

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 6 August, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

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

Madam Speaker, I move, seconded by the Member for Inkster, that the Report of the Committee be received.

MOTION presented and carried.

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

ORAL QUESTIONS

Workers Compensation Board - staff suspension

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you very much, Madam Speaker. I would direct my question to the Minister of Environment, Workplace Safety and Health, the Minister responsible for Workers Compensation.

Following the firing of Carl Laufer, the General Manager of Manitoba Public Insurance Corporation, and during the Estimates of the Workers Compensation on Monday, July 21, I had occasion to ask if there were any problems concerning the staff honesty at the Workers Compensation. Can the Minister advise if any staff have been suspended at the Workers Compensation pending a complete investigation as to their competence and honesty?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I thank the honourable member for his question, and I'll be very pleased to take his question under advisement. Madam Speaker, I will take the question under notice, and provide the information to the House as soon as I can.

MR. A. KOVNATS: A supplementary question to the same Minister, and I imagine that this will have to be taken under advisement also.

If there is a suspension, and I believe that there is, Madam Speaker, is this due to the investigation of the Provincial Auditor?

A MEMBER: Take your time, he just walked in.

MR. A. KOVNATS: Madam Speaker, may I wait for the Minister to take his seat so that I can complete my question?

MADAM SPEAKER: I believe the Honourable Minister is quite able to hear while he's on his feet. Proceed.

MR. A. KOVNATS: Thank you, Madam Speaker, to the Minister of Environment, Workplace Safety and Health.

There's one question that has been taken under advisement and, if I may repeat it, Madam Speaker, now that the Minister is here. I will repeat it . . .

A MEMBER: It will be repetitive.

MR. A. KOVNATS: . . . and it's not repetitive. Following the firing of Carl Laufer, the General Manager of the Manitoba Public Insurance Corporation, and during the Estimates of the Workers Compensation, when on Monday, July 21, I had occasion to ask if there were any problems concerning the staff honesty at the Workers Compensation.

Can the Minister advise if any staff have been suspended at the Workers Compensation, pending a more complete investigation as to their competence and to their honesty?

MADAM SPEAKER: The Honourable Minister of Workplace Safety and Health.

HON. G. LECUYER: Thank you, Madam Speaker. The Member for Niakwa asked that question during the Estimates and I can give him the same answer as I gave him then; that there was indeed an investigation going on in regard to one individual being involved in a conflict-of-interest situation.

MR. A. KOVNATS: To the same Minister, Madam Speaker, a supplementary question.

Can the Honourable Minister advise whether there has been action by the Provincial Auditor which has necessitated the firing, or at least the suspension of any individuals at the Workers Compensation Board?

HON. G. LECUYER: As I indicated then, pending the investigation on this alleged conflict-of-interest situation, the member has been suspended. He's on leave with pay.

MR. A. KOVNATS: If I could just repeat what I thought I heard - is on leave with pay, has not been suspended - is that correct?

HON. G. LECUYER: Madam Speaker, that's my understanding.

Provincial Auditor's Report - tabling of

MR. A. KOVNATS: To the same Minister, Madam Speaker, another supplementary question.

Can the Honourable Minister advise whether the Provincial Auditor has completed his investigation, and will the Minister table the Report of the Provincial Auditor?

HON. G. LECUYER: Madam Speaker, the report or the investigation I presume is not completed, I haven't seen any reports up to this time. This is very recent and, therefore, I don't expect a report, at least for a couple of weeks or more to come, and I certainly will consider tabling that report when that happens.

Senior Officials - investigation by Auditor

MADAM SPEAKER: The Honourable Leader of the Opposition.

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

Given the recent review of the Auditor of senior officials in the Department of Natural Resources, now the investigation into allegations with senior officials at the Workers Compensation Board, previously the firing subsequent to an Auditor's investigation at MPIC; I wonder if the Premier could indicate whether or not he's aware of any other senior officials in government departments or Crown corporations under investigation by the Auditor?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'm not aware of any other instances. I would take that question as one of notice.

MTS - Aysan, Mrs. re employment

MR. G. FILMON: Madam Speaker, my question is for the Minister responsible for the Manitoba Telephone System, and I wonder if he can indicate whether Theresa Aysan was ever employed in Saudi Arabia by MTX, or its subsidiary, or associated companies?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Thank you, Madam Speaker.

I've indicated that all those questions I'll be certainly more than happy to ensure that officials are there to provide full answers to all of those questions, and I'll take the question as notice and we'll deal with at the committee.

MR. G. FILMON: I wonder if, in taking that as notice, the Minister could indicate, if indeed Theresa Aysan was employed, the details as to what capacity and other circumstances of the employment.

MTX - Equipment and assets transferred and purpose of transfer

MR. G. FILMON: Another question to the Minister. Would he provide us with a summary of all equipment and assets that have been transferred, either to or from MTS and MTX, or its subsidiary and associated companies in Saudi Arabia, with a description of the transfer of equipment, the value ascribed to it and the purpose for that transfer?

HON. A. MACKLING: Madam Speaker, I have no reservation about accepting that question. However, I would point out that there's no time frame set in the question, so I assume that it is during the course of the operation of MTX - that's a four-year period - that will take time to compile all that information.

A MEMBER: Stonewalling.

HON. A. MACKLING: Now, Madam Speaker, I hear the word "stonewalling." I want to provide all the information that we can to the committee, and I asked days ago for the honourable members, particularly the honourable critic, to provide me with any further questions and we now get them in bits and pieces; and then there'll be criticism if all of those questions aren't answered on the day that the committee sits.

I ask for the members' cooperation. I will endeavour to get that information for the meeting on Tuesday. If there are other questions that honourable members have, I wish they would put them to me as soon as possible so that I can endeavour to get the information.

MR. G. FILMON: Madam Speaker, I accept the request of the Minister. I just suggest to him that our efforts in this respect are ongoing as well as his and, as new information comes to light, new questions are brought forward and we're giving them to the Minister as quickly as we can and we hope that we will be able to cooperate as well as he will be able to on these circumstances.

MTX - services provided to MTX

MR. G. FILMON: I wonder if he could, as well, provide a summary of all services provided by MTS to MTX over, let's just say, for the past fiscal year, and give the monetary consideration for the provision of those services by MTS to MTX.

We'll make it simple for the other one. The earlier question, we'll say, just for the past year, the transfer of assets and then, subject to that, we may ask more questions in committee.

HON. A. MACKLING: Madam Speaker, that is helpful; we will undertake that.

MTS - Cezar Industries and SADL Industries

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, my question is for the Minister responsible for the Telephone System.

In view of his commitment to cooperation with the Opposition, can the Minister assure me that the

business plan for the Cezar Industries, investment of \$3.375 million that I requested some three weeks ago, be made available in view of his desire for cooperation, and will he assure me that the financial statements of SADL Industries, requested two years ago, will be made available before Tuesday? In view of the fact of his ongoing concern of full cooperation on this side of the House, will he cooperate and provide those two pieces of information to me prior to Tuesday?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Madam Speaker, first of all, I reject the sarcasm by the Honourable Member for Pembina.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. MACKLING: I even indicated, Madam Speaker, to that member that I would be prepared for him to meet with staff and ask questions to facilitate the work of the Committee. So don't let the honourable member indicate that any answer that I have given is a half-truth or is only a gesture. That is not so.

Madam Speaker, in respect to the requests, the financial statement in respect to the joint debenture, Saudi Arabia Datacom Ltd., I have indicated - I think the honourable member asked for that information before - that there may be problem about confidentiality, because it is a joint venture. It is based in Saudi Arabia, not in Canada, and I wasn't sure whether or not we would be able to provide that information. I will confirm that when the Committee meets.

In respect to Cezar Industries, yes, a business plan will be provided.

MTX - shredding of documentation re MTX

MR. D. ORCHARD: Madam Speaker, a new question to the Minister responsible for the Manitoba Telephone System. Will the Minister immediately investigate as to whether information and documents on MTX and their activities are currently being shredded at MTS, and will he undertake to investigate immediately and, if he's finding that to be the case, will he immediately place a competent individual within the corporation to assure that any destruction of documents and files useful to the investigation of MTX operations are not destroyed?

HON. A. MACKLING: Madam Speaker, I know it was common knowledge that shredders were very very active in this building after the change in government. I, as a Minister, will not tolerate any shredding by the corporation of any documentation, and if I learn that to be the case, there will be some accounting to be made. I deny the allegation.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. MACKLING: Madam Speaker, I would be pleased if the honourable member could disclose to me any details so that I could pursue it more effectively.

MR. D. ORCHARD: Madam Speaker, if the Minister would care to investigate and assure himself that

practice of shredding is not in fact taking place, it would be helpful to the full implementation of information on MTX; and if he would investigate that would be a very very interesting investigation for him to make.

MTX - Pan-Pacific contract

MR. D. ORCHARD: Madam Speaker, I have another question for the Minister responsible for the Manitoba Telephone System.

Would he on Tuesday provide full information, Madam Speaker, on the MTX contract which was awarded to MTX on the electronic consulting contract for the Pan-Pacific Hotel Complex and World Trade Centre in Vancouver? Would the complete details of that contract and its award be made available for Tuesday's hearing of the Public Utilities Committee?

HON. A. MACKLING: Madam Speaker, I'm not aware of the contract that is referred to. I will make inquiry about that and see whether or not that will be available. I think the Honourable Member for Emerson will be interested to know, too, if the Honourable Member for Pembina can give me detail specifics about the charges he's making so that then I can investigate what is being alleged, which is a very serious charge against the corporation.

MR. D. ORCHARD: Madam Speaker, since the Minister no longer trusts telephone conversations with senior officials, maybe he should take the time to go over and visit MTS and ask those questions directly.

Madam Speaker, when the Minister is undertaking to provide the information on the Pan-Pacific Consulting Contract in Vancouver, would he provide the full value of the contract, the number of employees in MTS or MTX which were involved in undertaking that consulting contract, and would he provide the salaries paid and charged to that contract so that we can assure ourselves at committee that full costs from MTS were assigned to that contract and MTX so that no employees of MTS and their salaries were not properly charged to the undertaking of that consulting contract.

HON. A. MACKLING: I've indicated, Madam Speaker, that I will make inquiry in respect to that contract and I'll endeavour to have all of that information, the information the honourable member is seeking for the committee. I, once again ask the honourable member if he can give me a time or hour, the date, anything in respect to this allegation so that then I can pursue it. Now is he referring to some shredding that took place when he was in office or when is he talking about?

YWCA - grants

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker. My question is to the Minister of Community Services.

Could the Minister indicate if her department has given any grants to the YWCA and, if so, how much?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: No, there are some monies that flow to Osborne House, the shelter, but I think they're primarily under the Social Assistance Budget. I will check out the detail, but there's not direct funding that goes to the YWCA.

Hovercraft re Northern Manitoba

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Northern Affairs.

Can the Minister tell the House at what stage are the negotiations to purchase a Hovercraft to serve Berens River and other northern communities, and at what cost to the citizens of Manitoba?

MADAM SPEAKER: The Honourable Minister of Northern Affairs.

HON. H. HARAPIAK: Madam Speaker, the Community of Wasakamik is one of the main communities that was interested in having Hovercraft in as a demonstration project, and they're really just at the discussion stages and there's a submission being put together to be put forward to the Northern Development Agreement, and that's what stage it's at right now.

MRS. S. CARSTAIRS: Yes, can the Minister tell us if any discussions have gone on with regard to the costs of transporting freight by Hovercraft, as opposed to the present barge system in summer, and winter roads in the wintertime, which I'm told is five to ten times cheaper than by Hovercraft.

HON. H. HARAPIAK: Yes, that's the purpose of having a demonstration project and all those ideas are under discussion at this time. We really won't have a good way of evaluating which are more expensive or which are more efficient until we've had a demonstration project and that is the purpose of a demonstration project; it would give us a good indication of how effective it would be, how the people would accept it, and what the cost would be as well.

MRS. S. CARSTAIRS: A final supplementary to the same Minister.

Can the Minister explain why he would be doing this kind of experimenting when Hovercrafts, by their own definition, have economic viability which exists primarily in short, frequent trips and we're looking at long and less frequent trips.

HON. H. HARAPIAK: Madam Speaker, I believe that the Member for River Heights must be talking about a different geographic location than I am in that the geographic location I'm speaking of, in the Wasagamik area, there are four communities within a very short location. That is the area that we're talking about having a demonstration project to give us a good indication of what the comparative cost would be.

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

MRS. S. CARSTAIRS: Thank you, Madam Speaker, and I do apologize for my final, final but his answer promoted it. Surely he cannot believe that they are getting their freight from each other and that that freight that would be delivered by a Hovercraft would have to come from south.

MADAM SPEAKER: Order please, that question seeks an opinion.

YWCA - government funding

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question to the First Minister.

Is there any department of his government that provides funding to the YWCA in the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister responsible for the Status of Women.

HON. J. WASYLICIA-LEIS: Yes, Madam Speaker, I'm pleased to be able to respond to that question. As the Minister of Community Services has indicated, there is a per diem benefit provided to Osborne House as the Wife Abuse Shelter. There is no direct operational monies going into the YWCA. The Women's Directorate in the past has contributed to the YWCA dinner to the tune of approximately \$300 to \$400.00.

YWCA - discriminatory job description

MR. J. DOWNEY: I have a question to the Minister responsible for Native Affairs.

Has the Minister responsible for Native Affairs done an in-depth investigation into the discriminatory job applications that were posted at the YWCA?

MADAM SPEAKER: The Honourable Minister responsible for Native Affairs.

HON. E. HARPER: Thank you, Madam Speaker. I have not checked into the situation but I have had some contacts with some people who have told me that they were resolving the situation and conducting meetings amongst themselves, and together with the YWCA.

MR. J. DOWNEY: Madam Speaker, in view of the fact that the Minister's done absolutely nothing to carry out his responsibility as a Cabinet Minister, will he take immediate action? Will he take immediate action to fully investigate and report his findings to the Legislature?

HON. E. HARPER: We have good organizations, good Native organizations that have undertaken the action. Certainly as a leader and also a representative of Native people I trust their work and those kinds of initiatives. I realize they want me to get a big hand and tell the YWCA they should straighten their act out, but I think the Native people themselves have done a great deal

and also, with my assistance, I will be able to help them.

MR. J. DOWNEY: Madam Speaker, in view of the fact that the Minister responsible for Native Affairs has done absolutely nothing in this issue, is he prepared to recommend to his colleagues to stop all support of the YWCA until this matter is cleared up and a full apology made to his Native people?

HON. E. HARPER: I don't think I have done anything at all in regard to discrimination. I fought this all through my life and this is the Chamber which I attempt to bring attention to the issue and bring issues. Certainly this is one of the parts of the problem in terms of attitude and everything else; it is something that we have to change. I am certainly willing to meet with the YWCA or other agencies who are involved, and certainly would recommend that some of these actions be dealt with by the Human Rights Commission.

Brandon University - Perkins' settlement

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, my question is directed to the Minister of Education.

The Minister repeatedly told this House, over the last few weeks, that he was assured by the Vice-Chairman of the Brandon University Board of Governors that taxpayers' dollars were not used to settle a lawsuit between Dr. Harold Perkins and Professor Errol Black. In view of the fact, Madam Speaker, that the terms of settlement released last week provide, in Paragraph 8, for the discontinuance of the action against Professor Black; and in view of the fact that the Minister has clearly been misled by the board, what action does he intend to take? Will it be his policy in the future to continue to allow himself and this House to be misled by the Brandon University Board of Governors?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, I answered that question last week for the member's information.

MR. J. McCRAE: If the Minister is satisfied to leave his answer on the record, Madam Speaker, then he'll have to take the consequences for that answer.

MADAM SPEAKER: Question.

MR. J. McCRAE: Madam Speaker, I do have a question.

SOME HONOURABLE MEMBERS: Oh, oh!

Brandon University - legal costs re Perkins' settlement

MADAM SPEAKER: Order please, order please.

The Honourable Member for Brandon West has the floor for a supplementary. Order.

MR. J. McCRAE: Madam Speaker, to the same Minister, what legal costs were incurred by the university in relation to the Perkins affair from the time of his dismissal until the conclusion of the matter? Did the university also pay \$1,200 in legal costs incurred by Dr. Paton and Mr. Rogosin, as the Minister and I discussed when his department's Estimates were before the Committee of the Whole.

HON. J. STORIE: I can indicate to the member that, yes, in fact the \$1,200 referenced in a question the member gave to me somewhat earlier was in fact paid by Brandon University Board of Governors.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. J. STORIE: Madam Speaker, the honourable members opposite have delighted over the past number of months in muckraking, making allegations and attempting . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order. The Honourable Minister of Education.

HON. J. STORIE: They have shown, Madam Speaker . . .

MADAM SPEAKER: Order please.

The Honourable Member for St. Norbert on a point of order.

MR. G. MERCIER: Yes, Madam Speaker, on a point of order. The Minister of Education has referred to members of this side of the House as being involved in muckraking. I don't think that is an appropriate description that should be used of the questions that are being asked of this side, and is offensive, Madam Speaker. I would ask that you request the Minister of Education to withdraw that comment immediately.

HON. J. STORIE: I certainly wouldn't want to offend members opposite, despite the fact that they have offended many Manitobans unjustly by accusations and false accusations, by allegations with no substantiation, continually over the past few months. So I certainly, Madam Speaker, would withdraw anything that would offend the sensibilities of members opposite, and would apologize profusely for those remarks.

MADAM SPEAKER: Order please.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I would now ask you to request the Minister of Education to withdraw his remarks that actions of this side of the House have offended Manitobans generally. I think indeed that again is offensive, and the Minister should withdraw that remark.

HON. J. STORIE: Madam Speaker, I seem to have hit a sore spot. I suppose, Madam Speaker, that's reflected

in the fact that they have no real issues. They don't understand what the issues are, and they haven't from Day One.

SOME HONOURABLE MEMBERS: Oh, oh!

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

Could we please hear the rest of the Honourable Minister's statement?

The Honourable Minister of Education.

HON. J. STORIE: Yes, Madam Speaker . . .

MR. F. JOHNSTON: A young, arrogant smart-aleck.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I distinctly heard the Honourable Member for Sturgeon Creek call a member of this House a young, arrogant - and I'll short-form the word - A-hole.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please. Could the honourable members please come to order? Order.

I will recognize the Honourable Member for Sturgeon Creek, and then I would like to caution all members of the House that unparliamentary language on either side and this kind of disorder will not be tolerated.

The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you. On the point of order, Madam Speaker, I would suggest that the parliamentary language used by the First Minister is out of order, and I would not have used it. I did call the Minister a "young, arrogant smart-aleck." I have often called him that, and I believe he is.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order.

It is very difficult for any members to hear with accuracy the comments that are shouted back and forth across the floor, and it would help the proceedings of question period immensely if no one shouted names at each other across the floor.

The Honourable Minister of Education to finish his comments, and then to proceed with his response to the Honourable Member for Brandon West. We will proceed orderly.

HON. J. STORIE: Madam Speaker, I was indeed getting up to continue my response to the question raised by the Member for Brandon West, and the intervening interjections, I think, only prove my point.

I would indicate to the Member for Brandon West that the specific issue that he raised in committee, which I believe represented or was reflected in board minutes going back some two years or more, was quite a

separate and distinct issue from the other issue that he raised.

Madam Speaker, the issue with respect to the inclusion of a reference to the suit of Dr. Perkins with the Brandon University Students Union and a professor at Brandon University were indeed referenced in the agreement. That agreement is now public, which I believe was the essential issue that members opposite had raised; they wanted that information public. It is now public, as I believe and as I said, and as the First Minister said, it should be, from Day One. It does not indicate that there were any public funds set aside for that purpose. It indicates that it was resolved as a result of discussions.

The issue of legal costs which I do not know whether they are related or not, I have asked the Universities Grants Commission to review that. They've informed me that the University Board of Governors was within their power to pay those kinds of costs, although there is some question about what role the individuals were performing, which led to the legal action.

I have asked for a further legal opinion from the Attorney-General's Department and will be getting that. However, I would indicate that the Universities Grants Commission has indicated that universities of course are entitled to pay legal costs that they incur from time to time for a variety of reasons; and that it is not outside of their purview at all.

The issue, I believe, Madam Speaker, which this raises - and I believe I addressed in the Estimates - is the whole question of accountability and how the universities can maintain their autonomy and yet that there can be that accountability. I agree with the member opposite in the respect that the public is demanding an increasing degree of accountability and, although it has not happened in the past, I am very cognizant of the position that I am in, and that other Ministers are in and have been in, is not acceptable, and that we will have to look at ways of changing that to make sure that the system functions in a more accountable way without sacrificing what I believe is the prime question, and that is the autonomy of universities which I believe all members still support.

Brandon University - misuse of funds by Board of Governors

MR. J. McCRAE: Madam Speaker, I trust you'll allow me the same latitude as you allowed the Minister in answering my previous question.

The Minister has made the comment that there's muckraking going on. The Minister, as I thought I pointed out to him in the Estimates, the whole reason for our being here in the parliamentary system is to get at the truth, Madam Speaker, and to find out just the way public money is being spent. If that is muckraking to the Minister, Madam Speaker, his definition is certainly different than mine.

MADAM SPEAKER: Does the honourable member have a question?

MR. J. McCRAE: Madam Speaker, if I may continue . . .

MADAM SPEAKER: You may continue with a question. Question period is not a time for debate.

MR. J. McCRAE: All I ask, Madam Speaker, is that the same latitude be shown to all members of this House.

MADAM SPEAKER: May I remind honourable members, the rules that govern question period, which I hope we would all follow.

Honourable members ask questions; honourable Ministers answer questions. It is not a time for debate. Does the honourable member have a supplementary question? That is the way one elicits information from a Minister.

The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, I have a new question for the Minister. I would just point out that the Minister did not answer my previous questions, so there would be no possible way I could have a supplementary question, Madam Speaker.

MADAM SPEAKER: May I remind the honourable member that he cannot dictate the answer and if a Minister chooses not to answer, that's the way it is.

Does the honourable member have a question?

MR. J. McCRAE: Yes, Madam Speaker.

MADAM SPEAKER: Fine.

MR. J. McCRAE: It would have saved a lot of time, Madam Speaker, if you had recognized me for a new question, which is what I have.

MADAM SPEAKER: Go for it.

Brandon University - revocation of members of Board of Governors

MR. J. McCRAE: Madam Speaker, the Minister has had plenty of time to think this matter over. The Minister told me in the Estimates process that he would give this due consideration and take my concerns into account.

The answers he's given today show no evidence that he's done that; so in view of the reckless disregard displayed by the Board of Governors for taxpayers' money, and in view of the board's lack of respect for the principle of accountability in the spending of public money, Madam Speaker, to the detriment of programs, students, faculty and staff at the institution, as well as the Minister's own reputation, will the Minister now revoke the appointments of those government appointed members of the board, those members who so single-mindedly embarked on this irresponsible venture?

HON. J. STORIE: Madam Speaker, in the member's headlong pursuit for publicity rather than facts, it's rather unfortunate, it is extremely unfortunate that we have the member denying that he's muckraking, at the same time that he's making allegations about incompetence, misuse of public funds, when he has no such knowledge and the facts of the case do not warrant that kind of assumption.

He is also suggesting . . .

MADAM SPEAKER: Order please. May I remind all members that all members are honourable members and motives should not be attributed or imputed to each other, on both sides of the House. Could we please continue in an orderly fashion?

The Honourable Minister of Education, briefly.

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

I can only indicate to the member that no such conclusion has been drawn, either by the community of Brandon or the most recent editorial from the Brandon Sun, nor from the Brandon Students Union.

Madam Speaker, I point out to the member, and he has not refuted that a change was needed, and there is no determining what the cost of not acting would be, the fact that there was a settlement, rather than a lengthy court dispute, I believe, many people would argue, works to the benefit of Brandon community in that it gets the issue resolved.

For the member to continue to make allegations that this money was misspent, when he has no such knowledge or information; to make the kind of accusations about the actions of a group of individuals who are not all government appointees, who represent, they believe, the interests of Brandon community and Brandon University, is extremely unfortunate and certainly does not involve dealing with the issues.

I've tried to focus on the issue and the issue is the question of accountability which I believe is legitimate. The other issues that the members are raising are personality issues, are not the central issue, and he has no knowledge that I believe confers on him the right to make those kinds of accusations and defame people in that way.

Judicial System in Northern Manitoba

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. I have a question for the Minister of Northern Affairs.

Is it the policy of his Ministry to describe Northern Indian Band leaders, who expressed concerns about the leniency of the judicial system in Northern Manitoba, and expressed those concerns publicly, is it his policy to describe them as "grandstanding" as apparently they were called by the Deputy Minister of the Attorney-General's Department?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: No, it is not the policy of the government or of any Minister of the government to so describe the leaders of the Native communities of the North who have expressed some real concerns which are being looked into.

I note from the press report, and I'm sure the Member for St. Norbert will know it as well, that the term "grandstanding" was not in fact used by the Deputy Minister. This is not to say that I ascribe to some of the other remarks made by him. I have drawn his

attention to the inappropriateness of some of his remarks and I accept responsibility for them.

I think they are wrong; I'm happy to say they don't reflect this Minister's views. They don't reflect the views of the government.

Knives - barred in court

MR. G. MERCIER: A supplementary question to the Attorney-General, Madam Speaker, then.

I wonder if he could indicate what his policy is with respect to consideration of Provincial Judge Allen's suggestion that possession of knives for some criminals be barred for a period of time in sentencing matters.

HON. R. PENNER: I've asked the Assistant Deputy Minister of Criminal Prosecutions, who is involved in what we call the "G - Group", as the governmental group, between federal and provincial Ministers of Justice to place that item on the next agenda of a group that meets continuously looking towards amendments to the Criminal Code.

There are difficulties in enforcing provisions with respect to knives that one doesn't find with respect to the Firearms Control. Firearms Control is reasonably defined in the code. The code does prohibit possession of a weapon dangerous to the public peace, which more often than not is a knife. Sometimes it's some other weapons, but knives that are carried by people in public, if found in situations which are themselves evidence of threats to persons or property, lead to charges which we prosecute and prosecute very firmly.

The question arises as to whether or not you can prohibit anybody who has been convicted of that kind of an offence for owning a knife under any circumstance. The problem that was recognized, and which I think everyone would, is that knives, by their nature, as differentiated from guns, have a peaceful in the main, as well as sometimes a deadly purpose. One has to question how the criminal law would be defined in reaching into the homes of people, regardless of their previous record. That is a problem that I'm asking the officials charged with reform of the criminal law to look into.

Inmate (dangerous) - released on pass

MR. G. MERCIER: Madam Speaker, a final question to the Attorney-General. On the weekend, there were reports of an inmate of Stony Mountain being at large who had previously been released on a temporary absence pass unsupervised and he was described in the radio reports as being dangerous. Would the Attorney-General investigate how a person who is dangerous can be released on an unsupervised temporary absence pass and report to the House?

HON. R. PENNER: I think the Member for St. Norbert knows that all such releases from federal institutions are in the jurisdiction of federal authorities. It is not within my jurisdiction to — (Interjection) — no, it's not within a provincial jurisdiction. That question ought to be directed to the Federal Solicitor General.

MADAM SPEAKER: The Honourable Member for St. Norbert - very briefly.

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

In view of the fact, Madam Speaker, that the inmate was at large in Manitoba, was regarded as dangerous, in view of the fact that this government feels no compunction in making recommendations on any other matters to the Federal Government that they deem to be suitable or politically convenient to them, would the Attorney-General not undertake to investigate and make inquiries from the federal authorities to determine why this inmate was at large when he was regarded as dangerous?

HON. R. PENNER: I'll take the question as notice. The Member for Pembina, however, said from his seat that I like to duck issues. I think he'll find that he's wrong in that regard.

MADAM SPEAKER: The time for Oral Questions has expired.

TABLING OF REPORTS

HON. M. SMITH: Could I have leave, Madam Speaker, just to table a preliminary report on the Amba Home. I'd like to have one go to the Leader of the Opposition and to the Member for River Heights.

MADAM SPEAKER: Does the Honourable Minister have leave? (Agreed)

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Madam Speaker.
Could you please call Second Readings on Bill No. . .

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.
I wonder if I could get leave from the House to make a non-political statement.

MADAM SPEAKER: Does the honourable member have leave? (Agreed)

NON-POLITICAL STATEMENT

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.
I just wish to announce that apparently over the weekend there was cook-out to establish which was the catfish capital of Manitoba. That feud, Madam Speaker, has been going on between the Town of Emerson and the Town of Selkirk for a long period of time. I just want to announce that apparently this has been resolved to the satisfaction of all Manitobans and that the Town of Emerson has now been established as having won the Catfish Capital of Manitoba.

Madam Speaker, I'm sure that all members of the House, including the Premier of Manitoba, would want to support me in congratulating the Town of Emerson on their endeavour.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I would like to just respond to the Honourable Member for Emerson. I have discovered just this morning that there are serious allegations that the catfish tested was one that was caught near the Town of Selkirk.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, would you please call Second Readings on Bill No. 42 and Bill No. 44, and then call Adjourned Debates on Second Readings in the following order please: Bills No. 40, 43, 24, 4 and 14. I would look to the Opposition House Leader and the Member for River Heights to see if there is an inclination to forego Private Members' Hour if required to continue the debate on these particular bills.

SECOND READING

BILL 42 - THE INSURANCE ACT AND THE QUEEN'S BENCH ACT

HON. A. MACKLING presented Bill No. 42, An Act to amend The Insurance Act and The Queens's Bench Act; Loi modifiant la Loi sur les assurances et la Loi sur la Cour du Banc de la Reine, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Madam Speaker, the amendments to The Insurance Act are designed to address two situations. First, the amendments would allow the province to enter into a compensation plan respecting property and casualty insurance companies.

Secondly, the amendments will address the problem which may be created where an insurance policy remains in effect, but where an insurable interest no longer exists.

As members are likely aware, there has been the failures of six general insurance companies in Canada over the past few years. The failure of a general insurance company can take several years to wind up which results in claimants, not only suffering the loss of at least part of their claim, but having to wait for the winding up process to recover on their claim.

The superintendents of insurance for the provinces and the insurance industry, through the Insurance Bureau of Canada, have developed an insurance compensation plan which would substantially reduce the problems faced by claimants in the event of a default. The superintendents are also working on a regulatory and other mechanisms to reduce the likelihood of a default occurring.

The basics of the compensation plan are that it would be operated by a non-profit corporation set up by the

general insurance industry, which would guarantee claims to a maximum of \$200,000.00. The plan will be national in scope with entry being on a province-by-province basis. The plan will not cover speciality lines, such as, title insurance, crop hail insurance, aircraft insurance, etc.

Under the plan, it is anticipated that in the event of a default that settlement of a claim would occur 30 days after the claim has been agreed to by the liquidator. This will be of immense benefit to consumers and small businesses relative to the time delays which currently result in the insolvency of a general insurance company.

Claims will be paid by the compensation fund to a maximum of \$200,000 in exchange for an assignment of the proceeds of the claim by the policyholder. The assignment will be filed with the liquidator who will pay the policyholder's share of the estate to the fund. Any assets available in excess of the assignments will be returned to the policyholders up to the full value of their losses. Unearned premiums will not be covered by the plan.

Madam Speaker, the legislation is necessary as it is a requirement that all general insurers be party to the compensation fund. We would therefore provide that membership in a compensation fund be a requirement for licensing in the Province of Manitoba. I would also like to advise members that the Superintendents of Insurance are also attempting to establish a similar plan with the life and health insurance industry.

With respect to the second matter, Madam Speaker, the existing sections of The Insurance Act governing life insurance provide that an insurable interest in the life of a person is only required when the policy takes effect. An insurable interest need not continue to exist for the policy to remain valid.

In some circumstances, such as a marriage breakdown or dissolution of a partnership, a person whose life is insured may become uncomfortable or find it offensive that an ex-spouse or an ex-partner continues to pay insurance premiums and to stand to personally gain by that individual's death. As a result, I intend to amend the Act to allow such persons to seek an order of the court to terminate an insurance policy. Obviously, this will not affect those cases where the parties wish the policy to remain in effect.

Madam Speaker, those are the salient points of the bill, the two main points of the bill that are before the House, and I commend it to all members of the House.

MADAM SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: I stand to ask a question for clarification.

HON. A. MACKLING: Yes.

MR. G. DUCHARME: . . . (inaudible) . . . mentioned of the \$500 deductible . . . Can the Minister inform the House who will pay the \$500 deductibles in . . .

HON. A. MACKLING: Madam Speaker, when a claim is filed with the Fund, then it is understood that the maximum amount of that claim will be \$200,000 that the fund will cover. They will be deductible from any claim of \$500.00.

MR. G. DUCHARME: Madam Speaker, I move, seconded by the Honourable Member for Roblin-Russell, that debate be adjourned.

MOTION presented and carried.

BILL 44 - THE JUDGMENT INTEREST AND DISCOUNT ACT

HON. R. PENNER presented Bill No. 44, The Judgment Interest and Discount Act; Loi sur les taux d'intérêt et d'actualisation des sommes allouées par jugement, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Thank you, Madam Speaker. The question of prejudgment interest is a difficult one. Some members - I'm sure the Member for St. Norbert - will recall that during the last Session, the government proposed and then withdrew for further study — (Interjection) — Madam Speaker, the Minister of Education is creating a disturbance in the back of the House. That's good, he's taking the Member for Emerson with him - withdrew for further study a Judgment Interest and Discount Act.

Madam Speaker, in the intervening period we've consulted extensively on this issue with legal practitioners, professors at the law school, and judges of the Court of Queen's Bench and the Court of Appeal.

The bill which I'm introducing today is the product of those consultations and it will be readily apparent, differs considerably from the bill which was withdrawn and which, let me say, parenthetically, was much more mathematical and formulaic. I believe what we now have is a much better bill.

The bill deals with two separate principles, two separate issues: prejudgment interest and discounting. I will first deal with prejudgment interest. The bill establishes with respect to a judgment delivered by a court in any civil action in the province a basic uniform entitlement to receive interest on the money value of the judgment. The interest is awarded to compensate the plaintiff for being deprived of the use of the money over the prejudgment period, which sometimes can be a year, two years, perhaps even more.

We propose to make interest payable at the bank rate, which is the minimum rate at which the Bank of Canada makes short-term advances to the chartered banks. We believe the bank rates fairly represents the investment value of the money lost to the plaintiff and available to the defendant over the prejudgment period. Inevitably, there are special situations to be considered and the bill attempts to deal with them and I hope does so successfully.

For example, where money is paid into court in an attempt to settle an action, interest begins to accrue, under other provincial legislation, at the time the payment is made. Consequently, in this situation, when money is paid into court, The Judgment Interest and Discount Act would apply only up to the time of the payment into court, and then the other legislation would take over.

We also propose a special rule respecting non-pecuniary damages; that is, damages from pain and suffering, mental distress and the like. Because a court, in delivering the judgment, normally, as we understand it, values non-pecuniary damages as of the date the judgment is delivered, rather than retrospectively to the date when the injury occurred.

Factors, such as, inflation and the loss of investment opportunities arguably are already included in the damage award, therefore, the Act provides that, with respect to non-pecuniary damages, there is to be no specific award of prejudgment interest, but the court is expressly instructed to incorporate lost investment opportunities which will of course include the inflationary factor in its award.

Calculations of interest under the Act will be simple and straightforward, using only one bank rate for any given judgment. This creates the possibility, of course, of distorted awards, and we recognize that; for example, where the bank rate changes dramatically over the prejudgment period, which might have been the case between 1982, 1983, and early 1984. The bill gives the court the necessary discretion to adjust its calculations in order to accommodate significant fluctuations in the bank rate.

The second fundamental principle in this bill is the discounting of awards for future damages. By future damages, Madam Speaker, we mean any part of a judgment which compensates the plaintiff for financial losses to be suffered after the judgment is delivered. For example, the cost of future care or loss of future earnings. Because a judgment awards money in a lump sum, the plaintiff is provided with an opportunity to invest and earn future interest on that lump sum.

I may say, parenthetically, I may be bringing in legislation on what are called "structured settlements" but, in the absence of structured settlements, we have the typical lump-sum award. As a result, the plaintiff needs proportionately less money in the lump-sum award to cover the future expenses which he or she will incur. The courts routinely, because of that factor, discount future damage awards in recognition of the investment opportunities which the money will provide.

The problem is to determine what the percentage reduction should be. In order to establish a figure, the parties are normally, as things now are, required to introduce complex actuarial evidence with the attendant costs and delays that has about it. Even with actuarial assistance, the courts have not come up with a consistent discount percentage and that represents a certain element of potential unfairness. The solution which we are proposing is to fix a statutory discount rate of 3 percent to be applied against all awards of future damages.

The Judgment Interest and Discount Act will, with one exception, apply only to judgments delivered on or after the Act comes into force. With respect to those judgments, interests will be calculated back only to the day the Act comes into force. Fairness demands that no party to a civil action be required to bear added expense in respect of any time before the legislation is in place. Generally one ought to avoid retrospective legislation.

The one exception to this rule - and it probably is insignificant in its application - will be the restoration of certain specific interest provisions which were inadvertently repealed last year.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. R. PENNER: I knew this was amusing, but not that amusing.

MADAM SPEAKER: Order please, order please. We have several conversations going on . . .

HON. R. PENNER: Some members may recall that The Judgment Interest and Discount Act, which was introduced last Session, was withdrawn for further study just before the end of that Session - I adverted to that at the beginning of these remarks. However, certain consequential amendments which repealed the rather narrower provisions of The Queen's Bench Act on awarding interest went through, unintentionally, and I take responsibility for that.

The result is that for the last year - but only for that period of time - there has been no statutory provision on awarding interest in Manitoba. It is most unlikely that any litigants have been prejudiced by this situation, certainly no incident has been brought to our attention or to the court's attention, since the common law rules respecting interest would still apply and I believe were applied.

However, to eliminate any possible problems we propose in the bill to reenact those specific interest provisions retroactively so that any person awarded a judgment between the end of the last Session, when that bill was withdrawn, the provision in The Queen's Bench Act was taken out, and the day this act comes into force, may apply to the courts for any award of interest to which he or she or it - if it's a corporation - feels entitled. With that explanation which perhaps may be a bit too involved, it is a technical bill and I commend this bill to the House.

MADAM SPEAKER: The Honourable Member for St. Norbert.

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

MOTION presented and carried.

ADJOURNED DEBATE ON SECOND READING

BILL 40 - THE CORPORATIONS ACT

MADAM SPEAKER: On Bill No. 40, standing in the name of the Honourable Member for Riel.

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

First of all, I'd like to make some brief comments in regard to the bill. I know it's been long requested by the administration to have a computerized system and I know the public usually recognizes the government should be the leader in such a computerized system. I hope this will clarify the confusion that can arise of the public coming to the counter and getting the complete file and maybe this will save this possible destruction of the files, or disappearance of files, or files lost by accident, etc., by fire and whatever.

I repeat, I know the administration has asked for this over the last few years. I am a little disappointed that it hasn't come sooner in this modern age of technology. This will definitely fit in with the idea of an anniversary date and not the date that is put forward now by coming up at a certain period of time and all at one time of the year. I would at this time have no problem having this go on to Committee and the questions that come forward at that time.

QUESTION put, MOTION carried.

BILL 43 - THE TEACHERS' SOCIETY ACT

MADAM SPEAKER: On Bill No. 43, standing in the name of the Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker.

In perusing this bill we have found it is a bill of a housekeeping nature. I'm glad to see the objectives of the Teachers' Society are finally in the statutes and the fact that remote local associations or members will be allowed to act as associate members. We are prepared to recommend that this bill go to Committee.

QUESTION put, MOTION carried.

BILL 24 - THE TEACHERS' PENSIONS ACT

MADAM SPEAKER: Bill No. 24, also standing in the name of the Honourable Member for Roblin-Russell.

MR. C. BIRT: Madam Speaker, the member took the bill on my behalf and with leave, I'd like to address the matter of the bill.

MADAM SPEAKER: The honourable member does not need leave. The Honourable Member for Roblin-Russell would be giving up his opportunity to speak.

MR. L. DERKACH: Yes, thank you, Madam Speaker, I would defer my opportunity to speak, to the Member for Fort Garry.

MADAM SPEAKER: The Honourable Member for Fort Garry.

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

I've had an opportunity to review the introductory remarks made by the Minister as it relates to The Teachers' Pensions Act. I have also had a chance to review the particular sections and compare them with the existing Pensions Act and I've also found helpful in reviewing the particular legislative changes, the outline that the Minister provided with us and I would like to thank him for providing that brief explanatory note. It was very helpful in trying to understand what the change in the legislation was attempting to accomplish.

I've also had a chance to talk to two or three people on this particular matter and how the changes will affect the particular plan. After careful consideration, I'm prepared to recommend that this matter go on to Committee.

QUESTION put, MOTION carried.

BILL 4 - THE FAMILY FARM PROTECTION ACT

MADAM SPEAKER: Bill No. 4, standing in the name of the Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker.

I am pleased today to be able to address Bill No. 4, The Family Farm Protection Act. Like previous speakers before me, I would like to congratulate the Agricultural Minister on the wonderful title of this bill. It's filled with motherhood and apple pie but, like so many of the NDP programs, it does not do what it purports to do. There will not be any protection of the family farm as a result of a dubious passage of Bill No. 4.

If one looks at the Twentieth Century with regard to Third World countries, one has a phenomena presented to one called the Revolution of Rising Expectations. But I believe this government will go down in history as being known as the government with a hope of expectations that are never fulfilled. They are dashed because of emptiness in the development of policy and legislation. Meanwhile they will sit back and say "but we tried." Well trying, Madam Speaker, is not good enough. It's not good enough in these tough times to try and help our farmers; we must do it and Bill No. 4 doesn't do anything but delay and ultimately harm. It fails to solve a single problem on the family farm today.

Madam Speaker, there's a much broader issue with regard to this legislation which has not yet been addressed and which I feel must be and that is the whole issue of Federal-Provincial relations. Fedbashing has become a favourite sport in Canada, particularly when provincial governments are different from those in power federally. While there are many things which the Federal Conservative Government does which I do not appreciate; however, I believe the forum for that is an election in 1988 or '89 and not on the floors of this House.

The history of our nation, if one goes back to the early steps leading up to Confederation, is a unique one. Many of the constitutional provisions of the British North America Act, later to be The Canada Act, were in fact provided because of an American civil war, so whereas the American Constitution provides for all the residue powers to end up in the hands of the state governments, because Canada did not want to face the prospect of a civil war in this nation, we did it the other way around. So we developed a Constitution which listed in Section 1, Federal Powers and in Section 2, Provincial Powers and then we gave all the remaining residual powers to the Federal Government.

But some of the very specific powers which were listed as belonging to the Federal Government were power, for example, over banks, in Section 91, Subsection 16. In Subsection 21 of Section 91, we made very careful reference to bankruptcy and insolvency. But this government did not feel that they had to read their constitution, they didn't believe it was necessary for them to participate in this country as true Canadians.

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

In the process of fed-bashing, we frequently pit Canadians against one another. Mr. Deputy Speaker,

sometimes that is necessary. I think throughout the years of the Quebec crisis leading up to the Quebec referendum, certainly the people of Quebec felt it was necessary; that they had to develop for themselves their own new sense of identity within Confederation. For all of us who love this country, we recognized having Quebec as a part of it was essential, and we were delighted when they chose to remain in Confederation in 1980.

There are times when provincial governments must fight their federal counterparts on issues of equalization payments and funding. They must be supported by the citizenry of their individual provinces. Much more frequently, we each have an opportunity to participate in cooperative federalism, and cooperative federalism could well have been the means by which we could have helped to have solved some of the farm crises which exists in this country today, but this government chose not to even look at the concept of cooperative federalism.

What did the Minister of Agriculture do? The day he tabled the bill, he sent a letter to the Minister of Agriculture saying we are usurping your powers - not so much as a by-your-leave; not so much as a discussion; not so much as an interaction between them - just we believe we should do this, so we're going to act like a bull in a china shop and we're going to go ahead and do it anyway.

The Agriculture Minister frequently uses the term "blackmail" when he talks about banks in this country. Well, what other thing did he think he was doing when he sent a letter off to the Honourable Minister of Agriculture for the Federal Government and said we are usurping your powers and if you don't like it, tough, we're going to do it anyway.

It is tragic this government has sought not to interact and to discuss and to negotiate. We should not have believed otherwise when the First Minister of this government went off to his very first First Ministers meeting with the new Prime Minister and did not ensure Agriculture was on the agenda. So agriculture comes via the back door in its area of concern to this particular government when they could speak, when they could effect change, they choose not to do it and then they try to bully their way into legislation.

Mr. Deputy Speaker, having dealt with what I think is the most critical issue of the relationships between Federal and Provincial Governments, I would like to deal much more specifically with the issue of this particular bill. Mr. Deputy Speaker, if agricultural policy makers were medical doctors, they would be unable to afford malpractice insurance. History is littered with the wreckage caused by well-intentioned government on agricultural policy measures. In Manitoba, Canada, and around the world, we are pumping more and more money and aiming more and more special measures at agriculture, yet the patient just seems to be getting worse and never seems to recover. In fact, our cures appear to be actually part of the problem.

Are we spending our money wisely and directing our initiatives at the right things? We must all recognize our limitations of what we can do for our farmers in Manitoba. Their current problems are not, with very few exceptions, of their own making. Neither are they problems created by Manitoba farm policy, because in my view we don't have a coherent farm policy beyond

reacting to the latest prices. They are international problems caused by a combination of factors including: highly developed technology, favourable weather conditions, misguided government policy which has stimulated production while at the same time, it depressed demand.

Manitoba's farmers are profoundly affected by these international forces and always have been because we are food producers for export markets. This is not a formula or an apology for inaction. We can do some things to help but we must ensure we understand what the problem is before we begin to implement solutions. I don't believe the present Ministry of Agriculture has yet clearly defined for themselves exactly what are the problems.

In my view, Manitoba's agricultural policy must be more firmly based on sound economics. Every time agricultural policy becomes social policy, we get ourselves into trouble. Sure, there is a social dimension to whatever we do and I can agree with my NDP friends about that, but let's recognize that without some grounding in economic realities, agricultural policy can become unduly expensive, ineffectual, or much worse, counterproductive.

This legislation has some good points. Through the creation of debt review panels, it provides a mechanism for better understanding of individual cases of financial stress, but if pressed in its current form, it could well have negative consequences which will far outweigh any good it does.

Governments are often advised today if you're out of money, you have to use brains. The designers of this legislation have gone one step further - when you're out of money and brains, you come up with something as wild as The Family Farm Protection Act.

Farmers today see themselves as business people; they do not want handouts; they do not want subsidies except as defensive measures where farmers in other countries get subsidies and thereby a competitive edge. Farmers today want fairness. They want competition to keep their input costs in line. They want stable and positive government policy for business generally. They do not want government to run their affairs. They want to understand their marketing environment clearly so they can make good production decisions. They are interested in education and information on their business. They are concerned about input costs and government taxes that affect their profitability.

What kind of economic environment is the government creating with its references to court-ordered write-downs and debt moratoriums? The climate of uncertainty is going to have some negative effects for the farm sector. Take a look from the perspective of John Deere Limited. At a recent farm equipment convention in Quebec, a John Deere spokesman said the proposed act will make it more difficult for farmers to buy new equipment on credit. He said the Manitoba legislation looks like bad news from an industry also reeling from poor sales and low profits. Does the legislation make Manitoba a better or a worse place for investment in farm machinery manufacturing? The answer is worse.

The consequences of this act are not difficult to predict:

1. The cost of credit for almost all farmers is going to go up as a result of this legislation.

2. There will be increased need for documentation before money is advanced which in some cases will bring accountants into the picture which will increase the costs for the farmers.
3. There will be less money available to agriculture in Manitoba.
4. Ironically, the very farmers the government wants most to help will be the first to hit the wall; it will just take them a little longer to slide down it.

The 120-day waiting period will lead to serious problems. Since lenders and borrowers cannot assess their situation until after harvest - probably November - and since there are many opportunities for delay, we could well see situations in April or May where the farmers and the bank or credit unions are still in limbo. The farmers won't be able to seed, the bankers and credit unions won't be able to recover assets and you will see a solid wedge driven into a relationship between lender and borrower. This is a good relationship which, horror stories notwithstanding and we all know of some of them, has been pretty good over the years.

What can governments do? Well firstly, review panels are a good idea, but keep the courts out and ensure the process is balanced and speedy. Put teeth in panels by improving them to advise on government guarantees of debt. This will induce use of panels, and will give good leverage for government's limited financial resources. If the Manitoba Government had any belief in the long-term viability of agriculture in Manitoba, they would not have any difficulty in establishing loan guarantees; secondly, continue to beaver away at input costs. Look at municipal tax reform, provincial sales tax on fuels and, most heinous, the education tax; thirdly, mesh the federal and provincial debt review panels, and put some money to work with them; fourthly, don't forget about the long-term investment of agriculture research and development, education and soil conservation, noticeably lacking from our last provincial Budget.

We must keep our eyes on the long-term consequences. It seems logical that, as the perceived risk of agricultural lending increases, non-governmental sources of funds will shrink. Does this Provincial Government have the political will and the money to step in and fill that gap? The answer is no. They are broke. They know it, and they do not have the kind of political constituency that would impel them to cut back elsewhere in order to provide vastly more funds for agriculture. So they would place impossible legislation on the table, and then tsk-tsk when somehow or other it doesn't work and doesn't solve the problems.

But there are some other issues, some very specific issues, that have yet to be dealt with. For example, what impact will this legislation have on family law? The maintenance enforcement with regard to women often is tied to the farm property. How will this be affected by this legislation? What are the rights of the farmer to declare bankruptcy and get out while he or she still has equity? What will be the farmer's right, for example, even to return a tractor that doesn't work, because the legislation applies equally to the farmer?

What are we to do about the fact that the government was out of conflict and is still out of conflict with its own position paper which it issued last year? Because

of this legislation, research which should have been conducted by the government at government's expense will now be placed upon the farmers to prove in courts of law legislation which the government itself said a year ago was, in all likelihood, ultra vires.

What this legislation really says to the farmers of Manitoba is, don't plan your life around it because, if you or your lawyer or wrong, you may end up going to jail. This legislation has far too many questions and very few answers. Those few answers provided are dangerous to contemplate in terms of the long-term viability of agriculture in Manitoba.

I urge the Minister to withdraw this bill, to go back to the drafting table. I know that his party made a commitment, but they will be forgiven for stepping back in order to provide better legislation for our farming communities. It can be done, if this government is only willing to try a little harder and stand a little taller.

MR. DEPUTY SPEAKER: The Member for Portage.

MR. E. CONNERY: Thank you, Mr. Deputy Speaker. This is as tall as I can get and am ever going to get, so I'm glad that you were able to recognize me.

It's a pleasure for me to address Bill 4, and I will say that the address just given by the Member for River Heights must have been written by a Conservative pretending to be a Liberal.

Mr. Deputy Speaker, I'm very concerned about Bill 4. I think Bill 4 is typical of a lot of the legislation that this government is bringing in, and I call it hypocritical legislation. Even the name of the bill in itself represents hypocrisy, couched in words like "The Family Farm Protection Act" makes everybody feel that indeed this government is concerned about the family farm. Also, I think it was designed to catch the eye of the urbanite who has no knowledge of what is actually happening on the farm.

When I say it's hypocrisy, Mr. Deputy Speaker, we can look back to a 1981 election promise when ManOil was going to be one of the vehicles that was going to prevent farmers and small businesses going broke because of high interest rates. All we've seen out of ManOil has been an extra drain on the provincial economy.

Now the other one I wanted to bring in was The Manitoba Energy Foundation Act, which was just discussed last Friday. There's another case of hypocrisy and playing to the public, attempting to get votes through providing something that sounds good but what, in essence, has no meat and no fact. The Energy Foundation Act, even if it did by some wild fluke of NDP management, make a little money, it won't be until 1994 at the beginning.

Mr. Deputy Speaker, this Minister wants to make more credit available, but credit is not the answer to the woes of the farm community. It's the bottom line that is the answer to the woes of the farm community. We have to see farmers making a profit, not just giving another additional line of credit. We have to stop the hemorrhaging of income that the farmers are experiencing. It's like a person cutting their hand off. If you don't sew up the wound, additional transfusions will not keep the person alive. I think that all that we're getting out of this bill is another transfusion that will not help the farmer in the long run.

Mr. Deputy Speaker, the Minister, when he spoke on Bill 4, said: "At present, many farmers in Manitoba and throughout Canada are facing a serious financial crisis. In recent years, their incomes, cash flows and equity have declined sharply." Mr. Deputy Speaker, the Minister obviously knows what the problems that the farmer is facing are. It's the cash flow; it's the bottom line; it's profit to be able to do the things that are necessary as a farmer.

He also goes on to say: "There's an unacceptably high number of producers in severe economic difficulty and in possible danger of losing their farms." We have seen over the last few years, Mr. Deputy Speaker, what has happened because of this, the family strife, the marriage breakup, suicides. We've had a tremendous number of suicides amongst farmers, farmers where they have no place to go. All they've known all their life is farming, and when their assets are gone and the banks have liquidated them or the credit unions or whatever or MACC, which has been the case in many instances, then their last resort is suicide. This is very tragic. We also have seen that there are now groups formed to aid farmers who are in financial crisis and, therefore, have family stress.

Mr. Deputy Speaker, he said, and this is the Minister of Agriculture: "With no short-term end in sight and in the absence of decisive government intervention." Well, Mr. Deputy Speaker, we have seen the Federal Government come along with some programs to try and attempt to alleviate the problem. We recognize that they haven't gone far enough yet, and we're hopeful that there will be some additional support. But we've seen them work with the sugar beet program to assist the sugar beet growers that the Minister was very reluctant to take any part in. Really it was imposed, and he refused to go to meetings.

We have seen increased stabilization payments, the largest that have ever taken place in this country. We've seen the prospects of a high domestic wheat price, and we know that the Minister responsible for the Wheat Board is attempting to have in place a domestic wheat price that will at least give some reasonable return to our farmers. Also, they have given significant fuel tax rebates.

In other provinces, Mr. Deputy Speaker, they have looked at decisive measures. We can look at Saskatchewan, when we look at their farm purchase program. We can look at their oil royalty refund, which this province could do. We look at livestock cash advances, crop insurance adjustment, and most of all, production loan guarantees at 6 percent money.

Alberta, the province further west, this year will spend some \$355 million on farm programs to aid their farmers to get through this economic crisis.

But what has Manitoba done? Mr. Deputy Speaker, it has done very little. We have seen a Beef Stabilization Program which, I guess, when it was put in place was a little over-energetic and we see some drastic changes now to that program.

We have seen some interest rate reduction on MACC loans, which was welcomed by those members who had loans through the MACC, but it didn't help those farmers who had loans at the banks. So, really, Manitoba has done nothing of any real significance and, for the grain farmer, has done probably nothing.

Mr. Deputy Speaker, the Minister said in his speech in the address to us, "In total, about 25 percent of

Manitoba's commercial producers are enduring very difficult economic times. The most disturbing aspect of the present farm financial crisis is that the bulk of farmers in financial difficulty are the younger, beginning farmers, who are very productive and who represent the future vitality of the farm and rural communities."

Mr. Deputy Speaker, our party has recognized this and we have put forth a resolution asking the government to increase the Farm Interest Rebate Program from \$50,000 to \$100,000, recognizing that it is the young farmer who needs the credit. We recognize it, he recognizes it, but he is not willing to take action to help these people out.

He goes on to say, "While precise figures are not available, it appears that each year hundreds of Manitoba farmers are forced to sell their farm units and leave agriculture due to inadequate incomes and the inability to meet existing debt obligations. This represents a serious loss to agriculture and to the rural communities of which these individuals are a part."

This is what we have found, that as we lose farmers, the small towns and villages also shrink because there aren't the number of people there. The service industries in these small towns shrink because less farmers buy less groceries; they buy less cars; they buy less of everything except the tractors which are larger. So he understands, once again, the problem that is there but refuses to take the steps that are necessary to solve it.

In another sector he said: "Manitoba is prepared to maintain its commitment to do what it can to complement federal action addressing the national and international and emphasizing the international causes of the farm financial crisis."

We know what the crisis is; we know what the Americans are doing to wheat prices; we know that they're subsidizing additional grains now to Russia and China. But what happened in this House when the critic for our side of the House asked the Minister to send a letter to Ottawa in support of the Ottawa position over wheat pricing? Mr. Deputy Speaker, the Minister refused even to answer the question. It would be really very fortunate for the farmers of this province if the critic were the Minister of Agriculture and we'd see some concrete and positive direction to assist the farmers of this province; they would indeed be very fortunate.

Mr. Deputy Speaker, the Minister also talked of the Manitoba Farm Peer Advisory Committee and he says, "The panel will review the financial arrangements of the farmer in view to bringing about a settlement with the creditors, without recourse to legal proceedings." I think is what we need. This is what we're saying is right, that yes, the peer groups will help the farmer. It'll give him another look at his financial position and, also, it'll make sure that his rights are not abrogated by some large financial institution. So we agree with the Peer Advisory Committees. This is what the federal legislation has done and the federal legislation has really addressed the problem in the light that we think it should be.

Mr. Deputy Speaker, there was an article put in the Canadian Wheat Growers' Association and I would like to just read a paragraph from that article, which I think really tells the story in the way the farmers out there really believe what should happen. It says: "Good

legislation," and then emphasize the 'good,' "... would assure that farmers facing bankruptcy are treated fairly, yet would not penalize those producers who remain viable.

"Secondly, a good law should be structured in such a way that the availability of farm credit is not diminished and that the cost of that credit is not increased.

"Finally, good legislation would provide the farmer with sufficient time to make new financing arrangements without removing the ability of a creditor to make a claim on assets held as security."

This last point is particularly important: "If creditors are unable to foreclose on assets which secured a loan, then lenders would choose not to accept those assets as security in the future. This will lead to a severe reduction in the availability of farm credit from private sources."

It ends up saying: "Based on the above criteria, the new legislation rates fairly well." So they are in favour of the farm Bill G-117; this group is in favour and it is that sort of legislation, Mr. Deputy Speaker, that we are also.

The Minister should also know that if we have two device acts, it's untenable for the farmer and it's now time for him to opt out for one, and the one that the farmers of Manitoba and the farmers of Canada want is the federal legislation. I think, for once in his life, this Minister should be big enough to stand up for Manitoba and support a federal initiative.

Mr. Deputy Speaker, the Minister is always condemning banks, but what about MACC foreclosures? The Minister says that MACC may also refinance farmers whose existing lenders won't advance further credit, following the mediation board process, and will consider lease-back arrangements to former MACC clients in default in their loans. But the Minister has admitted to us that he's not going to bail out every farmer who can't get credit and we recognize that because the province just doesn't have enough money. But he's condemning banks while, at the same time, the Member for Arthur had a list of land sales from the MACC; farmers that the MACC, the NDP Government of Manitoba then finally put to rest and put them out of business. This Minister has really not been fair and straightforward and has had two standards, one for the banks, and one for MACC.

He also recognizes that counselling should be a very major factor in maintaining farmers on the farm, but I don't think that the MACC has fulfilled their obligation because obviously they should have known that these farmers were in trouble sometime before they finally foreclosed and should have had adequate counselling to have helped them through their times.

Also, in this the Minister says, "I will perhaps finally learn where the Conservative Opposition stands on this issue." I think we've had enough reports from the members on this side that the Minister, if he is listening, will finally find out what our position is.

Mr. Deputy Speaker, he also goes on to say: "Both Federal and Provincial Governments should address the national and international causes of farm financial problems." The federal and the provincial, he says that they should work together. But then, just a little bit further down, he says there should be immediately an introduction of a national operating loan guarantee program to complement and replace provincial programs now in place.

It's exactly what's been going on all the time. They talk about cooperation and in the next breath say it's up to the feds and, if they don't do it, then they bash them. Typically hypocritical of what this Minister has been saying and what this government has been doing in this last year. So hypocrisy to me is despicable and that's the kindest terms that I can say about it.

We talked about the domestic price of wheat to \$10 a bushel effective the new crop year and we know that Charlie Mayer is attempting to put into it a range of from \$6 to \$11, so we know that the federal initiative is there and they are attempting to do what is necessary to keep the farmer in financial viability.

(Madam Speaker in the Chair.)

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

Madam Speaker, he has done some - we look at Farm Aid, which is a bill that will come into place. It's a total of \$6.5 million. It is some assistance to the farmers, but it is just not adequate to keep them. We can never help the farmer survive with just more financial aid alone. We have to cut the costs. I think every person who has spoken on Bill 4 acknowledges that, unless the costs are decreased, any additional amounts of financial aid will not solve the problem. They say we can't have it both ways. They criticize us for wanting to cut the deficit and then they criticize us for wanting to help out people.

But Manfor this last year, Madam Speaker, when we take the interest on the investment into account, Manfor lost \$60 million, which is more than the total school tax cost on farm land, which is somewhere under \$50 million. Manfor alone could have replaced all of the school tax on farm land.

We have Flyer, Madam Speaker. Had they sold Flyer some four or five years ago, there would have been an additional \$100 million saved which would then have been paid for two years of school taxes on farm land.

Also, we have to keep in mind that the school taxes on Manitoba farmers puts them at a disadvantage, because Manitoba is the only province with this degree of school tax on farm land, and I think Saskatchewan is the only other one that is close, and most of them have very little school tax on farm land. So Manitoba farmers are again at a disadvantage, and it was our campaign promise to at least make a start toward this end by rebating half of the foundation levy, that would be from the province, was \$11 million. They scoffed at it. It wasn't a large amount but at least it was a beginning.

Madam Speaker, we have to understand that, since 1980, wheat prices have dropped 40 percent, but all of our input costs have gone up, and this is the area that we have to attack. The returns on farm commodities mostly are set internationally, and we don't have any great degree on what other countries are going to do. So we must attack the farm situation from the input side.

The Minister himself had a cost of agricultural chemical discussion where he was very critical of the cost of chemicals that the farmers use, and chemicals are one of the largest costs on the farm. But when we proposed Bill 11, an input cost review commission, the

Minister refused it. We recognize that's the input side we have to attack and this Minister was not prepared to support this side of the House in trying to identify where the cost of production is and what we could do to reduce that cost of production.

Madam Speaker, also we have to recognize that since the high prices - and the Minister put in his farm land protection act long after the cows got out of the barn - that land has now depreciated in value, but lower assessments have not automatically taken place and, because assessment review is only every five years, we're going to see farmers paying a high assessment, but the land value isn't there.

I also think we have to recognize that financial strife, financial inadequacies, puts an impact on farm practices and it's farm practices that we have to worry about, because if we don't look after our farm land - and there is no more farm land being produced - that if we don't adequately look after the land that is there, future generations will suffer and financial stress will lead to poor farming practices and to the degeneration of farm land.

So, Madam Speaker, farmers need a cash flow from operations, not just more credit to go along. We see what happens when the farmer doesn't have cash flow to buy things, and a lot of city people don't understand what happens, but we do now see in Fort Garry where Versatile laid off 700 workers. Why did Versatile lay off 700 workers, Madam Speaker? Simply because the farmers had no cash money to reinvest in equipment and in many cases in equipment that was vital to keep their farming operation going.

Madam Speaker, we look back to the 1930s and the last time that the debt write-down was allowed. We saw that after that it took the banking institutions some 30 years, or into the early 1960's, before they got back into farm credit. Madam Speaker, back in those '30's, it wasn't just banks that had their credit line written down, also farmers selling to farmers. Some farmers lost their farm because the board said the debt had to be written down. The farmer made the unfortunate decision to carry a mortgage on that farm and he lost his farm. So there are dangers to more than just the banking institution, there are dangers to farmers when they have reached the age of retirement that, if there were write-downs, they could lose their retirement funds.

I think, Madam Speaker, the federal legislation that has been proposed in G-117 covers all creditors, therefore, covers the whole waterfront without imposing moratoriums.

Madam Speaker, as the Member for River Heights mentioned earlier, that the poor legislation and the costs to interest rates on all farmers is a significant factor that I think we have to be very cognizant of. If the banking institutions or the lending institutions are in danger of having some write-downs, then they are likely to charge all farmers a higher interest on their loans to recover those losses that they will probably have.

In closing, Madam Speaker, I don't expect to see a lot of common sense on the other side of the House when it comes to financial matters and less common sense when it comes to farming matters. But I was sorry to see the Member for Lac du Bonnet, the member who was the Farmer of the Year a couple of years ago and who, I thought, would have a little more

understanding of the farm credit issue supporting this bill. I think it was a tragedy for the farming community.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker.

I want to start out on my comments on Bill 4 by congratulating the Minister on choosing a very skillful political title for the bill, The Family Farm Protection Act. It is very skillful in that it alludes to the people of Manitoba, in Winnipeg, that this government is doing something to help the family farm by bringing in an Act to protect the family farm. Nothing could be further from the truth in Bill No. 4. It is a politically skillful title, but let me assure you, Madam Speaker, that the repercussions of Bill 4, after and if this Minister insists on passing Bill 4, the title will be changed by the farm community to the family farm destruction act, because that will be the outcome of this legislation if this Minister and his colleagues persist in pushing it through the Legislature when it is not needed, when it doesn't address the issues currently facing the farm community, and when it is wrong-headed, politically-motivated legislation.

Now, Madam Speaker, the Minister in his opening remarks admits, and I quote from Page 652 of Hansard, he said: "The legislation represents the fulfilment of a major commitment by this government which was made during the recent election campaign." That is about the only thing that is correct in terms of the Minister's statements on Bill No. 4. It was the fulfilment of an election promise, but I simply want to ask the Minister just what was that election promise? I refer the Minister to a Winnipeg Free Press article, February 14, 1986, during the election campaign. It's an article under the headline, "Pawley Reveals Farm Aid Package." This is where an open-shirt, casually-dressed, Mr. Pawley, was at a meeting of farmers in the Minnedosa constituency, and after the meeting, this casually-dressed, open-shirted, very moderate, modest sort of a fellow, Mr. Pawley, went out and stood in front of a tractor and announced what his Farm Aid package would be.

He indicated - the Premier, the then Premier, Mr. Pawley, indicated while standing in front of that tractor in that farmyard in the Minnedosa area, he said that . . .

MADAM SPEAKER: May I remind the honourable member we do not refer to honourable members by name.

MR. D. ORCHARD: . . . Oh, Madam Speaker, the honourable member I referred to was during an election campaign when he was Mr. Pawley and not the Premier. I'm sorry if I've contravened the rules, Madam Speaker.

MADAM SPEAKER: We do not refer to honourable members in the House by their names.

MR. D. ORCHARD: Thank you, Madam Speaker.

The Member for Selkirk stood in front of this tractor and he said the mediation boards which were created

would have the ability to impose a moratorium on individual farmer's debts and indeed to alter the contracts, but then after he said that, his aides had to go to the press and say well you know the Member for Selkirk, the Leader of the NDP, the Premier of the province wasn't really correct in what he was saying. That's the election promise this Minister of Agriculture is trying to fulfill. At the time it was promised, the First Minister, the Member for Selkirk, the Leader of the New Democratic Party didn't even know what the legislation was going to be that he promised. His aides, and I presume it had to be Mr. Balagus and other hangers-on that follow the Premier and correct his statements, had to correct the Premier's statement to the press at that time. The Premier didn't even know what he was proposing. He didn't get his facts right, and I don't suppose he knows today what his Minister of Agriculture is proposing in this ill-named Family Farm Protection Act.

Now, Madam Speaker, I have to indicate to the Minister of Agriculture that there are aspects of the legislation that I can be supportive of. First of all, I think the mediation panels can and do and will provide a useful function in terms of providing an impartial body between creditor and borrower to make sure that untoward action in terms of foreclosures do not happen in the farm community today.

Madam Speaker, that is exactly what the federal legislation provides. They have moved with a forthright action to appoint people in the provinces to make sure that kind of mediation proceeds. That, Madam Speaker, will work without interfering between creditor and borrower, without causing any new rules to be introduced and old rules to be changed midway in the game of lending in the Province of Manitoba.

Now, Madam Speaker, that contrasts completely with the upshot of Bill No. 4. We not only have mediation panels in a formalized way, but now we have the ability of the courts to intervene on behalf of borrowers and creditors, but primarily borrowers, because in this legislation the lenders are the evil people. They're sort of the Darth Vaders of the agricultural community now in that they are the doers of all evil, and the credit institutions are the ones to be attacked, and the ones to be protected are the borrowers; the farmers who find themselves in financial difficulty.

That fits with the socialist philosophy of setting up banks, particularly, as the evil doers in society and if you can kick a bank, if you can attack a bank, then you succeed in gaining some political support. Madam Speaker, we are dealing with too serious a problem to play silly politics as the Minister and his colleagues are wont to do in terms of shelving off the lending institutions into the corner of the evil doers.

Madam Speaker, the federal legislation provides the correct process of mediation. It does not allow the courts to intervene and delay unduly any actions. They do not allow the courts to alter the financial contracts, to write them down, to change the terms and conditions. More importantly, Madam Speaker, the federal legislation does not allow a Cabinet without debate in this Legislature to proclaim a moratorium, general or otherwise, in the Province of Manitoba on farm debt.

Now, Madam Speaker, those are the two aspects that are objectionable in this bill to myself and are objectionable in general to the farm community; namely

No. 1, the ability to alter the terms of a financial contract between lender and borrower and No. 2, to have the powers of debt moratorium granted to an NDP Cabinet. That is simply not acceptable in the farm community, and I will explain to the Minister why it's not acceptable.

Madam Speaker, there are lengthy delays that are imposed if this bill were to be passed in terms of the normal process of foreclosure. When I say normal process of foreclosure, because foreclosure has happened in Manitoba for years and years and years. It is an unfortunate circumstance for those so involved, for the family farms and for the farm units that are foreclosed on.

I want to tell you, Madam Speaker, in my experience in Pembina constituency in the last eight years I have represented it, the major foreclosures of farming operations have not been the family farms who are legitimately the backbone of agriculture. The major foreclosures in my constituency and the ones that have most affected Southern Manitoba have been the large corporate farms, the massive corporate farms that have taken upon themselves through the use of foreign capital to buy land at an unprecedented rate in Southern Manitoba. Those are the first ones to fall victim to being unable to meet their debt obligations.

I simply ask the Minister if he intends to protect those individuals, he will not have my support in that Madam Speaker, because had this legislation been in place for the last seven or eight years, some of those major corporate farms would have escaped foreclosure and that land would not have become available to the family farms they were competing against. Madam Speaker, this land protection act, this Family Farm Protection Act will not protect the family farm, not one iota.

Now, Madam Speaker, in the course of pursuing this bill, we find substantive delays and they are 90 days in this process, 60 days in another process, unlimited in other processes. Now, Madam Speaker, in terms of financial dealings time is money, and whenever you impose restrictions which cost anyone money, you raise the costs of doing business in that particular area, and the area we're talking about is providing financial support to the farm community. If you impose restrictions on the financial institutions, not only the chartered banks but the credit unions and the other lending agencies from trust companies who get involved in providing land mortgages, if you delay their process of undertaking collection of their receivables, that delay translates into expense.

Madam Speaker, who pays the expense? It is the borrower, Madam Speaker. Who are the borrowers? They are the farmers in Manitoba and when you raise costs of the credit institutions through the passage of this legislation, the remaining farmers who currently are viable will suffer because their costs in terms of interest rate will be definitely higher. They will not enjoy preferential interest rates as many farmers do now; as many family farms do now. The cost to the institutions which are driven up by this legislation will be passed on to those remaining farmers. I submit, Madam Speaker, that 80 percent of Manitoba farms will survive; at least 80 percent will survive, but with this legislation their costs will be significantly higher to borrow. This is what the net upshot of this legislation will be to the family farm in Manitoba.

Madam Speaker, when you introduce new rules of lending midway in the game you are, in effect, as this

NDP Government is wont to do, putting the family farm out on the clothesline, you're hanging them out to dry. Madam Speaker, where do the family farms in the Province of Manitoba go to arrange their financial needs with the passage of this legislation? They will naturally have to go to the chartered banks, the credit unions, the trust companies, FCC, MACC - the exact same lenders they're relying on now. But Madam Speaker, it's the question that this Minister must answer for himself, for his colleagues but, more importantly, for the farm families in Manitoba and the very farmers he is claiming to protect, is will that credit be as readily available after this legislation is passed? The second question he must answer is: Will it be more expensive to borrow after this legislation is passed?

Madam Speaker, I can tell the Minister right now that the answer to both those questions is first off, will the money be available to all the farmers currently borrowing? The answer is no. Some financial institutions will not lend to some farmers in Manitoba with the passage of this legislation. That will happen.

Secondly, the farmers who will be able to borrow after passage of this legislation will pay more money through higher interest rates and service charges so, on both counts, the farm community will lose with the passage of this legislation.

Madam Speaker, where do the farmers turn? Where do they turn with the passage of this legislation? The Minister, in introducing, in his press conference, said that the Minister of Finance has announced in the Budget Address that a \$6.5 million special fund will be established. That is an insult to the farm community of Manitoba. The Minister himself, in his introductory remarks, Page 652, said that some 3,600 Manitoba farmers are in severe financial constraints.

If you take that 3,600 farmers and you divide the \$6.5 million of support equally, you find out that it's \$1,805 per farmer. Madam Speaker, \$1,805 support to 3,600 farmers in Manitoba under severe financial distress? That is a joke, Madam Speaker, so at the same time that he is now saying this legislation will help the family farm, and that his government intends to put \$6.5 million in to make sure that those denied, because of the passage of this legislation, will have access to \$6.5 million, I ask the Minister, how far would \$1,800 go in your farming operation in Arborg?

Would it even pay one-tenth of your fertilizer bill? Absolutely not, Madam Speaker. That is a joke and an insult to the farmers of Manitoba to say that \$6.5 million will help to offset the negative effects of this legislation, which the Minister knows is there because they are providing this \$6.5 million of support.

Madam Speaker, the Minister justifies this legislation by saying that he circulated a paper, a discussion paper; he met with a number of farmers at 14 meetings; he circulated this questionnaire which has some - oh, I don't know - three questions on government policy, two question on MACC, nine questions, general, on the financial paper itself, and he says that he got overwhelming support. Will he provide us with the tabulation of the support on that? He hasn't, to date. We don't know whether farmers supported, for instance, whether they support this legislation.

We simply have the Minister saying that, in the majority, they support it. That's not good enough, Madam Speaker. That's not good enough, when we're being asked to pass this kind of legislation.

Madam Speaker, a very interesting thing would come to light, now that Bill 4 has been tabled, so that farmers have a more open and two-sided discussion on the impacts of this bill on the farm community. It would be interesting to recirculate this questionnaire again to those same 1,100 farmers or 1,100 rural residents, as they were described, and see what they would say now. This questionnaire was quite a loaded questionnaire. The questions were leading questions, Madam Speaker, as they always are.

I don't think the Minister would get the same response today that he got in January and February when he asked those questions of the farm community; but I don't think he'll go back to the farm community and rephrase those questions because he doesn't want the answer. This Minister is on a crash course to pass this bill. This Minister cannot do anything but force this bill through, use the weight of his majority to force the bill through, because this Minister can't afford to back down on yet another piece of legislation because, Madam Speaker, you will recall, as you sat in the back bench of the previous four-year term of the Pawley administration, that this Minister was forced to back down twice on major pieces of legislation. He cannot afford to back down any more, because even in politics you only get three strikes before you're out.

So he is forced into a position of bringing in bad legislation and having to call upon his colleagues to ram it through to save his political face. Madam Speaker, those who suffer will be the farmers, the farmers that the Member for Lac du Bonnet represents. They will be the ones that suffer, to save the political face of his Minister of Agriculture; and it's going to be interesting, if this legislation were to be passed, and I sincerely recommend to the Minister and to the government that they don't pass it - but if this Minister succeeds in ramming this legislation through, it's going to be interesting to see how the Member for Lac du Bonnet answers all the phone calls from farmers in southern Manitoba because they're going to be referred to him. He is a master farmer; he is a man who understands agriculture.

It's going to be interesting to see how he defends this legislation, from farmers whose credit will be cut off with the passage of this legislation. It'll be interesting to see how the government and the Minister of Agriculture defends this bill, because I can assure you that most of the urban MLA's who populate the government benches will not get one single phone call from an irate farmer whose credit is cut off and whose farm is going to be lost because of this legislation.

They won't get any of the phone calls, but I'll assure you that we will be referring many of the phone calls to the Member for Lac du Bonnet and the Minister of Agriculture to get answers when, in fact, the repercussions of this legislation, if passed, come to bear. Madam Speaker, the telephone lines will light up.

Madam Speaker, the Minister says, in his introduction of this legislation that, first of all, some 3,600 farmers are facing severe financial difficulties and another 1,900 are facing less severe financial stress. What boggles my mind, in terms of the Minister's complete acceptance of this questionnaire and the 14 meetings he had, if there were 3,600 farmers in severe financial constraints in the Province of Manitoba, why did only 1,100 concerned rural residents show up at his meetings?

Notice, Madam Speaker, the Minister was probably truthful, in that he didn't say 1,100 farmers. He said 1,100 concerned rural residents. Who are they? Were they businessmen? Were they bankers? Who were they? Because he does not say they were farmers, so of the 1,100, we have to assume that something less than 1,100 were actual farmers. If indeed 900 farmers showed up and expressed concern, and even if they were unanimously in favour of this legislation, that is only 25 percent of the 3,600 farmers he's identified as in severe financial constraints. What do the other three-quarters say? What do the other 2,700 farmers in severe financial constraints say about this legislation?

Are they saying to this Minister, as they're saying to us, don't pass it, because if it's passed, the banks won't lend us the money and we're finished. This legislation will finish us if it's passed. Is that what they're hearing from those other three-quarters of the 3,600 farmers who are in severe financial constraints? Madam Speaker, that's a question that deserves to be answered before this Minister rams the legislation through.

Madam Speaker, I want to point out some extreme flaws of the legislation. First of all, this legislation is very deceptive in the way it's drafted. It was drafted to cover three areas of foreclosure. First of all, farm land foreclosures; secondly, equipment and machinery; and thirdly, livestock. The last two areas, machinery, equipment and livestock, this Minister, this province, this government has no jurisdiction to pass that kind of legislation.

Why was it included in the bill when it's non-constitutional, when it could not be proclaimed? It is very deceptive to the people of Manitoba, to include provisions in a bill that cannot be declared and proclaimed as law. What was the purpose of that?

I suggest, Madam Speaker, the purpose was purely political, because this Minister and his government and his Cabinet colleagues and the Member for Lac du Bonnet knew they could not pass legislation involving foreclosure on machinery equipment and livestock, but they put it in, knowing that when they requested, and hoping that when they requested complying legislation federally, that it would be denied, so that once again they could blame the Federal Government. That's the cold hard politics of this bill and the two aspects of equipment and machinery and livestock, cold hard politics, more attempt to bash the Federal Government for not doing anything.

The only problem is, Madam Speaker, the Federal Government is one up on this Minister of Agriculture and this government in that they have passed legislation that is workable, non-interfering and helpful to the farm community. Madam Speaker, that is why I call this legislation deceptive.

Secondly, Madam Speaker, this legislation is retroactive, and you have been a member of this Assembly long enough to know that governments should seldom pass retroactive legislation, but this legislation is retroactive. It affects and brings into the maw of the review process, if passed, current foreclosure proceedings. In other words, if a foreclosure proceeding was initiated on January 1, 1986 and is not complete at the time that this legislation would be proclaimed, it becomes part of the provisions of this legislation. Since when is retroactive legislation to be used by government? Very, very seldom, Madam Speaker, but it's part of this legislation.

Now, Madam Speaker, the first and foremost qualification of any legislation is, that legislation should only be passed wherein the majority of the people affected are helped and not hurt by the legislation. That should be the criterion of all legislation. You should not, as a government, pass legislation that is going to be detrimental to a majority of people affected by that legislation.

Madam Speaker, this legislation will be detrimental to all of those farmers who are currently in a viable financial position, who are going to their lenders to borrow money for operating money, intermediate loans for the purchase of livestock, machinery and buildings and long-term loans for the purchase of land. All of those farmers who are in reasonably sound financial condition will be hurt by this legislation and only a very, very few will ever be helped. The Minister himself has said that this legislation will not save every farmer; that many of the farmers currently in financial stress will still be out of the farming business even with this legislation.

Then why are we passing it, Madam Speaker? If it is going to hurt the majority and not help the few who are in severe financial difficulty, then why are we passing it?

Madam Speaker, we're passing it to comply with an election promise made on an ill-conceived basis by a government that was misinformed and not understanding of the farm community. That's why we're passing it, to fulfill a pure political election promise.

Now, the Minister says in his remarks in opening and in introducing Bill No. 4, that some 3,600 farmers are in severe financial difficulty and another 1,900 are facing less severe financial distress. Madam Speaker, mark my words that the passage of Bill 4, if this government should decide to ram it through, that those 1,900 who are in - as the Minister describes it - less severe financial conditions, will join the 3,600 in severe financial difficulty because the financial institutions will not risk their depositors' funds to lend to those 1,900 farmers described as in less severe financial constraint.

So right off the bat, Madam Speaker, first up, 1,900 farmers will be adversely affected by this legislation. What is the Minister going to do to help them? Is he going to spread the \$6.5 million over now 4,500 farmers, and have an assistance program worth \$1,044 per farmer? What are we talking about? Even the Member for The Pas must realize, being a farmer of sorts himself, that that is a ludicrous figure of assistance to provide in support of this bill for those farmers whose credit will be cut off by the passage of this legislation and supported by \$6.5 million.

This legislation when passed, even though it's unconstitutional and the equipment and livestock aspect of it can't be proclaimed, what signal does that give to the various suppliers in rural Manitoba, from the fertilizer and chemical dealers to the farm machinery dealers to the feed companies? What signal does it give to them? The signal it gives to them is that this government is willing to interfere in a normal business relationship with their customers. How will they react or how would any private business — (Interjection) — Madam Speaker, the Minister says, did I read the bill?

I suggest, after some of the impressions he left with the Keystone agricultural producers, that he should read the bill, because he had to change his story on two

different occasions to CAP, because they pointed out to him where the legislation said something that he promised them would not be part of the legislation prior to its introduction. So the Minister should not ask me, did I read the legislation. The Minister should better ask himself, does he understand the legislation he's passing?

This Minister once again is caught with his third piece of major legislation that is out of tune, that shouldn't be passed. His political career is on the line and that's why he's going to ram it through, not because it's a good piece of legislation, but because his political life is on the line. He will sacrifice farmers to maintain his political reputation. That's the quality of Minister of Agriculture we have today. He'll put his own political career ahead of the farmers in Manitoba.

Now, Madam Speaker, this Minister called this legislation "decisive action." That's what the Minister described this bill as. He called it "decisive action." This legislation is the most gutless excuse for decisive action I have ever seen. Decisive action by a New Democratic Party in the Province of Manitoba to support agriculture would be doing what Saskatchewan and Alberta are doing in putting cold, hard cash up front to assist farmers today, not passing legislation that interferes with the business arrangements of creditors and borrowers.

It's gutless to say that this is decisive action, to impose upon a third party - namely, the financial institutions - new rules. It's gutless. My honourable friend, the man with all the credibility, the Minister of Education says from his seat, that we're defending the banks. That is exactly the kind of gobbledegook we expect from socialists in the government benches. Any time we point out where their legislation is wrong, then they say we're defending the banks.

Madam Speaker, I'm here defending the farmers whose credit will be cut off with the passage of this legislation and if the Minister of Education doesn't understand the detrimental effects of this legislation, then he need not be in Cabinet. He shouldn't be there anyway, given his record of the last three or four weeks in this House where he has hidden facts and defended the indefensible. He's but one of many incompetent Ministers over there, including the Minister of Agriculture.

This is gutless legislation, because what it does is it transfers the responsibility of maintaining agriculture as the backbone of Manitoba and maintaining the family farm as the founding pillar of agriculture in Manitoba, it transfers the responsibility of maintaining those two facts from the government, who have some responsibility here to the financial institutions. This government expects that the financial institutions are going to bear the brunt of lack of action by this gutless government who doesn't understand agriculture.

We have governments in Saskatchewan and Alberta who understand agriculture and who have put their money where their mouth is and this Minister has sat here with his Cabinet colleagues and done nothing for agriculture. They haven't put five cents of new money into agriculture to support the grain farming economy in the Province of Manitoba, while their counterparts in Saskatchewan and Alberta have put in literally millions of dollars, Madam Speaker - millions of dollars - and they have done nothing except pass this gutless legislation, or attempt to pass it.

Now, Madam Speaker, it's not as if a New Democratic Party Government doesn't have the money. I mean, when it comes to money this New Democratic Party Government in the 12 years that they've been in government found \$130 million for Flyer Industries; \$65 million to Flyer Industries in the last four years alone. Now where, Madam Speaker, did that money come from, and who did it support? It supported some several hundred jobs in Transcona and the rest of Winnipeg, but \$65 million, Madam Speaker, I ask you, how would that help the farm community today? It would be a significant injection of aid to the farm community. If this government believes in the rhetoric that it spouts from time to time, that the family farm is essential and that agriculture is our backbone, where is the \$65 million for agriculture in Manitoba? It is non-existent, Madam Speaker.

If you wish another example, Madam Speaker, let us consider the quarter-of-a-billion dollars that has been pumped into Manfor in The Pas; \$36 million last year alone and some \$12 million this past year into Manfor in The Pas. How would that money have helped agriculture today and who did it support again? Did it support 3,600 farmers in severe financial distress? No! It helped several hundred workers in the constituency of The Pas. Madam Speaker, the money is there; the priorities aren't.

This government would prefer to do nothing for agriculture because rural Manitoba does not vote NDP. That's the problem, Madam Speaker. That's why there's no money for agriculture in this NDP Government's administration and budget. That is why, Madam Speaker, Saskatchewan and Alberta have money for agriculture, because they do truly believe that agriculture is the backbone of their economy.

Madam Speaker, my colleague, the Member for Brandon West, asked me what about Manitoba Properties Inc.? Remember when that was introduced some two years ago? It was introduced on the basis that it would provide money at 9.25 percent to the farm community. Two years later and \$400 million worth of buildings later . . . No, I'm sorry, Madam Speaker, \$950 million worth of buildings later - for a mere collection of \$400 million, where has the money gone? Has any of that money gone into 9.25 interest rate loans at MACC? Absolutely not, Madam Speaker, absolutely not. The current lending rate from MACC is over 11 percent. That money has not drawn up one single loan at 9.25 percent . . .

HON. B. URUSKI: Look at the program; 9.25 percent plus .5 percent is 9.75 percent.

MR. D. ORCHARD: Madam Speaker, now the Minister is changing the rules of the game. He's now making a less-than-truthful man of the former Minister of Finance. He said that 9.25 percent money would be made available to agriculture.

There has been no assistance to agriculture out of Manitoba Properties Inc., and the farmers and the agricultural community who pay taxes to pay for those buildings that are now being sold, \$950 million worth of them, are not receiving any benefit in terms of low-interest loans or any assistance whatsoever from agriculture.

Madam Speaker, let's deal with MACC right now. Let's deal with their lending policies right now. Madam Speaker, a young farmer going in to arrange a loan with MACC gets turned down, and gets turned down on a regular basis. When he's turned down at MACC he goes to either banks or credit unions and those evil financial institutions will lend him the money on the same proposal that MACC turns him down on.

Madam Speaker, MACC's loaning policy right now is simply on a cash-flow basis. They will not consider any contribution of equity in the loans that they are being asked to advance to the farm community. Young farmers are being denied loans unless they can show net income in the year that they are applying for the loan. They are turned down. Banks are taking a chance, credit unions are taking a chance on those same young farmers that MACC are not.

Madam Speaker, I ask you, how hollow does that make the words of this New Democratic Party Government sound when they say they are supportive of agriculture; that the family farm is the backbone of agriculture; that young farmers should be encouraged to get into agriculture, when MACC, the financial institution directly under their control, refuses money to those very same young farmers while banks and credit unions will lend to them?

I suggest this Minister had better get his act together at MACC and start making it a lender which can help young farmers get established and stay in agriculture, instead of denying those young farmers much needed capital funds for their operations. What he is doing at MACC is reprehensible and if he doesn't know that it's happening, he should take heed of a number of members opposite that have pointed those circumstances out to him over the past number of months. He sat on his hands and done nothing about it. That is reprehensible, Madam Speaker.

Madam Speaker, this legislation cannot be supported at all. I say that from discussions with many farmers in my constituency and throughout the province. They do not agree with the provisions of general moratorium and furthermore they do not agree with the provision to allow write-down and contract adjustment. You know why they do not agree with it, Madam Speaker? Because those very same farmers, who are not in the best of financial condition themselves, recognize fully that this legislation will do one of two things in their circumstances: No. 1, it will deny them access to needed credit; or No. 2, if they arrange their needed financial assistance and credit, then their interest rates will be significantly higher to cover the additional risks imposed on the lending institutions by Bill No. 4.

As I said at the onset of my presentation on Bill No. 4, legislation should only be passed wherein that legislation benefits the majority of the farmers in Manitoba. Bill No. 4 will be a detriment to the majority of farmers in Manitoba. It is not acceptable when it is to the detriment of the majority of farmers in Manitoba and should not be passed. This Minister's political future does not deserve the passage of this bad legislation, this bad Bill No. 4, simply to preserve his political face which has been tarnished on two other occasions where he has had to back down on major legislation. He should do the honourable thing: Withdraw this legislation, not pass it, and help the farmers instead of trying to save political face.

MADAM SPEAKER: Is it the will of the House to continue with legislation or Private Members' Hour? I wasn't clear on — (Interjection) — the honourable member had one minute remaining.

MR. F. JOHNSTON: Madam Speaker, there was an agreement between the House Leaders on both sides of the House to dispense with Private Members' Hour today and to continue with bills.

MADAM SPEAKER: Thank you.
The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Madam Speaker, I'd like to move, seconded by the Member for Portage la Prairie, that debate on Bill No. 4 be adjourned.

MOTION presented and carried.

BILL 14 - THE MANITOBA ENERGY FOUNDATION ACT

MADAM SPEAKER: Bill No. 14, standing in the name of the Honourable Member for Fort Garry.
The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I'm wondering if I could debate on this bill at this time, and if the bill could be left standing in the name of the Member for Fort Garry.

MADAM SPEAKER: Is that agreed? (Agreed)

MR. C. MANNES: Thank you very much, Madam Speaker.

Madam Speaker, I was so enthralled listening to the speech from my colleague, the Member for Pembina, that I feel I'd like to speak on Bill No. 4 again, actually. I was almost encouraged to rise again and see if I could get away with it, but I'm sure you would have noticed that maybe I had spoken again.

Madam Speaker, Bill No. 14 was, as you know, just introduced last week. In reading this bill and in listening to my colleagues, the Member for Lakeside and the Member for Arthur, speak to this bill Friday last, there are two basic questions that come to mind that hopefully you and members of this Chamber will keep in mind as I speak and keep in mind, indeed, as other members address this bill.

The two questions are, Madam Speaker: Firstly, why is Bill 14 being brought in? Secondly, if you believe you can find an answer to the question why, secondly, why now?

Madam Speaker, I would like to elaborate on those two questions. Before I begin in detail, though, let me say there's nothing I would treasure more as a Manitoban than to have something similar to what exists in Saskatchewan and particularly in Alberta; a massive fund in terms of \$14-15 billion and growing.

Madam Speaker, I saw, and my community where I live and where I farm manifested the Alberta Heritage Fund in just one small way. You would ask, well what would that be? I saw a hopper car, a blue hopper car come into the hamlet in which I live, taking my grain to market, to the world market. What was initialled on

that car was the large AHF, the Alberta Heritage Fund. Everywhere through Western Canada one could see for themselves first-hand evidence of a fund; a fund that was put into place because of resources of that province.

Madam Speaker, I can tell you if we had in place today a fund of that size, of that magnitude, indeed even of a smaller magnitude, in this Province of Manitoba, that had been created through resource activity, that was purely profitable, that was not in any way coming about from rates that Hydro users, power users and customers within this province would be paying in the future, I could be more accepting of this whole principle that is laid before us in the form of Bill 14.

Madam Speaker, I also look at the Alberta experience in the area of the monies that were directed toward the Prince Rupert Terminal. Hundreds of millions of dollars directed toward, again, infrastructure; put into place, not even located within the Province of Alberta, indeed within the Province of British Columbia, in support though of grain producers of that province. Of course, Madam Speaker, my colleague here reminded me just earlier on, that the Province of Alberta, the government, had directed \$355 million toward farm support this year, again funded for the large part out of that Alberta Heritage Fund.

Of course, again I watch Saskatchewan, and this year there was over \$1 billion, close to \$2 billion directed toward farm programs, again, a major portion of that coming forward out of their Heritage Fund which, of course, had developed through major resource activity.

Madam Speaker, I can tell you I would love to see a Manitoba Heritage Fund, a foundation, whatever you want to call it, I'd love to see one in place, one that had those types of resources that would be directed, when needed, toward major infrastructure or major support of our economy and sectors within it. Yet I can tell you, as proud as I would be that would occur, Bill 14 is not in itself going to provide for that type of fund.

Madam Speaker, the question why, why would the government do this? Why would they build false hopes? What have they seen with respect to the Northern States Power Agreement that would allow them to come forward and lead Manitobans on to believe there's incredible profit associated with that sale? — (Interjection) — Madam Speaker, my colleague says well it'll garner them votes. The election is just over. We're dealing with an act today that I am trying to determine will give impact and will give force to a savings plan that may not exist ever, let alone within the terms and the time frame of this government.

Madam Speaker, I look at the press release that came out with the bill. No indication is given here as to when so-called profits, monies, funds will begin to flow into this foundation. It's not even indicated. As close as it comes, Madam Speaker, it says and I quote, "Through the firm export of hydro-electricity, Manitobans will obtain significant profits that can be reinvested to secure this province's future." Madam Speaker, no indication as to when those so-called profits will flow.

So to me, as my colleagues the other day indicated, Madam Speaker, this bill, this heritage, or this Manitoba Energy Foundation Act and the concept of a foundation will hold out false hope for all Manitobans.

Madam Speaker, the very essence of the question why is the so-called profitability associated with the

Northern States Power Agreement; will it be profitable? I suppose it depends on what methodology is accepted. The members opposite and the Ministers, two of them, responsible over the last two years, have indicated the methodology that has been put into place with respect to Limestone was this: They said we needed Limestone anyway, and consequently let's build it two years sooner because we can then devote five-twelfths of the first power to a firm sale. Madam Speaker, what they were saying is we could receive a rate which was much higher on a firm basis than an interruptible basis.

Madam Speaker, we've asked the government over and over again to attribute some capital cost portion of that Limestone Plant toward the sale to Northern States Power. They've refused to do it. It's caused members like myself to ask over and over again what is the profitability associated with that sale today? We were told two years ago, Madam Speaker, and you are well aware of this, that the profit then in 1984 dollars was supposed to be somewhere around \$385 million. Over the term of the sale, it was to be \$1.7 billion accumulating to the year 2005.

I couldn't help but notice that even though many of the variables associated with that sale have changed over the last two years, particularly interest rates and particularly inflation rates, the Government of the Day never provided an update of the profitability associated with that sale.

Madam Speaker, that said something to me. That said these various sets of circumstances were beginning to evolve in the worst possible situation. If one accepted the methodology put into place, the economic methodology, because it's certainly not a profit-loss type of system, methodology that you and I or most people would understand, it was purely one derived by economists. If you accept it, Madam Speaker, and I don't, but if you do, then you could realize the net revenues associated with the sale had to change. Well, finally, after two months of prodding, the Minister of Energy on Friday last finally gave to us details associated with the latest forecasts around that sale.

Madam Speaker, as we found out, the worst possible situation, using their methodology, has occurred. Madam Speaker, the net benefits, the net revenues, the so-called profit associated with that sale is now less than one-half of what was forecast two years ago. People would say, well, how could that happen? Madam Speaker, how it has occurred is because we've had interest rates that are locked in at 11 percent, and yet we've had inflation rates - or as they term it - escalation locked in at 3 percent. Those two factors, Madam Speaker, working at cross purposes has caused the profit - using their terminology, the profit - using their methodology to be cut in half, to be reduced to \$185 million.

Now, Madam Speaker, the Minister of Energy, if he were here, would come back to me very quickly and say, well who says that these rates of inflation and interest rates are going to stay at a level of 11 and 3? - and he's right, they may change. But the point is they may not change, Madam Speaker, and today, if they were to continue to be in place from today forward, the profitability associated with that Northern States Power sale would be less than \$180 million, assuming that you won't accept the methodology in place. Madam Speaker, I say again, members on this side never have accepted that methodology.

So again, Madam Speaker, the questions: why do we bring forward Bill 14 that leads Manitobans to believe there are great profits associated with this sale, that there will be great profits associated with additional sales or arrangements, as they're called at this point in time? Madam Speaker, why would the members opposite give credence to the fact that these so-called profits are going to measure in the area of \$1.7 billion in the year 2005; when today, laid before us by the Minister of Energy, those so-called profits would measure less than \$200 million?

Madam Speaker, I say it's incumbent upon the Minister of Energy to lay before us even more detail associated with the NSP sale. We asked in committee for computer runs, Madam Speaker, that would give us the bottom line. That Minister has not seen fit to provide that information to us. He's denied us that information, Madam Speaker.

Madam Speaker, there was some other additional information presented by the Minister of Energy the other day, and it was in the area of reserves. Right today, we're told that Manitoba Hydro has reserves in the area of, I believe, \$80 million or \$90 million, and I can tell you that one can see very quickly, if one again accepts the methodology behind the Northern States Power so-called "profit picture," one can see that beginning in 1995, the reserves of Manitoba Hydro would begin to build very quickly.

Furthermore, if people look at the second-last graph presented by the Minister of Energy in the area dealing with rate increases, one would realize, Madam Speaker, that there could be no major increases; there can be no major direction of funds to this so-called "Manitoba Energy Foundation," unless there are significant increases in rates beginning in the year 1986, the year which we are in. Those rates would have to compound yearly at the rate of either 3 or 4 or 5 percent. So, Madam Speaker, to me this is the most disconcerting part and it was alluded to by my colleague, the Member for Lakeside. This so-called Manitoba Foundation will only have resources, will only have revenue, will only have funds flowing into it, Madam Speaker, if the rates that you and I pay on our Hydro bill increase significantly and keep compounding significantly over the next 15 years.

Madam Speaker, it makes me wonder and I wish the Minister of Energy were here to listen to this. It makes me wonder why the Manitoba Energy Authority - Madam Speaker, you're looking at me - I suppose I made reference to the presence or the absence of the Minister. I would withdraw that and say that wherever the Minister of Energy is, I wish he could hear this.

Madam Speaker, I would indicate and I would ask why wouldn't the government, if they wanted to put into place this instrument to export power and from it create and generate profit and then take the proceeds of that profit and direct them to the well-being of the province, why wouldn't they make the Manitoba Energy Authority a profit desk of its own? Why wouldn't the Manitoba Energy Authority purchase the power from Manitoba Hydro and then resell it, and if there was a profit associated with that, then fine, it could be readily identified. Because today, Madam Speaker, we cannot, in any way, determine the costs associated with that so-called sale.

Madam Speaker, those of us that have worked in the business world have had profit desks. From my

own experience, I worked with a large international grain trading company, and even though my desk was right here and my colleague, who worked within that corporation, was 10 feet away, each one of those desks had its own P and L, Madam Speaker, so the company could determine whether the activities I was carrying on, on behalf of that company, were profitable or not, so that there was some way of measuring my performance.

Madam Speaker, should no less be expected of the Manitoba Energy Authority, who is now taking power from Manitoba Hydro and is becoming responsible for the export of that power, because today we don't know the costs; we may know the revenue that we're receiving, but we have no way of knowing the costs. I think it's an idea and it's a concept worth considering and hopefully the Minister of Energy will take me seriously.

Madam Speaker, the government wants greater resources. They want greater areas of taxation, and what I find so sinister and so disconcerting and so deceptive in Bill 14, The Manitoba Energy Foundation Act is that it gives credence to the whole area of indirect taxation. Madam Speaker, it is underhanded. I tell you this sale and ones that are going to follow and flow in a similar fashion, in my view become the pretence for potential indiscriminate taxation of the Manitoba Hydro ratepayer.

Madam Speaker, this government takes great satisfaction from the fact that you and I and all ratepayers today in this province pay rates, have power rates that supposedly are amongst the lowest in North America. Let me tell you, Madam Speaker, if we have this comparative advantage, if we can produce hydro at such a bargain, why shouldn't our rates in this province be one-half, two-thirds of the rates of the lowest consumers on the continent? The government won't allow that; what indeed they want to do is to garner from all the ratepayers as much revenue as they can, launder it through the Manitoba Energy Authority, direct it into the foundation, and then use it for other purposes.

Madam Speaker, what is the net effect of that? The net effect of that, of course, is to maybe hold down the sales tax at some level, maybe hold the payroll tax at 1.5 percent. Madam Speaker, I say to you again, it's underhanded and it's totally unfair, and what gives legitimacy to that system of indirect taxation, I say quite frankly, is Bill 14, The Manitoba Energy Foundation Act.

Madam Speaker, there are two vehicles that are necessary to allow this government to tax the ratepayers who use Manitoba Hydro. First of all, there has to be an export sale, because there's no way that this could come into effect, Madam Speaker, without an export sale. Bill 14 could not come into place without an export sale. There's no way the ratepayers of this province would stand for their government increasing hydro rates and then siphoning off a portion of that and directing that portion into an Energy Foundation.

No, Madam Speaker, what you had to have, first of all, was an export sale, and we have that. That was the first prerequisite and it has occurred. We can't determine fully and accurately the costs associated with that sale, but we know that there are revenues flowing in from an American utility. We also know that Hydro rates that are our own the domestic consumer will be

paying and will be increasing. We can't attribute it to the costs perfectly between our consumers and the American consumers. So what has happened, quite frankly in my view, is that our ratepayers will be directing some of their revenue directly into the Foundation.

But an export sale had to occur firstly. What had to happen secondly, Madam Speaker, was Bill 14 setting up a Foundation to make it appear to the ratepayers of this province, and indeed to all the taxpayers, that there was going to be some type of Heritage Fund that was going to sit and collect the benefits of that so-called sale.

Madam Speaker, will it end here? Will The Foundation Act only deal with sale or revenues associated with power? Why should it, Madam Speaker? If one accepts the logic that Hydro, in exporting power, is making some type of revenue, then should not a similar act or should not this act also cover the Manitoba Telephone System, even though its activities associated with MTX in Saudi Arabia today are just dismal. We have other Crown corporations in this province which are supposedly out in different nations that are trying to make a return on behalf of that corporation.

Why would then those corporations escape the intent of the Foundation? I wish all of them would. I wish Bill 14 wouldn't be here, but why only Hydro? Because it would seem to me the Provincial Government who wants the ratepayer and the Hydro user in this province to basically underwrite all the funds that are going to go into this, wouldn't it make much more sense from the government's point of view, that they could also levy the user of the Manitoba Telephone System? I think, using the government logic, that this should be expanded.

What about the other Crown corporations? Isn't there some way we can get Autopac into doing some export business, and then diffuse the costs, purposely cloud them over so you can't really attribute them either to the domestic user or to the foreign buyer of the service, Madam Speaker? Wouldn't that be a great way of again directing more funds, not through direct taxation but indirect taxation from the user of Autopac towards the Foundation because that's exactly what's happening in this case.

Again and again, I tell the members opposite, we do not accept the methodology that has been put into place with respect to the Northern States Power Agreement. We do not believe there are significant profits or indeed any profits associated with that sale. So, Madam Speaker, it begs the question: Will this Foundation, will it end here, or will it go further?

I guess the main point of my argument is that this Bill 14 can only be brought in if the Manitoba Energy Authority and the government are successful in generating profit associated with any of their sales. I argued the flow of profits' schedule, I'll go through them again. It says, and I've got it right before me, at interest rates of 11 percent and inflation of 3 percent that the net benefit associated with the sale would drop to \$185 million.

The government claims that funds will begin to flow into the Foundation in 1993. We said that there's no way that funds could flow into any Foundation until the year 2000. You probably can remember when the former Minister of Energy said to us that that argument was ridiculous. He said he was talking to accountants, and

they indicated to him how foolish our argument was because, as they said to him and he relayed it to us in the House, that business, a concern that goes out and purchases a capital asset and then has surplus revenue, will pay income tax every year along, even though that capital has not been paid for in that year. That troubled me, I have to tell you, because the argument makes good sense.

But, Madam Speaker, in my business or yours, if you have a business or anybody else's, you would realize full well that if I purchase a capital asset, I cannot write that asset off in the span of one year. I have to depreciate it and because of the taxation laws of the land, I have to depreciate it over some period of time. A Crown corporation which pays no income tax, they have no need of a depreciation cost of a write-off.

So I say to the former Minister of Energy and I say to the present Minister of Energy, no profits can flow until some capital portion of that dam attributable to the NSP sale is totally paid. Again, as has been indicated in the submission to the National Energy Board, that doesn't happen until the year 2000, if one accepts their methodology we do not accept their methodology. But we will not allow the former Minister, indeed the Minister today of Finance to say to us, how foolish, because in business you still can have an asset which is purchased today which cannot be totally be paid for today, and of course there's profit. You pay income tax today. We will not allow him to say that to us because in this case, because the Crown corporation has no use of the depreciation schedules, they can claim no profit until some share of the capital costs of Limestone is attributable and paid for out of the proceeds of the NSP sale.

So, Madam Speaker, why now? Why Bill 14 now, and some 15 years before there will be any net revenues flowing out of the NSP sale, if indeed any of them occur? As I've indicated, as long as we continue to have high interest rates, low inflation rates, indeed by the very Moses model that has predicted and has done all the forecasting up to this point in time, there will be virtually no net revenues associated with that sale. So these are the issues when I consider Bill 14. Why and why now?

Madam Speaker, I, in summary, just want to indicate that this act isn't needed. It just gives Manitobans a false hope; and if it is needed, it certainly isn't needed now. We don't believe there will be significant profits associated with the Northern States Power sale. Madam Speaker, we also say that if they are profits, if there are any revenues that will flow in there, will come strictly

from the consumers of power within this province. Indeed, if I've indicated and my leader, our critic in charge of Energy, as they have indicated several times, the only way there will be significant amounts of capital flow into this so-called heritage fund or our foundation is through major increases, major direct costs associated with consuming power within the Province of Manitoba.

Again, Madam Speaker, in closing, I ask the Minister of Energy to take seriously my suggestion. If the Manitoba Energy Authority wants to move into the area of exporting power for the sake of profit, let them then purchase the power for Manitoba Hydro. Let them be their own profit desk, Madam Speaker, so we can determine their true costs of purchasing that power and then, if they can sell it to the export market and make it a profit, albeit well, and we will stand here and support that action. But let's try and determine the true costs. Let's earmark them into the proper areas and then decide whether or not there will be a profit associated with any sale.

Madam Speaker, if that does not occur, to me, Bill 14 is nothing but a hoax. It is something that holds out false hope for Manitobans. It's something that will not allow this province to build hopper cars like the Alberta Heritage Fund. It will not allow this province to make a major contribution to the Prince Rupert Grain Terminal; indeed, it will not allow this province to put \$2 billion into the agricultural community as indeed the Saskatchewan Heritage Foundation, indirectly or directly, has done over the last year.

Madam Speaker, the bill should be withdrawn in its present fashion and brought forward maybe 10 or 15 years hence, once, or if profits associated with any export sale come into being.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, I beg to move, seconded by the Leader of the Opposition, that debate be adjourned.

MOTION presented and carried.

MADAM SPEAKER: Is it the will of the House to call it 5:30? (Agreed)

The hour being 5:30 then, the House is now adjourned and stands adjourned until 2:00 p.m. tomorrow (Thursday).