation is concerned. Because, like it or not, Mr. Speaker, we made changes which affected them.

One of the things that we talk about as affecting Manitoba as with regard to the Roseau is the affect on wild life. Sure there will be an effect on wild life and doesn't the honourable member feel that when the people of his constituency cleared bush, filled potholes, drained fields, that there was no effect on ducks in the United States? And would you say that that should not be done, that that should not be done? Well, what is the honourable member saying?

We have two matters, Mr. Speaker, and I said earlier, they cannot help but know it. The honourable member conducts his international relations in a most peculiar way. There were letters between myself and the Federal Government prior to 1978. None of those letters appeared in the paper. The honourable member, in dealing with the Roseau, sends a letter to the Minister of External Affairs with a copy to the newspaper, saying, "We will not accept the IJC report on the Roseau River," so how could anybody not know that that's what was said?

And, Mr. Speaker, I then indicate that he is opening the flood gates on the Garrison, all to pay some political debt to some nobody in Dominion City. He is going to prejudice the people of Souris, the people of Portage la Prairie, all of the people affected by the Garrison Diversion because Mr. Driedger had a campaign manager in Dominion City who said, "Don't agree to the Roseau River." That's the extent, that's the judgment that is being used by that Minister with respect to this matter where the Canadian position was carefully studied over a seven year period with admittedly good results.

Now that appeared, Mr. Speaker, in the newspapers and other commentary, and then about two weeks later, two weeks later, lo and behold, there was an editorial in the Winnipeg Free Press which bore the . . . not the written signature but the style and content signature of no one but our friend, Ted Stupidly, and what was the effect of the editorial, Mr. Speaker? —(Interjection)— Ted Stupidly. Don't you know of Ted Stupidly?

A MEMBER: Fred.

MR. GREEN: No, Ted Stupidly. This is what the editorial said: "That Mr. Allen Blakeney, that dirty New Democrat, has now complained about what the International Joint Commission is saying about his project where water is affected that runs from Canada to the United States. Doesn't Mr. Blakeney know that we depend for our protection on the International Joint Commission and that if he complains about what the International Joint Commission is saying in Saskatchewan and doesn't accept their recommendation, then it will be very easy for the people in the United States to say that if Canada doesn't accept the International Joint Commission, then why should we accept it on the Garrison?" That was written as a demonstration, and then he said, "What is good for the goose is good for the gander."

Well, Mr. Speaker, if that applies to another province where there is a New Democrat government and therefore it could be criticized without any problem, if that applies to another province that doesn't really have two areas where they are being protected, that if one wants to find an excuse for Mr. Blakeney, we can at least say, "Well, he's engaged in a one-effort thing; he's trying the best to get his provincial program under way. At least he's not prejudicing another program where he is seeking protection. If it applies to Mr. Blakeney, it applies in spades where you have a government that is seeking the protection of the International Joint Committee, and demanding that its recommendations be adhered to by the other side in one case and the same Minister says that he will not adhere to the International Joint Commission with an unanimous recommendation, unanimously agreed to by his engineers — and I ask the honourable member which engineer that was on the study board of the Roseau River changed his mind with regard to the International Joint Commission report and recommendation, all of which are in direct affirmation of the study board report, and I'm not talking about those things which are left open and where there are problems which can be discussed, I'm talking about the pith and substance of the report. And I'm not even suggesting, Mr. Speaker, that the honourable member, even when he gets a report, should not try to enter into diplomatic negotiations to change it. What I object to is his truculence in saying that he doesn't care what the report says, he will not accept it.

Now, Mr. Speaker, you know, some people can afford to be truculent. I suppose when the United States is having a dispute with Nicaragua, it can afford to be truculent and although one would not like it, and one might express some dismay over the truculence of a big power over a small power, one would have to say, "Well, that's the way it is. Those are the facts of power politics."

But I want to know what backs up the truculence of this Minister, where is the big stick with which he is going to hit the United States over the head and prevent them from doing whatever they want to on the Garrison and on the Roseau? I say, Mr. Speaker, after due consideration, that no legal means is available which is more reliable than the International Joint Commission. I suggest to the honourable member that no diplomatic means, at this stage, because we've got almost everything diplomatically that we could get, and if we could get more, then what I am saying won't hurt it, but what the Minister is saying could hurt it very badly, that there is absolutely no positive value and potentially disastrous consequences on myself, as a citizen of this province, the citizens of his

constituency, with regard to what he sees as his role vis-a-vis the Garrison Diversion.

He answered two questions in the House today: That if the International Joint Commission doesn't protect me, I am protected by the Boundary Waters Treaty. For seven years, members on this side, including the Member for River Heights and other members of the Conservative Party, said, "What if the United States decides that they don't agree with the treaty, or what if they say that they don't agree with your interpretation on the treaty?" I put those things right back to the Minister. I said, "Well, all we can do is to do two things: Attempt to make the Americans see the validity of our position — that's No. 1 — and we went quite a way with that. We got the commitment that there will be no violation of the Boundary Waters Treaty and when we got it, the Minister of External Affairs, Mr. Sharp, supposed to be a sophisticated person, do you know what he said, Mr. Speaker, when we got the commitment from the United States? He said, "The whole problem is solved. The United States never breaks its commitments; they've agreed that they won't pollute; it's all over. We can rely on it; we have nothing more to fear."

Well, Mr. Speaker, I said at the time, "No, the commitment doesn't protect us," — and it's all on the record — "There will be an argument. What does pollution mean? What does damage to persons or property mean? And the United States will say it means one thing and we will say it means another thing and we have to convince our American friends — and I do regard them as friends — that we are right and try to get them to see the rightness of our position and when we've gone as far as we can doing that, then we have to say, let us be friendly opponents; let us set up an International Joint Commission and hope that they can resolve this problem for us." And the Honourable Minister agrees that we got a relatively good decision from the International Joint Commission. Then why, Mr. Speaker, are we biting the hand that feeds us? Why are we challenging the integrity of the only institution upon which we can look to for ultimate safeguards?

Now, I know what some people in this Assembly will say, that the safeguards are to get sufficient public opinion against the Garrison Diversion, both on this side and the other side of the border, that the politicians won't go ahead with it. Take Mr. Madsen, the leader of the fight against the Garrison, put your support behind him and he will stop the Garrison.

Mr. Speaker, the elected representatives of the people in North Dakota want the Garrison Diversion, their senate representatives want the Garrison Diversion. —(Interjection)— Well, there are many people who want it and I really can't, Mr. Speaker, fault them. If I was in North Dakota and looking at the benefits to North Dakota, I may come to the conclusion — if I could — that well, it's good for North Dakota and if we can get away with it in Canada, I'm prepared to go ahead. If I was in North Dakota. Well, Mr. Speaker, I assure you that the elected representatives and the people in North Dakota — and I do not say that these are bad representatives, I do not do what the Conservative Party people did and go down and tell the House of Representatives that they passed a silly resolution on the Garrison Diversion' which is what the Conservative Party did. Because ultimately those same Conservatives had to come in and apologize to the House of Representatives of the State of North Dakota, because if they examined every water project we did, they would see, Mr. Speaker, that it also affects the environment. The \$64 million ditch which I am in favour of, because it reduced flooding in the City of Winnipeg, affected the environment. The Churchill River diversion affected the environment and one had to make a judgment, Mr. Speaker, and I tell you that the elected representatives in the State of North Dakota, in overwhelming numbers, at every level, are in favour of this program, and if Canada gives them an opening to proceed with it, they will be very happy to proceed. And the opening, Mr. Speaker — because up until very recently, up until the change of government they didn't have that opening — the opening is for them to be able to convince their authorities that there is no need to follow or in any way pay any respect to the International Joint Commission recommendations, not necessarily on the Garrison, but any attitude Canada takes toward. Because we could say, yes, we like the recommendations on the Garrison but we don't like the recommendations on the Roseau and, therefore, we wish to have it both ways. Heads we win; tails you lose.

Maybe you can say that to a little guy who you can push around. But I want to know what the Minister has got to back his muscle? —(Interjection)— What's he got? Well, Fred's on my side. Fred says, "What's good for the goose is good for the gander," only he would never make that type of statement about a Conservative Minister. Everything that the Tories do is good. The condominium in Whiteshell Park is good.

An entire editorial comes out that this was a great thing, this new look at Whiteshell Park. So the Free Press could see that what was happening was terrible, but where could they find a New Democrat to pin it on? The Minister is a Conservative. So they went to Saskatchewan and found a New Democrat that they could blame this problem on. —(Interjection)— Well, Mr. Speaker, it certainly indicates what I said a year ago, that one of the things that we will have going for us in the future is the continually declining credibility of that newspaper which is the supporter of the Conservative party, that that will be going for us, not against us. Because when a person can do that, and gradually the public gets to know, then, Mr. Speaker, the person that will suffer is not the New Democratic Party that is being attacked; it is the attacker that will suffer. And I say that, Mr. Speaker, with some degree — although I admit, not a great deal — with some degree of regret, because, whatever I thought of the Winnipeg Free Press, it used to be an interesting, influential newspaper. But its influence is being continually deteriorated and its position of Mr. Blakeney as being the villain as against the Conservative government, and Mr. Ransom being the villain, in the dangers that we are

exposing ourselves to from the Americans in the south by virtue of our attacks on the integrity of the International Joint Commission, must be laid on this government, not on the Winnipeg Free Press.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I rise with great reluctance to use my only opportunity for grievance. When you only have one bullet to shoot, you usually use it on yourself or on an oncoming target, but I feel that the statements made by the Member for Inkster really requires clarification and some opposition and perhaps an addition.

So I rise simply because this issue of Garrison is far too important to let pass by, and to allow some of the positions put forward to stand unchallenged, and I presume the Minister will have his own particular retort.

I would want to say that, like the Member for Inkster, I also had a certain advantage — not going to Argentina, not quite that far south — but just over a month ago, visiting in Washington where I had the opportunity to speak to members of the Council of the Environmental Quality, to the Congressional staffs of the House of Representatives and the Senate, to members of the Department of the Interior and to members of the Executive Branch, covering all bases in particular relation to the Garrison Diversion problem. And what the Member for Inkster states is not exactly the way it is, and that's about as moderate a tone as I can put it in; it is not the way it is. He plights his troth, as he has done for many years, on the IJC; that that is and has been the touchstone, bulwark of his defence. Because he says, "It's all we've got, it's the only thing we have, it's a trusted tribunal, it's the only body, it's a prime demonstration of the good cordial relations between countries, and after all, what else can we do?" That has been his position.

He now challenges the Minister — (Interjection) — all right, let's even include diplomacy; let's include the exchange of diplomatic notes between the External Affairs Department and the Secretary of State; let's say that we'll even allow the striped-pants people to be involved in this process and that along with that and the IJC, that would provide the only forms of defence or security against this particular issue.

Others who have been as interested and as concerned, not hysterical but as concerned, about the issue have suggested in the past that there were also other means that could have been employed which the Minister refused, when he was Minister, to acknowledge. All right. Once the IJC gave its report after its hearings it was claimed by the Member for Inkster that that justified his posture. Then why the problem now? The problem began far before — I think the Member for Inkster in many ways gives far too much credit to the new Minister of Mines and Environment. The new problem with the Garrison emerged before this Minister stood on his feet yesterday and today to talk about it. It really began to emerge before that because I'll tell you what took place.

The International Joint Commission came down with its findings, saying that the original diversion project in itself constituted major pollution to Manitoba waters and therefore recommended against the project. The Department of Interior, who is responsible in the Executive Branch to respond to those kinds of considerations, drew up alternative designs, alternative programs, and developed new impact statements that eliminated the original diversion program but in effect introduced a new one. There is now a new diversion project which the IJC has never commented upon and therefore is no longer considered to warrant its recommendations, and that those proponents, of whom there are many — not as many as the member claims, but who are many — say, we are now doing what the IJC asked us to do; we are not doing the original diversion, we are not going to pollute the Souris. The fact that we are going to pollute the Red is another problem which the International Joint Commission has not reported upon, and that we are fulfilling fully all the recommendations of the International Joint Commission which this member says has been our only line of defence. And yet the politics of Washington are such because they're pretty smart politicians in Washington — they know what they're doing — they knew the recommendations came in and they said, "Now we are doing exactly what the International Joint Commission has asked us to do," but we are still going to have a Diversion Project which will end up introducing substantial foreign elements into Manitoba waters. In other words, they said, "So you have no complaint any more, do you?"

I suppose the Member for Inkster would say, "Unhappy, I'm unhappy." Well, okay, but the member didn't say that; the member did not say that in his speech. If the Member for Inkster had said, "Okay, we've been hornswoogled a little bit, Yankee traders have kind of come in and dealt us a . . ." — (Interjection) — no, not jingoism. If the Member for Inkster is allowed to use metaphorical language, I suppose others are allowed to do the same. You know, the same rules apply to all. And all we would simply say is then, one of the recommendations should have been — and perhaps that is the indication that this House should be making right now — is that if the original decision and recommendations of the IJC no longer hold then we should immediately ask for a reconvening of that same tribunal and ask them to come back into session so that we can state that the new proposal, the new program still contains sufficient danger and that therefore we want a new hearing. .

MR. GREEN: I agree with that.

MR. AXWORTHY: All right. Well then, why didn't the member say it?

MR. GREEN: Because I'm talking about what he says about the commission.

MR. AXWORTHY: Well, it's unfortunate then, that in an issue of importance the Member for Inkster was so anxious to lay blame that he wasn't more concerned about raising what the alternative might have been and suggesting to this new Minister, after all his experience

MR. GREEN: He doesn't believe in the Commission.

MR. AXWORTHY: Well, whether he does . . . the point is, whether he believes it or not, and I would say being relatively new on the job that perhaps he didn't quite understand the implications of what he was saying. And I think it bodes upon members of the Opposition when they find new Ministers, or Ministers generally, making the odd misstep, to try and guide them in those proper directions as opposed to simply labouring them with a heavy stick. It's becoming, Mr. Speaker, for this Opposition it is becoming a full-time occupation to provide those corrective devices, but the fact of the matter is, that I think that we should, because this issue is so important and so serious and so critical, that the responsibility of members of this House is not simply to be sort of castigating one another as to who is wrong or who is at fault or who has made a misinterpretation of some article of a treaty. What should really be the case is how do we now, in light of the new conditions and the new development in relation to the Garrison, come around to start looking at alternative ways of dealing with the problem.

Now, one of the alternatives is to ask immediately for a rehearing of the International Joint Commission, say that the new proposals are satisfactory to that original decision of the IJC but they have constituted a different set of dangers or a different set of problems. Let's ask them to come back in commission.

I would suggest, Mr. Speaker, that that in itself is also not enough. Now, what's the other course that the Member for Inkster suggests, is the diplomatic route. Well, in the discussions I had with American officials and Canadian officials in Washington, they had to admit that the American system works very differently from our own. It's a whole classic statement of checks and balances. There's different agencies involved in the environment; there's a Council of Environmental Quality, there's an Environmental Protection Agency, there's the Department of Interior, there's a Bureau of Engineers, there's the Congressional Committees in both Houses, there is the Executive Branch, there is the Presidential Offices — there is about seven or eight different kinds of actors in this particular little play. And their particular system of politics is that they develop coalitions, they work to check one another, they provide for a high degree of negotiation internally.

And it became very clear from the discussions I had in Washington just six or seven weeks ago that what was really at stake in this circumstance was that the Department of Interior, those proponents and their Congressional allies who had found themselves set back by the original protest by the Canadian government, the Manitoba government, and the IJC recommendation looked for another way around the problem. They have found one. They have now gone back to Congress and are now going to ask for new budget allocations. They are now playing the game of politics again. And one of the critical issues in this respect is how do they get the message back again to Mr. Carter, who is generally against the Garrison, that what is now taking place is also opposed deeply and directly by Manitobans and by Canadians. That is also important, and it was certainly suggested to me that simply utilizing the diplomatic pouch was not sufficient to do it, and that's why I suggested in the question I raised today that it may be time that the Minister, in consultation with Federal officials, request meetings directly with members of the Executive Branch in Washington to explain our posture in relation to this new development. And at the same time utilize that visit to talk to Congressional leaders. Well, that's a form of political diplomacy, if you like, using politicians, elected representatives, talking one to one.

And I believe, and I will give credit, I think that some of the discussions that the former Minister and the Premier had with their counterparts in North Dakota did gain, if not agreement, at least some further understandings about what the exact positions were. That has not taken place in respect to this new situation and therefore I would again suggest that in addition to calling for a new meeting of the IJC it would probably be a very important step if the Minister and federal officials were able to convince the Minister of Finance that even in this period of restraint it might be worth an air ticket to go to Washington to make the case, to meet with those counterparts and to discuss the issue with them and bring home to the American officials some of the concerns that we have.

Now I think, Mr. Speaker, one of the problems in making that case is that we at this point in time are again not sure exactly what the form of damage will be. One of the claims I have always made, in the past five or six years in this House, is that in order to enhance and strengthen our bargaining, negotiating diplomatic position, that we should always be able to put forward the kind of research and scientific evaluation of all the potential damages that the Garrison would institute.

And one of the things that has happened is that we basically closed down our research and scientific evaluations once the IJC started its work, and so we are no longer in a position to judge what this new proposal, this new program, is going to do. And that therefore simply to wait upon it as the Minister suggested I again think would be wrong. I think we should say, "Look, let's get our people back together again; we have got good water scientists in this province, the federal officials were cooperating last time," to at least show that if the water is diverted into the Red River system the kind of damage it will impose again in the way of introducing not just pollution — that's not really ever been the issue with Garrison — it's just not the pollution that the Member for Inkster talks about, it's the introduction of a whole different set of water qualities and ingredients that would be foreign to our own water system and that therefore may have enormous impacts that we couldn't even envision at this particular time.

When you introduce new fish life, new biota, all these other kinds of things that only scientists and biologists can talk about, and mix it with a totally different system that was created hundreds of thousands of years ago for entirely different reasons, and the two match, the end result may be highly damaging not just to the Red River, but to the whole Lake Winnipeg system. And I think that that has been one of our deficiencies is our inability to have that kind of continuing ongoing evaluation so that we would always have at our hands the kind of assessment and ammunition that we needed. I think it would be a very critical step in relation to this proposal that we reconvene those kinds of scientists, at least to start work, and make it very clear to Mr. Carter, to Mr. Mondale, to representative staff or to other people — I'd be glad to transfer the name to the Minister or to the gentleman that I met when I was down there, saying, "Look, before you go ahead at least you'd better make sure to give us a chance to make a proper analysis of what this new proposal will bring about in terms of Canadian waters."

I think the Member for Inkster is right, that there are a lot of responsible people in the American system. They don't want to damage our waters unduly and I think they are prepared to listen if we present the proper evidence. But this is the thing that I was disturbed about— I think the Minister probably by this time I hope would have a copy of new revised impact statement that the Department of Interior produced — as I looked at it, it struck me that the No. 6 option that they put forward, which was their new proposal and which would re-divert waters in the Red, concludes that they believe that there would be substantial damage but so far no research has been done to confirm it. I believe that's roughly the kind of wording that's used, which means they are saying, "There has to be an intermediate step of proper examination analysis;" and we should at least at minimum be either sending a note or by direct personal representation both to the Executive and Congressional branches of the United States Government saying, "You've got to give us the opportunity to do that kind of examination and analysis right away before you go ahead and start making allotments of budgets and congressional decisions."

So, Mr. Speaker, as I said, I wished I could have held my grievance, you know, sort of hot in my little hand waiting for a moment of great dramatic import, but this may be it, and I may not have that long to make it, who knows?

But the fact is that —(Interjection)— No, no, the fates have ways of evolving in evil. If you look at the gallop poll today you'll understand why. The problem is that I think this issue is so important and I simply wanted to offer to this House some information and understanding that I had acquired by way of a visit that I had the opportunity to take six weeks ago.

So I would simply say that I would hope the Minister in response to the position put forward by the Member for Inkster and perhaps by the proposals put forward by myself, both in terms of the reconvening or a request to reconvene the IJC, and also to undertake a direct representation on Thursday to reconvene the kind of scientific analysis that those steps, I think, would be required in order for us to respond to what is again the second critical phase of the Garrison Diversion. Thank you.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Thank you, Mr. Speaker. I'm pleased that the Honourable Member for Inkster brought this particular subject up. It gives me a chance to clarify the issue somewhat. I do regret that my debating skills are no doubt not the equal to his, Mr. Speaker, but I will attempt to make up for that shortcoming by sticking to the facts in my presentation.

I should, first of all, recount a bit of the history of the project, particularly from the point of view of this government taking over in October. The Roseau situation and the Garrison situation were obviously two issues that required careful consideration. My initial reaction when approached by members of the press for comment was that I did not believe that our position would be that different from the position taken by the previous administration.

Until I reviewed the Roseau situation in some detail, Mr. Speaker, you have to realize that as the Honourable Member for Inkster pointed out, the history of problems on the Roseau River goes back to the neighbourhood of the 1920s when an initial reference to the IJC was made with respect to integrated management of water resources in the basin. Because of the depression and the war, the particular reference was deferred but the problems on the Minnesota side of the boundary remained, and in 1964 or 1965, I believe it was, the United States Army Corps of Engineers made a proposal that involved channelization of some 42 miles of the Roseau River in Minnesota in order to alleviate flooding in that area.

Now you have to realize that at that time the degree of awareness of people generally in society with regard to environmental concerns was not particularly great, certainly not at the heightened situation that we have today. Following their submission at that time, it was referred to the IJC, and the IJC in turn established an International Roseau River Engineering Board consisting of representatives from the United States and from Canada, including of course representatives from Manitoba.

They were asked to devise an integrated plan for the management of resources on both sides of the basin, and on the Manitoba side there were considerable studies done that extended far beyond the main reach of the river. It dealt with forestry resources and wildlife resources and agricultural resources, and the people of the basin had the impression that because of this study that was taking

place, there was a commitment to the integrated management of those resources.

But, Mr. Speaker, when it came down to the final question, they were really only dealing with the impact of the proposed works on the United States' side. And when the Honourable Member for Inkster says that the engineers were in complete agreement with the findings of the Roseau River Engineering Board, that may well be true, that the engineers on that board were in agreement with it, but, Mr. Speaker, that board is not the IJC and that board concluded in a rather offhand fashion, that in their opinion the environmental effects to be felt in Canada would be more than offset by the socio-economic benefits of the project. That was the way that the Engineering Board dismissed the environmental problems.

Now, Mr. Speaker, the IJC did not accept that offhand appraisal made by the Engineering Board. And in fact the IJC recognized that indeed there was serious potential for damage on the Canadian side and pointed out in their recommendations that provisions should be made for foreseen unmitigated damages and for unforeseen damages.

Now at the time that the IJC was holding hearings, Mr. Speaker, the Department of Mines, Resources and Environmental Management made a statement to that Commission, and I believe that the statement pointed out the concerns of the province. It certainly pointed out the concerns that the professional people had who were attuned to some of the environmental difficulties. I have no idea whether the Minister of the day was willing to accept their concerns or not, but in any case they were pointed out. There was an interesting exchange, Mr. Speaker, following the presentation by the department. In responding to the engineer who presented Manitoba's brief, Mr. Ross, one of the commissioners said, "This is fine except for one serious allegation in this report on which I am not speaking to pass judgment. But you say very specifically, this is something we have to consider in whatever report we make to the two governments. That is the proposal, as presently planned, is a violation of Article 4 of the Treaty. Is this your position?" And Mr. Moodrey, who was the gentleman presenting it said, "That's right." And Mr. Ross said, "And so therefore this is not just a concern, you are objecting to the project, let's not kid ourselves." Mr. Moodrey, "Yes, I would say that is correct."

So, Mr. Speaker, when the Honourable Member for Inkster asked me to produce some engineer that was not in favour of the project, I submit that the information which I have just presented to the House very clearly indicates that not only were there competent, professional civil servants in the department that were concerned, but that those concerns were clearly expressed at the hearing of the IJC.

Now, when we reviewed the process of our review of the likely impact of the project in Minnesota, we determined that the negotiations that were under way were likely only to lead to the construction of dikes and some channelization, some modification to the Water Treatment Plant at Dominion City, and I believe another cut-off channel between the Roseau River and the Red River.

These were mitigating works designed only to handle the additional flow that would result from the project in the United States. The mitigating works were not in fact designed with enough capacity to mitigate the detrimental effects caused by those works themselves in Canada.

In addition to that, Mr. Speaker, there was no provision made for any agricultural land that would be lost. There was no provision made for compensation or mitigation of the quality of water with respect to the fish and wildlife aspects of it. There was no compensation or mitigation with respect to erosion of the stream banks which would of course occur as a result of increased peak flows, up to 25 percent greater than what had been expected before. There was no provision for costs that might be incurred over the next 20 years, in terms of the municipalities and the province having to build bridges with greater capacity over the river. There was no compensation for individuals who would suffer as a result. Mr. Speaker, in fact, the people of Manitoba were being asked to suffer damage as a result or in order that people of Minnesota might be relieved of damage.

Now our assessment was done, Mr. Speaker, without any regard to any so-called political debts, which the Honourable Member for Inkster refers to. And I should correct him, that he probably doesn't even know who was the official agent or the campaign manager for the Honourable Member for Emerson, and it had nothing to do with it, Mr. Speaker. If he wishes to make that allegation, then I'm afraid that that's something the public will have to judge.

Now having made our assessment, Mr. Speaker, and having looked at the recommendations of the IJC, it became evident that the recommendations of the IJC where it followed to the letter adequate to protect the interests of Manitoba. But the negotiations that were under way at the time, a proposed agreement put forward by the United States was in fact not in consort with the principles set down in the IJC report.

Mr. Speaker, the Honourable Member for Inkster has stated many times in his presentation, that we have rejected the IJC report. I would like, Mr. Speaker, if it's in order to read a letter into the record. This is a letter which I sent to the Honourable Don Jamison, Secretary of State for External Affairs, and it was January 12th, 1978. Now you have to take the letter in the context of the background that I have set down for you. And it says:

"Re Manitoba Position on Roseau River Project.

"Further to our telephone conversation of December 21st, 1977 I wish to advise that our government, since coming to office, has been receiving assessment of the potential damage in Manitoba which will result from the deepening of the Roseau River and the related works proposed to be carried out in Minnesota.

"Because the downstream damage from projects of this kind may be not apparent for many years and may take forms which cannot now be fully predicted, it is difficult and perhaps impossible to be certain what damage will result and whether any proposed protective or mitigating works in

Manitoba will be effective or sufficient.

"In view of this uncertainty the Province of Manitoba is in effect being asked to accept an open-ended risk on behalf of future generations of its citizens. It is seriously questioning whether it should accept this risk in respect of a project which has little, if any, benefits for those same citizens in the Roseau Basin.

"The government is accordingly suspending any action in connection with the project. We continue to be very interested in discussing alternative solutions to the problems in Minnesota, such as the impounding and controlled release of Roseau water. This seems to us a far better use of the water resources than attempting to channel it more rapidly out of the country with resultant damage in Manitoba.

"Needless to say, we will wish to be assured that under any such alternative arrangement the quality and quantity of water entering Manitoba is not altered to our detriment."

Now, Mr. Speaker, I cannot find in that letter where I have anywhere rejected the recommendations of the IJC. The honourable member has made a fine case this afternoon if the recommendations of the IJC had been rejected. We have not rejected the recommendations of the IJC, Mr. Speaker. In fact, the negotiations that were underway at the time have to be taken in context of all of the situation.

For instance, the State of Minnesota, at the time that this letter was written the State of Minnesota had not given their approval to the project.

Now in our view, Mr. Speaker, it seemed unwise — in view of that for one thing — to accept and proceed with negotiations when the State in which the project was proposed had not approved it.

There was an alternative being proposed in Minnesota, Mr. Speaker, by the Department of Natural Resources. It must be known that there was not a detailed engineering plan available to Canada. The proposal was being made in principle; the details were not available. Surely, Mr. Speaker, under those conditions it is unwise to proceed to negotiate on something that you do not know the details on.

Thirdly, Mr. Speaker, there was supposedly a change being recommended in the project which made it different from the project that the IJC had made its recommendations on.

I should also point out, Mr. Speaker, that there is a precedent for the same type of thing being referred back to the IJC when factors — environmental factors, I believe that were involved — were not adequately taken into consideration. I believe it relates to a project on the Richelieu River. Negotiations were proceeding on a project that was modified from the one that the IJC had made its recommendations on.

Under those circumstances, Mr. Speaker, and I must say that the conditions that were being laid down with respect to the negotiations — the conditions being laid down by the United States — were very definitely not in keeping with the principles of the recommendations of the IJC.

The IJC said there are unmitigated foreseen damages and unforeseen damages for which mitigation has not been planned. Those must be taken into consideration.

The agreement that was under way, Mr. Speaker, would limit the liability of the United States to the financing.

MR. GREEN: No, I agree with that.

MR. RANSOM: Oh, the honourable member shakes his head, but he has been out of government for a while.

MR. SPEAKER: Order please, order please. I want to advise the House that under normal circumstances this is the hour for Private Members' Hour, unless the House agrees otherwise. The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, the Member for Emerson is not prepared to go ahead with the one motion that is on the Order Paper for Private Members' Hour, so I suggest that we proceed with this debate.

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Well, Mr. Speaker, I don't have a great deal more to say on this issue. I simply wish to outline the facts to the House. The letter which was sent to the Honourable Secretary of State for External Affairs has been read into the record. It clearly states that there has been no rejection of the IJC principles.

Well, Mr. Speaker, I think that when Hansard is reviewed we will very clearly see that the Honourable Member for Inkster stated on more than one occasion that I had rejected the recommendations of the IJC.

MR. SPEAKER: Order please, order please. We are dealing with a Matter of Grievance. I don't know whether this is a time for questions or not.

MR. GREEN: Mr. Speaker, it's a debate. I'm asking the honourable member would he permit a question? Did you not say in answer to a question today which caused me to raise this, that you will accept the recommendations of the IJC when they are favourable to you? Is that not the answer that

you gave?

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, I said we would accept the recommendations of the IJC when they protected our interests or when they were favourable to us. I have no recommendations of the IJC before me that do not protect our interests if they are followed to the letter of what they say.

Now, if they are not followed, Mr. Speaker, then I am not responsible for that. But the letter in no place refers to the IJC. It does not say that we have rejected the IJC. It says that we have suspended action in connection with the project — the action that was underway. And this is a letter to the Minister of External Affairs, who knew the exchange that was taking place. We said we are suspending any action with it in view of the conditions that I have outlined to you, Mr. Speaker.

In any case, our concern has been to protect the interests of Manitobans in the Roseau. We have the same concern to protect the interests of our citizens in the Souris Basin and in the Red River Basin that might be affected by the Garrison.

Mr. Speaker, I hope that these facts which I have presented to the House will clear up some of the evident misunderstanding.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Mr. Speaker, the member having quoted from a letter I would ask him to table it, please?

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

SUPPLY — INDUSTRY AND COMMERCE

MR. CHAIRMAN: I would refer honourable members to Page 49 of their Estimate Books, Department of Industry and Commerce, Resolution 75, 2.(c) Administrative Salaries \$126,000, the Honourable Minister.

HON. ROBERT (Bob) BANMAN, Minister of Industry and Commerce (La Verendrye): Mr. Chairman, yesterday I undertook to provide certain information for the House. One of the honourable members asked what kind of activity was happening in Northern Manitoba.

Let me say that recent activities with regard to the department included such things as a management training program carried out in conjunction with the Thompson Chamber of Commerce, a review of The Pas Indian Band Community Development Plan, support for the Norman Regional Development Corporation, a marketing seminar in Thompson and Leaf Rapids, a marketing assistance to eight companies in Northern Manitoba and I understand, as of January of this year, we had an active client list of 26 Northern Manitoba businesses.

Another question that was asked was the manufacturing jobs in this province; we are looking at 1975, 65,200; in 1976, 60,300; in the beginning of 1977, 54,700; in September 1977, 53,000; in October 1977, 54,000; in November 1977, 58,000. Then in December it dropped to 56,000, and then for the last two months it has been around 58,000.

As I mentioned yesterday, Manitoba is in the same situation that a lot of provinces are in — not quite as bad as Quebec but we have lost jobs in the manufacturing sector. This seems to have stabilized and, as I mentioned in my opening remarks, we are optimistic that we will be able to attract investment capital to the province.

Another member opposite asked with regard to investment capital. The figures as close as we can get, Mr. Chairman, are 1974, 1.4 million; 1975, 87 million; 1976, 75 million; 1977, 73 million, and the preliminary predictions as far as investment intentions for this year are roughly 75 million. I'm sorry, in 1974 it wasn't 1.4; it was 104 million — just to correct that statement.

I'd like to table now, with regard to a reply to the Leader of the Opposition, the breakdown of staff man years — the permanent, term, contract, as well as the vacant positions — the total staff that was there 1977-78 and 1978-79.

I would also like to table the organizational chart, which I mentioned, Mr. Chairman, as practically identical, with the exception of the affiliated agencies and the Economic Development Advisory Board.

MR. CHAIRMAN: Honourable members, I mentioned in my opening remarks that we were on Item 2.(c). In fact we are on Resolution 75 Item 2.(a)(1). The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Chairman. I'm a bit at a loss on procedure here because the Honourable Minister gave us some information and I'd like to ask him one or two questions to clarify the information that he gave us. So if that's in order — I believe the Honourable Minister is agreeable.

MR. JORGENSON: I was going to suggest, Mr. Chairman, that in order to proceed so that there is a minimum amount of repetition if the honourable member would wait until we get to the Minister's

Salary, which is the final item in these Estimates, then he can cover all the ground that he wants to cover in the Estimates.

I don't think that we should go back to an item that has already been passed. The Minister, as a courtesy to honourable gentlemen opposite, tabled those items and I think that we should proceed the way we normally proceed, that is, when an item is called, we stick to that particular item until it is completed. If the honourable member wants to wait until the first item is called again at the conclusion of the Estimates, he can then raise all the questions he chooses.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, it was not my intention to debate this information, it was really to ask a clarification. In effect, I am asking clarification as to the information just provided. So I am not attempting to debate, I am simply asking a question of the information that has just been tabled and then we can debate the merits or demerits of what these figures mean at the time of the Minister's salary. So my question is, with regard to the figures — and unfortunately I was just walking into the Chamber when these were being read; I just want to get it clear — the figures on jobs, I believe this is for the manufacturing sector alone, did I hear the Minister mention 56,000 as the figure for the end of 77 and 58,000 for the present time. The other question is — what is the basis of the information, both on the number of jobs and also on the information with regard to investment, particularly with regard to this year? Is this a forecast made by Statistics Canada, or what is the basis of that information?

MR. BANMAN: Yes, Mr. Chairman, these are Stats Canada's figures.

MR. EVANS: Thank you. The Minister answered my second question, but my first question was the time period. I guess I can read Hansard but I just am curious as to the time period on those 56,000 and 58,000 figures.

MR. BANMAN: Mr. Chairman, just to briefly go back. November 1977 was 58,000, December — 56,000, and in the last two months — 58,000.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Thank you. I apologize for coming in late. I asked you yesterday if you would provide us with a copy of the Organizational Chart. Has that been done? Where would I get a copy of it then?

MR. BANMAN: I understand that we have some more copies here if. . .

MR. JORGENSON: I would like to advise the honourable member that we have passed that particular item. If he wants to raise any questions in connection with the subjects that were being debated yesterday, he will now have to wait till we get to the last item which is the Minister's salary. We are now on Resolution No. 75, 2.(a)(1), and he should be directing his remarks to that particular item.

MR. PARASIUK: That is precisely what I was coming to. I wanted to determine whether there was one Assistant Deputy Minister in charge of the entire Operations Section and I wasn't able to do that because I didn't have an organizational chart at my disposal to ask that question. Is this entire section being handled by one Assistant Deputy Minister?

MR. BANMAN: Mr. Chairman, the Operations Division is split up into several areas and there is one Deputy Minister who is handling not only this but some other things.

MR. PARASIUK: Yes, I have received some detail regarding staff man years, vacancies and staff filling, but I don't have the organizational chart. The extra copies were distributed and I assumed this was going to be the organizational chart. Oh' it's coming; I'm sorry then.

MR. BANMAN: Maybe just to clarify, under Item 2, running (a), (b), (c), (d), (e) and (f), are the ones that are under the administrative responsibilities of the Assistant Deputy.

MR. PARASIUK: Mr. Chairman, recently one of the Assistant Deputy Ministers was quoted regarding the development of International Trade. I don't see his name anywhere on the Organizational Chart and I was just wondering if he was still employed. This is Mr. Armstrong.

MR. BANMAN: Yes, Mr. Chairman, Mr. Armstrong is employed as a special consultant dealing with the NFA Program.

MR. PARASIUK: Okay. The reason I was asking for clarification in that respect, he was quoted in the paper as being an Assistant Deputy Minister and that's where the confusion arose. So he is just

acting as a consultant now. That means that the operations are virtually entirely under the direction of one Assistant Deputy Minister right now according to your Organizational Chart. Then this is the section that really is negotiating the Industrial Development Agreement with the Department of Regional Economic Expansion. Is that correct?

MR. BANMAN: That's right — along with the Deputy.

MR. PARASIUK: If I could get some clarification on that development agreement, will this be providing solely infrastructure assistance or will it be providing other types of assistance to enterprises in Manitoba? What is the type of agreement that is envisaged at present?

MR. BANMAN: Mr. Chairman, very briefly, and the member can appreciate that it's under discussion right now, so without getting into all the details of it, it is our intention to try and get some moneys for infrastructure, some moneys for research and development, some additional funds for the RIDA Program as well as some funds for promotional and feasibility programs to be developed in the province.

MR. PARASIUK: There has been some dispute in the past as to the effectiveness of the DREE Incentives Program. There have been various people in Ottawa who have done analysis to show the incentives really haven't done very much to change the pattern of industrial development in Manitoba, or in Canada more precisely. What is the position of the Province of Manitoba with respect to DREE Incentives? Would they like DREE Incentives to industry continued, or are they rather pushing for a position whereby DREE would not spend money on incentives to enterprise in Manitoba but would rather put the money into infrastructure so that enterprises could develop on their own in Manitoba without having to get specific incentives from the Federal Government?

MR. BANMAN: Mr. Chairman, there have been discussions among different provinces with regard to providing some kind of block funding, if you want to call it that, as far as DREE is concerned. DREE is not interested in that type of development. Manitoba's position has been, and with regard to the particular development agreement that we are talking about, we have identified certain areas which we need some help in, namely Research and Development as well as basic infrastructure. Being from rural Manitoba myself, I know that there is assistance required from time to time, whether it be the relocation of a spur line or the assistance to smaller communities to provide certain infrastructure that is required for industry, whether it be a small industry or larger industry to develop. So this is the course that we are pursuing. I have spoken to the Minister in British Columbia who did sign an Industrial Development Agreement who says it is coming along fairly well. Their major component in their agreement is one which deals very heavily with the infrastructure emphasis and we hope to have a mix in the thing so that we can tackle several of the problems as we see them.

MR. PARASIUK: I had been an employee of DREE in the past and I found that one of the problems with that program was the Incentives Program. The Department in the past hadn't been providing very much in the way of support for infrastructure that might be required by an enterprise in a smaller rural community especially. You have a situation whereby a rural community wants enterprise; they want decentralized industry and they find that the decentralized industry can often bankrupt that community. A case in point was the development at The Pas for example, where people in The Pas thought that would be very good for it, but the infrastructure requirements of that huge pulp and paper complex were such that they put tremendous strains on the school system, put very big strains on the transportation system, on the street system, and The Pas was virtually bankrupt as a result of that development.

As a result the Federal Government and the Provincial Government signed The Pas Special Area Agreement which provided some emergency infrastructure support to The Pas. Now they didn't extend that unfortunately to the rest of Manitoba. We had been arguing in the past that we should have infrastructure support; that when you have an incentives program, that in a sense distorts the market, because if you are giving incentives or a special DREE grant of straight financial assistance to a firm, what that often does is distort the market and provides a support for a weak firm that really within the — I'll use the term — within the capitalist milieu really shouldn't be surviving but you are propping it up with a DREE incentives grant. This incentives grant usually has a three-year period to it and after the three years are up, the experience has been that some of these firms have then picked up their marbles so to speak, and moved out of the province, leaving the community still stuck with a very enormous infrastructure cost.

Therefore, since DREE has been under some attack federally, and since they are probably quite open to a number of suggestions right now in order for it to keep its existence so to speak, I was wondering if the province mightn't take a more aggressive attitude with the Federal Government, and specifically with the Minister responsible for Regional Economic Expansion, so that the Federal Government stops giving incentive grants directly to individual businesses — which really is an artificial prop anyway, and if that business is good, it shouldn't need the artificial prop to stand on its feet. But rather, instead of giving the incentives grant, it should take the same amount of money and allocate it to the province specifically for infrastructure support to the communities so the communities themselves don't suffer undue cost because an industry locates or develops in their community.

If you take a case in point, the development of McCains, which I think will be fairly important to the agricultural industry in Manitoba and could have some good effects in that it will provide processing of agricultural products in Manitoba. It also has a very bad negative side, and that is that the sewer and water requirements for the community of Portage will be very great. I don't know if McCains is going to pick up these extra sewer and water infrastructure costs, so that means that the people of Portage La Prairie, and through the grant system, two municipalities, the people of Manitoba generally, will be providing infrastructure support so that McCains can get off the ground here in Manitoba.

Now, hopefully McCains won't pick up its marbles three years from now after the DREE grant runs out, and leave the province, but even if they did — if DREE was providing that type of infrastructure assistance, at least the community would be left with something in the way of better water facilities and in the way of better sewage facilities and maybe it would use the infrastructure as a means of attracting possibly some other industry into Portage La Prairie. The way things are operating right now you have these artificial supports in the form of DREE incentives to companies; you have the tremendous strain put on the infrastructure of rural municipalities which is borne by the people of those communities or by the public of Manitoba at large. Very few of these costs are being picked up by the Federal Government, and you have the businesses, and I don't blame them, but you have the businesses often taking unfair advantage of these incentives, milking them for whatever they are worth, using them up in three years and then leaving the province and going somewhere else where they can get a new incentive grant. And this usually happens if the company itself has more than one plant. So it gets a DREE grant for one plant; it runs that plant for three years, it uses up all the federal incentive money and then it closes down that plant and moves to another plant in another province.

Examples? A good case has been the General Motors plant in Ontario. I will look those up for the Honourable Member for Pembina and provide him with some specific examples of this because there has been a doctoral dissertation done at the University of McGill which indicates that the incentives program has worked in this very bad fashion. To my knowledge there has not been any substantive analytical work done to refute that PhD dissertation. In fact, it was that PhD dissertation that prompted a lot of people to argue that the entire Department of Regional Economic Expansion should be scrapped; or that at a very minimum the incentives program to businesses should be scrapped and they should substitute that program with a number of other programs, like the Infrastructure Support Program, which I gather the department is now trying to negotiate with the Federal Government.

I still, Mr. Chairman, haven't received a clear statement from the Minister as to whether, in this time of transition for DREE — because it is going through transition and review — whether the Province of Manitoba has specifically asked the Federal Government to cancel its Incentives Program to industry or to businesses in Manitoba and to use the money so saved to provide infrastructure related to industrial development directly to rural municipalities and towns in Manitoba. Have we made that very specific, direct request to the Federal Government?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: No, Mr. Speaker, the only dialogue that we have had is one which, again, touches on the infrastructure problem that the member has mentioned. He is quite right in pointing out that that has been one of the major problems in rural Manitoba and that is one of the major components of the particular agreement that we are trying to negotiate right now. But with respect to specifically asking them to do away with the Incentive Program, we have not had correspondence with them along that line.

MR. PARASIUK: Mr. Chairman, I think that this Industrial Development Agreement will be more beneficial to Manitoba if we can get as much money as possible in the infrastructure section. Therefore, would the Minister undertake, even at this stage of negotiation, to try and see if the Federal Government will, in fact, cancel the Incentives Programs and use the freed-up money to provide more infrastructure assistance to rural municipalities in Manitoba, because I'm pretty sure if you did a canvassing of rural municipalities you would find that probably they're greatest need for industrial development is better infrastructure. So it strikes me that the need is not for incentives to industries directly, but the need is for better infrastructure in rural municipalities if the whole objective of decentralized industrialization is going to be implemented.

MR. BANMAN: Well, Mr. Speaker, I appreciate the member's comments. Let me just say that we aren't the ones that really make up the rules with regard to DREE, and the member having worked there knows what I'm talking about. I think one of the areas that we will really be concentrating on — if I can just reiterate that — is the infrastructure. If the member cares to go back to Hansard in the last number of years, and I think the Member for Brandon East will vouch to that, I brought that up during his Estimates exactly at that time and I understand that there wasn't enough flexibility at that time to develop an agreement like this but DREE has started talking about infrastructure and that's what we're going after.

Wednesday, April 5, 1978

MR. PARASIUK: Mr. Chairman, I'm pursuing this point because I do think it's very important. I gather now that the Department of Industry and Commerce doesn't provide industrial incentives to industry in the way that DREE does at present, you aren't providing any cash grants to a company to locate in Beausejour.

MR. BANMAN: Is the member referring that somebody would come in and fill out an application and receive X number of dollars for capital? No, we haven't got any provisions for that kind of money in our budget.

MR. PARASIUK: So the policy of the past administration then has not been changed. Direct financial incentives to companies is not the policy of the present administration of the Department of Industry and Commerce.

MR. BANMAN: Mr. Chairman, we look at small contributions for feasibility studies as the past administration did, also there might arise from time to time some assistance for some test drilling and that type of thing — not dealing with hundreds and thousands of dollars — it might be \$50,000 or \$60,000 if it's a very large company but not on a large basis.

MR. PARASIUK: I can appreciate the difference and I'm not trying to say that those are any type of incentives. I think that's a basic type of support service that the Department of Industry and Commerce can, and should, provide. What I was getting at is, the federal system whereby they, in a sense, give a type of payoff to a company if it will go and locate in a regionally deprived area, and what the Federal Government, of course, doesn't then do is change the tariff structure, change the freight rates or change any of the basic structure of the economy so that that company can have a chance of surviving in a less developed area. In fact, the Federal Government tries to use direct cash payments as a type of sop to these companies to make up for the difficulty that they have if they locate in say the Maritimes or if they locate in certain parts of the Prairies.

So since the province isn't in favour of, or doesn't seem to be in favour of, financial incentives to private companies, and since it is in favour of trying to get better infrastructure in rural towns so that these towns can better support decentralized industry, I still would ask the Minister if he would undertake to specifically ask the Department of Regional Economic Expansion to cancel its Incentives Program to business firms in Manitoba and to substitute the money saved for infrastructure. I think the circumstances have changed over the last little while.

The Prime Minister had taken the position that DREE was a federal program; that they would do their thing and the province would do its thing with respect to industrial development. But recently, the Prime Minister has been saying that he is willing to listen to suggestions for changes in the way in which programs are delivered within our federal system of government. Therefore, he might be prepared to say if the province has a greater priority on infrastructure for rural municipalities than it has for the Federal Government directly providing cash incentives to companies — which I am quite certain that the members opposite with their particular philosophy of the capitalist system which says they don't require state assistance and I think that's what the position of those members opposite is — would they in fact put their money where their mouth is, so to speak, and ask the Federal Government, or tell the Federal Government, that it doesn't need federal cash assistance to industry in Manitoba, that rather it would take the money that is saved and use it directly for infrastructure. I think now is a propitious time for doing that in terms of our discussions regarding constitutional change and I would ask the Minister if he would undertake to do that at this stage in negotiations with the Federal Government regarding industrial development?

MR. BANMAN: Mr. Speaker, we'll take that as notice and consider it. But let me tell the member that in discussions with other provinces there are some provinces that are very happy with DREE, namely the Maritime provinces, extremely happy. I guess we would be happier too if, for such things as infrastructure and that, the formula was 90/10 versus our 60/40. I mean, it would make us much happier too.

But at the Industry Ministers' meeting in Ottawa about two months ago, as I mentioned, this was thrown around whether there couldn't be some block funding from DREE and then the provinces could use that as they saw fit. At that time that was not met with favourable response and I think that we have been able to get some of these infrastructure agreements started and I refer just briefly to one that we're dealing with in Tourism right now which would provide basic money for infrastructure also. So in all due respect, I think the Federal Government is changing their attitude towards it and realizing the necessity for providing some funds to go ahead and create some of these infrastructure fundings.

MR. PARASIUK: How much does the Minister envisage that the Federal Government will provide for infrastructure assistance on a yearly basis in the forthcoming agreement?

MR. BANMAN: Mr. Speaker, that's under negotiation right now and I know the member will appreciate that we're getting into the nitty-gritty of it here right now and I hope to have something which I can present before the House prorogues with regard to that and I will make it public at that time.

MR. PARASIUK: Mr. Chairman, I would think that the amount that the Federal Government, which is also practicing its form of restraint in Canada, that the amount of money that the Federal Department of Regional Economic Expansion will provide for assistance, for much needed assistance to rural municipalities and towns, will not be sufficient. This has been the practice in the past; this has even been the practice in Maritime provinces where a fair amount more DREE funds have been provided. The biggest problem is that they provided much more money for DREE incentives than the Federal Government has provided to provinces for municipal infrastructure. The problem with that, of course, is that the federal incentives might get some favourable publicity for the Federal Government, but the infrastructure requirements that those incentive grants produce are picked up, not by the Federal Government, but are picked up by the municipal administrations or by the provincial administrations.

A MEMBER: What type of infrastructure are you talking about?

MR. PARASIUK: Well, the types of infrastructure you have would be sewer infrastructure — they've got an expansion of the sewage treatment system. You'd have an improvement in the water treatment system and these will be required almost solely for the purposes of that particular industry. If you take the Chairman's constituency' for example, the infrastructure requirements of the stockyards are immense in terms of the availability of water supply and in terms of sewage treatment. And that industry could not exist really if it wasn't for the people of that community, or the people of Manitoba, picking up the infrastructure costs.

Now, some people might argue that taxes created by that industry are sufficient to pay off the infrastructure costs but it has not been demonstrated that in the last, ten years — especially given the increased inflation — it has not been demonstrated that the taxation provided by any new industry coming into a community has been sufficient to pick up the additional infrastructure costs, oh, for a period of 40 or 50 years. The problem is that the Federal Government doesn't lay down sufficient conditions to the firms to which it gives these gifts of money to go to a place like Portage, so that you have a situation developing whereby, after three or five years, the company says, "Well, this hasn't been sufficient; we need more money and if we don't get more incentives money we are going to pull out." I would hate, for example, to have the community of Portage la Prairie put in the horrible spot five years from now of having a very enlarged water and sewage treatment system which has been set up specifically for McCains and then have McCains leave. I would not want the people of Portage la Prairie holding the bag. I wouldn't want the people of Manitoba holding the bag in that circumstance.

That's why it's important to argue with the Federal Government that it's not incentives to industry or cash grants to firms per se that will make that firm viable. What will make that firm viable will be the comparative advantage that that firm has in that region compared to another region, the management, and other structural things that exist in this province or in this country like the tariffs, or like freight rates. And the availability of energy, that's going to be a very important consideration in determining whether, in fact, a firm may decide to locate in Manitoba or not. It will have very little to do with a cash grant that that industry might pick up for a two or three year period because if that industry is serious about locating in Manitoba, and saddling a community like Portage la Prairie, for example, with an infrastructure requirement that will take 40 or 50 years to pay off, because that's usually the amortization period for this type of additional infrastructure, and if that firm isn't intending on staying there for 40 or 50 years, or it doesn't have the staying power to stay there for 40 or 50 years, it's rather criminal to the community of Portage la Prairie to have that firm locate there for a three or four year period.

So what I'm arguing is that it's much better to have the assistance for industrial development provided entirely in the form of infrastructure support, because then the firms can determine whether in fact, given the improved infrastructure in Portage la Prairie; whether because of the availability of good soil in the region, because you already have a number of people who are growing vegetables, and particularly potatoes, with some degree of skill, and with some degree of productivity. And given Manitoba's location at the heart of the continent; given its good transportation system down into the United States or into other parts of the Prairies, because Winnipeg's traditional role is "The Gateway to the West", it is those factors that will determine whether that firm can make a go of it.

I would hate to artificially change the decision-making within that company so that these people might think that they might be able to take quick advantage of a two or three-year windfall gain, milk it for everything it's worth and then go back to Ontario or go back to another part of Canada. That would leave the community of Portage la Prairie in this particular example, with a tremendous burden to try and carry for 40 or 50 years.

So that's why, given this changed constitutional climate that the First Minister of Canada has indicated exists; and given the fact that the province in the past had made representation to the Federal Government that it would prefer to get the DREE funding to Manitoba in the form of infrastructure, assistance and manpower training, so that if a firm comes to Manitoba, Manitoba people will be employed and not people imported from other parts of Canada to provide the work force for that industry. That is a type of support that the Province of Manitoba has traditionally asked the Federal Government in its regional development program.

We have said that we do not think that incentives work. We think, in fact, that they are counter-productive and that what really would be better is to get the money for manpower assistance, for research and development assistance and for infrastructure. I think what will happen is, that if we

don't make our position clear to the Federal Government they'll give a wee dribble of money for infrastructure and it'll give a wee dribble of money for manpower and training. But it won't be sufficient, because it knows that those are the areas where the expenditures in relation to industrial development are greatest and it will try and pass the costs for those types of services on to a junior level of government — imagine that type of shell game which the Federal Government is trying to pursue. They are trying to make their books look good by reducing grants to the provinces or, secondly, changing the grants so that their grants will be a one-shot effort and the ongoing operating costs of that industrial development will be picked up by the junior level of government. I would hate for us to be caught in that particular position.

So that's why I'm asking the Minister if he will make a specific, direct attempt at this stage in negotiations, to have the money provided entirely for industrial infrastructure, for manpower and training support services and for research and development. And tell the Federal Government, "We don't need incentives to businesses. We don't need cash payments to firms." That weakens the firm.

A MEMBER: That's welfare.

MR. PARASIUK: That's a type of corporate welfare, you're right. We would prefer our firms to stand on their own two feet, but we have to make up for some of the structural problems in this country by providing infrastructure assistance; let's not provide cash grants or a form of corporate welfare to business firms directly, so that we really artificially prop up a firm and then have it fall apart once those incentives are taken away.

So I was wondering if I could get a commitment from the Minister, that he would contact the Federal Minister and see if the Federal Minister wouldn't be willing to terminate incentives to business firms in Manitoba and use the money saved to provide infrastructure and manpower training.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Speaker, at present we're negotiating with this particular agreement. The points that the member raises, I appreciate some of them. I know of some companies that have not made it even though they got a DREE grant. But let me just say that in dealing with this thing, and then the Tourism Development Agreement, those are the two things that we would like to get under way before we start doing any other things.

Let me just say that with regard to the McCain's plant in Portage, and he mentioned that several times, I sure hope they don't close up in three years from now because we are obligated to provide funds, I think, from the MDC to the tune of \$7 million. So I think Manitoba would be a big loser if they packed up about two or three years from now.

The other thing that should be pointed out — and I'll have to check that — if my memory serves me right I think there were some funds allotted to Portage la Prairie from the Water Services Board again dealing with DREE. I'll have to check that out, but I think there were some funds earmarked for that.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Yes. I still haven't been able to determine whether the Minister is in agreement with my statement, that what is required is not financial payments directly to firms, but rather infrastructure, manpower training support and research and development support. Does the Minister agree that financial incentives aren't effective in promoting industrial development but rather the emphasis should be on industrial infrastructure, manpower training and research and development assistance?

MR. BANMAN: Mr. Speaker, I have noted the honourable member's remarks. I will be taking them into consideration and all I'll say at this time is, yes, I partly agree with him.

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

MR. ADAM: Thank you very much, Mr. Chairman. We have been talking about DREE grants and, in particular, the firm of McCain has been raised on several occasions in the last 20 minutes or so. I happen to have a considerable amount of information on that particular operation and I think it would be of interest to the Member for Portage la Prairie.

I also heard the Minister mention that some of the operations in the Maritimes were very satisfactory insofar as the DREE grants were concerned. Do I understand that correctly?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: No. Mr. Chairman, what I said is that the Maritime Provinces are very happy with their DREE arrangement.

MR. ADAM: I thank the Minister for the clarification. I would assure him that some of the producers who supply raw material to industries such as McCain who have received large DREE grants, are not so happy. They are not so happy. In fact, I have an article here — and I don't know if the Minister can

read it from across — I'm sure he can read it. It's in nice purple letters, "The Colonial Policies of the McCain Empire." I will undertake to make copies of this and give it to him for his edification of what is going on.

We do agree that it is nice to have a market for our agricultural products in Manitoba, but the problem is that where McCain's obtain freedom to operate in Manitoba sometimes becomes a bondage of the farmers who supply that industry with raw materials. Therefore, what concerns me is that with the lessening of restrictions on farm lands — the purchase of farm lands by corporations — what concerns me is that McCain's will undertake to buy land and plant their own potatoes; then they contract out to other farmers and then they have them over a barrel. That is . what is happening in the Maritimes.

In regard to infrastructure, according to the information I have before me, common to most corporate expansion, a large percentage of financing to build the new McCain plant will come from public coffers. The cost estimates for the new plant is \$12 million, of which Federal and Provincial moneys is expected to cover \$9.4 million or more than 75 percent; over 75 percent of the funds to build that entire plant will be paid by the people of Manitoba.

That is not free enterprise. I would like to make a distinction between what we call free enterprise and what members opposite call free enterprise. My interpretation of free enterprise is the small businessman that starts on his own against all odds on Main Street. He gets no incentives; he gets no concessions. He gets a higher rate of municipal taxes than anybody else. We differentiate between that type of free enterprise; we associate that important free enterprise sector of our economy with the farmers and the workers. These are fundamental people. They are providing very needed services. We appreciate them. And whenever we criticize free enterprise, we are referring only to the multinationals. That is who we are referring to.

The people who come to Canada don't give a damn about Canada; they don't give a damn about the people of Canada; they're only interested in making a dollar and once they're finished, they're gone.

I agree with the Member for Transcona that if we are going to provide this kind of money to build an enterprise, there should be some strings attached. There should be some responsibility on the part of these industries. And we don't want them doing like INCO is doing, competing with themselves in Guatamala or the Phillipines; this is exactly what McCain's is doing now. They are going to compete with themselves in the Maritimes. They're going to lock the market, control the market.

McCain's are large land owners. Everything they can see, as far as their eyes can see around their plants in Florenceville, New Brunswick, belongs to McCain's, and the rest is under contract to them. In regard to the infrastructure at Portage . . . I think the Member for Portage should be aware of this — I will make a copy available to him so he will know; I will make this information available to anybody who wants it, and in fact I can table it. The cost of the infrastructure — and that is a Water Treatment Plant at McCain's — in addition to what Portage has now, it will cost \$4.1 million. That is for the Water Treatment Plant. There will be a DREE grant of \$1,250,000 — a loan, pardon me, a loan of \$1,250,000 and a grant of \$1,250,000.00. The province, according to the information I have for the infrastructure, the Water Treatment Plant, will be \$932,000; also \$932,000 will be a loan and the grant will be \$668,000.00. That is a total of \$4.1 million; that is only for the Water Treatment Plant.

Now let's go further and look at the new water supply line. The total cost of that will be \$436,000, of which Portage la Prairie will have to put up \$218,000 and the Province of Manitoba will put up \$218,000.00.

New Sewage Treatment facilities will cost another \$1.5 million, of which Portage la Prairie will have to put up \$915,000 and the province will put up \$585,000 in the form of a grant. not all. Now that's not all. There's the operating costs. The operating costs for the water treatment plant, estimated operating cost per year, after the construction has been completed — hopefully, they will obtain enough taxes to recoup these operating expenses — but for the water treatment plant, the labour costs will be 35,000, chemicals will be 140,000, repairs and maintenance will be 125,000, that is a total of 300,000.

Now, for the sewage treatment facilities, the labour will be 40,000, chemicals will be 15,000, heating will be 2,000, power will be 50,000, repairs and maintenance 75,000 and sludge disposal 20,000, for a total of 202,000. This is a half-a-million dollars, slightly over half-a-million dollars a year for operating costs.

I agree with the Member for Transcona that we have to try and negotiate a new deal for DREE grants, it's nothing but welfare for multi-national corporations. McCain's sign will be on the building but it's the people that will put up over 75 percent of the money, and I'll give you another example. Now, this happened to be in my own constituency. Also today, the Minister told us he has given us figures, that MDC, I presume, is going to put up \$7 million. I don't know what he is talking about here, if he is talking about some of the figures that I have mentioned, or whether that is other figures in addition to what I have mentioned.

To give you an example of our own situation, there was a doctor from, I believe, Melville, Saskatchewan who built eight feed mills and he obtained a 35 percent DREE grant for all of them and after the three years were over he started to sell them off. So what happened under this DREE grant was that the plants were costing \$110,000 each. So what happened there is that the public of Canada gave this

MR. CHAIRMAN: Order, please. The hour of adjournment having arrived. Committee rise. Call in the Speaker.

Wednesday, April 5, 1978

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. ABE KOVNATS: Mr. Speaker, I beg to move, seconded by the Member for Dauphin, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, before the House adjourns I would like to advise honourable members that we will be going into two committees tomorrow. At the suggestion of honourable gentlemen opposite, the committee in 254 will be considering the Estimates of the Department of Agriculture, and we will be continuing with the Department of Industry and Commerce in this Chamber.

MOTION presented and carried and the House adjourned until 2:30 p.m. Thursday.