

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 3 June, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Mr. Speaker, I beg to present the Third Report of the Standing Committee on Economic Development.

MR. ACTING CLERK, G. Mackintosh: Your Committee met on Thursday, June 3, 1982, to consider the Annual Reports of Manitoba Mineral Resources Ltd. and Manitoba Forestry Resources Ltd.

Mr. M. Anderson, Chairman of the Board and Mr. C. Malcolm Wright, President of Manitoba Mineral Resources Ltd., provided such information as was required by members of the Committee with respect to the Company.

Information with respect to all matters pertaining to the operations of Manitoba Forestry Resources Ltd. was provided by Mr. Leifur Hallgrimson, Chairman and Chief Executive Officer.

The Annual Reports of Manitoba Mineral Resources Ltd. and Manitoba Forestry Resources Ltd., as presented, were adopted by the Committee.

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Mr. Speaker, I move, seconded by the Honourable Member for Ellice, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

HON. W. PARASIUK: Mr. Speaker, I beg leave to table the Annual Report of the Manitoba Forestry Resources Ltd. for the year ended September 30, 1981.

I apologize to the House for not tabling it sooner. It was an oversight on my part.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I'd like to table the Financial Statement of the Alcoholism Foundation of Manitoba for the fiscal year ending March 31, 1981, and I'd like to ask leave of the House to give a few words of explanation on this, if I may.

MR. SPEAKER: Is that agreed? (Agreed)
The Honourable Minister of Health.

HON. L. DESJARDINS: The last Annual Report that was tabled for the Foundation was for the calendar year 1980 and included Financial Statements for the fiscal period 1979-80. We have decided that it would be more informative to the Legislature and to the public in general to publish both the program and financial data on a fiscal year basis. Hopefully, next month I will be tabling the Annual Report for the fiscal year 1981-82. As a result of this change and method of presentation, the Financial Statements for the fiscal year 1980-81 would have been missed from the Annual Report and therefore I am tabling them in the Legislature today.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, thank you, I just want to acknowledge the Minister's statement and his information relative to the Financial Statement of the AFM. Thank you.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I want to table the first Annual Report to the Legislature on Wildlife.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of the honourable members to the loge on my right and to the gallery.

On my right is the Honourable Richard Nerysoo, Minister of Renewable Resources of the Northwest Territories, who is here to sign an agreement between the Federal Government and the Governments of Manitoba, Saskatchewan and Northwest Territories.

On behalf of all of the members, I welcome you here today.

There are 20 students of Grades 9 and 10 standing of the R.B. Russell School under the direction of Miss Medinski and Mr. Teoh. The school is in the constituency of the Honourable Member for St. Johns.

There are 27 students of the Hugh John Macdonald School under the direction of Mrs. Hummelshoj and another teacher whose name I am afraid I cannot read. The school is the constituency of the Honourable Minister of Education.

There are 56 students of Grade 5 standing of the Lacerte School under the direction of Mrs. Monique Ting. The school is in the constituency of the Honourable Member for Niakwa.

There are 27 students of Grade 5 standing of the King George V School under the direction of Mrs. Henderson. The school is located in the constituency of the Honourable Minister of Health and Fitness.

On behalf of all of the members, I welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Community Services and I would ask him, Sir, whether he can advise the House whether the government has made a decision to expand the St. Amant Centre by some 24 to 28 beds?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. L. EVANS: Mr. Speaker, as the honourable member knows, this a matter that's been under consideration for many a year, including when my honourable friend was Minister of Health and Community Services or Social Development as it is called. I can advise the member that the matter is under review, it's in process, and when we're in a position to make a policy statement, the policy statement will be made, but not until we're in a position to do so.

MR. L. SHERMAN: Mr. Speaker, could I ask the Minister whether the unofficial comments of his colleague, the Minister of Health, at St. Amant last Sunday afternoon, are to be interpreted as indicative of the fact that the decision has virtually been made and it is simply a matter of the timing of the announcement.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, in view of the fact that I have been brought into this debate, I think that I should answer it and say the statement that I made, if you can call it a statement, would be that the Minister should be making an announcement soon and I stick by that. It doesn't go contrary to the answer that has been given by my colleague.

MR. L. SHERMAN: Mr. Speaker, I appreciate that, but I would like to redirect my original question to the Minister of Community Services and ask him whether the comments of his colleague, as redelineated by his colleague just now, reflect the fact that the decision has in fact been made and is simply a matter of timing of the announcement?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. L. EVANS: Well, Mr. Speaker, there are always factors that have to be taken into consideration, and while the government may move in one direction or another, I would say that the final point of decision-making is when we are at a point that we can make a policy announcement, and that's the final point in decision-making.

MR. L. SHERMAN: Mr. Speaker, could I ask the Minister of Community Services about the next-to-final point of decision-making? He has defined the final point as being that moment when the government makes the announcement. Could I ask him whether the next-to-final point, the point at which the decision

is made, has been traversed?

HON. L. EVANS: Well, I can advise the member that the matter is being actively reviewed and it's in process and we're talking to many many people.

MR. L. SHERMAN: Mr. Speaker, has the Minister completed and indeed, Sir, has he even undertaken the independent review of the needs of the certain number of children at St. Amant which he advised the House he would be undertaking. On the 15th of March, in the course of the examination of his Estimates, he advised the Committee of Supply that he would be undertaking an independent review of the needs of the children at St. Amant. Has that independent review been undertaken? Was it independent and has it been completed?

HON. L. EVANS: Mr. Speaker, we have talked to a number of people with regard to that so-called independent review, but the difficulty I am finding in this field - I am still a novice in the field of mental retardation and social development - is that it's very difficult to find people who don't have a very strong position on one side or on the other. Having talked to a number of people, I find that it's very difficult to find persons around who have absolutely no bias or no preconceived notions on the matters. It's a very difficult thing.

As the member knows, he himself set up this task force on mental retardation. We are hoping that particular task force would come up with some answers, but I am afraid that task force, which he himself set up, finds itself at very serious odds on this particular question.

MR. L. SHERMAN: Mr. Speaker, I accept the Minister's comments with respect to the difficulty of the philosophical dispute and I am well aware of the two points of view in that field, but the Minister has as his Director of Mental Retardation for the Province of Manitoba a person who is not a novice, a person who has been in the field for many years and is well known to Manitobans and particularly to the M.R. community in the person of Dr. Glen Lowther.

In view of the fact that Dr. Glen Lowther has said that from 30 to 50 children could be taken out of St. Amant and supported in the community in a more fortuitous and beneficial way to them and possibly in a less expensive way than in St. Amant, that such a move would free up 30 to 50 beds at St. Amant, including the cottages, thereby making room for what additional clientele in terms of residents the St. Amant Centre would like to accommodate, why would the Minister be proceeding to the point of a decision on the expansion of St. Amant without taking all these pieces of advice and consideration into account?

HON. L. EVANS: The honourable member refers, Mr. Speaker, to Dr. Glen Lowther, a very very fine man and one who we depend on greatly as the Director of Mental Retardation Programs in the Province of Manitoba. I can assure the House that I have had several conversations and intense discussions with Dr. Lowther on this particular question. We will certainly be guided by his expert advice.

I might add, Mr. Speaker, because the member refers to the need for community residences and so on, I think all of us agree that we should put more emphasis, as much as possible, within our limited resources on adding to community residences and community activities. In that respect, I believe if my memory serves me correctly, in this year's budget alone, if you look at all the funds for occupational centres, activity centres, monies for day care centres which relate to the mentally handicapped and respite programs, monies for new residences and so on, I think the increase comes to something like 29 percent for community living and community programs.

MR. L. SHERMAN: Mr. Speaker, notwithstanding all that, can the Minister advise the House when he intends to respond to the April 29th proposal on community living which he received from the CAMR, when he intends to respond to repeated requests for meetings with the CAMR, when he intends to act on the promise that he made on March the 15th in his Estimates that he would be identifying the site locations of the eight new community residences within two to three weeks - that was on March the 15th - and whether he can assure this House that, in view of all that he has said, there will be no decision and there is no decision on any expansion of St. Amant at this point in time?

HON. L. EVANS: Mr. Speaker, the honourable member refers to many programs, many details. I can simply say this, that with the assistance of the very competent staff that we have in the department, including Dr. Lowther and his branch, we are working as expeditiously as possible to put into effect the various programs and the funding that we referred to in the Estimates.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I direct my question to the Minister in charge of Lotteries and would ask the Minister if he could inform the House whether the Minister or the Minister's office is involved in determining which community or nonprofit organizations receive casino licences?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, no, not at all. This, so far, has always been done by the Licensing Board and they have never consulted me on that. I offered no advice to them on that.

MR. R. BANMAN: A supplementary question, Mr. Speaker, to the same Minister. I wonder if he could inform the House whether he or his office is involved in determining which community or nonprofit organizations receive bingo licences.

HON. L. DESJARDINS: It's the same answer for bingo, and if you want to save time, it's the same answer for the Nevada and all the way down the line. I haven't entered in that field at all, or offered any suggestions at all.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: I wonder if the Minister could inform the House whether there is a new Manitoba Lottery being introduced by the Western Lotteries Foundation.

HON. L. DESJARDINS: Mr. Speaker, the member already knows the answer to that, because when he was Minister his representative authorized that and it's not by the Western Canada Lottery Foundation, it's the Interprovincial Committee and yes, this is a fact this is being introduced.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, sometime ago, a question was put to me and I have the detailed answer to that. I took the question as notice. It's a fairly lengthy question and rather than paraphrase the question to give the questioner a fair account of the question, I'll read the question and then read the detailed answer that I have for that.

This was a question by the Honourable Member for Birtle-Russell - I'm sorry - Virden. I keep thinking of Russell when I see the Honourable Member for Virden; I always think of Russell - formerly the constituency of Russell. The question, Mr. Speaker, was:

"It appears as though the operation of the PFRA Shellmouth Dam as a control structure and to regulate the flow of water in the Assiniboine River doesn't operate with the same philosophy at all as the Qu'Appelle Valley authority does and the Qu'Appelle Valley water is also part of the Assiniboine River. However, it comes into the Assiniboine below the Shellmouth Dam and the result is that while we hold the water back in the Shellmouth Dam and release it later on in the summer, the operation of the seven control structures in the Qu'Appelle Valley release the water quickly in the month of June so they can get the water levels in their various lakes down so they have beaches available for recreation during the months of July and August. The poor little farmers that are in the Qu'Appelle Valley here in Manitoba get a whole bunch of water dumped on them after the spring runoff when their crops get flooded out."

The answer that the department has furnished me in connection with this question is as follows:

"The control structures along the Qu'Appelle River are opened each fall and kept open through the spring run-off period unless forecasts indicate a low spring runoff. In a high flow year, the structures are not closed until the peak is passed and levels on the lakes have receded to their desirable summer levels. Therefore, in a high flow year, the flood passes down the Qu'Appelle Valley in the same way that it does under natural conditions. In fact, the action of drawing down the lakes in the fall provides increased flood storage capacity in the lakes which could result in lower rather than higher peak flows entering Manitoba.

"The only works along the Qu'Appelle which could increase flooding in Manitoba are channel improvements which would permit Saskatchewan to reduce flooding in high flow years, thereby increasing peak

flows entering Manitoba. Saskatchewan's current plan for channel improvement in the lower Qu'Appelle were recently reviewed by the Water Resources Branch. The study found that although peaks will be increased slightly in Manitoba, the impact will be minimal if the structures are operated as presently operated.

"The impression that Saskatchewan increases releases in the month of June probably arises from the observation of a second flood peak occurring a couple of weeks right after the first flood peak . . ."

MR. SPEAKER: Order please. The Honourable Member for Turtle Mountain on a point of order.

MR. B. RANSOM: Yes, Mr. Speaker, we do appreciate receiving the answers to questions raised in committee, but I don't believe that the time of question period should be taken up in providing lengthy answers to questions that were raised in committee. We would be happy to have them in written form.

HON. A. MACKLING: Mr. Speaker, speaking on the point of order, I don't believe this question was asked during the course of committee Estimates. This question was asked in the House and it wasn't a request for an Order for Return. It was a request for an answer to this question. I am providing the detailed answer to this question.

MR. SPEAKER: The Honourable Member for Virden on the same point of order.

MR. H. GRAHAM: On the point of order, Mr. Speaker, I did not ask the question in the House. I asked it in committee and I thought the honourable member knew the rules of this Assembly, but it is valuable information that I appreciate receiving. I do wish that he would respect the rules of the House and provide the answers to questions that were asked in Supply, either in written form or by personal conversation, so that we can use the question period for the purpose for which it was designed.

MR. SPEAKER: The Honourable Minister of Health on the same point of order.

HON. L. DESJARDINS: On the same point of order, Mr. Speaker, it certainly has been the custom to ask questions and if the odd question could not be answered during the Estimates, the answers were always promised at this time. Now, we would be the first ones to be criticized, Mr. Speaker, if we followed the suggestion of the last speaker and gave him something in writing. The question and the answer are the property of all the members of this House and they are entitled to know, so I don't know of any other methods of giving this answer. If the member had asked for something in a written form, he would receive an answer in a written form.

MR. SPEAKER: Has the Honourable Minister of Natural Resources almost completed his reply?

HON. A. MACKLING: Mr. Speaker, I was on the concluding paragraph.

MR. SPEAKER: Proceed.

HON. A. MACKLING: Mr. Speaker, "The impression that Saskatchewan increases releases in the month of June probably arises from the observation of the second flood peak occurring a couple of weeks after the first flood peak on the Qu'Appelle River in Manitoba. This double peaking is a natural phenomenon which has occurred in almost every flood year in the Qu'Appelle. The first peak is a local run-off peak from the lower reaches of the Qu'Appelle River. The second peak comes from the upper Qu'Appelle and its tributaries, most notably the Moose Jaw River, which takes one to two weeks to pass through the Qu'Appelle Lakes. This double peaking of the lower Qu'Appelle River is a natural phenomenon and cannot be attributed to structure operations."

MR. SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: I want to thank the Honourable Minister for his reply and I will deal with it next year when we are in Estimates. I only regret that it took the Minister that long to get the answer.

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

MR. G. MERCIER: Mr. Speaker, before proceeding with a question to the Attorney-General, on the point of order that was raised, I would suggest - and you didn't make a ruling - that you take the matter under advisement. Through the course of Estimates, numerous questions are asked, Mr. Speaker, which the Minister takes as notice because the staff that he has available doesn't have the answer. If a Minister is going to be allowed subsequently to stand up in question period and read out all of the answers he's accumulated from his staff, it simply takes away from the whole purpose of question period, which is a time for the Opposition to ask questions of the Treasury Bench. The whole question period could be taken up for weeks, Mr. Speaker, with answers that Ministers accumulated during the course of Supply consideration.

Mr. Speaker, my question is to the Attorney-General. Could the Attorney-General indicate whether he has received any request for either he or his department to take any action as a result of City of Winnipeg Police decisions or action yesterday?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, no, I have not. I should advise the House that I'm in constant touch with both the employer and the employees concerned in this particular dispute and I will keep the House advised.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, my question is for the Minister of Municipal Affairs. Could the Minister inform the House as to whether application forms for his Main Street Manitoba Program have gone out to the various communities in rural Manitoba?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Yes, thank you, Mr. Speaker. The forms and letter and an application form have gone out to all local governments who would be interested in the program.

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker. To the Minister of Natural Resources: the Premier and his colleagues stopped the sale of agricultural lease Crown lands three weeks after they took office which, incidentally, was not one of their many campaign promises, and they indicated that they were reviewing the program. Can the Minister now indicate when they will again proceed with the popular program of selling agricultural lease Crown lands to farmers?

MR. SPEAKER: The Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, as a matter of public record by the Orders-in-Council that are filed that will indicate, if the honourable member wishes to check, there has been a continuation of sale of Crown lands. There is a review of the criteria in respect to the sale of Crown lands because we were not satisfied that the concern of the previous administration in respect to retention of Crown lands for multi purposes was necessarily focussed correctly. It seemed that there was a very significant increase in the sale of Crown lands and we certainly wanted to examine that and we are continuing our examination. However, there is a continuation of sale of Crown lands both commercial and in respect to agricultural.

MR. A. DRIEDGER: Mr. Speaker, to the same Minister then: is he then indicating that the program was not frozen and that the Minister is still accepting new applications for the sale of agricultural lease Crown lands?

HON. A. MACKLING: What was the question?

MR. A. DRIEDGER: I'll repeat the question. Is the Minister indicating that this program was not frozen and that the Minister is now accepting, on a continuous basis, new applications for the sale of agricultural lease Crown lands?

HON. A. MACKLING: Mr. Speaker, no, I had not indicated that we are encouraging further applications for the sale of Crown lands. We are continuing to process the applications that had already been on file.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Speaker. My question is to the Honourable Minister of Health. In view of the longstanding attempts and efforts being made to amalgamate the City of Winnipeg Ambulance Service with the Fire Department and in view of the apparent breakdown in negotiations, I wonder what efforts his good offices have taken to try and bring these two

groups together to solve their problems.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, at our request, the Manitoba Health Services Commission conducted a study. This was boarded through the City of Winnipeg and it is now a decision to be arrived at, a decision that rests with the City of Winnipeg, the unions, the Fire Department and so on. We have informed the city that we were anxious that something should be done, but we haven't tried to interfere at this time.

MR. D. BLAKE: Yes, there's been considerable funds spent on these studies, Mr. Speaker, and the Minister's department had indicated earlier that there was a breakdown in the service. How long would he feel would be a reasonable length of time before he might take some action to urge those two sides to get together?

HON. L. DESJARDINS: Mr. Speaker, I would welcome a suggestion from the honourable member. I take it that he might be suggesting at this time that the government should interfere, the Provincial Government. If his advice is that we inform the city that we are quite concerned, that has been done repeatedly.

Now let me make it quite clear that the province now or under the former government or the previous government before that, ever since that program has been in place, it has always been the policy of the government of the day not to accept and to feel that they were responsible for the delivery of ambulance services. It is a per capita grant to help the different municipalities to better serve the public in this respect. Now, of course, the Department of Health has a responsibility if we feel the health of Manitobans are suffering and we might have to look at it, but at this time, it is something that rests with the City of Winnipeg. We have made it quite clear to them that we're anxious to have an answer. We have also had certain funds that are waiting to be able to train these people as soon as a decision is made and that's where it is at this time.

MR. D. BLAKE: A final supplementary, Mr. Speaker, I wonder if the Minister could inform the House if he's considering or looking at the possibility of ambulance services being provided as an insured service under The Hospital Services Act.

HON. L. DESJARDINS: This would be a great direction to move, but certainly not at this time with the money being expected from the Federal Government being greatly reduced. This is probably not the year to start this new program.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please. This might be a convenient time to interrupt the proceedings for a moment to direct the attention of honourable members to the gallery where there are 54 students of Grade 5 standing of the Tanners Crossing School under the direction of Mr. Cowan and Mrs. Shorrock. The school is in the constituency of the Honourable Member

for Minnedosa.

There are 21 students of Grade 5 standing from the Pilot Mound School under the direction of Miss Johnson. This school is in the constituency of the Honourable Member for Pembina.

On behalf of all of the members, I welcome you here this afternoon.

The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, a question to the Attorney-General who is apparently "A" rated by some people. —(Interjection)— Mr. Speaker, in the time of the previous administration, it was agreed that with respect to the Land Titles' operation in Manitoba that we would maintain for the description of all Land Titles for rural areas in our province, the traditional system of sections, townships and ranges, in other words, the acreage system, rather than go through the nonsensical process of trying to convert that particular system of measurement to the metric system. Can the Attorney-General give the assurance to the House and to the people of Manitoba that very common sense injunction is still being maintained by his government?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, without acceding to the rather pejorative language of the Leader of the Opposition, certainly there is no intention to change the traditional township, range and section system of ascribing land in rural Manitoba. In fact, as I advised the Member for St. Norbert during Estimates, or someone else in committee during Estimates, there is a considerable sum of money being spent this year, as there has been in previous years for the last few years, in updating the somewhat badly worn out survey in the sense that some of the monuments are worn out particularly in the southern part of the province where there is extensive need, great need, for an updating of the survey. So, rather than phasing it out, we're updating the survey on the traditional basis.

HON. S. LYON: Mr. Speaker, that's most reassuring to know that common-sense rule at least is being followed by the present government. Can the Minister give the further assurance that some of the enthusiasm for the use of the metric measurement for land, that measurement in other respects, for instance, in assessment and so on, the enthusiasts will not be allowed to use the taxpayers' money to involve themselves in that frivolity and that we will continue with the traditional land descriptions with respect to assessment as well?

HON. R. PENNER: The question is so wide ranging, so nebulous, so vague and so incapable of answering that I would be doing both the member and the House a disservice by even attempting.

HON. S. LYON: Mr. Speaker, I apologize for referring to topics that are obviously beyond the knowledge and understanding of the honourable member. Perhaps, I should refer the question to his colleague who I am sure will understand it, the Honourable Minister of Municipal Affairs. Can he give us an assurance that

assessments being processed in Manitoba are processed on the traditional measurement basis; that is, of feet, yards, acres and so on, rather than in the metric system which some of the Civil Service at Ottawa and some of the Civil Service, very few in Manitoba, were wont to impose upon an unwilling public in this province?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

ôê**HON. A. ADAM:** M. le président, je ne peux pas donner cette assurance à ce moment.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, the Minister of Municipal Affairs has just proceeded to demonstrate that he has neither control of either one of the official languages in this country.

I, Mr. Speaker, have a question to the Minister of Agriculture. In view of the answer given by the Minister of Natural Resources somewhat contradictory to some of the comments we heard during the Minister of Agriculture's Estimates, Mr. Speaker, could the Minister of Agriculture clarify the government's policy on the ongoing sale policy of long-term lease agricultural lands to those leaseholders? Is he, Mr. Speaker, changing the policy now, so that it is just those people who are in the present position of requests or have already had their applications in place, are those the only ones that are being sold? Or, Mr. Speaker, is he continuing that policy to accept new applications, as we were in our government time?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, the honourable members know, because this concern was articulated during the course of, not only my colleague, the Minister of Agriculture's Estimates, but also during the course of my Estimates, that there was a legitimate concern on the part of this government for what seemed to be the wholesale sale of vast quantities of Crown land to the point where some applicants were seeking five and six square miles of Crown land in one single application and we had a right and we had a duty to review this.

MR. J. DOWNEY: Mr. Speaker, I will have to ask the same Minister if he is aware that those same large amounts of land were given to those farmers by an NDP Government previous to our term in office? It wasn't us, Mr. Speaker, who gave those parcels of land to those farmers. It was he and his NDP philosophy.

Mr. Speaker, I have a further question to the Minister. Would the Minister of Agriculture, because the Minister of Agriculture for his information, Mr. Speaker, is in charge of agricultural Crown leases, is he carrying on the policy of leasing land on long-term leases and giving the farmers the option of buying that property or prior to 1977, as was our policy, do they have the option of now purchasing that land?

MR. SPEAKER: The Honourable Minister

of Agriculture.

HON. B. URUSKI: Mr. Speaker, the question was quite clearly articulated by the Minister of Natural Resources. We are continuing to follow the policy that they did not change in terms of allowing farmers to have long-term leases of Crown land. That policy was never changed. It was instituted in the 70s, where it was continued, Mr. Speaker. The policy of sales is being reviewed and has been clearly articulated by the Minister of Natural Resources.

There were sales made, Mr. Speaker, when the Minister of Natural Resources indicated that there were four, five and six square miles. There were, in plain English, 20 quarters and close to 30 quarters of land sold to individual operators, Mr. Speaker. Those lands may have been either on long-term or on short-term lease by certain individuals but, Mr. Speaker, that is one of the reasons why we are reviewing that very kind of policy.

One of the reasons as well, so there would not be in fact just a quick rollover of the sale of Crown lands, was to prevent some speculation that may happen in terms of people who wanted to and were able to acquire massive parcels of land.

MR. J. DOWNEY: Mr. Speaker, to the Minister of Agriculture, is he not aware of the fact that the only way that a farmer could purchase the agricultural Crown lands was to have had a long-term lifetime lease on that property prior to June of 1977, that a short-term lease did not give that farmer the option to buy that land? Mr. Speaker, would he clarify for the farm community and tell them if they now have the option to buy land from a long-term lease position that they are now in?

HON. B. URUSKI: Mr. Speaker, the Honourable Member for Arthur just made the very point why there is a review. The date of 1977 was an arbitrary date in terms of the length of time that someone could have leased Crown land. That date was not subject to be moved up in terms of other people who have leased land and may have an opportunity to purchase land as a follow-up, as the years go by. That is one of the very reasons why the review is being conducted, Mr. Speaker, because of some of those policy positions. When a policy decision is made, there will be an announcement made upon the conclusion of the review.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Minister of Agriculture. Is the Minister of Agriculture then contemplating simple extension of the sale program to people who have leased land since 1977, that date being selected, of course, in order to avoid the charge by the Opposition that we were selling land to people that had leased it under our government? Is one of the things he's looking at the possibility of simply extending that date?

HON. B. URUSKI: Mr. Speaker, those kinds of questions will have to be looked at. To tell you as well, Mr.

Speaker, there are a whole host of issues that are involved in terms of whether or not there will be speculation in terms of resale of that Crown land in the way the appraisals were carried out. There's a whole host of areas that have to be looked at, Mr. Speaker, in the policy review.

MR. B. RANSOM: Mr. Speaker, to the Minister of Agriculture, has the Minister of Agriculture placed any limit on the amount of land that can be leased by any one person?

HON. B. URUSKI: Mr. Speaker, the member well knows that the criteria dealing with leasing of land is on the basis of need. That review is made and determined when land is put up for lease. There is an appeal process in place and applicants who feel that they have been not well looked after, they have the opportunity to appeal the decision that was made by the department in terms of the leasing of Crown land.

MR. B. RANSOM: Mr. Speaker, to the Minister of Agriculture, has he placed a limit on the amount of land that might be leased by any one person?

HON. B. URUSKI: Mr. Speaker, the policy that is in place and has been in place is continuing; that land is leased on the basis of needs in terms of the described need of that farmer, those individuals who are leasing the Crown land.

MR. A. RANSOM: Mr. Speaker, I know that it is the Minister's right not to answer a question, but it seems to me to be a rather straightforward simple question. Has the Minister placed a limit on the amount of land that any one person may lease?

HON. B. URUSKI: Mr. Speaker, I will repeat my answer. The criteria that is in place, has been in place and hasn't been changed, is that the leasing of land is determined on the basis of a point system that has been in place and has been put into place on the basis of need. If the Honourable Member for Turtle Mountain can't understand that, because I do not make the decision as to how many parcels of land one individual can have, it goes through the department in terms of the application and it goes through an appeal mechanism in terms of if there is a dispute on whether the land is allocated or not.

MR. B. RANSOM: Since the Minister clearly has not placed a limit on the amount of land that any one farmer may lease, would the Minister agree that a farmer requiring a certain amount of land for a viable operation, requiring, say, four sections of land on a leased basis to have a viable operation, would that farmer still not require the same four sections on an ownership basis?

HON. B. URUSKI: Many of those kinds of determinations, Mr. Speaker, would have to be made on the amount of the land that was available, the degree that the land is developed. There are many questions the member poses that are within his very question, Mr. Speaker. The degree of the development ability of that Crown land, the type of land in question, the use of

that land, all those kinds of questions would have to be examined before a clear answer could be given. If the honourable member has a specific instance that he is talking about, let him raise it, Mr. Speaker.

MR. B. RANSOM: Mr. Speaker, does the Minister of Agriculture believe that private ownership of farmland is the best way for farmers to operate in this province?

HON. B. URUSKI: Mr. Speaker, I wish I would have had the statement that was given to me by the Manitoba Farm Bureau and I will bring it into the House. The Province of Manitoba, the NDP Government of Manitoba, through its policies in agriculture, in Crown land, in retention of the Crow rate, is there to support the family farm and the family farm is an owner-operated type of farming operation, Mr. Speaker. In case the Leader of the Opposition or the Member for Arthur and some of his colleagues who have attempted to put those kinds of remarks out of context in rural news releases, let them forget that, Mr. Speaker, in terms of what our beliefs are and the very low way that they have acted in this Legislature.

MR. B. RANSOM: Mr. Speaker, can the Minister advise the House when he will have completed his review of the policy relating to the sale of Crown lands? In view of the fact that he acknowledges now that private ownership is the preferred way for a family farm to be held, when will he complete that review and be able to confirm to the people that in fact the sale program will continue and be expanded?

HON. B. URUSKI: Mr. Speaker, the honourable member well knows that the decision is not entirely mine. It is a governmental decision and when that decision is made, there will be a public announcement.

As well, Mr. Speaker, the honourable member leaves the impression in his question that all Crown lands are up for sale. They were not up for sale when they were in office. They turned down a good portion and rightly so, Mr. Speaker, and we agree with that, but that is one of the bases that we want to review in terms of how those sales were conducted, which lands were left out of the sale policy, which lands were allowed and many of those other aspects are being reviewed at the present time. When that review is complete, Mr. Speaker, an announcement will be made.

MR. SPEAKER: Order please. The time for question period has expired.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Yes, Mr. Speaker, would you please call Second . . .

MR. SPEAKER: Order please. The Honourable Member for Arthur has a point of order?

MR. J. DOWNEY: On a point of order or a point of privilege, Mr. Speaker, I believe in his answer to the

Member for Turtle Mountain, the Minister of Agriculture referred to the Member for Arthur as putting out a press release in a local paper degrading him — (Interjection)— no, the Member for Arthur. He said "Arthur," Mr. Speaker, that I put out some kind of a press release out and he accused the Opposition, and I felt it was me that he was accusing of degrading or some kind of tactics in this House that were not of a proper conduct. Mr. Speaker, I would ask for an apology from the Minister of Agriculture for those statements and those accusations.

HON. B. URUSKI: Mr. Speaker, to that same point of order, I was speaking to the Member for Turtle Mountain. If I inadvertently used the Member for Arthur, I apologize to him for that, but it was to the Member for Turtle Mountain as well as to the Member for Pembina. Mr. Speaker, I will check the record. He may have been one of them as well, but I will check the record on that.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the Second Readings on Bills No. 38, 39, 40 and 41?

SECOND READINGS - GOVERNMENT BILLS BILL NO. 38 - THE VACATIONS WITH PAY ACT

HON. V. SCHROEDER presented Bill No. 38, an Act to Amend The Vacations with Pay Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. V. SCHROEDER: Mr. Speaker, at the present time, the vacations with pay benefits provided by this Act do not apply to any person employed in domestic service in a private home. In our view, domestic workers, particularly those who are employed on a regular or full-time basis, should be entitled to the same benefits as other employees. For too long, governments have been denying benefits to these workers on the grounds that there were too many administrative and enforcement difficulties involved. We recognize that there may be some difficulties of this nature, but we are also confident that these can be overcome.

Consequently, it is being proposed that the Act be made applicable to domestic workers in private family homes who are employed for more than 24 hours in a week. Domestic workers in family homes who are paid by a member of the family and who work 24 hours or less in a week would continue to be excluded from the application of the Act. However, consideration may be given to including them or some of them at a later date. I consider this to be progressive legislation which takes cognizance of a group or class of workers that has been largely ignored and deprived of the benefits and protections of the law for too long. I therefore commend the bill for approval by

this Assembly.

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

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry, that debate be adjourned.

MOTION presented and carried.

BILL NO. 39 THE DEPARTMENT OF LABOUR ACT

HON. V. SCHROEDER presented Bill No. 39, an Act to amend The Department of Labour Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Labour.

HON. V. SCHROEDER: Mr. Speaker, existing provisions under this Act generally stipulate that a person appointed as an inspector in the Department of Labour is not competent or compellable to give testimony in any civil cause or proceeding with regard to his activities in carrying out his duties. As well, an inspector may not give testimony in a civil proceeding as an expert witness with regard to matters of which he is required to have knowledge for the proper discharge of his duties.

As I view it, the main advantage of or rationale for these provisions is to ensure that inspectors do not spend excessive amounts of time in and around courtrooms in respect of matters relating to civil proceedings and thereby not have sufficient time to effectively and properly discharge their other duties. On a theoretical basis, such a view may have some validity. In practice, however, it is doubtful that excessive periods of time would be spent giving testimony in civil causes and proceedings.

Persons in the Fire Commissioner's Office, who are responsible for investigating the causes of fire, may be required to spend some additional time on civil proceedings, but I can see nothing wrong with this and feel confident in that it can be handled without having a negative effect on the discharge of an inspector's other regular duties. Should experience indicate that considerable periods of time are being devoted to giving testimony in civil proceedings, consideration would of course be given to employing further staff.

With regard to Employment Standards Officers, Boiler Inspectors and other inspectors, there would seldom be reason for them to be called to give testimony in civil causes or proceedings. Consequently, it is being proposed that the provisions in the Act making inspectors noncompellable and noncompetent to give testimony in civil proceedings be repealed. As well, it is a common and desirable practice to exempt public officials from liability in the performance of their official duties. Therefore, it is being proposed that there be a new provision in the Act stipulating that an inspector is not personally liable for any loss or damage suffered by any person by reason of anything done by the inspector in good faith and without negli-

gence in the exercise of his powers and duties.

Lastly, it is being proposed that the definition of the term "inspector" be updated so as to take into account new practices in appointing persons to administer and enforce the laws and regulations for which the department is responsible. At one time, all persons appointed to the inspection staff were clearly appointed as inspectors or as a chief inspector. While many continued to be so appointed, others are now appointed as officers or directors. The main purpose of the amendment is to ensure that these latter appointees are deemed to be inspectors for the purposes of this Act.

In conclusion, the amendments being proposed in this bill should make inspectors more accessible and responsive to the needs of the public and would therefore be in the public interest. Consequently, I commend this bill for the approval of the Assembly.

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

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

BILL NO. 40 THE LABOUR RELATIONS ACT

HON. V. SCHROEDER presented Bill No. 40, The Labour Relations Act, for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Labour.

HON. V. SCHROEDER: Mr. Speaker, I am pleased to introduce Bill No. 40, which is an Act to amend The Labour Relations Act. The amendments proposed in the bill are intended mainly to meet concerns expressed about the frequent failure of parties to conclude a collective agreement following certification, either because of the absence of good faith bargaining or for some other reason. As well, the amendments are aimed at addressing concerns expressed about the absence of provisions in the Act that would establish some degree of stability during the period when negotiations normally take place to renew or revise a collective agreement. Furthermore, questions have been raised about the Manitoba Labour Board not having sufficient remedial powers to deal effectively and adequately with unfair labour practice allegations. The amendments set out in this bill address these general concerns in the following manner.

First, the bill provides for what is commonly referred to as first collective agreement arbitration. The main objective of introducing this concept is to provide a deterrent against practices which prevent an employer and a newly certified bargaining agent from entering into a first collective agreement. These practices may involve failing to bargain in good faith or simply failing to make every reasonable effort to conclude a collective agreement. I would emphasize that the new procedure is not intended to replace free collective

bargaining and will not be used for that purpose. It will be used to address situations where a party fails or refuses to engage in meaningful collective bargaining or where the parties reach an impasse in their negotiations and find that they are unable to take further positive steps to conclude a collective agreement. The new procedure is intended to serve mainly as a deterrent and is expected to be used only as a measure of last resort in the resolution of disputes and impasses in negotiations.

In more specific terms, the amendments stipulate that in cases where a newly certified bargaining agent and an employer fail to conclude a collective agreement within three to six months after the date of certification, either party may request the Minister to refer the matter to the Manitoba Labour Board for settlement. Upon receiving such a request, the Minister will have the matter reviewed or investigated and will have the discretion of referring or not referring the dispute to the Labour Board. It is intended that the Minister will refer to the board only cases where it appears that the parties have not been engaged in good faith bargaining or where the parties have not made every reasonable effort to conclude a collective agreement or where negotiations have broken down and it appears without fault of either party necessarily that the involvement of the Labour Board may be of some assistance. Once the board is directed to inquire into the matter of the negotiations between the parties, the board will also have discretion as to whether or not to impose a first collective agreement.

It may be considered that the board would have three choices. First, it could initially attempt to mediate the dispute and, if successful, it would make the imposition of a collective agreement unnecessary. Second, it could settle the terms and conditions of the first agreement where mediation efforts failed or where, in the circumstances, it considered it advisable to do so. Third, after inquiring into the matter, the board could inform the Minister and the parties that it did not deem it advisable to settle the terms and conditions of the first agreement. This last course of action might be taken where the parties have reached agreement on their own or with the assistance of the Department's Conciliation Services or where the Board was of the view that an agreement would be reached.

In cases where the Minister directs the Board to inquire into a dispute, the Board would have 60 days in which to either settle the first agreement or to advise the Minister and the parties that it does not deem it advisable to impose an agreement. As well, in cases where the Board indicates that it will settle the terms and conditions of a first agreement and a strike or lockout was in progress, the parties would be required to cease the strike or lockout, as the case may be, and the employer would be required to reinstate the employees in their employment.

These provisions appear desirable since the continuation of a work stoppage would be pointless where an agreement was soon to be imposed in any event and since reinstatement would be required after the agreement was settled. It would also appear desirable to establish some criteria and basic procedures for the Board to apply or follow in settling the terms and conditions of a first agreement.

Consequently, the proposed amendments provide

that the Board must accept any terms and conditions agreed to in writing by the parties; that the Board must give the parties an opportunity to make representations; that the Board may take into account the extent to which the parties have bargained in good faith and that the Board may take into account working conditions negotiated in other collective agreements involving employees performing similar work in similar circumstances.

In cases where a collective agreement is settled by the Board, that agreement would remain in force for a period of one year. This would give the parties an opportunity to familiarize themselves with each other and to become accustomed to organizing their working relationships in accordance with the terms of a collective agreement. After the expiry of the one year term, the parties would be on their own and would have to rely on their own efforts to determine the terms and conditions under which they may wish to continue their relationship. I might say that during that one year period, I would expect that the Conciliation Services of the Department would be made freely available to the parties and indeed they would be made available to those parties after the expiry of the first agreement in order to encourage the parties to enter into a second agreement.

Those basically are the proposed provisions relating to the settlement of first collective agreements. It is our hope that the presence of these provisions and the law will serve as an effective deterrent against bad faith bargaining and thereby make the actual use of the provisions an infrequent occurrence. This has been the experience of the other jurisdictions, Quebec, British Columbia and Canada, which currently make use of similar legislation.

Another area of concern relates to the absence of provisions in the Act which clearly require the parties to collective bargaining to negotiate in good faith. Therefore, amendments provide that the parties must do so, not only in cases of negotiations for a first agreement, but also in cases where the parties are negotiating to revise a collective agreement. Other related amendments are intended to clarify and enhance the powers of the Labour Board in adjudicating allegations of bargaining in bad faith.

As is now the case, the Minister will continue to have the authority to refer to the Board a complaint of bad faith bargaining or a failure to make every reasonable effort to conclude a collective agreement. However, proposed amendments will give the Board a broader range of powers and options to exercise in dealing with complaints referred to it. For example, the Board will be clearly in power to issue a Cease and Desist Order or to make a more positive order stipulating what a party must do to rectify a situation. As well, a contravention of the good faith bargaining requirements will be treated as an unfair labour practice and the Board will be empowered to exercise the same powers as it does in unfair labour practice cases.

While on the subject of unfair labour practices, I might also indicate that a further area of change relates to the powers of the Board in dealing with such cases. Concerns have been expressed that the Board has been unable to order appropriate effective remedies in some cases because of its limited powers. We are proposing that provisions relating to the Board's

remedial powers be updated and enhanced. The maximum amount that may be awarded to a person as compensation for an infringement of that person's rights would be increased from \$500 to \$2,000.00. The Board would have the authority to order the payment of such an amount to a union as well as to an employee or to an employer.

Further, the Board would have the power to order the payment of compensation, not only for loss of income resulting from an unfair labour practice, but also for loss of benefits or any other loss such as loss of opportunity. In some cases, income loss represents only a part of the total loss occasioned by an unfair practice, but to date, the Board has only been able to order compensation for loss of income and, to some extent, for infringement of rights. Another provision will authorize the Board to make not only a Cease and Desist Order, but also a more positive order directing what a party must do to rectify a situation.

Finally, a number of proposed amendments are intended to establish a period of stability during the term of an imposed first collective agreement and during the time frame when negotiations are normally proceeding to revise a collective agreement. Therefore, a new provision would stipulate that it would be an unfair labour practice for an employer to unilaterally change or alter terms and conditions of employment during the six months immediately following the termination date of a collective agreement. This prohibition, however, would not apply where a strike or lockout has occurred or where working conditions are changed in accordance with the terms of a newly concluded collective agreement. These provisions, we believe, will discourage the use of tactics to thwart collective bargaining and will allow the parties to concentrate their full efforts on negotiations for a new agreement.

Other changes, also aimed at establishing a period of stability, prohibit certification and decertification applications during the term of a first collective agreement settled by the Board. Without such a restriction, applications of this kind could be made during the seventh, eighth or ninth month during the term of the agreement. In our view, allowing this would be to invite disruption and would be detrimental to fostering improved labour-management relations in what might already be a tense situation. The restrictions would at least allow for a more sufficient period of time for the parties to learn to live with each other under the terms of a collective agreement.

I believe that the changes I have just outlined will improve and make more effective the procedures for administering the Act and will in the long run contribute to more harmonious labour-management relations.

I, therefore, commend this bill for approval by this Assembly.

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

MR. G. MERCIER: Mr. Speaker, before adjourning debate on this bill, I have a question and I wonder if the Minister could explain why there are retroactive provisions in this bill?

MR. SPEAKER: The Honourable Minister of Labour.

HON. V. SCHROEDER: The provisions are set up in such a way that for any disputes currently ongoing, the Act will clearly apply.

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Honourable Member for Turtle Mountain that debate be adjourned.

MOTION presented and carried.

INTRODUCTION OF GUESTS

MR. SPEAKER: May I interrupt the proceedings for just one moment to direct the attention of honourable members to the loge on my left where we have with us the Honourable George MacLeod, who is the Minister of Tourism and Renewable Resources for Saskatchewan.

On behalf of all the members, I welcome you here this afternoon.

SECOND READING - GOVERNMENT BILLS BILL NO. 41 - THE EMPLOYMENT STANDARDS ACT

HON. V. SCHROEDER presented Bill No. 41, an Act to amend The Employment Standards Act, for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. V. SCHROEDER: Thank you, Mr. Speaker. The main purpose of the proposed amendments are to extend the application of the Act and its benefits to persons employed as domestic workers in private family homes, to clarify the application of the provisions in the Act relating to group termination of employment and to enhance the regulation-making powers of the Lieutenant-Governor-in-Council so as to be able to make regulations establishing special or variable standards for classes of employees whose traditional patterns of work do not readily lend themselves to the applicability of the more general standards.

Mr. Speaker, at the present time, Section 35(1) generally requires an employer to give an extended period of notice of termination of employment in cases where he terminates the employment of 50 or more employees employed by him within a particular establishment. The wording used in this section has created some administrative difficulties as well as some interpretive problems for employers and employees, particularly where associated operations are under a common control or direction but geographically separated. Therefore, amendments are being proposed to delete all references to a "particular industrial establishment." This should eliminate any uncertainties created by the present language of the section.

Mr. Speaker, I would like also to indicate that the amendments making the Act applicable to certain domestic workers will become effective November 1, 1982. I might add that there are several other Acts being amended in order to entitle domestic workers to

the protection of all the Acts that other workers in this province are entitled to. Our intent in waiting until November of 1982 is to allow sufficient time for householders who employ domestics to become familiar with the normal duties and responsibilities of an employer. It would allow for time to develop a regulation that would be applicable to domestic workers and to take into account the views and concerns of interested parties in the course of developing that regulation.

In our view, action to extend the benefits of Labour Standards laws to domestic workers is long overdue. These amendments represent a significant step in that direction and I commend them to this Assembly for approval.

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

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Honourable Member for Tuxedo, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, finally, would you call for Second Reading, Bill No. 29?

BILL NO. 29 - THE CIVIL SERVICE SUPERANNUATION ACT

HON. V. SCHROEDER presented Bill No. 29, an Act to amend The Civil Service Superannuation Act, for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. V. SCHROEDER: The latest triennial evaluation of the Civil Service Superannuation Fund was made as at December 31, 1980. It was determined that the fund had an overall surplus of \$7 million. Of that amount, \$3.7 million was generated by higher than expected interest earnings on the portion of the assets set aside to finance pensions currently being paid. Several meetings were held between members of the Employees Liaison Committee and employer representatives and it was agreed by both employee and employer representatives that this \$3.7 million surplus would be used to improve pensions of approximately 3,800 retired public servants.

This bill authorizes the transfer of this surplus into the Pension Adjustment Account over a three-year period making it possible to provide larger pensions to eligible pensioners in 1982, 1983 and 1984. It is anticipated that this will increase pensions by approximately 2 percent to 2.4 percent for each of the three years commencing July 1, 1982.

When the Pension Adjustment Account was established in 1977, the objective was to provide increases in pension of approximately two-thirds of the yearly CPI. This has not been possible in the last few years

because of larger than expected increases in the CPI. These additional pension increases will be paid again in 1982, 1983 and 1984. There will be no additional increases beyond 1984 unless it is decided to allocate additional amounts to the Pension Adjustment Account. This will make it possible to evaluate both the financial condition of the fund after the 1983 evaluation and the need to provide additional increases in pension.

I wish to commend the members of the Employees Liaison Committee for the manner in which they have co-operated with employer representatives in reaching a decision on this improvement for pensioners. I understand that discussions are continuing on matters of mutual concerns and I'm sure that they will do so in the same spirit of co-operation and understanding. I commend this bill to the Assembly.

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

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, there is an agreement to dispense with Private Members' Hour today. I'll be shortly moving that the House resolve itself into Supply. It's my understanding that there will be continuing in the House the consideration of the Estimates of the Minister of Energy and Mines and in Committee the consideration of the Estimates relating to Interest Rate Relief.

It is also my understanding that by agreement, the Estimates of the Executive Council will be considered in Committee this evening. On that basis and by agreement, I would move, seconded by the Minister of Health, 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 and that the House do now adjourn.

MOTION presented.

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I rise on a matter of grievance concerning the condition of some 5,000 to 7,000 Manitoba homeowners who are adversely affected by the fact that they installed urea-formaldehyde foam in their homes and now find themselves in a very difficult economic and medical condition. I want to, in particular, condemn the Federal Government for making two major mistakes; first of all, allowing or approving the installation of this material into some 80,000 homes across Canada and now coming up with a remedial program which doesn't solve the problem.

Mr. Speaker, the Federal Government, I think, is somewhat glib in regard to the question of who is responsible for this tragic state of affairs. They want to argue that they have not approved the installation of such material, but that they simply authorized it. Mr. Speaker, I don't make any distinction. I believe that the Federal Government allowed, encouraged and approved the use of that material in Canadian homes.

The government, some years before, did admirably well when they took some drugs called thalidomide, put them through a whole series of tests and then found that they were drugs that were somewhat dangerous and they banned this particular substance in Canada, whereas the Americans allowed it. In this particular instance, they obviously did no testing and now want to consider this as something for which they are not responsible. Mr. Speaker, I say that Ottawa is responsible for this and is now responsible for providing an acceptable solution to a dilemma that thousands of Manitobans find themselves in and that tens of thousands of Canadians find themselves in.

Mr. Speaker, it may come as a surprise to some members of the Chamber that the new proposed program of the Federal Government does really not call for the removal of these substances. The federal program essentially wants to deal with the substance in place in the walls and cavities of the homes and to do certain things to make it "more acceptable."

Mr. Speaker, this is a matter that I have dealt with before or raised some questions on before. I see the former Minister of Consumer Affairs sitting across the aisle and he will recall some questions on this particular matter. He will recall that during his term in office, and during the term of the Honourable Warner Jorgenson, that this matter was also discussed in this House by myself and other members of the Assembly and that it has been a problem for the government and for the people of Manitoba for a number of years.

Mr. Speaker, I obtained the package that is being sent out by the Federal Government, pamphlets, information, sheets and brochures on how to do this and do that. We know that after allowing the insulation of some 80,000 or more homes, that the government finally acted and banned the substance and then, we also know that under CHIP, they allowed grants to homeowners for the installation of these materials to encourage energy conservation.

One of the ironies now is that whereas they provided funds to install urea-formaldehyde foam, they now do not provide funding to a homeowner to put in some substitute material. So the homeowner finds himself in a situation where he got a grant to put in the wrong material and now when he wants to put in fiberglass or something else, he is not eligible for a so-called second grant. I think this is a mistake and I think this is an area that the Federal Government should look into.

The Federal Government also tells us that these substances can come from other substances like cigarette smoking, and then they give us some rather shocking things that even plywood or particle board can result in some urea-formaldehyde gases and then they try to get off the hook by saying that they authorized some 140 different insulating materials, less than 10 of which were the formaldehyde.

Mr. Speaker, that is their problem. If they authorized

this wide range of materials without testing them, then they are in effect morally and legally responsible for rectifying this situation. They have put people into an impossible situation in regard to their health and in regard to the resale of their homes. Yet, they have the audacity to tell us that they're under no obligation to compensate consumers. That's a quote from one of their pamphlets, but they wish to bring about a satisfactory and timely solution, and then they talk about a \$5,000 grant maximum which they are willing to provide.

Mr. Speaker, Maclean's Magazine did a little follow-up piece on this ongoing saga and it appeared a week or two ago on a page called Follow-up under the heading of, "A Faltering Fight Against Foam Insulation." It mentions, for example, that 15,000 Canadians have requested something called a dosimeter, which is a little plastic tube containing a pellet that measures the level of formaldehyde in the air and if residents obtain medical statements testifying that the foam poses a health hazard, they may qualify for remedial grants. Mr. Speaker, I have seen some of these little dosimeters, as they are apparently called, hanging in homes in my ridings and I want to emphasize that although some people are going along with the government, taking these tests and then are confronted with spending additional monies which are refundable, another \$100, \$125, which they then can go in for a deeper more extensive test. Although there has been this testing and there has been this program since December, not a single person, according to Maclean's, has qualified yet for the promised grants of up to \$5,000.00. So six months has elapsed and several years have elapsed since the problem was recognized, and it looks like it's going to be a couple of years more before there is any real action in this regard.

Mr. Speaker, the problem is, of course, that rather than removing these substances, what they are going to basically recommend is some sort of procedure of reducing or diluting the gases, either through ceiling or ventilation. Now, you know, Mr. Speaker, just think about that. Here is a person sitting in a home with all this formaldehyde insulation in the walls and the government inspectors are going to come out and say, we're going to suggest one of the following to you: we're going to seal it in; we're going to plug all the places where you plug lights into; we're going to look for cracks and so on; we're going to seal this stuff in so that the poison substances and the toxic fumes remain in your walls and don't get into the house. Boy, that's certainly going to allow a person to sleep soundly at night, right? I mean, what are you going to do? You're going to hang up a picture some day, take a nail, you're going to be afraid of banging that into the wall because of the fact that there might be a leak and this substance will start coming back into your home.

Mr. Speaker, on the other hand, they're going to look at systems whereby what? You're going to drill more holes in your wall or in your attic and blow this substance out or hope that it leaks out, or are you going to have your windows open all summer and winter long?

Those are the two solutions proposed by the Federal Government, and in their booklets and their pamphlets, that's what they talk about: proper ventilation and sealing. Last and not least, and they don't like to talk

about this, is they talk about the removal of the substances.

Mr. Speaker, I have spoken to people who live in these homes and I have spoken to people who have joined HUFFI, which is, I guess, the Homeowners Against Urea-formaldehyde Foam Insulations. They tell me and provide the following kinds of information that originally, in '78-'79, for a 1,000-square foot home, which is not a large home, this sort of procedure cost about \$1,000 to \$1,200, whereas fibreglass might have cost about \$600.00. But then people, after they went through this procedure, you'll recall, all these homes had a whole series of circles or holes around it where these plugs were cut in, the material was pumped in and then a plaster or a wooden plug was put in, so that you could easily recognize one of these homes and there are many hundreds still around where people couldn't afford to do a proper patch-up job or a paint-up job, etc. So you have those that are still visible, but many people also went through the procedure of finishing their homes and spent hundreds of dollars, if not thousands, on the exteriors of their homes in addition to what they put and invested into the installation. Some put siding on, some put new stucco on, some simply did a paint job.

So what does it cost to remove this material from a home today? Well, the people in the HUFFI organization suggest that for a one-storey home, it costs between \$6,000 and \$9,500, but for a two-storey home, it can run from \$12,000 to \$20,000.00. Mr. Speaker, there is no guarantee whatsoever that if a person has a two-storey home that they will get a government grant of \$5,000 to pay a portion of the costs, because if the tests show that it's below a certain percentage, then the people may not be eligible for anything or for only a fraction of the full amount.

So, Mr. Speaker, that is the problem: namely, people living there concerned about this problem and also being faced with a plummeting real estate value. These people are really in a bind. People who want to sell their homes are now confronted with the situation of some real estate companies refusing to carry their homes and of many buyers refusing to purchase that particular home, or if they do agree to purchase, it will have to be for a substantially reduced amount. A standard rule of thumb in real estate today is that if you have a home with formaldehyde insulation, you take the market value, then you take the cost of replacing the material, which may run from \$6,000 to \$20,000, you subtract it and that is what the offer is for the owner of that particular home.

Mr. Speaker, that of course is a poor situation, a difficult situation. There are basically three problems here: one is the material problem; this material, which was installed with Federal Government approval, shrinks, cracks, corrodes electrical wiring, etc., harbors fungus and so on. When it shrinks as well, it opens up more cavities in the walls and consequently you have a situation where your house, which may have been theoretically 100 percent insulated, may be 90 or 80 or 70 percent depending on the amount of shrinkage. So there's a basic problem with the material.

There is also the medical problem that some people are adversely affected by the foam. Mr. Speaker, I have had instances of this in my riding. I'm sure that other people in the Chamber have had people in their

riding contact them to say that they believe they are suffering health problems because of the foam. Now, some may say it's psychological. I'm not going to argue against that. I'm not going to argue that in some instances this isn't true, but if you know that you have a substance in the walls of your own home that is toxic and it may cause health problems, this isn't going to give you any peace of mind and if you imagine that you have various ailments as a result of this, that wouldn't be surprising at all.

I'll just give you a couple of examples of what are probably real adverse effects. Now, one I simply read from an advertisement, which might be somewhat suspect, but some lady, presumably a Winnipegger named Mrs. Marion Deane, presumably wrote this letter to Fort Garry Home Improvements and said that she has now installed a new system of ventilation and therefore things are much better. So she's sort of plugging this type of a solution, but here's what she says in her letter. She said, "Last winter and again in the fall of this year, I experienced certain health problems such as heavy headaches, dizziness, extreme exhaustion, itching of the skin and eye irritation. I believe I could actually taste the formaldehyde and had dryness of the mouth and throat." That's what that lady said.

In my riding, I have received a number of phone calls and letters. The one that I'm most familiar with was a Mrs. Wanda Gunderson, and she had a nine-month-old boy and her son has had pneumonia, constant coughing and chest pains, which the mother believes is a result of the foam insulation in the home. She has had her child in the hospital for tests and she has had her home tested and she is also concerned about the fact that she has a home that basically has little value on the real estate market. Mr. Speaker, some couples are threatening to sue and some have initiated legal action. There was a couple in St. James, named Donald and Joanne Lippens and another couple, Stan and Cheryl Marco, who are also initiating legal actions against the Federal Government or the contractor.

Mr. Speaker, I also want to mention that people in Manitoba, in some instances, are sick and tired of waiting around for something to happen, to have these little dosimeters hanging in their house or to have inspectors coming out. They want the stuff out and they are taking it out themselves. The Free Press — (Interjection) — well, my colleague says, it's expensive. It is absolutely expensive to tear out walls, either from the outside or from the inside, to remove the material, to replaster, to rebuild and repaint walls runs into the thousands of dollars, but some people aren't prepared to wait.

The Free Press carried a story just a few days ago about a Kuhn family on Hull Avenue out in, I think, East Kildonan or North Kildonan - well, maybe not. Anyway, this family refused to wait any longer. The wife said that she was having a worsening bronchitis and they spent \$600 in '77 to have the foam blown in. Now, they are spending \$8,000 of their own money to take it out. They are also in a position where, if they don't follow the rules and procedures of the Federal Government's code, they may not be eligible for any money at all. The same goes for any contractor. If a contractor just takes it out and doesn't follow the

guidelines of removal as indicated by the federal program, the homeowner may forfeit any portion or all of the \$5,000 maximum grant. In the case of the Kuhn family, they took out the material wearing pollen masks and, according to the federal people, these pollen masks are not adequate protection for such removal—(Interjection)—no, I never did. I say to the House Leader of the Conservative Party, I never did study biology. History and english, political science, philosophy, economics and I say to my friend from St. Boniface, the Political Science I studied and what is practiced in this Chamber are two different things.

A MEMBER: Well, theory and practice always are.

MR. R. DOERN: So, Mr. Speaker, I want to say in conclusion that the economic problem, which is the value of a home, and the health problem are completely related. They are two sides of the coin and if we solve one, we will solve the other. A solution is very clear and that is to remove the substance. By removing the substance, we will in effect solve the health problem and by removing the substance and solving the health problem, we'll solve the real estate or the economic problem at the same time.

Some of the levels that the government has provided may be suitable on average. Maybe, if you average out 100 people, you get a certain level, but then there are people who are more sensitive. If their level is lower than the other people, then they are not being properly dealt with under this government proposal. People's sensitivity varies. So, when you set an objective standard, you have the problem of individual personal sensitivity and the HUFFI organization and other organizations are complaining about that point. They are also saying that there are language barriers. Some people don't understand all the details and the fine print, that when you test in the summer it is a different ball game because of the fact that windows are open and so on and they are concerned about people disqualifying themselves.

Mr. Speaker, the City of Winnipeg is examining this problem. It is a serious problem for the municipalities and for the City of Winnipeg in particular, because people are going to them and saying, look, the real estate value of my house is \$10,000 or \$20,000 less than it says on this piece of paper. There are now ten cases before the Board of Revision, who are asking to have their homes reassessed. This puts the city in a very difficult spot. If they accept those ten cases, then the thousands of people in the City of Winnipeg who have this material can come to the city and ask for reassessments and the city will lose thousands and thousands and thousands, if not millions, of dollars in taxes.

So, Mr. Speaker, I think that the case has been made by many people. The case is being argued in Ottawa. It's being made by individual citizens, politicians, real estate people, doctors and so on and I think that it is time that the Federal Government owned up to its responsibility and came out with a program that will solve all of these health and economic problems. The Federal Government wants programs to stimulate the economy. Here is such a program.

Well, Mr. Speaker, I can't help it if my honourable friends' backbench are not interested in this problem.

Maybe they are ignorant of the problem. Maybe they don't have anybody in their riding that is familiar with this problem, but I assure you that there are some of us who do and we intend to fight for our constituents.

Mr. Speaker, the Federal Government wants a program to stimulate the economy. They want to stimulate the construction industry. Here is such a program. If they undertake a full-fledged program to take this stuff out and throw it in the garbage where it belongs, it may cost as much as a billion dollars, a program which could be done over a couple of years period. They could train people to do this. They can stimulate the construction industry. They could save some money by buying material in bulk. They can prioritize the homes, train the workers, provide the information and so on.

Mr. Speaker, I just mention, in passing, that the credit institutions of our country and the banks all insist that when mortgages are brought before them at this point in time that the people must sign something which indicates that there is no urea-formaldehyde foam in their homes. That is a condition of getting a mortgage, because if people try to get around that, it will cause serious problems for all concerned. So, it's a CMHC requirement and it's a financing requirement.

Mr. Speaker, I think I have covered the material. I would say in brief conclusion that the Federal Government authorized or approved the installation of this material. Let them now provide the program and the funding to remove it.

MR. DEPUTY SPEAKER, J. Storie: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Speaker. I hadn't intended to speak today, but the Member for Elmwood has stimulated me to put some thoughts on the record, which are a collection of grievances about a variety of different things that have been happening in the House during the current Session, ones that have been stimulated by comments made by members on the other side, primarily I suppose members of the backbench on the other side, not members of the government. As my colleague, the Member for Morris, calls them, the yippers from the backbench.

They, Mr. Deputy Speaker, have shown a rather strange attitude towards the truth and a rather strange attitude towards the procedures of the House and in fact what has gone on over the past number of years that many of us have sat in the House together. In fact, I think that there is a major problem brewing on the other side of the House that occurs in the split between those who are in Cabinet and those who are in the backbench. Those who have the power are certainly not sharing their thoughts and their information with those in the backbench; nor those who have the experience are not sharing with those who are inexperienced and new because certainly I don't think that we would be subjected to the nonsense that is being put across by members of the backbench if some of their front bench members would just share a little co-operatively with them of their information and experience, so that we would avoid having to listen to all of the nonsense that goes on.

It is getting to be a little ridiculous when members of the backbench on the other side have to get up on

grievances to tell their government that there is something wrong. The Member for Elmwood is only the second or third of a number of backbenchers on the other side who have used the grievance period or the grievance opportunity to get up and elaborate on issues that they should be discussing in Caucus, that they should be getting some action from within their own party, but obviously there is a caste system developing within the New Democratic Government and I am really concerned about it.

It appears to me, Mr. Deputy Speaker, that members on the other side who are in the backbench are just patted on the head and asked to just step aside and let the boys with the power and the girls with the power take the lead role and just stay in the background and maybe heckle a bit as time goes on. They are being treated like the proverbial mushroom, being kept in the dark and fed fertilizer and asked to stand up and vote when the House Leader says it's time, like cannon fodder brought in for numbers but certainly not for any effect or any responsible action or any intellect. That is a shocking situation from a government and a party that preaches equality and says to people that this is a shared responsibility. I am really quite frankly upset about the whole situation.

You have the Member for Elmwood getting up today and lamenting the situation that exists and rightfully so. I think it is a very sad situation that we have been put into in this province and in this country over urea-formaldehyde foam insulation. The member says, we haven't spoken on it. Obviously, his attendance is somewhat lacking because he wasn't here when I questioned his Minister a number of times on what he was doing about the situation. The fact of the matter is we are upset about it too because his Minister is doing nothing. He's making pronouncements to the effect that, well, it's a federal problem.

I want to tell that Minister what we did when we were in government. We went after the Federal Government and the Federal Government wasn't prepared to do one single thing. At a Federal-Provincial Conference last August, and I will send the Minister the minutes from the meeting because they may be instructive to him into how to deal with the Federal Government, at a Federal-Provincial Meeting, we told the Federal Minister of Consumer and Corporate Affairs that this was the biggest single problem that he ought to be dealing with in his department today. We spoke to him and told him that if he didn't deal with this problem, it was going to be of magnitudes and proportions that he wasn't going to be prepared to deal with if he didn't take a look at it and sit up and take notice right then. He came to that meeting, the Federal Minister, not prepared to do a thing. Between the urgings of several provinces, led I might indicate by Quebec and ourselves primarily, we left that meeting with a commitment on the part of the Federal Minister that he would consider compensation, that he would bring in compensation for those homeowners who had been adversely affected by the installation of urea-formaldehyde foam.

They brought in a compensation plan and it didn't turn out to be adequate. What is this Minister who is now in charge, who is now taking over doing? He is sitting back and promoting good federal-provincial relations, co-operative federalism, which means being

the doormat for the Federal Minister, sitting back and letting him steamroller over top of him and doing nothing, absolutely nothing. He sits back and he does nothing to tell the Federal Minister that the compensation that has been offered is inadequate, that the solutions that have been offered are absolute nonsense and they won't help the people who are affected by the problem, that there are thousands of Manitobans sitting out there with homes that they can't mortgage, that they can't sell. These are their life's major investments that they can't do anything with and his Minister of Consumer and Corporate Affairs is sitting back and saying, well, we have got a wonderful relationship with the Federal Government. This cooperative federalism is just marvelous, isn't it? You know, I'm pleased that the Member for Elmwood has gotten up and identified the problem. I wish he would identify it in Caucus so that he could get his Minister to speak out and do something for Manitoba homeowners, instead of having to do it under this forum and under these circumstances in the House, which I think is shameful. Obviously, it's indicative of the breakdown in relations that's occurring between the Front Bench and the backbench on the other side.

Mr. Speaker, that is only one of a wide variety and number of issues that are of major concern, that are a problem with the other side. For instance, members on the other side, most of the new members, who have been saying that they are shocked by the manner in which the Opposition is dealing with things. They're saying that the Opposition is negative; they're saying that the Opposition is overly critical; that the Opposition is unreasonable because of the demands we're placing on the government and they're saying, "Isn't this terrible." All of us new backbenchers are sitting here and we're wanting to see good positive government, and all you people can do is criticize.

I think that just shows the lack of training and the lack of education they've had from their own veterans on the other side because, obviously, they haven't been instructed to do the No. 1 thing that they should, and that is read a little bit of Hansard as to what went on in the last four years. When I spoke on the Budget, I gave them a few examples of some of the atrocious behaviour that existed on the other side when their Party was in Opposition, of the negative doom and gloom, critical Opposition that they were, nothing positive, nothing constructive for four years. Now, their new members are saying to us, "Why can't you do something positive? Why can't you say something that's constructive, and instructive?" Well, I tell you, they haven't learned. I want to tell you, we've got a long way to go to catch up to the negative, critical aspect of opposition that your party had in Opposition.

I think it would be very instructive if some of the veterans were to take them aside and just clip out some of Hansard of the Member for Transcona, some of his tirades about the state of health care; how he used to talk about whether or not an ambulance should have taken some unfortunate person who was killed as a result of an accident; whether or not that ambulance driver handled the situation in the proper way; holding the Minister of Health responsible for the manner in which the driver of the ambulance responded to a certain situation; trucking out handicapped persons into a press conference to tell their

story of what he said was a poor service being offered by the Department of Community Services - crass political actions that I don't think anybody on this side would ever stoop to, but they used in Opposition. They brought out people who were disadvantaged, who were handicapped and they used them. They used them just to further their own political goals. Now, that's the kind of positive opposition that your party gave us in Opposition. I want to tell you about that.

I think now, in terms of what's happening on the Shoal Lake issue, the issue of the development of 300 cottage lots on Shoal Lake, which happens to be the source of Winnipeg's water supply. They come out and say, after we've questioned the Minister as to what he's doing about it, if anything, and the Minister says that they are considering making a presentation to the Federal Environmental Assessment and Review Agencies stand on the matter. He says, they are considering making a presentation. Well, I can tell him that his department have been informed about this matter and were working on and have the technical data and the position ready to be presented to this Environmental Assessment and Review Agency for a year now and have been waiting for that Assessment Review Agency to have its public hearings. If that Minister doesn't allow them to make their views known, their very serious concerns known, about what such a cottage lot development with 300 uncontrolled private sewage disposal systems and all sorts of other things that will for all time in future ruin the water supply of the City of Winnipeg, if he doesn't allow them to make that presentation, he hasn't heard criticism yet. I can tell him that.

Furthermore, Mr. Speaker, we have the Minister of the Environment say he is not aware of the proposal to have a sewage lagoon located on the shores of Shoal Lake adjacent to the City of Winnipeg's intake for water supply. He says he's not aware of it. Well, I want to tell him that there were two grievances in the last Session about whether or not the Minister of the Environment was giving enough care and concern and attention to what was going on at Shoal Lake. Two grievances, but now they are not sure they want to do anything because they may be harming some of their political supporters by doing it. That's one of the problems that we have.

I know that the Minister of Environment has met at least twice with the Chief of the Indian Band in that particular area, but he's not willing to stand up and tell that Indian Band that what they will do will be to ruin the City of Winnipeg's water supply if they proceed with any aspects of their proposed development. He is not willing to say it publicly. He is sitting back and sitting on the issue and I tell you, Mr. Speaker, that's what I call lack of good government. I tell you that's it's the job of this Opposition to insure that somebody is aware of the risks that will accrue to the City of Winnipeg's water supply if nothing is done about it.

I want to go a little further. We had the Member for Inkster, the other day in committee, give us a tirade about what happened at the Bluebird Lodge in his constituency. So I got a hold of a front page press clipping of some of the statements that he made while he was running for the constituency of Inkster last year and as a candidate was going door to door on the

Bluebird Lodge. Some of the things that he was doing, I say that they were less than responsible, Mr. Speaker, and I'll tell you why. He was quoted on the front page of the newspaper as saying that the rent had been raised beyond the agreed-upon 25 percent of income in that particular building, the Bluebird Lodge. He was saying that the people there had been given an increase that amounted to something like 69 percent of the increase that they had received in their OAS and GIS payment.

Of course, what he didn't say, Mr. Speaker, was that the rents are adjusted only once a year, that the people who are on OAS and GIS, which is the federal pension scheme, get their increases quarterly. So, they had received four increases before they got their first increase in their rent and that increase in their rent was indeed in accordance with the Federal-Provincial Agreement between CMHC and MHRC that called for their rents to be limited to 25 percent of their income, an agreement that had been developed by the former New Democratic Government, that was merely carried out by our government. Despite the following through of the guidelines and the procedures under that agreement, that the senior citizens who were in that Bluebird Lodge, even after they paid what he called an unreasonable, unconscionable increase, even after that, they were left with an increase in disposable income of almost 40 percent.

Now, he then proceeded in committee the other day to once again resurrect that old bone and to tell people that the increases over a few years of New Democratic Government had only been X percent, but that over four years of Conservative Government, it had been a fantastic increase. What he didn't say was, that's because their increase in pension income, through the very large increase, thank heavens, of the OAS and GIS that they have been given over the past four years meant that they were now able to pay more in rent. Is that an unreasonable thing? What he didn't tell them, as well, was that these people are still being subsidized well over \$100 a month for their rent by virtue of this agreement. They are getting their rent at a subsidized rate and they are benefiting as a result of it, but he will do anything for crass political purposes. I will assume he is not ignorant of the fact. I will assume that he is not in a position to do this for anything other than just taking cheap shots at the former government.

I can understand why that Member for Inkster was no longer in the employ of the Department of Finance, because if that is the way he used figures when he was a member of the Civil Service, then that's not any person that I am sure any of us would like to have in the Civil Service developing and utilizing figures for the benefit of us in government.

Mr. Speaker, I suggest that the Member for Inkster, when he was campaigning and now, continues to attempt to trade on the fears of the senior citizens and elderly that he represents, promoting a misunderstanding of the formula that exists whereby their rent is fairly calculated, whereby they are asked only to pay a very certain percentage of their income and as that income goes up, they pay a little more and they want to pay a little more I am sure because they want to pay their fair share. They don't want to be on a handout line, but this Member for Inkster promotes misunderstanding amongst the elderly people and a

lot of uncertainty and, because he plays dangerously with the truth, I think he promotes a distrust of the whole relationship that exists between them and their landlord which is the provincially run Housing and Renewal Corporation. I think that is less than a responsible action. I want to know, Mr. Speaker, if he is going to be changing that formula so that the Provincial Government pays more of the cost of that housing, so that those peoples' income limitations are taken down and that less of their disposable income has to go to that. He has the power now. I want to caution him though, if he does that, if he wanted to pay more from the provincial coffers that the Federal Government would probably negate the agreement. Probably we would find that the overall cost to the taxpayer would be considerably up, not just a little up, but considerably up in the millions of dollars. But there were responsible people who negotiated that original agreement - thank heavens, he had nothing to do with it - and there have been responsible people who have carried out that agreement ever since.

Mr. Speaker, I want to go to the other area that we have discussed in committee recently about the total lack of information that appears to exist in the government with respect to their Mortgage Interest Relief Program as it affects small businesses in this province. We found out in committee just Tuesday that they really had no idea of the differences amongst businesses with respect to their need for borrowing money and, in fact, they used arbitrary figure of 350,000 gross income per year to rule out for assistance any numbers of small businesses who, by virtue of the fact that their business is in the retail or wholesale sector, have to have money available to them to carry inventory. That is the prime purpose why anybody needs to have major bank financing today, is to carry inventory, and that entire sector has been ruled out because of some ridiculous yardstick that has been taken out of a computer summary of tax returns for this province. That's all that was behind the whole move for assistance.

So now we find that small service enterprises which really shouldn't have much of a bank loan, because they don't carry any inventory, their whole operation consists of the services that their staff provide to the public. Those people are eligible for mortgage interest relief when they really don't have a strong need for carrying bank loans and all of the various people who do have a strong need for bank loans can't qualify under the program.

I think, Mr. Speaker, that this is vivid demonstration of this government's total lack of understanding of the business community, particularly of the small business community, who they acknowledge employ some 70-80 percent of the people in this province who are employed within the private sector are in small businesses, and yet, they don't understand them. They don't understand what their businesses are all about and they don't understand why they need help. They accept the pleadings and the information that is given to them that there is a need for help. They read the lists of the businesses that are going into receivership and they acknowledge that there is a need to do something, but they have no idea what to do. I think that this is just one of a whole series of demonstrations that we have had from this government of its

total lack of understanding of what is going on.

The Minister of Consumer and Corporate Affairs, in discussing his Rent Control Bill and in response to the criticisms that were laid at his doorstep by the Homebuilders' Association when they said that by putting a four-year limitation on the period under which a new building would be out of rent controls, said, well, it's my understanding that it only takes four years for them to rent up, but it is not just the rent up period that is at question, Mr. Speaker. It is the total period of time whereby the income finally exceeds the output in investment and if they only allow them to get to a break-even point at the end of their four year rent, then they clamp the controls on, then they will never get any return out of that investment. That is what the Minister doesn't understand, that they will never get a return if he allows them to have the first four years for rent up. When they lose money for the first four years and then the very year that they hit break even, he clamps them under controls, they will never get a return on their investment. That is what is concerning those developers, but he doesn't even understand that.

So, Mr. Speaker, I am not at all convinced that this government has any handle on all the problems that are occurring today under its jurisdiction and the fact that at least two of its backbench members have had to stand up on grievances in the past few weeks and tell the government that they felt there was a problem afoot and that there were many things that had to be changed or else the whole province would be in difficulty before long. More difficulty than they have already put it, is very very strong evidence that even within their own Caucus, there isn't any agreement or understanding that there is a problem. If there were any agreement or understanding, they certainly aren't capable of dealing with the problems that face them.

Thank you, Mr. Speaker.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Energy and Mines.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - EMERGENCY INTEREST RATE RELIEF

MR. CHAIRMAN, H. Harapiak: We'll call the Committee to order. We are on Interest Rate Relief on Page 116.

The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. I have some questions for the Minister of Agriculture. How many applications has the Minister indicated were approved already under the agricultural portion of the Interest Rate Relief Program?

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: I'll just get those figures, Mr. Chairman, I believe it's 102.

MR. D. ORCHARD: Mr. Chairman, the Minister also gave two figures the other day; one was a \$600,000 payout; the other was a \$1 million payout. Which is the figure that we assume will be the uptake of this program over the two-year period?

HON. B. URUSKI: Let me make sure that I understand the honourable member's question. The honourable member is saying the uptake of this program over the next two years?

MR. D. ORCHARD: What I am wanting to know is how you got \$600,000 in one instance and \$1 million in another instance, because you gave us both figures on Monday, I guess it was.

HON. B. URUSKI: I'm not sure, Mr. Chairman, that the honourable member now is speaking of two figures. I indicated that the total projected value of the three components, the farm program, the business program and the housing program on the basis of the present commitments made by the approved clients if they stay on that program for the full two-year period, the takeup at present is \$1.75 million. That is the figure that we gave to this Committee.

MR. D. ORCHARD: That's for the three programs, and Hansard will either correct me or correct the Minister, but the Minister mentioned at one point in time that there was an uptake expected of \$600,000 and then, at a later time, he gave a figure of \$1 million and that was for the agricultural portion of the program only. Is the Minister saying neither of those figures are correct?

HON. B. URUSKI: No. Mr. Chairman, of the 102 approvals on the agricultural portion of the program, the projected financial assistance commitments over the 24-month period, if the clients stay in the program, of the 102 approvals the commitments would be in excess of \$1 million. The other two components would be the remaining \$.75 million.

MR. D. ORCHARD: Okay. We have got 102 applications over a 24-month period being over \$1 million. Is this what the Minister is indicating?

HON. B. URUSKI: That is correct.

MR. D. ORCHARD: Then, of the 102 applications that are approved, are all of them at the maximum assistance, i.e., \$3,000 grant, \$3,000 loan?

HON. B. URUSKI: Mr. Chairman, I would have to get the exact details, but I believe most of them are at or near the maximum. I would have to get those details and the staff are not here at the present time.

MR. D. ORCHARD: Then I would be willing to wait or have this information come at a later date. What I would like to know since the Minister's press release has indicated that this is not merely a program which delays eventual loss of the business or farm and that these loans are made only where there's a chance that the loan will prevent failure, I would like to have the Minister provide me with the names of the successful

applicants, the value of assistance provided to them and then we can ask the Minister two years from now as to whether those people are still in business and see whether his judgment has been wise and sagacious.

HON. B. URUSKI: Mr. Chairman, I'd be pleased to provide the details with respect to the amount of assistance and the type of farming operations that were involved. In terms of supplying the names of people under the program, because of the nature of the financial information that is provided, I would have to take that under advisement and come back to the honourable member.

MR. D. ORCHARD: Mr. Chairman, I'm not asking for the detailed financial information that the individual producer is supplying MACC in the application form. I'm simply asking the Minister, under the 102 applications, to indicate to us who the person is and the amount of the assistance provided to that person. I don't want any other details of the persons financial situation. All I want is the person's name and to whom the assistance is being provided and the value of that assistance.

HON. B. URUSKI: Mr. Chairman, I will take that question under advisement from the honourable member.

MR. D. ORCHARD: Well, Mr. Chairman, what is the nature of the advisement? We are talking about a program which is in the Estimates of the Province of Manitoba. It is the money of the people of Manitoba that is being used to assist these operations. It is the same thing as providing grants to different businesses for infrastructure, or for any other program. This is a government program funded by the taxpayers and I can't see the Minister's hesitancy in providing us with who receives the assistance, how much the assistance is. We're not asking for the detailed financial background of that individual farm or business. All we want to know is who received that money and how much it was, because part of the program - and I will quote directly from what the Minister says in here - he says that "these farmer applicants must demonstrate that they are in serious financial difficulty and that the assistance would measurably improve the situations, not merely forestall bankruptcy, or foreclosure brought on by causes other than high interest rates." So it's in the Minister's own press release, the parameters under which he is giving the people this money. We want to make sure that these people are indeed part of the farm community two years from now.

HON. S. URUSKI: Mr. Chairman, that's precisely the point that I am hesitant on in terms of revealing information of clients' names in terms of their future possibilities of either getting additional financing or the like, may be and might be put into jeopardy by those very comments that the honourable member is indicating in terms of revealing persons' names, Mr. Chairman, because if that is allowed to happen with respect to homeowners, respect to farmers, or business people, I venture to say that could place into jeopardy the operations of those people. —(Interjection)—

Well, Mr. Chairman, the honourable member talks about MACC. The only time that anything was ever revealed was when the members started raising individual claim files on the floor of the Legislature, and it was members of the Conservative Party that started that kind of nonsense with respect to MACC, of asking for individual files of MACC loans. I don't believe it was members of the New Democratic Party who were prone to start asking questions with respect to individual files.

MR. D. ORCHARD: Mr. Chairman, you know, the Minister hasn't offered one clear reason as to why the taxpayers of Manitoba and, indeed, members of this Legislature, who are responsible for the prudent expenditure of taxes raised by income tax, sales tax, the payroll tax, the new taxes that this government has brought on. There is no reason that we should not be able to have information which would allow us to judge the effectiveness of this program in preventing foreclosures because, you know, on this side of the House we believe this program is quite inadequate and by the Minister refusing - no, I shouldn't say refusing, he's going to take it under advisement, he hasn't refused to provide the names and the amount of assistance per individual - but if the Minister wouldn't provide us, as members of the Legislature, with the names of people who have received assistance so that we can have an ability to monitor the effectiveness of this program, then where is the openness that this government has promised us? These are taxpayer dollars that are being spent to assist Manitobans in a program developed by this government. We have every right to know who receives assistance under this program.

HON. B. URUSKI: Mr. Chairman, let's take the honourable member's argument the way he is putting it. Is the member suggesting that anyone who receives social allowances in the Province of Manitoba, their names should be put on the record because I believe, in terms of assistance —(Interjection)— Mr. Chairman, they are not on the record, their records are kept confidential. Unless the individual allows even an MLA to investigate a complaint or a claim file, that name and the details will not be released even to members of the Legislature by the department, unless he has authorization of the person involved. The same kind of information is kept confidential with respect to one's income tax matters, that no one can get access to those files unless the authority of that individual is kept there. What the member is suggesting, in terms of his argument, that we want to check the effectiveness.

Mr. Chairman, what he in effect is suggesting, that really to check the effectiveness we have to be able to see the financial statements of those individuals and the troubles that they were in . . .

MR. D. ORCHARD: No, you are not telling the truth there.

MR. B. URUSKI: Well, Mr. Chairman, let me finish, the honourable member doesn't want to wait. Mr. Chairman, details with respect to the types of clientele, the income category and all that kind of information can be provided readily to the honourable members, but in terms of specific names that the honourable member

suggests, I indicated I will take that under advisement.

With respect to regions, I think even regions can be provided in terms of where the assistance has gone in terms of regions of the province as handled by MACC, but the information in terms of financial information that MACC has on the clients and the department, is always, and has always been kept confidential, unless there's some member who wishes to start raising the details of a particular file on the floor, publicly, of the Legislature.

MR. D. ORCHARD: Mr. Chairman, I reiterate what I'm asking for. I'm not asking - and I stress this - I'm not asking to see the detailed financial information that's been provided by these people. In no way am I requesting that. I would like to have the names of the successful applicants and how much they have received in assistance and that is not delving into their personal affairs and the Minister's analogy to the welfare system is just not a proper one. This is not a welfare program; this is an Interest Rate Relief Program designed to assist businesses who are in difficulty because of high interest rates and high interest rates only. It is not a welfare program. There is no correlation.

HON. B. URUSKI: Mr. Chairman, what the member is indicating, is when you talk about assistance, no matter what label you put on it, it is still assistance. Welfare is assistance. Mr. Chairman, it is not a dirty word or a dirty connotation. It is assistance. Whether it is a grant under DREE in terms of assistance, it is still assistance.

Mr. Chairman, when one starts pointing fingers in terms of people who are in financial difficulty and starts laying those facts on the table in terms of who they are who are having financial difficulty, can the Honourable Member for Pembina not realize what can happen in terms of their future possibilities for credit and the like? Is he not aware of what might happen in terms of the future financial requirements of those individuals, where he would be placing these people if all those names were put on the table in terms of the homeowners, in terms of the businessmen? Because certainly, Mr. Chairman, if one was to make the argument that the farm program should be released in terms of the clientele, one really couldn't then say that you shouldn't be able to release the information on any other segment of the program, or is he making some distinction? I am not sure that he is and I would like to have his views on it, as to how he sees that kind of information being in terms of the specifics of individuals who are applying and receiving assistance.

The criteria in terms of the sales, the regional statistics and the numbers of applications certainly can be provided but I indicated to the honourable member I want to take that question under advisement. But I would like some clarification from him with respect to the other two categories, as to whether he feels that all the information on every file should be made public.

MR. D. ORCHARD: Mr. Chairman, a portion of this assistance is in the form of a loan from the government, interest free for a two-year period, is it not? Well, it is. The Minister has to confirm that. Can the Minister, if he can't provide us with the value of the

grant per individual, give us the information as to what individuals have taken out interest-free loans with the government and the value of those loans, the individual's name, plus the value of the loan. Since the loan is to be repaid by the citizen who took it out, the loan information should be available.

HON. B. URUSKI: Mr. Chairman, is the member suggesting that all the MACC files should be tabled in the Legislature as to who the clients are? Is that what he's suggesting?

MR. D. ORCHARD: No, I am not suggesting that, Mr. Chairman. I'm suggesting that we have a program here that is an Interest Rate Relief Program. A portion of it involves taxpayer money to provide assistance to certain farms and businessmen throughout the province. We would like to know who is receiving how much assistance and then we can determine whether the Minister's program is working, because we have individuals in each and every one of our constituencies that are in financial difficulty, maybe no different than the person who is receiving assistance, and we would like to be able to properly critique this program and provide this Minister and the Minister of Economic Development with ways in which they can improve and better this program. That's all we are asking. Without the knowledge that I am requesting, we have a great deal of difficulty in doing that.

HON. B. URUSKI: Mr. Chairman, one of the areas in terms of critiquing, I would like to have some suggestions from the honourable members as to whether or not we should expand the program and the like. I've given them some of my thoughts on it and where they're open on it but, Mr. Chairman, the honourable member well knows that this program is audited in terms of whether or not it is meeting the criteria that has been established by the Provincial Auditor who is, in fact, not a servant of the government, is a servant of this Legislature, and he will be dealing with, as he does with most programs, in terms of auditing and raising questions and concerns, if he has any, in terms of the way the program has been administered in line with the guidelines that have been established. So that kind of information will be made public.

Mr. Chairman, when one starts putting people's names on the line in terms of those in financial difficulty, let's take it, even to a farm, but even to a small business who may be in the retail field. Mr. Chairman, once that kind of information is made public that this business is in —(Interjection)— Well, Mr. Chairman, then the honourable members, if they are so sure of their position they really don't need the information that they are requesting; if they are so sure of their position that this plan won't help anyone, those that go on the program, they really don't need that information, they have already prejudged it, as the Honourable Member for Morris is suggesting, that this program won't help. Now at least I know —(Interjection)— Well, this program won't do it he says, which means, if one can translate it, it won't do it, it won't help.

I mean the honourable member will have his chance to indicate what he really means but when one says, it won't help, obviously they have already prejudged

this entire program and to then put names of individuals out in the open, in terms of saying, here are the ones that are all in difficulty, and here are the ones that you may or may not give credit to, and here is the reason of who is getting the assistance. Mr. Chairman, I believe that would be certainly, at this point in time, from my perspective, certainly would be ill-conceived in terms of putting people's names on the line.

MR. D. ORCHARD: Mr. Chairman, I will let you take that under advisement and you'll come back with a decision on that?

Could the Minister provide some additional information, and I realize his staff isn't here so he can't give it to me today, but I would like to know, from the 102 applications to date, what the minimum assistance is and what the maximum assistance is? I'd like to also know, whilst he's providing that information, what the minimum and maximum debt load of the successful applicants are, and I'd like to know what the minimum and maximum sales are of the successful applicants? In other words, they've got to be less than \$70,000 gross farm sales. I'd like to know what the minimum range is and what the maximum range is, and if the Minister wants to, while he's taking that . . .

HON. B. URUSKI: The maximum is 70. Out of the three years there may be some year that they may have been above, in terms of the sales, but in that average range, the member knows that.

MR. D. ORCHARD: Yes, but, Mr. Chairman, I want to know the minimum sales which have qualified? The minimum and maximum debts are extremely important. So that if the Minister can provide that and if he could choose a couple of examples of minimum assistance.

HON. B. URUSKI: Mr. Chairman, to advise the honourable member, practically all the applications - but I will check that - are at or near the maximum.

MR. CHAIRMAN: I would like to ask the members once again to wait until they are recognized, because it is being taped.

The Member for Pembina.

MR. D. ORCHARD: Then, the minimum and maximum debt load is the next thing and the Minister can get that and the minimum sales; we know what the maximum sales for qualifying is. If the Minister could pull the person's file without a name on it while he's got it under advisement and have the person with the minimum sales pull his minimum sales, what his debt load is and what his assistance is, so we can get the lowest criterion that has been pulled together to give a person unidentified assistance. I would appreciate that.

Now, another question I'd like the Minister to ask is, how are the loans secured, by MACC or the government? The loan portion of the assistance, how is it secured?

HON. B. URUSKI: Mr. Chairman, I will make sure I check that out, but I believe it is in the normal fashion that MACC secures its loans. If it's a financial institu-

tion, the financial institution has to make sure that its loans are secured, if it's a financial institution that is providing the funds.

MR. D. ORCHARD: Can the Minister refresh my memory? What is the normal method of security used by MACC?

HON. B. URUSKI: Mr. Chairman, I will have to get that information for him to be exact.

MR. D. ORCHARD: Good. Whilst the Minister is collecting that information, could he provide as well - I want the information of how the loan portion is secured through the agricultural or farm interest rate relief assistance. I would like to also know how the loan portion of assistance to business is likewise secured by the government. He can provide me with both of those.

HON. B. URUSKI: We'll get that information for you.

MR. D. ORCHARD: The Minister indicates in his guidelines that one, to qualify as a farmer, cannot have additional farm income. Does this mean that no farmer out there, who holds a second job, who has off-farm income, can qualify for interest rate relief?

HON. B. URUSKI: Mr. Chairman, provided it is clear that the primary occupation of those people is farming, there would be no difficulty. That would have to be reviewed on each application by the board.

MR. D. ORCHARD: Okay. Now, we've got maximum farm sales of \$70,000.00. We have criticized this program quite legitimately in saying that \$70,000 today, even though it touches some 70 percent of the "farmers," and I put farmers in quotation marks, because of lot of those 70 percent that are under \$70,000 farm sales have significant off-farm incomes. That's the only reason why they're on a farm is that they have significant off-farm income. We have said two things.

First of all, that \$70,000 is too low to assist some of the young farmers who have started up in the last 5 to 10 years to provide any assistance to them. Can the Minister be more specific? If a person has a \$50,000 farm income and he happens to earn \$6,000 driving a school bus, does that eliminate him from interest rate relief assistance?

HON. B. URUSKI: Could the member repeat that again?

MR. D. ORCHARD: A farmer has \$50,000 of gross farm income. He drives a school bus, and I'm informed by my colleague, the MLA for Morris, that a school bus driver earns \$10,000 per year, does that farmer earning \$50,000 off his farm and \$10,000 driving a school bus, is he eliminated from any assistance in this program?

HON. B. URUSKI: No, he shouldn't be.

MR. D. ORCHARD: Then we have a farmer who earns \$50,000 in gross farm sales and works in the foundry

at Winkler and earns \$18,000 a year; would he be excluded from this farm Interest Rate Relief Program?

HON. B. URUSKI: In terms of applying, no one would be excluded from applying. That would be only one of the criteria that would be applied in terms of this program; that is just one of the criteria that is applied. It should not be strictly on - and I'm using the honourable member's use of gross income versus off-farm income - he should not be but that is only one of the criteria that is looked at.

MR. D. ORCHARD: You see, Mr. Chairman, this is why we have a great deal of trouble trying to ferret out just who this program is going to help because in one instance the Minister has indicated that it's going to help a school bus driver who has \$50,000 farm sales, but maybe not a person who has a nighttime job at the foundry in Winkler at \$18,000; he may be excluded. Where are the criteria that the Minister uses and where are the criteria that MACC uses to determine what is sufficient off-farm income to disallow a farmer with gross sales less than \$70,000 from applying and successfully receiving interest rate relief?

I don't care whether the man can apply. I want to know how he can be successful - and I am only talking of people who will be successfully applying for this program - how much income can they make off-farm and still successfully qualify for interest rate relief?

HON. B. URUSKI: Mr. Chairman, of the numbers, and I think it's 22 that have been rejected or 19 have been, 5 of those that have been rejected were rejected on the basis that their principal occupation was not farming.

MR. D. ORCHARD: How was that determined, Mr. Chairman?

HON. B. URUSKI: Mr. Chairman, we will have to get those applications. Who established that, Mr. Chairman?

MR. CHAIRMAN: Order. I believe the Member for Pembina has the floor at this time. He is the one who's asking the questions and if the Member for Minnedosa wants to ask a question, maybe he could put his name on the list.

The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, let me go through the list. Of those that were declined, 2 had a positive cash flow before they applied for the program; an additional 5 had operating credit available to them so that they were not in immediate dire straits; there were 6 determined that the operation was not viable that, even with this assistance, it would not assist them; and an additional 4 that had equity in their operation of more than 80 percent, in terms of equity in their operation.

In terms of who established it, Mr. Chairman, the application goes through the Ag Rep and the financial people in the regions, goes through the credit lending agent, through MACC in the region, and then is forwarded on to MACC for approval. That is the process that it goes through.

MR. D. ORCHARD: Well, then, whilst the Minister is providing all this other information that he doesn't have today, could he also indicate to us the criterion under which the determination is made that a given level of income off-farm disallows a person's application. I'd like to know how it is determined, what kind of values you're looking at, the income levels you are looking at that disallow a person.

Could the Minister go through a small calculation with me? Let's take a farmer who has got himself under the \$70,000 sales, and let's say that he is paying 18 percent interest at the bank, and he has a \$33,300 loan, and he is deemed by the criteria of this program that he will not make it unless he receives assistance. Now, I've done the calculation that at 18 percent his interest payment on \$33,300 just so happens to be \$6,000 per year. Would that individual qualify to have his total interest bill picked up by this program?

HON. B. URUSKI: Mr. Chairman, on those figures that the honourable member gives me, that individual, provided all the other criteria in terms of equity, in terms of operating credit, cash flow and the like, if he meets those criteria, he should be eligible for assistance under this program, the extent of which we would have to go through the calculations and look at all the other aspects of the criteria.

MR. D. ORCHARD: Then, Mr. Chairman, it is possible for that person to receive assistance from the Provincial Government to pay his entire interest costs?

HON. B. URUSKI: Mr. Chairman, if he meets all the rest of the criteria that there are, it is possible that he will receive assistance. I can't tell the honourable member specifically whether he will receive the maximum or some lower amount depending on the analysis done by the financial people in the field.

MR. D. ORCHARD: This is the problem with the program. You could have a person, like the Minister indicated in his press release, he said that for farmers and businesses the provincial program will, in effect, provide for between 5 and 6 percentage points of interest rate relief on \$100,000 and outstanding debt for up to two years. Now, that's a quite simple calculation that that person with \$100,000 debt qualifies for the \$6,000 maximum, so that's a 6 percent write-down on his interest rate; but he goes on to say, "with potentially larger amounts of interest rate relief assistance depending on the amount of debt and the seriousness of financial difficulty," which seems to me to indicate that the person I have described with only \$33,000 debt could have his entire interest rate written off by the government.

HON. B. URUSKI: Mr. Chairman, I didn't deny that to the honourable member. I said, he could, provided all the other criteria are met. Depending on the equity ratio, depending on the debt load he could, in fact, qualify for that. It is possible provided all the other criteria are met.

MR. D. ORCHARD: Then, do you think maybe at that stage of the game that the MACC might include that theoretical application in those six that were rejected

because they just weren't going to make it anyway and not provide any assistance?

HON. B. URUSKI: It's possible.

MR. D. ORCHARD: I should hope so. If part of the loans that the farmer or the businessman is receiving assistance to offset the high interest rate on is a fluctuating term interest rate operating loan, I think the Minister is familiar enough with operating loans to know that they fluctuate every time the Bank of Canada rate changes, does the farmer or the businessman have to file on a weekly basis, in some instances, where interest rates change that quickly, does he have to file the change in interest rate on the loans he has with the MACC?

HON. B. URUSKI: Mr. Chairman, I am advised that there is flexibility in the system that interest rates can be computed monthly, quarterly or the like and that an individual would be able to qualify if the interest rate fluctuates up to the maximum, of course, of assistance at the interest rate of 20 percent, so it may be, but that would be coordinated with the financial institution that he's involved with, and/or MACC if he's an MACC client, or if he could not receive credit from financial institutions, MACC would and is taking on some of those clientele.

MR. D. ORCHARD: Well, how often then does the farmer have to file his interest rate changes? There's no prescribed formula for when he has to file interest rate changes?

HON. B. URUSKI: Mr. Chairman, that would depend on the advice from the financial institution who he's dealing with and who he is involved with. This would be an involvement administratively between the financial institution and MACC who are making the payouts, but I will check that out.

MR. D. ORCHARD: Mr. Chairman, since the Minister of Housing isn't here, maybe the Minister of Agriculture could answer these questions. The press release that he turned out included a chart which showed the amount of benefit which could be available at varying income levels, varying interest rates based on a mortgage value of \$40,000 and 20 years amortization. Now, my first question is: if the applicant's IPT represents less than his income he qualifies for zero assistance, is that correct?

HON. B. URUSKI: No, less than 30 percent of his gross income.

MR. D. ORCHARD: If 30 percent or less of his gross income is spent on interest, principal, taxes, he qualifies for no assistance?

HON. B. URUSKI: That is correct.

MR. D. ORCHARD: Now, the income figures that are on the left-hand column, are those gross income figures?

HON. B. URUSKI: Just let me look at the press

release here. I believe they are gross figures.

MR. D. ORCHARD: Mr. Chairman, I think it's fairly important to know for sure whether they are gross income figures and not taxable income figures, for instance.

HON. B. URUSKI: That is gross income. Is the form that he is quoting from the "Mortgage Value of \$40,000 and 20-Year Amortization, Property Tax 900," is that title on that form that he's quoting from?

MR. D. ORCHARD: Mr. Chairman, I received it attached to the News Service Release, which was put out by the Minister. It's a four-page news release with the attachment of the \$40,000 and then the guidelines set for the homeowners, farmers and business. It's a seven-page release altogether. I think it's the same thing.

HON. B. URUSKI: As long as I'm quoting from the same form, mine is titled, "Mortgage Value of \$40,000 and 20-Year Amortization, Property Tax 900."

MR. D. ORCHARD: That's the one.

HON. B. URUSKI: That is gross income.

MR. D. ORCHARD: Mr. Chairman, since a person qualifies for no assistance if his interest, principal, taxes are less than 30 percent, I want to draw an analogy to the Minister's attention. You've got two individuals who are working for the identical salary; one is a family man with a wife and three children as dependents; the second individual is a bachelor. Now, they have identical houses; the only difference is that the family man has got a somewhat smaller mortgage so that his interest, principal, taxes come out to 29.5 percent of his income. The bachelor decided he was going to go down to Hawaii and he spent a couple of thousand bucks in Hawaii instead of putting it in the down payment of his house and he's got a higher mortgage so that his interest, principal, taxes come out to 30.5 percent. The bachelor, who has no other dependents, would qualify under this program for interest homeowner assistance; the family man with a wife and three children would not qualify. Is that not correct at identical salaries?

HON. B. URUSKI: Mr. Chairman, there is within the formula a deduction to allow for all child-related income payments that a family receives to be deducted from the gross income of that family and, additionally, as the income goes lower there is an additional scale to allow for other expenses of families up to a maximum of 6 percent at the lowest income scale of 15,000, to allow for those kinds of additional expenditures to take into account that families additional expenditures of children and household expenses.

MR. D. ORCHARD: So what the Minister is telling me in effect then, is that the situation I explained could not happen under this program.

HON. B. URUSKI: If the bachelor qualifies under the 30 percent of his gross income and if he's eligible for

some benefits, if his payments, principal, interest, and taxes exceed the 30 percent of his income, he would be eligible for benefits; whereas, if the salary range of the family man was very close, there would be an additional benefit because of the deductions related to children and to family expenditures so there would be an increase in the amount of benefits. They both may be eligible on the basis of their proportion but the family person would receive more benefits because of the allowable deductions for the children in the family.

MR. D. ORCHARD: Mr. Chairman, then the income which is shown on the side cannot possibly be gross income, it must be taxable income.

HON. B. URUSKI: Mr. Chairman, those figures that are shown here are shown as gross family income. The adjustments are made after those figures are computed, in other words, from those figures.

MR. D. ORCHARD: Then could the Minister do one more thing . . .

HON. B. URUSKI: No. The adjustments are taken off these figures after.

MR. D. ORCHARD: I'm not convinced that such an anomaly might not exist to the disadvantage of a family person. I'm not doubting what the Minister is saying. It is too nebulous, and that is what I am trying to get clarification on - and I think the Minister needs clarification on this - because if that indeed were to happen, the situation I portrayed where the two gentlemen make the same income, one has a slightly higher mortgage on an identical house and he qualifies; and the family man is 29.5 percent of income spent on IPT and he doesn't get any assistance. I think the program is falling far short of assisting the people it wants to help. I don't think there is any doubt of it, and I think the Minister of Economic Development wanted some advice as to how the program may or may not be working well and may need improvement.

I suggest, if that is happening, then you have got to take a look at it and make sure those kinds of things are not happening because it would be grossly unfair to the taxpayer, for me as a taxpayer, to be having some of my tax dollars go to support a single person living in a house because he had a bigger mortgage than the family man. The family man needs the support more than the single person at the same salaried range.

So, if the Minister could somehow provide me at a later date, a definite . . .

HON. B. URUSKI: Mr. Chairman, to the honourable member. The honourable member should be advised that this program, as a base, used the period of time when interest rates started skyrocketing, that was when people renewed their mortgages back in July of 1981. This program is not directly related to a person's equity within their residence; this program is related to the portion of their payments as related to their gross family income. It is income-related, based on the interest rates that they were paying when they escalated or when they renewed at the period of time when interest rates were higher. This is not a direct

equity-related program; this program is related to the percentage of one's income that is used to pay against the principal and the high interest rates that we are talking about.

Mr. Chairman, one other point, the member I believe was suggesting whether the bachelor could refinance. We would not allow a refinancing of one's equity in terms of the program. . . .

MR. D. ORCHARD: I never said that.

MR. B. URUSKI: I just want to make sure that you weren't indicating that. I just want to make sure of that.

MR. CHAIRMAN: The Minister of Economic Development.

HON. M. SMITH: Mr. Chairperson, when we are devising a program we don't expect one program to deal with every conceivable equity issue. This is designed to deal with the burden placed on people because of escalating interest rates. The tax system will deal with some of those other equity questions that the honourable member opposite has drawn reference to. If there's some inequity between a family and a single person with the same type of mortgage and the same disposable income, the tax system is designed to do some kind of fair leveling or differential burden, not this program.

I think that the member opposite realizes full well that when you are dealing with public policy questions it is not possible to have a completely indexed or sliding scale set of criteria. Maybe in the long run if we can learn how to do that it would be closer to full equity, but in the absence of that we have some macro indicators that, put together, give the fairest possible mix. I think to suggest that the two cases, one which is a little below a line and one which is a little above are treated differently, it invalidates the total program, is just focusing on two factors when you have to look at a hundred. We do have boards charged with the responsibility of making some judgment calls on some of these borderline cases and I, for one, feel that the combination of carefully drawn criteria and boards which can weigh the distinctive factors and the hardship involved in individual cases is a fairly good safeguard.

MR. D. ORCHARD: Well, you know, I appreciate the Minister of Economic Development, but it is my understanding that the homeowner program, the qualification for coming in for assistance is if your interest, principal and taxes represent more than 30 percent of your gross income. That is all you have to do; you don't have to prove you are going to lose your home or anything as long as you are over 30 percent; and if you are over 30 percent you can qualify, and I submit there are circumstances . . .

HON. B. URUSKI: 40,000 maximum in terms of mortgage.

MR. D. ORCHARD: Right, right. I appreciate that, but you can have a situation where a single person at the same income is going to get assistance under this program and a family man, earning the same amount

of money with a wife and three dependants will get nothing from it. You see that is why — (Interjection) — Now all of a sudden the Minister of Economic Development, when I bring up something that is legitimate in her program, says, well that's too nitpicky. I suggest it isn't; I suggest that the program was designed, I hope, to help the family man who is supporting a wife and three children if they are close to that, and that is why I want to know; and if the Minister can provide me with the information, that is fine.

Now, a couple more questions to the Minister of Agriculture. With whom did he consult in determining his \$70,000 gross income for farm assistance?

HON. B. URUSKI: Mr. Chairman, that information was received from the January, 1981 Farm Credit Corporation analyses of Manitoba farms incomes in the various categories.

MR. D. ORCHARD: Well, did you not ask any other people whether the \$70,000 was a reasonable figure to establish as the upper limit?

HON. B. URUSKI: Mr. Chairman, in the statistics that we received, 71 percent of Manitoba farms, in those statistics, grossed sales \$70,000 or less, in the information that we received from the Farm Credit Corporation; 29 percent of the farms in Manitoba grossed \$70,000 or more in sales. Knowing the parameters of the program and the amount of assistance and the numbers of farms and businesses that we indicated we could help at the outer limits under this program there had to be a limit on the numbers that we realistically could assist. There is no doubt, Mr. Chairman, in terms of if the numbers, if the take-up under this program doesn't meet the area of somewhere between the 500 to 600 clients, the criteria, we will have to look at that, but it will depend on the take-up.

At the present time, there are a large number of applications still in process, and one will make that determination as and when the applications peter off, to see whether we can go to higher income levels. But there is no sense offering a program in which you have a limited amount of money and the limits were set. To say, yes, we will provide assistance and then the Opposition would rightly be indignant and accuse us of releasing a program that you said would help all these people, and they may not qualify. We don't know in terms of the numbers that will be taken up under this program, and we have kept it to the middle. — (Interjection) — Mr. Chairman, the Member for Minnedosa says 0, first of all, and then he says this many. Well, we have 102 approved and there is still, Mr. Chairman, 207 in process of being approved.

MR. D. ORCHARD: Mr. Chairman, two other questions, well actually three questions, and if the Minister doesn't want to have the answers today, he might be able to provide them for me at a later date.

Of the 71 percent of the farmers who grossed less than \$70,000, can the Minister indicate what his information was as to how many of those people were in trouble, first question, financially and need assistance under this program?

Number two: of the 29 percent of the farmers who grossed more than \$70,000, did the Minister give any

indication as to how many of those people were in financial difficulty and in need of interest rate relief?

The third question: could the Minister indicate the demographics of the 71 percent of the farmers who gross less than \$70,000.00? In other words, where are the farms grossing less than \$70,000 located in the province? Are they primarily south of No. 1 Highway, primarily north of No. 1 Highway, east of the Red River, west of the Red River? If the Minister could provide that information I would be very thankful.

HON. B. URUSKI: Mr. Chairman, I will attempt to get as much information for the honourable member as I can. I want to add, to the honourable member, that I have no disagreement with him that many of the larger farmers have a larger debt-equity ratio than many of the smaller operators. There is no doubt, Mr. Chairman, but when you look at the parameters of this program, you then have to say how much assistance to some of those larger operators could this program assist, when in fact there should be and there was - and we have made representations with respect to the Federal Small Business Development Bond Program which was to be in place and which was touted as being assistance to small business and farmers and was to be taken up, which was not, Mr. Chairman - and we've made representations and we acknowledge that.

But in terms of our financial capacity, I have to tell the honourable member that there was a limit in terms of the amount of money to be put into this program. That was clear and open, Mr. Chairman, and one then doesn't want to put out false expectation that you will help —(Interjection)— well, it was very clear, Mr. Chairman, false expectations to those who have higher incomes and higher debt to equity ratios and have a larger debt load, one couldn't even attempt to help some of those who may be in difficulty at those kinds of levels.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. Three short snappers, as Bill Guest would say. Well there are a lot of those around here too.

Mr. Chairman, I'm wondering if I could ask the Minister, of the 102 acceptances on the farm interest program, how many of those farmers fall under existing MACC plans or, in fact, MACC clientele right now?

HON. B. URUSKI: I'll have to get that information, I can't tell him.

MR. C. MANNES: In those situations where people come forward, in fact they do not have existing MACC loans, and therefore MACC do not have updated access to their own particular situation, what proof does the application form, the person auditing it and filling it out, what proof does that individual, and indeed this whole program, require of dire circumstances?

HON. B. URUSKI: Mr. Chairman, one would have to look at the loans outstanding, look at the debt equity ratio, look at the possible incomes and make the assessment on the basis that you would normally

make in terms of applying for loans. That would be the normal criteria that the field people use. The whole application, in terms of the Ag Rep and the financial people within the department, do a cashflow analysis, do an asset debt loan projection - not projection - but they outline that information, and that then is sent over to the MACC field rep to analyze in terms of the viability, in terms of the acceptability. I should mention to the honourable member, I believe that the majority - but I will get the information - where the majority of people coming in are not clients of MACC.

MR. C. MANNES: Well, I thank the Minister because, you know, he's indicated to me what I thought was the case - that in fact it was a paper or pencil analysis done on most of these cases - people making application and then by way of signature supposedly guaranteeing those facts.

HON. B. URUSKI: Mr. Chairman, these applications are taken in the areas where the Ag Reps should know and are aware of the people in the district. They would have some knowledge of the people in those areas, and I believe that there is a further declaration given by the individual that any records and any information that is provided can be verified and can be checked by either MACC or the Ag Rep on the basis of the application form.

MR. C. MANNES: I find it interesting, the Minister indicates that the Ag Rep in the area would know, no doubt, the general condition of the applicant. That takes me back to the discussion we had here some ¾ of an hour ago when I don't think that you said that.

My final comment is to do with advertising. How much money will be spent advertising and particularly in this program. I can't make comment as to the interest rate relief there, specifically in the housing area and in the small business area. But particularly, well, I think I can make the comment specifically to the business area and to the farm loan in the farm area. How much is being spent in advertising, and will the advertising program be beefed up?

HON. B. URUSKI: Mr. Chairman, very little money has been expended on the advertising program other than printing, but we are considering whether or not there should be more advertising. But on the basis in terms of the farm program, I should tell the honourable member that we've had over 2,000 enquiries and contacts and we've had over 1,000 appointments arranged so that the flow is there, there's no drop-off in terms of enquiries and applications at this point in time.

MR. C. MANNES: Well, the Minister may be surprised because the point I'm leading to, that in fact I believe in these two areas, that a large amount should not be spent on advertising because, in fact, as long as you make all the lending institutions well aware of the program —(Interjection)— that indeed, and maybe that was the thrust of your program anyway.

HON. B. URUSKI: Mr. Chairman, I should mention to the honourable member that all the institutions have received brochures. I met personally with representa-

tives of all the financial institutions and so did staff, to make sure that the details of the program were brought to them. All the documents and the background and the criteria was explained to them, and in terms of the main, the central people of the lending institutions, they were all made aware of the program in terms of the major lending institutions in the province.

MR. C. MANNESS: One final question specifically to agriculture, but in general to all three plants. What kind of time frame have you allowed for yourselves, and hopefully you're monitoring both these programs very carefully to determine the pay out. What kind of time frame have you given yourself as to when you will feel comfortable as a government in possibly increasing some of the level of criteria under which you apply? No doubt you'll be making this assessment as you go along, but do you have a specific date to put on the table as to when you may be making that decision?

HON. B. URUSKI: Mr. Chairman, we are, and I am personally in terms of the agricultural component, monitoring this program on a week-to-week basis in terms of staff reporting and to see what the take-up is, the number of applications, and whether or not we are moving ahead on this program. The other components are doing likewise in terms of my colleagues monitoring the program. If there will be any changes made in terms of whether there is a less than expected take-up, I would hope that within the next month or two we would have some indication from the statistics that we are receiving and some of the applications and if there aren't any, it may take a little longer. If the applications keep coming and we are handling them, then that will have to be reassessed at that time, but as it stands now I really couldn't give the honourable member - saying two weeks from now we will do it because I can't - I am giving you the numbers that we have up until now. The numbers that are coming in of applications and enquiries are steadily there, there has been no drop-off in the farm sector, in the home sector and in the business sector up to this point.

MR. C. MANNESS: I will just close my questions by actually making a comment and that is, as I indicated some time ago that I was concerned with the eligibility criteria, I felt that in cases there would be a large number of people that probably could apply under this. I am not so sure that the majority of people that might be successful in obtaining the funds, particularly after - again, I use the word "pencil" analysis - they would all fall in that area of dire circumstance. I just want to put that again on the record and I would hope that whole area would be monitored and scrutinized very carefully, particularly in the agriculture program; and also that you will maintain a very close scrutiny over the monitoring of funds payable and that some early decision be made to increase that criteria if, in fact, there is not total usage or fast usage of that money.

MR. CHAIRMAN: Resolution No. 127 - Resolved that there be granted to Her Majesty a sum not exceeding \$10,000,000 for Emergency Interest Rate Relief for the fiscal year ending the 31st day of March, 1983—pass.

Committee rise. The Committee will meet again at 8 o'clock this evening.

SUPPLY - ENERGY AND MINES

MR. CHAIRMAN, J. Storie: The Committee will come to order. We are continuing with the Estimates of the Energy and Mines Department on Page 52, Item 1.(a)(2). To this point the remarks have been of a very general nature and it might be more appropriate under the conclusion when we discuss the Minister's Salary. I wonder if, from this point on, we could proceed through the items and bring the conclusion back to a more general nature at the conclusion when we discuss the Minister's Salary, if that's agreeable to the Committee.

The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I believe that the easiest way to do this is the way we are doing it now, under Administration, because unless the Minister has . . . —(Interjection)— We were discussing the Alcan situation, Mr. Chairman, and I believe Administration is really the only item in the Estimates where it's appropriate.

MR. CHAIRMAN: If that's agreed? The Honourable Minister.

HON. W. PARASIUK: Mr. Chairman, that's agreeable to me. I think we should discuss the Alcan project now and move onto the other items as we pursue the Estimates.

MR. CHAIRMAN: Fair enough? We are continuing then with Item 1. Administration: 1.(a)(2) Salaries.

The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Chairman, I wasn't here for the earlier discussion with the Minister and I apologize if any of the questions I ask are a duplication. I am sure he can refer me to Hansard if the answers have already been given.

I understand that he has given an update, however, on the negotiations with Alcan and my general understanding, subject to his statement of course, is that his description is that the negotiations are proceeding satisfactorily. In that connection, I would like to ask the Minister if he has a schedule of meetings laid on with senior executives of Alcan in order to bring the Memorandum of Understanding that was already in place with them, bring it further along toward conclusion, or what is to be the scenario to be followed by him and by his negotiating team with respect to bringing these important negotiations to a successful conclusion.

MR. CHAIRMAN: The Honourable Minister.

HON. W. PARASIUK: Mr. Chairman, I indicated in my statement that we had been going over the smelter objectives, the economics in concert with Alcan in terms of their perception of the economics of aluminum smelting in the middle of the continent; whether in fact there could be fabrication and processing and that we are now moving into the stage of looking at

alternative ways to meet their substantive power requirements. There had been discussions this morning at senior staff level. I will be meeting with Mr. Morton within the next two or three weeks. We are just sorting out a specific time and we should be proceeding with that. I am hopeful that we could conclude these aspects of the negotiations during the course of the summer.

The one major factor that I also raise with respect to the timing of any substantive development is the state of the market, the state of the company, its cash flow, its cash position, interest rates and its perception of its investment decisions. I have little control over that, but we are proceeding with the negotiations and, as I said, it is my hope that we could pursue these during the course of the summer so that we would sort out these aspects.

HON. S. LYON: As at the time the government came into office, Alcan had selected a site in the Interlake. That site was then to be subjected to very thorough environmental, socioeconomic and other studies which were to have commenced, I believe, April 1. The government, in its wisdom, apparently has placed the question of site selection back under negotiation and we understand from comments that have been made by the Minister and by other members of the government that a site at Thompson is being explored, a site in the north generally is being explored and so on, all of which, by the way, Mr. Chairman, was territory that was gone over very carefully by the previous administration with the company some time before.

My question to the Minister is this. How long can we expect the government to be continuing its concern about site selection, given the fact that - the Minister may disagree with this - but given the fact that most of the alternative sites that we understand the Minister is looking at have already been looked at by the company and by the previous administration; and the company, in its wisdom as only the company can, made a determination as to the site it would prefer to locate upon and the government then started to move in with the environmental and other studies?

HON. W. PARASIUK: In my statement I indicated that we will be looking at both power and site aspects. I frankly found no documentation indicating that the government had in fact reviewed alternative sites. Now, maybe I have just not looked in the proper places; I have talked to the officials, but it is my understanding that Alcan had looked at some different sites, but I am not aware of the government looking at alternative sites. We are looking at alternative sites and I am expecting that, as we move into this stage, Alcan will give us their explanation of whether they looked at Churchill, what are its strengths and weaknesses; Thompson, other places like that, including places in and around Winnipeg. There are two or three different sites in and around Winnipeg that could merit serious consideration.

As I said, there is one aspect in relation to the Balmoral site that gives a number of people concern. I'm not saying that I have concern about it; I'm trying to stay neutral on the whole subject of site, but concerns have been raised about the fact that we are downwind, that there are prevailing northwesterly winds. It is a

concern that should be taken into account; it will be taken into account. People have asked, are there sites to the east of us that meet those conditions and those are things that we will go over with them, but it is certain, as I have indicated to the Member for Lakeside the other evening, I do not start out with the predisposition that Balmoral was necessarily a bad site but that I'd like to look at the different sites that could be available, especially since it is possible that there could be more than one aluminum smelter in Manitoba and that it would be good to know the strengths and weaknesses of various sites. That's what we are involved in with Alcan and I don't think this precludes or excludes Balmoral by any stretch of the imagination.

HON. S. LYON: Mr. Speaker, given the fact that conceptually when the initial entrees were being put out by the then Government of Manitoba a few years ago after a study that had been undertaken which my honourable friend is aware, I believe, from a memorandum that was left him by the previous Minister and the conceptualization of a high intensive power usage company such as Alcan, one had to look at the industry and one realized quickly when one looked at the aluminum smelting industry in North America that there were no inland plants. So, of course, conceptually within government circles, there was an idea abounding, first of all, that Churchill would be perhaps a natural location because it was on seaboard, notwithstanding the shipping difficulties occasioned by ice and so on.

My honourable friend will be aware from the memoranda that were left to him and so on that Alcan came to Manitoba with the idea that it was interested in this site because principally of the power component and because energy was becoming a much larger component of their overall cost operation than perhaps even transportation of alumina and so on. I think all of us, last year in the House, were treated to a rather general exposition of Alcan's position by senior staff of Alcan in Room 254. So, I'm not repeating anything that the honourable member hasn't heard before or isn't aware of before in terms of the buildup of information that they made.

Given the fact that Alcan made very thorough economic and site location studies in Manitoba during the course of its deliberations before announcing the Balmoral site sometime past mid-1981, I asked the question, is the government not, in effect, asking Alcan to thrash a lot of old straw that has already been thrashed in the sense that, according to my recollection, Alcan of its own motion had meetings with any of the municipalities or localities or local government districts or whatever who asked them to consider their location as the site for the plant. I know of meetings that were scheduled and I believe held by Alcan and the responsible municipal and other officials of the communities in Thompson. I believe a meeting was held in Churchill. I'm sure my colleague, the Member for St. James, can tell us even more about it.

My question very simply is that given that background, and my honourable friend may not have been initially as well aware that all took place but, given his understanding of it now, is there not some danger that the company is being asked to thrash a lot of old straw

with respect to site location when in effect, from an economic standpoint, it has made its site location, even though it's one that might not have been the favoured site of the Honourable Member for St. James and the Honourable Member for Inkster or whatever. The company is saying, given the conjunction of requirements that we have vis-a-vis transportation, vis-a-vis interconnection with the power supply which will make us the biggest customer of Hydro overnight and so on, we choose the Balmoral site, subject always of course to environmental things. Is there not a danger, if the government is saying, well, now - the government is trying to second guess all of this, that this can result in a dampening of the enthusiasm of Alcan to get on with something that was already being negotiated and under way and environmental studies were off the ground? In fact, hearings were slated to be held. I was looking at the documents just a few moments ago from the environmental people who had slated hearings to be held and so on. Is there not a danger that this business of asking Alcan or, in fact, as it appears, trying to substitute the government's judgment for Alcan's is going to have a deleterious effect upon that project even coming to Manitoba?

HON. W. PARASIUK: When I met with Mr. Morton, who by the way was the newly appointed president for Alcan Canada, we found that the market had softened. They were not in any position to give a firm date as to when a smelter would be built and there was time to do a complete review, without precondition, which we said and we both agreed to, of all aspects of the smelter, so that we all would get a full understanding of it. Now, that's been proceeding, I think, well. I don't think that the actual establishment of the smelter has been affected by this process. What might affect the date of establishment or construction of the smelter has been market condition and that is what we have discussed.

Alcan, as all aluminum companies right now, are in a very deep recession with respect to the aluminum market. It has affected their cash flow very significantly over the course of the last two years, indeed, they are having a pretty significant drop in capital spending. That's been indicated in the various journals of the industry, mining journal, mineral journal, and we have been keeping up with them on that aspect.

At present, I believe that Alcan is operating at only 88 percent capacity, although I'll get more of an update on that in the course of the next two or three weeks. I know that in the United States the aluminum smelting business is operating at only - I think it's now less than 70 percent capacity. Expansions at Grande Baie have been postponed. A development in Australia has been postponed indefinitely. The B.C. situation is quite uncertain and this is not an unusual situation.

In this period of recession, Alcan doesn't feel that somehow we are doing anything that would negate their enthusiasm. I believe that they realize that Manitoba offers good potential, I would say very good potential, for aluminum smelting and that they are continuing working very expeditiously in this complete review with us. To date, I think their efforts have been very good. I have no complaints at all, in fact, I think it has been proceeding well.

Taking a look at the different sites is not necessarily

thrashing old straw. I know that Alcan did meet with some municipalities in the area around Winnipeg. I am not sure of the extent to which there was that much consultation with the people. I don't know if they had much in the way of substantive meetings, say, to the east of Winnipeg where we have no prevailing winds at all from that direction. I know that there is some concern amongst the people of Winnipeg because they feel that they are downwind from the plant. I think it's important to assure the people that the options have been looked at, that this is the one site, or one or two sites, that makes sense and that there really aren't those options. To the extent that the people of Winnipeg I think, especially, feel that only one site has been expected and they feel that they are downwind. They have a whole set of concerns, some of which might be substantial and can be dealt with through an environmental review process.

Certainly, I think a lot of concerns on the part of people are psychological and I think it's important that they be assured that all options have been looked at, so that these are the reasonable rational sites. That is what we are going to do and when that process is completed there will be a whole public examination of the one site that seems to make complete sense or the one or two sites that might make complete and total sense.

Alcan hasn't objected to that process to date. I think we have gone along quite well with them. I'm hopeful that, as I said, through the course of the summer we can iron out these issues and be in a position to have an agreement, but at the same time I do caution the House and I caution the general public that any type of date of start-up is determined by the market, is determined by the company in that sense. I have felt and I have had no urgency whatsoever with respect to a start-up date or anything like that being impressed upon me.

I know that there are some concerns about start-up date related to projections of load growth with respect to the Inter-Tie. When it comes to the Alcan start-up date, I think that's a somewhat different situation and that the market is basically an external market; it is a United States market. It's determined in large part by the state of the American economy, by projections of demand for aluminum there as to when that start-up might take place, and that becomes very critical if you have 30 percent unused capacity which could in fact affect the economics of the project, especially if you are using borrowed money instead of retained earnings to finance the project. I think those are factors that are valid and legitimate factors for the company to be spending some considerable time and effort reviewing right now.

They are working with us, as I said, expeditiously and I am pleased with the results of the review to date.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. I thank the Minister for his explanations during his Estimates on this subject. I might say that during his four years in Opposition, he must have learned from somebody how to stay calm in Estimates.

MR. W. PARASIUKE: I learned it from you.

MR. F. JOHNSTON: Thank you. It's very good. I believe, probably he did. He tried many times to get me quite annoyed or some of the members that it was absolutely impossible during my Estimates time.

Mr. Chairman, the Minister is quite different when the camera is on in question period because he makes statements that are very close to saying that the previous government didn't have anything to do or wasn't interested whatsoever where the aluminum refinery would be and they just left it up to the big company. There is nothing further from the truth in that respect. I hear comments from the Member for Thompson, and if he had done any homework would have found and I told him in the Committee of Economic Development that the Alcan people spent quite a bit of time with the Regional Development Corporation in his area, visited several towns and places and gave explanations why the economics of Northern Manitoba was not good for an aluminum plant, but the Member for Thompson refuses to listen and he keeps suggesting that the economics are there and I know that Alcan can show him that the economics aren't there as far as Churchill or Thompson or Northern Manitoba are concerned. —(Interjection)— Mr. Chairman, I have a son that is older than the Member for Thompson. I would take him over my knee and spank him if he acted like you did.

Mr. Chairman, I can only say to the Minister that I would like to remain calm with the Minister and try to bring him up-to-date. He says that there is not much documentation. I started with Alcan back in 1979, Mr. Chairman. We had a code name for the project within the department and within the government. —(Interjection)— Mr. Chairman, again, maybe I'd spank him twice. Anyway, the codename of the operation was set and we dealt with Alcan. We had two people from the department working very closely with them and there was never a request from Alcan to the Government of Manitoba to spend 10 cents. They didn't say we want any money from you to do any surveys. As a matter of fact, they came to Winnipeg and said, now, we might just think that the window is open for Manitoba at the present time and we'll take a look at the feasibility of having an inland refinery.

They did their own feasibility study on having an inland refinery. The people from our department gave them information of different consultants for them to contact which they hired and paid themselves. People from our department worked very closely with them, with engineering companies that they hired themselves to take a look at land formations within the province because the size of a refinery is so big that there is no way you can put down piles in this particular case. You must have a rock formation to put it on. There was a visit to Grande Baie, the new plant, by several of the Ministers to take a look at it to get an idea of the size, and all through this Alcan never asked the Province of Manitoba for 10 cents.

The engineering consultants gave them a report, I believe, on June 1st of 1980. It was presented in Montreal as to some of the areas within the province that would have the rock formation, in the southern part of the province, that would be an economical place to put a refinery. In the fall of 1980, Alcan and myself

made an announcement that they had been working in Manitoba very sincerely. They had worked very hard in Manitoba and they announced at that time that they were going to spend another \$5 million doing another step of their research and that they wanted the people of Manitoba to know that they had been working and they would be working to check the complete feasibility of a refinery in the Province of Manitoba. At that point, naturally, the then Minister of Energy and Mines became involved because now they were serious and we were starting to talk about the arrangements with Hydro.

Mr. Chairman, the Minister keeps using or referring to the aluminum market which really hasn't an awful lot to do with the Province of Manitoba. We don't sell aluminum. He keeps referring to the Grande Baie plant not being expanded. He keeps referring to the Australian plant that is not being moved ahead with. Let me tell the Minister that the Grande Baie plant was planned on paper, ready to go, when the aluminum market dropped back in the 70s and it stood for two years before it moved ahead, but, Mr. Chairman, I would like to say to the Minister the important thing is they had decided that when the window opened, when the market moved and Alcan has to take a look at it, they are certainly the second largest in the North American continent, one of the leaders of producers of aluminum in the world, they are all over the world. The two large ones, Alco and Alcan are so much bigger than all the rest it isn't even funny as far as production is concerned. The company has to have an increase in capacity regularly. This company has probably forecast their markets for the next hundred years and I will bet you every five years they will sit down and reforecast their needs of refinery capacity to produce aluminum.

What they did say is the next one we build will be on the Grande Baie property in Quebec. It seems to me that the negotiations with Alcan shouldn't be being carried on in - I'm not going to say, lackadaisical way; let's say, relaxed way - a relaxed way in that the window may open somewhere else for Alcan. I can assure you there are other people, other provinces that would like to have a refinery. It is not too hard to take power across Western Canada as the Minister well knows. Mr. Chairman, if Alcan are prepared to buy, not give away or not ask for a gift as the Member for Thompson says it is, from Manitoba; if Alcan is ready to pay approximately \$600 million to be a tenant in a hydro plant, they can take a look at paying quite a bit of money towards the other types of construction to get power to their refinery. So, Mr. Chairman, the window is not going to be open in Manitoba all that long. Alcan is not going to sit back and be in a position that they don't have some place to put the next refinery when they decide it is going to be needed for the capacity of refining aluminum.

Mr. Chairman, the comment that the Minister made that he doesn't know or doesn't have any of the complete records of the Alcan studies regarding the province or location, I personally don't have them. At that time, when they were looking at those, they were looking at different areas and working with another department but, Mr. Chairman, they are Alcan studies and I am sure they were made available and would be made available to this Minister. They were made avail-

able to Mr. Craik who was the Minister.

Alcan, when you say that they didn't look at Eastern Manitoba, I assure you, speak to the Member for La Verendrye. Steinbach and community met with them probably four or five times. They were the most aggressive people in the province. Alcan met with every community that made representation to them and listened very carefully to them and also gave them reasons in many, many cases after they had made their decisions, let the other areas that they looked at know why they weren't going there.

Now, it is very clear, and the Minister knows this, that Alcan after doing all of this work and after deciding they knew it would be feasible to put an aluminum refinery in the middle of the country, after they did the feasibility on the location, etc., came to the government of the day and said, we have chosen six. They showed them to us and the Minister says that we said, we do not have any objection with any of them. Your Board of Directors are spending the money, you make the decisions subject to environmental problems.

Really, that is what we are talking about when we talk prevailing winds. That is what we talk about when we talk closeness to Winnipeg or closeness to community or disruption of the farm areas. We are talking about environmental problems and all of the locations were subject to environmental studies. Now we have an environmental study that is being held up by the Minister of Environment on the Balmoral area because he says he doesn't know whether it's going there. Mr. Chairman, if the government today in Manitoba is going to say to Alcan, we don't know whether we want you to go to Balmoral, they had better be prepared to explain to all of the others, or especially to Balmoral, why it's not going there. They had better be prepared to say that we will make the decisions instead of the communities making representation; they'd better be prepared to explain to the Member for Thompson, if the government is going to make the decision, why it's not going in Thompson; they had better be prepared to say that they are against having an aluminum refinery that will support 700 jobs and about the same during construction, that will have approximately \$700 million spent and probably one-third of that being spent in the Province of Manitoba during construction, and then the purchases from small businesses after it is built. I am talking about the whole of the economy of Manitoba as I say that, but they had better be prepared to tell the Interlake, who the Federal Government regarded as a place that needed help with the ARDA Agreements, etc., that it should not go there and we are going to negotiate with Alcan to go somewhere else.

If the government is going to do that with Alcan, I would say that I want them to do it quick; if you are going to change the location, change it quick. You take the consequence of explaining to the people of the area why it's not going there or why it is going there. You overrule the presentations that have been made by municipalities and communities, but if you are going to do it, do it quick, so that you can get on with the negotiations with Alcan, so that the Alcan can say, we have decided that it is economical for us to put a refinery in the Province of Manitoba. We have got an agreement on Hydro with the Province of Manitoba.

They were going to pay \$600 million to become a

tenant, and I know the Minister shakes his head when I say that, but the power plant would be owned by Hydro; they would pay their share of the water rates; they would pay their share of the maintenance; they would pay all of the costs that are involved in the operation of that Hydro plant, probably two generators out of ten and what? 400 megawatts, and I might be completely wrong on the number of generators. I am not the Minister of Energy or I'm not with Hydro and I don't know the number of generators in that plant, but it's 400 megawatts. It is 2 percent of the capacity of the Nelson. I believe I am right there. The capacity of the Nelson is approximately 12,000 megawatts when it is complete. We have somewhere close to 5,500 in place right now, but they want 400 megawatts from a plant that is capable of turning out probably 1,200 megawatts or 1,100 megawatts when it is finished and they are willing to pay \$600 million.

Now, if the Minister can come up with another arrangement, it will take \$600 million off the backs of Manitoba capital to build Limestone. Maybe he can, and you know I don't think that we here on this side are really going to argue with him or discuss that with him or really press it at this time, because he says that he wants to take another look at renegotiations. Let him, but don't dawdle around because, you know, Manitoba needs that tax income. We need the amount that will be spent on our small businesses; we need the amount that will be purchased after the refinery is built; we need the amount of money spent in the province that those people that are being employed will spend. You know, when the tax dollars are getting less from Ottawa all the time, we haven't got that much time left to start building up our tax base in this province.

So, the Minister shouldn't fool around with this one too long. He will be sincerely criticized by the Opposition if he flops with it and he might just if he gets too tough because the deal was not that bad before and if he can change it to keep it as good in another way, fine, but get at it. The Minister has had - not the Minister, there have been people in other committees. I think the Minister of Economic Development mentioned it. It has been stated that Alcan should commit to put some of their production of manufacturing of aluminum products in this province if we are going to have some arrangement with them to put a refinery in the Province of Manitoba. That could be down the line, Mr. Chairman, but I plead with the Minister not to have that type of negotiation going on with Alcan.

It is up to the Minister of Economic Development and we were looking at people who could fabricate aluminum, but if you think for one minute that a company is going to pick up a \$25 million plant making pots and pans or whatever and move it to Manitoba, you are wrong. If you think for one minute they are going to build another plant in Manitoba when they have enough capacity in another one somewhere else, you are wrong. They will not be held over the fence on that kind of negotiation, as a matter of fact, Alcan made that very clear that they were building a refinery in the Province of Manitoba. It's a separate company, Alcan Refining. Mr. Morton is the President of Alcan Refining and then there is Alcan Production and there are other companies, but Alcan as a refinery was looking at the Province of Manitoba.

Mr. Chairman, the Minister is entirely different, as I said, than during the Estimates. He is quite calm, but he seems to get quite excited when we ask him these questions in question period. Really, what we are saying to the Minister is don't dawdle. We would like nothing better than to have Mr. Morton say, the next refinery that is built by Alcan Aluminum will be in the Province of Manitoba. Mind you, it better be as good a deal for the people of Manitoba as we had, because we had a good arrangement. The members opposite walked around saying, we were giving away Hydro. Those words were said that we were giving away Hydro and, you know, I don't think they meant the whole of Hydro, but we were just giving our heritage away and what have you. They laugh about those type of misleading statements on the other side. That fellow from Thompson that should be spanked has laughed about it.

But, Mr. Chairman, the . . .

MR. CHAIRMAN: Order, please. The Member for Thompson on a point of order.

MR. S. ASHTON: On a point of order, I am not sure the exact words used by the honourable member opposite were unparliamentary, but the spirit of them certainly was and I would ask that he not degrade this House by stooping to personal insults and stick to the issues.

MR. J. JOHNSTON: Mr. Chairman, on the point of order and I will be very brief, I don't think spanked is in the book, I can find it. The Minister did laugh when I was saying that those are the kind of statements. He laughed just when I was saying it. If he wasn't laughing at that, I apologize. Well, now we have somebody else who wandered around making statements like that.

Mr. Chairman, if what I have said about Alcan in the last fifteen minutes or so is ignorance, if what I have said in the basis of that the amount of work that was done and went on for four years was wrong on the basis of having a business of this size and a company with the stature of this company work very hard to prove to themselves that it would be economical to come to Manitoba, if what I have said is ignorance, I guess I have a different definition of the word.

So, Mr. Chairman, I say to the Minister, get at it. Alcan would have basically owned a portion or been a tenant, maybe been a small owner in a Hydro plant or share in a Hydro plant that Manitoba Hydro owned. That was the type of arrangement that was worked out. It was beneficial for them. It was beneficial for us, so let's not lose it. It's pretty important. You just don't have any other large projects at the present time within this province that is going to build up your tax base; you don't have anything that is going to take care of your losses from Ottawa; you don't have anything that's going to take care of your losses because of the drop in the economy. You don't have a thing and ManOil won't do it. The Minister will tell you, ManOil won't do it.

We were in meetings today on the oil and it might, 15, 20 years from now, but it won't do it now. You don't have anything, other than to tax the people and the businesses that are here now and go about finding

brand new taxes, plugging loopholes. You will get to the point where you'll have to plug loopholes like the Federal Government did and then only the people of Manitoba will pay. So, again I repeat and say sincerely to the Minister, don't get irritated when we ask him questions in question period. We sincerely want to see it here and he should get at getting it here, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister.

HON. W. PARASIUK: Mr. Chairman, I take some of the points that the member raises to heart. In fact, I can recall four years in Opposition when I raised questions and I don't know if we have a television record of it, but I can assure the member that when he was a Minister, occasionally he would answer questions not completely in a subdued manner. Occasionally, people tease each other in the House about whether, in fact, you can get someone's dander up or not, but I can recall that in a number of instances, either for Housing Estimates review or Economic Development Estimates review, that we actually had some very serious and sincere discussions about the problems of venture capital formation in Manitoba and the difficulty of dealing with the Federal Government with respect to housing development and all those things.

So when he raises the points that he does today, I take them very much as being sincere points. I certainly have not been attempting to dawdle in any way, shape or form. This is a very large long-term deal. It is important to ensure that when a final deal is struck that it be one that you have confidence in, because you have to take that to the people and explain it to them. Without trying to be argumentative, I would just like to give my impression of certain statements that the member made. I don't think the previous administration had a final deal. I think you had a memorandum agreement, but you didn't have a final deal. You could have had a final deal conceivably, but again that's in the realm of if, but, that you had done a lot of groundwork, yes.

Just some points of clarification, Mr. Morton is the President of Alcan Aluminum. Mr. Ritchie is the President of Alcan Smelting. They've had some changes. You know, those are just minor ones, sure.

A major question is the question of power, but before I get to that, I want to point that many of the things the member raises now about site selection and discussions with groups are things that possibly took place. As I said, when you come in, you tend to go on documentation. That's what you have available to you. It takes a bit of time to assemble this documentation. Without being critical of people, there wasn't a wealth of documentation. I had to look around for it, put it together —(Interjection)— Well, I think that if you're doing the bargaining, you want to find out as much as possible though. I think that's a realistic position to take and if you say that we shouldn't have as good and full an understanding as possible in the bargaining process, I disagree.

But coming to power now, I think an important question is the question of the undivided interest in a power plant; I think it's 48.3 percent. That is not a small percentage of a power plant. Even though they're looking for 400 megawatts, that is still a very signifi-

cant amount of power. The member uses the word "tenant" - I don't believe that is the correct word to use. They will be an owner, a part owner. The question is, and I don't know whether the previous government was concerned with this or not, whether, in fact, there should be any concern, about buy back provisions. If there is concern about buy-back provisions, what should the buy-back clause be? If at any time the government, and I think that's important from the public interest, felt that they should buy back that plant from Alcan, what should the price be?

I don't want to get into it apart from raising it, because I think that's a matter of negotiation, but I think it is an important matter for negotiation. That is what we are looking at right now and I said that we are looking at it without precondition. I think the Member for Turtle Mountain the other day, and I don't know if the member was here at the time, went into this at some depth. Did that mean that we are prepared for the purposes of this review to look at it, look at all aspects with an open mind? We said yes, just as we expect Alcan to have an open mind in the course of this review and look at all aspects in terms of substantively looking at ways and means of providing the substantive power requirements that they need for operating an aluminum smelter over a period of time, taking into account, I think, a very legitimate concern on the part of a firm, and I raise this as what I thought would be a legitimate concern.

We suggest this is our concern, that if someone invests \$600 or \$800 million into a plant, you don't have a clear idea of what the power rates are going to be over a 35 or a 25-year period - you obviously become a captive then. You can't easily move that \$800 million plant around. So, obviously a very real concern on their part is to have some assurance and some predictability that they wouldn't be gouged by a government that comes along and says, now they've located; now we turn the screws. I think that's a valid concern, one that we have taken into account, one that we're working on.

So when the member says, recognize the value of more value added to the electricity here in Manitoba, yes. When the member says, work expeditiously, don't dawdle. I can assure him that the last six months have been a very, very busy time and there has been little, if any, dawdling at all. I think what you're talking about is a situation which in a sense possibly was coming to some head in your last year of government. But one could look back through Hansard, I think, at your first year of government and say, well, what are you doing about the housing? I can recall asking you those questions and you kept saying, give me some time, I have to pull this together. That's all I'm asking right now.

I think that you have a legitimate concern; I take it into account. Obviously, at some stage along this way, one can hold people accountable and make judgments as to what they did and what they didn't do. I can assure him that I take his points about the importance of an aluminum smelter to heart. I would like to see as much value added in the province as possible to the extent that the economics warrant it so you don't have to have any type of subsidy as such, or if you do, that you understand what the subsidy is and you make a very definite decision about the nature and the extent of the subsidy. I think the member when he was

the Minister could recall or the member can recall that people talked about copper refining. Undoubtedly, he must have spent some time looking at the pros and cons of copper refining, which again is another value added to electricity.

The economics may not be there, but as other power costs go up all over North America, through the world, or become more unpredictable, then our advantage increases. That's happening, I think, in the long run when we look at nickel, while the market's soft for nickel, lateritic cores are energy intensive. Our sulphide ores aren't and we have a cheap source of power. So those longer term prospects are good; I'm looking at all of those but paying particular attention to this one because it's here and now before me. All I can say is that I am not dawdling, I am moving and I take the comments of the member to heart.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman. First, I would like to address myself to some of the comments the Member for Sturgeon Creek made, not in the way of continuing in that particular mood, but perhaps to explain that if I sometimes am rather enthusiastic on particular issues, sometimes anxious to see some complete discussion on particular issues, well, so be it. But it's not so much a function of personal things but of my constituency, Mr. Chairman, because this issue is a major concern up there. You know, the last four years we've gone from 22,000 people down to around 13,000 now; we've had perhaps the biggest population drop of any community in the province.

We've seen our single industry hit by cutbacks, by layoffs, by a three-month strike and we've seen that we can't afford to put up with just having one industry. That is why when issues such as Alcan are raised, I fight like hell for my constituency and if the members opposite want to fault me for that, well, I'll accept that criticism. If they want to fault me for being enthusiastic in fighting for it, that's fine. I realize at times I raise a bit of hell about it, but that is why my constituents sent me here.

In this particular Committee, Mr. Chairman, once again we are hearing criticism from the members opposite about the Ministers, in fact, the government's decision to review the aspects of the Alcan smelter and including the locational aspect. I must say, Mr. Chairman, I'm quite surprised because it seems that Alcan isn't objecting to this comprehensive view. The people in my constituency certainly don't object to raising the site location question, Mr. Chairman, it seems only members of the Opposition are. If you were to listen to their objections, Mr. Chairman—(Interjection)—once again, the Leader of the Opposition wants to engage in insults, I have no intention of doing that. —(Interjection)— Well, the buster, I should perhaps explain to the Honourable Leader of the Opposition, expressions like that went out 30 years ago. But anyway, as I've said, Mr. Chairman, my constituents are very concerned about the site location question and they're not unrealistic. I think if you talk to the average person in Thompson today, they'd say that the chance of getting the Alcan smelter up in Thompson is probably still a long shot. They recognize that; I recognize that as well.

Alcan has been looking at this Balmoral site for quite some time now and the honourable members opposite certainly didn't raise any concern about the locational issue at that particular time. A lot of valuable time has been lost but so long as there is even 1 in 100 chance, Mr. Chairman, I plan on fighting for it and that's what my constituents want because, as I said, with no disparagement against other regions of the province, we have faced a major drop in population. We have one of the most depressed economies now and we deserve at least a chance for it.

I think the key mistake that honourable members opposite are making on this particular issue, Mr. Chairman, is that they're assuming that somehow Alcan surveyed every site in the province and that somehow Balmoral is the only feasible site. We don't know that, Mr. Chairman. For whatever reasons Alcan may have, Balmoral may be their preferred site but that is not to say that there are not other equally feasible sites which might be better for the people of Manitoba. I find it very hard to take from those members opposite, Mr. Chairman, that Thompson is not a feasible site for an aluminum smelter.

I am pleased, for example, to hear from the Minister today in this Committee that he's talking about locational questions not just on the Alcan smelter but in future negotiations with other aluminum companies. You know, perhaps we will have more than one aluminum company; perhaps one will even go to Balmoral but perhaps one of the others will come to Thompson where we have a number of advantages as a site. That was their first fallacy I think, Mr. Chairman, was to assume that there is only one viable site.

The second is the way in which they view the process of Alcan and the government talking in the various municipalities. The Member for Sturgeon Creek made mention of the fact that Alcan spoke to the NorMan Regional Development Corporation. Sure, there were discussions, Mr. Chairman. From what I understand, they just basically indicated it to NorMan that area was not under consideration.

Now I've been trying for a number of months to find out exactly why and it seems that everybody you talk to has a different story. Two areas that I have heard mentioned as potential weaknesses in Thompson, Mr. Chairman, are the transportation links and the high turnover of personnel. Now in terms of the transportation links, I think it's very unfair that because we have lousy transportation links we should somehow be precluded from discussion about industry which we might otherwise be a very suitable site for. I find it very unfair, you know.

We've put up with these lousy transportation links for 10, 20 years. Every couple of years we have to fight to get them up to even a semi-decent level, Mr. Chairman, and to have this thrown in our face for this reason, that we're not eligible for anything more than the International Nickel Company of Canada which seems to do quite well with those transportation links anyway, well, I find that somewhat hard to take, Mr. Chairman.

The other one of course has been the turnover; there's been some concern expressed about the high turnover in Thompson. That indeed was the case a few years ago, Mr. Chairman, when I first moved to Thompson with my family, with my parents in 1967.

The average stay at Inco was approximately seven days, so in other words there was about 150 percent turnover each year. Well, that's dropped considerably now, Mr. Chairman. I believe the latest figures show the turnover rates for Inco are comparable to other industrial concerns, either in the province or in the country.

So there I have given two objections which had been made against the Thompson site, Mr. Chairman, both I think of which are not sufficient to preclude us from consideration. We have a number of advantages - I guess if you want to call them advantages - the fact that we have a large number of vacant apartments and buildings. We have a city which is fully equipped to take additional increase in population which would come from an aluminum smelter; we have that as an advantage. We have excellent fresh water facilities out there, Mr. Chairman, which is one requirement of an aluminum plant. We are close to the Hydro site, Mr. Chairman, and it would not cost a large additional amount of money to put in additional transmission lines and also, we are not in an area of agricultural production where pollution would affect the health of the livestock, for example, of cows, of turkeys, chickens, you name the livestock, as has been the case close to some aluminum smelters.

I could list some other advantages but I think I have made my point, Mr. Chairman, that Thompson does have a number of excellent advantages as a site. We are not the only ones that feel that, Mr. Chairman, I am told that sources within a consulting firm here in Winnipeg, one of the original consultants on this particular issue, the Interdisciplinary Systems, actually recommended Thompson as the most feasible site in Manitoba. I haven't heard the honourable members opposite mention that fact that a lot of outside organizations have been suggesting that we are a feasible site.

I also know that this matter has been raised on a number of occasions by members of this Legislature. The former Member for Inkster, that members opposite seem to have adopted as one of their own brethren recently, he was quite outspoken some time back about Thompson being a possible site for Alcan. So it's not just me, Mr. Chairman, as the MLA for Thompson that's saying it. It's not just the people of Thompson; it's various other people as well and various people who had put forward some good arguments that Thompson would be a good site for Alcan.

So I don't think it is unreasonable for myself to fight like hell to try and get Alcan up in Thompson. I don't think it is unreasonable for this new government to actually sit down and review this question with Alcan, and I don't think it is unreasonable for other members of this Chamber to lobby and fight for their areas, as does the Member for Lakeside. I give him credit, Mr. Chairman. I certainly don't consider myself in opposition to his activities on behalf of Lakeside. I am doing exactly the same thing for Thompson.

So basically then, Mr. Chairman, one of the main reasons I wanted to get up at this particular point is to perhaps explain why I fight so much to try and get the Alcan smelter in Thompson, perhaps to explain to the Member for Sturgeon Creek who has perhaps taken some of my comments personally because they weren't intended in that way, and to put on notice to this

Legislature that I am going to continue to do the same thing on this issue so long as there is that 1 in 100, 1 in 10, whatever the chance may be of getting it up there because, as I said, Thompson has gone through a lot of hard times.

It is my home town; I have seen the hard times myself. I have seen many of my former classmates and many of the kids of Thompson have to leave town. I have seen many people who have made Thompson their home for 10, 15, 20 years have to leave town because of poor economic conditions. We need something like Alcan; we need another industry. So long as there is that 1 in 100 chance, I am going to fight for it, Mr. Chairman. I hope the members opposite will bear with me and not try to turn it into some kind of personality insult match because that is certainly not my intention and I hope it is not their intention either. I would hope they would have a little more thought for the people of Thompson.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I will be very brief with the Member for Thompson. I can sit down and I won't do it here; I will tell you why Alcan isn't going to Thompson and I am sure your Minister can. It is not feasible.

I just say briefly to the Member for Thompson, if you want to do something for Thompson, work with your Minister on the Inter-Tie because you won't have the rail, you won't have the transportation up to Thompson for an Alcan aluminum plant or a refinery of that type for a long time. Work with your Minister on the Inter-Tie; get Limestone going; get the refinery into the Province of Manitoba. It will take 400 megawatts that will give you 25 years' production on the Nelson in power plants and Thompson will never look back.

Now, instead of sitting around trying to hold the Minister back or saying to the Minister, you want that plant in Thompson, take the other tack and you will do more for Thompson that way than you will by saying, an aluminum refinery that's not feasible - there's a Unies report about that big right from the beginning, I'm not sure where it is, Mr. Minister - but it says, it's not feasible in Churchill. The rail bed is not feasible. You can't bring aluminum off to Winnipeg and then take it north and make it feasible. Go the other way, work with your Minister on the Inter-Tie and work with your Minister on the refinery to get the production and the power plants built on the Nelson and you will be doing more for Thompson.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman. This is an issue which affects my particular riding and it affects Eastern Manitoba and I want to say a few words on it. I guess one thing that has to be understood from the outset, is rather than trying to hold up this project by everybody expressing their own parochial concerns, we want to get this plant into Manitoba.

First and foremost I think all the members in this Chamber, regardless of where this plant goes, should remember that we are all Manitobans and the Gov-

ernment of Manitoba is supposed to be serving the interests of Manitobans.

Having said that, Mr. Chairman, I want to say that I was extremely disappointed when Alcan announced that they weren't going into Eastern Manitoba. They were out with councils in my area; they formed a committee out in my area. A number of rural municipalities formed a committee and put a very very good brief together and a presentation to the Alcan people. The Alcan people did some site selection in the Eastman area and some of the councils even walked over to those particular sites with officials from Alcan. When the crunch finally came, they chose the Balmoral site. I was disappointed; the municipalities in my area were disappointed but, Mr. Chairman, I have to really say that I was happy that we were going to get that industry to this particular province.

One of the problems the Member for Thompson has, and I sympathize with him, is during the election in order to win that seat, there had to be a few promises made to try and overcome the deficit as far as votes were concerned that they had up there. So one of the promises and one of the campaign dreams, as the Member for Fort Garry said, was to sort of tell the people of Thompson that, well, Alcan should locate here and we should make sure that Alcan gets up here. Now they have a problem.

The First Minister was up there indicating that kind of stuff. He mentioned the former Member for Inkster, the now Leader of the Progressive Party, it was one of his platforms. There was a lot of talk about getting Alcan to Thompson, but what happened here is something that I guess is very fundamental to politics.

We saw people allude to the possibility of getting that smelter up in Thompson and now the Member for Thompson is finding out very clearly that it will cost the province. There will have to be concessions made. There will have to be, either on Hydro or infrastructure or whatever, concessions made by the Manitoba taxpayer to either Hydro or other means to get that particular plant up in Thompson.

What's happening now is that the Member for Thompson is trying to save his political hide on this one and I can appreciate that, but I say to the member that once we are going to start in this particular province dictating where a company should go, whether it be Alcan or any other company, we are starting to set very dangerous precedents because economics dictate in many instances where a company will locate and why they will go there. If we are going to start using taxpayers' dollars in Manitoba to entice them to one region over another, I want to say to you that becomes a very dangerous policy. We see the Minister of Economic Development getting into that. The other day, when I asked her a question, she indicated that they would be looking at that type of a situation. I don't think it's right and I don't think that is what the province should be doing.

Our number one concern in this instance should be, as Manitobans, to get this particular plant into Manitoba and at the least cost to the Manitoba taxpayer. If this government is willing to subsidize the company's operation up in Thompson by providing cheaper hydro rates, then let's have that up front. Let's have that up front, but according to the studies that the company has done, from my involvement in this par-

ticular negotiation, it was left up to them to decide where the most economical place would be and I'm very sorry that it's not coming to the Eastman region because I would have liked to see it there, but I believe it's our duty in this Chamber to try and get this company to Manitoba at the least cost under the best conditions and terms to this particular province.

Having said that, Mr. Speaker, I want to say that I can appreciate the Member for Thompson's concerns. I know what he's going to say after this is all over. He's made a speech in here and he's going to be fighting with his Minister to try and get it up in Thompson and when it, hopefully, is finally located in the most economic area, which is probably the Balmoral site, I think that's where we're going to end up in the final analysis if this smelter is built. At least the Member for Thompson, I know will be able to say that I got up in the Legislature and I fought for Thompson because that's where I thought it should be.

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I'd like to ask the Minister just what is being done by way of assessing other sites. Evidently, Thompson is being assessed as a site. What precisely is being done?

MR. CHAIRMAN: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: We asked the Provincial Land Use Planning Group to take Alcan's criteria and apply them to sites in Manitoba. That is being done with respect to Churchill because it's a port and Thompson because it has infrastructure and probably wouldn't raise either substantive or psychological environmental concerns, or to the same degree that I think there are some with respect to the Balmoral site.

We asked them to look within a 25-mile radius of Winnipeg, which again was one of their criteria, and that we thought would help us in our discussions with Alcan, certainly also help us in our discussions with other aluminum companies. There's no time lost at doing this and we also were looking at whether, in fact, Brandon or Rivers, and I take the point of the Member for Sturgeon Creek on this, Alcan has said ore-aluminum companies would prefer building on an esker, not necessarily rock, but an esker and not having a clay base. They have a long pot line so they don't want anything changed. It's understandable, and that then starts narrowing options. So that's being done and that's the subject of discussions with Alcan.

The Unies Studies that the member talked about, I'll certainly do another check —(Interjection)— Pardon? No, I appreciate that and sometimes that is a difficulty with transitions, and I just say one has to try and pull those things together.

MR. CHAIRMAN: The hour being 5:30, I am leaving the Chair and we will return at 8:00 p.m. this evening.