

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 22 May, 1981

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Dauphin.

MR. JIM GALBRAITH: Mr. Speaker, I beg to present the Second Report of the Standing Committee on Privileges and Elections.

MR. CLERK, Jack Reeves: Your Standing Committee on Privileges and Elections met on Thursday, May 21, 1981 and appointed Mr. Galbraith as Chairman vice Mr. Brown.

Your committee heard representations with respect to Bills referred, as follows:

Bill No. 56 — An Act to amend The Education Administration Act and The Public Schools Act.

Jim Ilchyshyn, President, Transcona-Springfield School Board.

Fr. M. Buyachok, Vice-President, Transcona-Springfield School Board.

Linda Hughes, Trustee, Transcona-Springfield School Board.

Mary Andre, Trustee, Transcona-Springfield School Board.

George Marshall, Trustee, Transcona-Springfield School Board.

John R. Wiens, President, Manitoba Teachers' Society.

Bill No. 62 — An Act to amend The Workers' Compensation Act.

Art Coulter, Executive Director, Manitoba Federation of Labour.

Len Preston, Injured Workers Association.

John Huta, Injured Workers Association.

Your Committee considered Bill No. 62 — An Act to amend The Workers' Compensation Act;

And agreed to report the same without amendment.

Your Committee also considered Bills:

No. 39 — The Ecological Reserves Act.

No. 56 — An Act to amend The Education Administration Act and The Public Schools Act.

And has agreed to report the same with certain amendments.

MR. SPEAKER: The Honourable Member for Dauphin.

MR. GALBRAITH: Mr. Speaker, I move, seconded by the Honourable Member for Radisson that the report of the committee be received.

MOTION presented and carried.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to introduce to the honourable members nine visitors of grade 8 Standing from the Calvin Christian School under the direction of Mr. Falkerts. This school is in the Constituency of the Honourable Member for Rossmere.

We have 45 students ages 14 to 18 from Churchill High English Second Class under the direction of Mr. Rowtree. This school is in the Constituency of the Honourable Attorney-General.

We have 20 students of grade 8 standing from the Victor Mager School under the direction of Mr. Biggs. This school is in the Constituency of the Honourable Member for St. Vital.

On behalf of all the honourable members we welcome you here this morning.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Minister responsible for the Environment.

Can the Minister responsible for the Environment advise whether or not there are any further developments pertaining to the decision-making on the part of the Clean Environment Commission pertaining to the expansion of the sludge beds in West St. Paul?

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

HON. GARY FILMON (River Heights): No, Mr. Speaker, not to my knowledge.

MR. PAWLEY: Mr. Speaker, then further to the Minister responsible for the Environment, can the Minister advise when we may receive the pleasure of hearing a decision from the Clean Environment Commission in view of the fact that the City of Winnipeg has announced its intention to proceed with construction?

MR. FILMON: I think, Mr. Speaker, I indicated it would be about the end of the month; that was the intended time. I have not had any further word from the Clean Environment Commission in the last day.

MR. PAWLEY: Mr. Speaker, can the Minister advise whether or not construction has already commenced in respect to the sludge beds in West St. Paul by the city?

MR. FILMON: No, Mr. Speaker, I'm not in possession of that information.

MR. PAWLEY: Mr. Speaker, then further to the Minister, can the Minister advise what safeguards the residents of the municipality and others in parts of the City of Winnipeg that have been affected with the existence of the sludge beds, what safeguards these residents have in the event that the Clean Environment Commission makes its ruling, and despite its ruling the construction of the sludge beds have been completed? What action, what safeguards will his department undertake?

MR. FILMON: Well, Mr. Speaker, the city will have made an investment in earth moving and other construction work but will not have an opportunity to use that for the deposition of sludge; so that's where it will rest.

MR. PAWLEY: Can the Minister assure then that his department will undertake the necessary enforcement provision to ensure that the order is complied with?

MR. FILMON: Mr. Speaker, now right at this point we are awaiting an order to be issued. Once the order is issued my department will indeed enforce it.

MR. PAWLEY: Mr. Speaker, a further question to the Minister on a separate matter.

Can the Minister advise what are the circumstances within his department pertaining to the breakdown in discussions or the slowness in discussions pertaining to the request by the City of Winnipeg to post signs along the Red River warning people to avoid swimming or water skiing on the Red River in view of the high bacteria content? Can the Minister advise on what basis there has been a delay in okaying the request by the City of Winnipeg to post signs containing such warnings?

MR. FILMON: Mr. Speaker, I must admit that the delay probably rests with me, in that I was not aware that the matter had been passed by a committee of the City Council. When I learned that on Tuesday of this week, I spoke with Mayor Norrie about it and he assured me that from his end he would instruct the city solicitor and others that he wanted to discuss the matter with to proceed as quickly as possible to discuss it with the officials of my department and get on with the decision.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker, a question to the Minister of Mines with respect to the agreement with IMC on potash. Could he advise as to whether the 18 percent payment that is a profit-based 18 percent rate of taxation on the potash produced will be in the agreement or will that be subject to change by the government by regulation as it is with respect to other mines and minerals?

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

HON. DONALD W. CRAIK (Riel): It'll be the latter case, Mr. Speaker. It will be a rate of taxation tied to the general mining rate of the province which at the present time is 18 percent, so it's tied to the general metallic mineral mining rate.

MR. SCHROEDER: Thank you, Mr. Speaker, a supplementary. Will the agreement itself state that the province will not be entitled to change that formula other than in accordance with a formula which would be similar to other mining taxation?

MR. CRAIK: It ties it in, Mr. Speaker, to the agreement, which really, I think, is answered in the answer to the first question.

The mining rate on potash is the same as the metallic mineral mining rate, the general mining rate of the province. If the mining rate of the province changes then presumably it would change the potash rate as well.

MR. SPEAKER: The Honourable Member for Rossmere with a final supplementary.

MR. SCHROEDER: Yes, a further question then on that issue. In view of the fact that this portion of the agreement appears to have been finalized, could he provide the House with any report he might have received from the consultants, Robertson and Associates I believe they are, who would have advised the government as to the different rates of taxation it might have gotten involved with and I'm sure that in that report we would see some comparison between this particular proposed rate of taxation, the Saskatchewan rate of taxation and the New Brunswick rate of taxation, that we would be able to compare this between different potash-producing regions, rather as between potash and other types of minerals?

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

MR. CRAIK: Mr. Speaker, after much study, the best way to really assess the return to the province is to do it on a rate of return basis on the company's investment or on the MMR's investment and any number of assumptions can be made and have been made to run rate of return type of calculations, which of course include the multitude of tax revenues that accrue to the province. Those, of course, have been done and I have to point out to the member, it gets extremely complicated. The basic principle involved here, though, is that the rate of taxation, apart from the additional tax that is put on the volumetric royalty, which is in addition to the 18 percent and in addition to the income tax, the only difference between potash and metallic minerals is that potash is taxed at a rate higher because of the volumetric tax that accrues to the province through the province holding in the order of some 50 percent of the mineral rights in the area.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to direct a question to the Honourable the Minister of Agriculture. Could the Minister of Agriculture advise us whether the rainfall that we have at least seen here in the City of Winnipeg has been of a widespread nature and whether it has had an ameliorative effect on the possible drought conditions in the province?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, the best method of calculating or determining how much rain falls throughout the province is by contacting each MLA and the report — I'm sure that each of them phoned home because of their interest in agriculture — the reports are anywhere from nothing south of the city in the Morris area, to showers and light rain in the Gladstone area, to showers in the southwest corner. In Minnedosa, the member indicates that there is some. But as an overall relief to the drought and the substantial amount of rainfall, Mr. Speaker, I would say that within the City of Winnipeg, the amount of rain that I have seen would be substantial to help the situation but anything less than that would be of very little significance in the overall benefit to the growing conditions. However, it does break the attitude or the concern that farmers had in all parts of the province, that it can rain and I think that that is heartening. With the weather forecast for showers for the weekend, we can be confident that at least we are off to a lot better start than we were in the earlier part of the week.

MR. GREEN: Mr. Speaker, I wonder if I could direct a question to the Minister of Natural Resources? Mr. Speaker, can I ask him whether the date May 22 and the coming of rainfall and the wearing of the roads have any significance to the Honourable Minister?

MR. SPEAKER: Would the honourable member care to repeat his question?

MR. GREEN: I asked the Minister whether the date May 22 and the coming of rain and the wearing of the roads have any coincidence with respect to the Honourable Minister.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I never promised him a rose garden but May 22 is a great day. The rain coming along with it just makes that day that much greater.

MR. SPEAKER: The Honourable Member for Inkster with a final supplementary.

MR. GREEN: Mr. Speaker, I wonder if the member could be less secretive as to the significance of May 22, especially this May 22?

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Attorney-General. Would the Attorney-General please advise the House of the status of the discussions with the Federal Government on funding for RCMP, please?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, the eight contracting provinces have forwarded to the Federal Government and its officials a response to a federal document which was prepared in response to the original provincial position. I expect, Mr. Speaker, that there will be a

meeting of the eight provinces with the Solicitor-General before the end of June.

MS. WESTBURY: Mr. Speaker, could the Minister advise us whether the proposal that was sent had a counter-proposal to the federal proposal, or was it simply a reaction to the federal proposal?

MR. MERCIER: Mr. Speaker, it was a reaction to the federal position paper that was sent to our officials. Essentially, the question has come down, of course, to the benefits to the federal, provincial and municipal authorities from RCMP police services and that is the main area of contention.

MR. SPEAKER: The Honourable Member for Fort Rouge with a final supplementary.

MS. WESTBURY: Mr. Speaker, doesn't the Minister feel that he has a responsibility to make a counter-proposal to the Federal Government suggesting what would be acceptable to the Provincial Government so that negotiations can continue with some degree of serious consideration, instead of just reacting to the federal proposal?

MR. MERCIER: Mr. Speaker, the provinces have taken a position with respect to cost-sharing benefits based on the statement of the former Solicitor-General, Mr. Allmand, who indicated that the present cost-sharing percentages reflect equitably the benefits to provincial, federal and municipal authorities and we have received no evidence that would persuade us, Mr. Speaker, that there should be a change in those cost-sharing percentages. Just because, Mr. Speaker, the Federal Government comes up with an outlandish proposal doesn't mean we have to increase the percentage paid by the provinces.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I wish to ask the Minister of Finance whether or not he's able to report to the Legislature the situation with respect to foreclosures on business, farms, mortgages on homes, given the fact that last December the government announced that they were intending to monitor the impact of high interest rates, given the fact that we're now about six or seven months down the road.

MR. SPEAKER: The Honourable Minister of Finance.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I can't at this point provide any specific information although I do have my staff conducting some special surveys attempting to get a better understanding of exactly what is happening and as one of the actions that's being taken of course, is what the Minister of Agriculture has already announced; the meeting today with some of the banking people and the agricultural credit people to get a better feel for what's happening in that area.

We all recognize of course that in a general way the very serious impact of the high interest rates but it is a little more difficult to reduce it to specifics.

MR. USKIW: Well, Mr. Speaker, a more general question then. Could the Minister explain why Manitoba is one of the three worse off provinces with respect to bankruptcies and foreclosures in Canada?

MR. RANSOM: Again I can't specifically answer the question, Mr. Speaker, but the structure of Manitoba's economy as I understand it leads to perhaps an above-average use of credit and certainly anyone as the member will recognize, anyone who has to finance an inventory or their operating costs with the escalating interest rates is going to be in considerable difficulty and there are different types of economies in different provinces. The energy ones tend to be less sensitive to rising interest rates whereas farming and manufacturing and small business are more sensitive to it.

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

MR. USKIW: Mr. Speaker, given the fact that we have now had several months since the Minister announced that he was going to monitor the situation and I believe indicated that if necessary, some steps or actions would be undertaken by the government and given the fact that we are now in the final stages of this session, I would like to ask the Minister why he has not prepared for the consideration of this Assembly some contingency plan?

MR. RANSOM: Mr. Speaker, the Member for Lac du Bonnet really in essence is asking why the province has not prepared a contingency plan to offset the results of basically federal policies and international situations that have been developing over the past decade. I think to expect that the province has the capacity or even the responsibility to do that in any more than very selective ways in which as one example that the Minister of Agriculture has been working on, a very specific area and there may be other very specific areas that will have to be taken into consideration — but it is simply not possible to expect that if the province is going to be able to offset the impact of 10 or 15 years of mismanagement of the national economy by the Federal Government.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I think that the Minister shouldn't be so quick to divorce himself from the federal policies as it's also the policies of his federal party, tight money policies that have led to the present situation that we're confronted with in Canada. Can the Minister advise whether or not he is in his process of monitoring interest rates, and obviously monitoring policies that may provide some relief, whether he has examined any of the attempts, any of the strategies that have been proceeded with in other provinces, whether they have covered a great deal of ground or not? Has he monitored; has he covered alternatives programs enunciated by some of our sister provinces toward providing some relief insofar as interest rates involving homeowners and small business communities?

MR. RANSOM: The Leader of the Opposition refers to the position of our federal colleagues but he either

chooses not to understand the nature of the Federal Budget that was proposed by the Clark Government or he simply wishes to overlook the fact that that Budget was designed to support the policies of the Central Bank as opposed to the fiscal policies of the present Federal Government. It also proposed to give relief to people at the lower end of the income scale and to give mortgage deductibility and to recognize costs of energy in remote areas and to give assistance to people at the lower end of the income scale.

The present government is not taking that action, Mr. Speaker, and the members opposite, their colleagues in Ottawa, helped to defeat those policies and that Budget a year-and-one-half ago.

Mr. Speaker, the Leader of the Opposition asked about programs that have been introduced in other provinces. I told the House a week or two ago that the four western Ministers of Finance had had an opportunity to discuss the interest rate question and came to the conclusion, as I've just outlined in my previous answer, that it simply is not within the fiscal capacity or within the responsibility of the provincial governments to attempt to offset the impact of federal policies.

The Leader of the Opposition has referred earlier to programs undertaken in Saskatchewan and I can tell the honourable member that those programs in Saskatchewan were not implemented in response to today's high interest rates. They were implemented as a token means to encourage small business, Mr. Speaker, and I believe that in total they were budgeting less than \$500,000, that a business was only able to take advantage of that opportunity every three years and I believe that there were limitations of something like \$500 per business, Mr. Speaker. The conclusion that many businesses came to in Saskatchewan was that it simply wasn't worth the effort to fill out the paper. Now if that's the kind of policy that the honourable member opposite is proposing, then, Mr. Speaker, I say that it will not work. At this point we have not had the opportunity to examine the program that was recently announced in Nova Scotia having respect to home mortgages.

MR. PAWLEY: Mr. Speaker, as we can see the Minister has done very little evaluating of the various programs in the various provinces in Canada. Can the Minister then advise whether or not he is making any effort to make representations on behalf of Manitoba or with his counterparts in other provinces, to Ottawa, pertaining to interest rates, to insist, Mr. Speaker, that we have an interest rate policy that's established in Canada and not established in Washington as has indeed been the case under both the present Prime Minister and the previous Prime Minister representing his party in Ottawa?

MR. RANSOM: Mr. Speaker, the level of understanding that the Leader of the Opposition has and his colleagues in Ottawa have about the relationship of the value of the dollar to interest rates and the tying of our interest rates to those in the United States simply is not very high and they tell the public that there is an easy solution to a very complex problem. And perhaps the recent events in France would indicate the result of the implementation of socialist policies when that government had to impose foreign exchange

controls. That's what would have to happen in Canada, Mr. Speaker, if the differential between U.S. and Canadian or Canadian and international rates became too wide. Unfortunately, we simply have now arrived after many years of being on, if we can call it a course, Mr. Speaker, chartered by the Federal Government, people are now seeking easy and painless solutions to that problem. I think, Mr. Speaker, it is irresponsible for the Leader of the Opposition; it is irresponsible for the NDP in Ottawa to be telling the public that there is in fact an easy solution to the situation we have.

MR. PAWLEY: Mr. Speaker, if we can analyze the words just spoken by the Finance Minister, then are we to conclude from the words of the Finance Minister that he supports a continuation of the present high interest rate policies announced in Ottawa, playing tag with what is happening in Washington in order to ensure that the Canadian dollar is maintained at a high level, can the Minister indicate his position pertaining to interest rates vis-a-vis the maintenance of the Canadian dollar? Is the Minister prepared to acknowledge, Mr. Speaker, that the interest rate policy being followed in Ottawa is one that is irrational and irresponsible and is only being maintained at the present time to ensure a slipping of the Canadian dollar but is being maintained in such a way as to curtail growth throughout Canada as a whole?

MR. RANSOM: Mr. Speaker, we deplore the level of the present interest rates, but given the circumstances, Mr. Speaker, given the point where we have arrived at after 10 or 15 years of misdirection and mismanagement on the part of the Federal Government in Ottawa then, Mr. Speaker, there is no easy way out of the situation that we are in and we have been urging the Federal Government to sit down with all of the provinces and discuss together and outline a strategy, if indeed they have a strategy as to where they are going to go from here, how they see the national economy being led out of the difficulties that it is now in. I doubt, in fact, that they have a strategy, but given the circumstances that we are in today, Mr. Speaker, then I'm advised that the consequences of the Central Bank, following a very different course of action than they are now following, would lead to an even worse situation.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker, A question to the Minister of Mines. Paragraph 7 of the Agreement of May 15, 1981, between the government and IMC provides IMC with a 5.5 percent sales commission on potash sales, which would work out with two million tons at about \$100 a ton, at better than \$10 million a year sales commission. Does the Minister have any kind of report that he could table and provide us with from his consultants indicating that that \$10 million sales commission fee is reasonable?

MR. CRAIK: Mr. Speaker, not a formal consultants report, but certainly I can indicate to the member that it did receive a good deal of study in arriving at this figure and the 5.5 percent is representative of

the types of industry commissions that are prevalent at the present time. In addition to that, we were satisfied in arriving at that, given the fact that IMC also from the statistics, can be seen to gain a better market price than the average of the Canadian industry by some 2 to 3 percent, it turns out to be what we considered to be an exceedingly good rate.

MR. SCHROEDER: A further question to the Minister. He has indicated previously, and it is a fact, that IMC is one of the largest manufacturers of fertilizer and presumably can be using much of this product itself. When IMC sells this product to itself, will it be entitled to the 5.5 percent commission?

MR. CRAIK: Mr. Speaker, it will receive the 5.5 percent commission, yes, regardless of the sales point with the exception that if it's marketed through Canpotex or an export organization or an organization similar to that, then there is a slightly different formula. IMC, in that case, receives a 1 percent commission on its handling. But through regular sales outlets, which will be principally IMC outlets, because they will be principally in the United States and this is the strength of their system, is the fact that they have in the built-in markets, they will receive 5.5 percent.

MR. SPEAKER: The Honourable Member for Rossmere with a final supplementary.

MR. SCHROEDER: Thank you, Mr. Speaker. Paragraph 6 of that Agreement provides, again assuming two million tons a year, approximately better than \$2 million a year to IMC in lieu of corporate overhead — I take it that's an administration fee — can the Minister explain exactly what is involved? What does IMC do in order to receive that type of a fund off the top before anything is divided?

MR. CRAIK: Mr. Speaker, I don't have the Agreement on my desk. I think by Number 6 he is referring to the \$1.10 per tonne portion that is included there. Well, as the Agreement that was tabled indicates, this is for the general administration that is provided by the parent company through IMC Canada and principally to cover those things that are somewhat intangible, like research and development, and other aspects that can be brought to bear by a company of that size that is already built up in their research capacity and in their development capacity and other things. It's just a general fee that is again, reasonably common in the industry. If you combine it with the sales fee, again it is one that is representative of what presently takes place in the potash industry.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I would like to ask a question of the Honourable Minister of Natural Resources and rejoice with him today and all the members of the House, and the Member for Inkster, as he touches this very important benchmark in life, and ask him what may have happened to the forest fire situation overnight in our province?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. ENNS: Mr. Speaker, the event of some moisture, of course, is welcome in the province but along with it is the possibility of lightning strikes that could possibly aggravate the forest fire situation. We are fighting seven major fires in the province with some 500 people involved in the actual firefighting. All our water bombers are active. Hopefully we will be able to contain them.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister of Natural Resources. Several days ago, during the last week, I asked the Minister if he would undertake to investigate the potential for flooding in the area of Churchill. I understand that there is flooding in that area at present and that the community is sandbagging the pump house. I would ask the Minister if he can provide us with a status report of that situation and what action the province will be taking to ensure that that flooding does not cause damage which is not necessary in the area?

MR. ENNS: Mr. Speaker, I believe it was the Minister of Energy and Mines who a few days ago referred to the fact that unlike all other river systems in the province, the Churchill is indeed running at above average flows and with it the potential of flooding problems exist particularly with respect to the water supply, the pump station in Churchill. Sandbags are in place. My recent reports, as of two days ago, indicate no specific problems but I will accept that question as further notice and report back to the honourable member later on in the day.

MR. COWAN: Mr. Speaker, there is a sense of urgency as it is my information, from calling the community, that they are sandbagging now and that the pump house is being threatened and that the road has been blocked off in that area, so I would encourage the Minister to report back as soon as possible with that.

I would ask him if he can indicate what contingency plans the department has in place in case that flooding should worsen over the next couple of days?

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, my question is to the Minister of Resources. I would remind the Minister that a rose by any other name would smell as sweet and rotting fish, they always smell the same, regardless of their name. I wonder if the Minister has yet received a report on the situation near The Pas where within the Ducks Unlimited control area, thousands of fish were rotting and he was going to get a full report from his department on that matter?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. ENNS: Mr. Speaker, I have had the department investigate the situation. I have to agree with the honourable member that rotting fish don't leave

anybody particularly satisfied. I must report to the honourable member that that takes place fairly regularly in the state of nature. At the moment, at Red Sucker Creek, we have a situation where again, many thousands of fish have been caught in shallow waters as a result of low spring run-off, absolutely nothing to do with any man-made structure or any other situation, and the honourable member is aware of that. This happens from time to time. It happens in southern lakes, it has happened at Rock Lake, at Pelican Lake; wherever there's a situation that develops where oxygen supply is too low for the maintenance of fish life and/or other areas where fish get caught up in shallow pools upstream in their natural habitat to go upstream for spawning, and then get caught because of a low water situation.

We understand the department, in this case at Sucker Creek, the Indian Affairs Department is involved and have contributed a substantial amount of money to help with the clean-up. We will be doing whatever we can with respect to the situation the Member for The Pas refers to as well.

MR. McBRYDE: Mr. Speaker, does that mean then that the Minister has a full report from his officials at The Pas and that the fact that this is a controlled water system that we are talking about, that this control system has nothing to do with the fact that the fish have been affected in this way and therefore that there is no way this can be avoided in the future by controlling the water run-off differently?

MR. ENNS: Mr. Speaker, what the report indicates or the staff studies indicate is that this has not been a first-time occurrence, that this has happened on numerous occasions and will likely unfortunately happen again. We are looking at the possibility of the provision of one particular structure, a fish ladder, on one of the control structures, as to whether or not that will alleviate. But the big question in the department's mind is, by providing such an installation, would we in fact be encouraging more fish to get into these low areas which are essentially marshy duck habitat areas that would then, subject again to the weather conditions of any given spring, would find themselves in a similar situation? So it's really a question that our biologists aren't all that convinced can be improved upon.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Speaker, a few moments ago the Minister of Finance indicated that it is somewhat, in fact almost impossible, without the use of exchange controls, to isolate interest rates in Canada from those occurring in the United States. If he believed that is the case, Mr. Speaker, then I would like to ask him to explain to this House how it is that Ottawa is so powerful as to first of all influence the rates in the United States which we then have to follow according to his scenario?

MR. SPEAKER: Order please. I believe the question is argumentative, seeking debate, rather than seeking information, and as such I would have to rule the question of order. Has the honourable member another question?

MR. USKIW: Mr. Speaker, yes, I don't mind repeating it. The Minister indicated to us that there is

not much that we can do in this country given the fact that we have an open border with the United States on cash flow. In light of that statement could he clarify for the House how he then imputes the responsibility at the doorstep of the Government of Canada if we are indeed tied to the United States currency fluctuation and interest rates?

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSOM: It's very simple, Mr. Speaker. If the Canadian dollar was stronger then we wouldn't be faced with that same linkage.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Cultural Affairs and ask her whether she could clarify the situation in regard to the celebration of Manitoba's birthday. There are two dates that are often talked about, May 12 and July 15. I might mention, Mr. Speaker, that in 1971 Queen Elizabeth was in Manitoba to celebrate the 100th anniversary of the province, in 1971, on July 15, so I wonder if the Minister could clarify which day the province recognizes and whether she has any particular celebrations planned for July 15?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, to my knowledge, May 12 is the correct date to celebrate Manitoba Day.

MR. SPEAKER: Order please. Time for question period having expired we'll proceed with Orders of the Day.

COMMITTEE CHANGES

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Thank you, Mr. Speaker. I have some changes on Statutory Regulations and Orders; Mr. Driedger for Mr. Steen, that will be for Friday, May 22; then Mr. Steen for Mr. Driedger on Saturday, May 23, and Mr. Hyde for Mr. Gourlay.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Speaker, on the Committee for Statutory Orders and Regulations, the Honourable Member for Elmwood in place of myself on the committee.

MR. SPEAKER: Are those changes acceptable? (Agreed)

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSOM: Mr. Speaker, I have a message from His Honour the Lieutenant-Governor.

MR. SPEAKER: The Lieutenant Governor transmits to the Legislative Assembly of Manitoba, estimates of further sums required for the service of the province for capital expenditures and recommends these estimates to the Legislative Assembly.

MR. RANSOM: Mr. Speaker, I move, seconded by the Minister of Agriculture that the said message together with the estimates accompanying the same be referred to the Committee of Supply.

MOTION presented and carried.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, it is the intention today to deal with a motion on the Order Paper which I believe the Deputy Premier and the Leader of the Opposition are prepared to speak to, then to deal with Bills and Supply if there is time, and to call, Mr. Speaker, the Committee on Statutory Orders and Regulations for 2:00 o'clock this afternoon; for 8:00 o'clock this evening, if necessary; for 10:00 o'clock tomorrow morning if necessary; and for 2:00 o'clock tomorrow afternoon if necessary; and at the end of this sitting this morning, Mr. Speaker, to adjourn the House until Monday morning at 10:00 a.m.

Mr. Speaker, would you therefore call the motion which stands in the name of the First Minister on page 4 of the Order Paper.

MR. SPEAKER: The Honourable Member for Fort Rouge on a point of order.

MS. WESTBURY: Mr. Speaker, I hope this is a point of order; I suspect that it is. I am aware that the House Leader consulted representatives of all other members of this House. He did not consult any representative of myself. I have told the Minister that I would cooperate with him in bringing this session along to a reasonable conclusion but, Mr. Speaker, I hope the House Leader realizes that any such cooperation is dependant upon the usual courtesies being extended to all members.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, on that point of order, I would have to indicate, Mr. Speaker, that when Speed-up Motion is in effect, I think as most members are aware, the order of business is decided on a day-to-day basis depending upon the progress that is made in committees or in the House, Mr. Speaker. I did speak to the Opposition House Leader and to the Member for Inkster. The Member for Fort Rouge was not in the House.

MS. WESTBURY: I was here this morning from 10:00 o'clock . . .

GOVERNMENT RESOLUTION ROYAL ENGAGEMENT

MR. SPEAKER: Order, order please. We'll proceed with the resolution of the Honourable First Minister on Page 4 — the Honourable Deputy Premier.

MR. CRAIK: Mr. Speaker, I move, seconded by the Leader of the Opposition that:

WHEREAS Canadians have joined with other citizens of the Commonwealth of Nations in expressing their great pleasure at the announcement of the engagement to be married of His Royal Highness the Prince of Wales and the Lady Diana Spencer;

AND WHEREAS the Crown of which the Prince of Wales is the heir represents the unity of the Commonwealth as well as the unity of Canada;

AND WHEREAS the Legislative Assembly of Manitoba desires to make known its pleasure over the announcement of the engagement and of the forthcoming marriage of the Prince of Wales and the Lady Diana Spencer;

THEREFORE BE IT RESOLVED THAT the Assembly record its lively pleasure and express its good wishes to the Prince of Wales and the Lady Diana Spencer on this happy occasion;

AND THAT the Speaker be asked to convey that expression of this House to Her Majesty the Queen, His Royal Highness and the Lady Diana Spencer, through the proper channels.

MOTION presented.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before I allow debate to continue, may I interrupt for just a moment to introduce 28 students of Grade 5 standing from the Winnipeg Beach School, under the direction of Mr. Larry Moore. This school is in the Constituency of the Honourable Minister of Education. On behalf of all members we welcome you here this morning.

The Honourable Deputy Premier.

GOVERNMENT RESOLUTION ROYAL ENGAGEMENT (Cont'd)

MR. CRAIK: Mr. Speaker, the Premier asked me particularly to speak on his behalf in moving the adoption of the motion standing in his name and seconded by the Leader of the Opposition for the purpose of expressing the pleasure of this House in the engagement of His Royal Highness the Prince of Wales and the Lady Diana Spencer.

The motion serves to express our pleasure and also to offer our congratulations to Her Majesty the Queen as well as to the newly engaged couple.

Manitoba has had a long and agreeable relationship with the Royal Family extending over a number of Royal visits during the past century including, of course, a number of which many of us will remember paid by our present Queen and by members of her family.

Many of us will remember with particular satisfaction the fact that Her Majesty the Duke of Edinburgh, the Prince of Wales and Princess Anne took part in the special ceremony marking the Centennial of Manitoba as a province of Canada on July 15th, 1970.

We shall look forward to receiving an early visit from the Prince and Princess of Wales so that we may express our congratulations and good wishes to them in person.

I therefore am honoured to move the motion which, when adopted, will be forwarded to

Buckingham Palace through the good offices of you, Mr. Speaker, and of the appropriate channels.

Thank you.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I take pleasure in joining with the Deputy Premier in seconding the motion before us; the motion extending best wishes to Prince of Wales and Lady Diana Spencer on their engagement and forthcoming wedding.

We recall very well the visit to Manitoba in 1970, the Centennial Year, and the interest that the Prince of Wales demonstrated in Manitoba; how well he met with so many of the citizens of Manitoba; he is a favourite in Manitoba; he represents the Crown well in his efforts and we certainly join with the Deputy Premier in extending these warm best wishes to the Prince of Wales and Lady Diana Spencer and certainly wish to them a lengthy and happy, happy marriage.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS6 WESTBURY: Thank you, Mr. Speaker.

It's a great pleasure to be able to agree with the Deputy Premier and the Leader of the Official Opposition, and to join with them in wishing the very best wishes of the Liberal Party of Manitoba on this joyous occasion of their wedding on the 29th of July.

It happens, Mr. Speaker, that I am going to be in London on the 29th of July and I hope that somehow I'll be able to catch a glimpse of the coach going by on that exciting occasion, but the presence of the monarchy in Canada is extremely important to the Liberals of Manitoba, as to all other Manitobans I suggest, Mr. Speaker, and it's a very great pleasure to join in supporting this motion.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Mr. Speaker, our group wishes to add our voice to the support of this motion and to wish the couple well. Right at the moment our group is about 72.3478 percent monarchists so that it is a propitious moment and this is not a time to get into the constitutional debate, but the role of the monarchy in the future will be decided in the future, but to this point in time, Mr. Speaker, many of us feel that it has served us well and we wish the couple good health.

QUESTION put, MOTION carried.

MR. SPEAKER: The Chair will carry out the direction that the House has given to the Chair. The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, would you call Bills 58, 42, 59 and 63.

REPORT STAGE

BILL NO. 58 AN ACT TO AMEND THE AGRICULTURAL LANDS PROTECTION ACT

MR. SPEAKER: Shall the report of the Committee of the Agricultural Committee be concurred in? (Agreed)

The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Speaker.

I have several amendments to this bill. I move, seconded by the Member for Rock Lake . . .

MR. SPEAKER: The Honourable Member for Inkster on a point of order.

MR. GREEN: I'm perhaps speaking from memory, but are we not to be given notice of the amendments —(Interjection)— They were distributed? I'm sorry. Thank you.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. FERGUSON: I'll start at the first again, Mr. Speaker. Moved by the Member for Gladstone, seconded by the Member for Rock Lake that Bill No. 58 be amended.

THAT section 1 of Bill 58 be amended by striking out the figures "1(1)(ii)" in the 1st line thereof and substituting therefor the figures and letter "1(1)(a)(ii)".

MOTION:

THAT the proposed clauses 1(1)(e) to (k) of The Agricultural Lands Protection Act set out in section 2 be struck out and the following clauses substituted therefor: Clause (e) "effective control" includes any control over any right, title or interest in or to agricultural lands or over a corporation that a person or a corporation exercises directly or indirectly;

(e)(i) through direct or indirect ownership of the right, title or interest of the shares or securities of the corporation or;

(e)(ii) through direct or indirect control over corporation, syndicate or any other body which has direct or indirect ownership of the right, title or interest or of the shares or securities of the corporation and effectively controlled has a corresponding meaning;

(f) "foreign controlled corporation" is a corporation that is effectively controlled directly or indirectly by a person who is not a resident of Canada;

(g) "ineligible person" means a person who is not a resident of Canada and includes a foreign controlled corporation;

(h) "land holding" includes (h)(i) any interest in land held under an agreement to purchase the land that may directly or indirectly result in the vesting of title or confer the right to possession of that land, or confer any right or land ordinarily accruing to an owner of land;

(h)(ii) any lease of land that would vest in the lessee possession and control of the land;

(h)(iii) land legally or beneficially owned by a corporation who shares as securities of a kind or class designated in the regulations for the purpose of this clause are owned or held by an ineligible person; and

(h)(iv) any other interest in land, other than those specified in sub-clauses (i) and (ii) but does not include any land or an interest in land held by way of security for debt or other obligation;

(h)(i) "minister " means the Minister of Agriculture;

(j)"resident of Canada" means

(j)(i) a Canadian citizen or landed immigrant who is permanently resident in Canada, or any individual who is lawfully permitted to reside permanently in Canada; or

(j)(ii) a corporation effectively controlled by Canadian citizens, landed immigrants or other corporations that are residents of Canada and whose lands in Manitoba, if any, are effectively controlled by Canadian citizens, landed immigrants or other corporations that are residents of Canada.

That is the first motion, Mr. Speaker. If there are any questions on that particular motion, the Minister is prepared to answer them.

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

MR. GREEN: Yes, Mr. Speaker, I rise on this point of order because I think that the amendments are going to be rather complicated and difficult and I rise on it because the member who has moved the motion has indicated that the Minister is going to be able to answer any questions. And, Mr. Speaker, I agree that that is correct except that this procedure does not provide for it.

On a motion, on the Report Stage of a committee, we are entitled to get up and make 40-minute speeches, and I think that this section, Mr. Speaker, is fraught with danger and I believe that what the Member for Gladstone said is correct that we have to be able to ask questions on this matter and somehow I would ask, Mr. Speaker, the Government House Leader, because there is no procedure to facilitate us going into committee at a certain stage so we can do exactly what the Member for Gladstone said has to be done, that we have to ask questions of the Minister.

And, Mr. Speaker, if I may make a suggestion in that connection, and I believe it is very important, may I suggest that when we are in Supply that this matter be left over until we go into interim, second reading, Committee on Interim Supply, or Mr. Speaker, better still, Capital Supply provides for \$5 million for the Agricultural Credit Corporation. When we go into Capital Supply, can we not deal with this because, Mr. Speaker, it has to be dealt with, and it has to be dealt with the way the Member for Gladstone has indicated, then we can come back, the motion can be made and we will have had the discussion which is necessary to have with the Minister of Agriculture on this question?

MR. SPEAKER: The Honourable Minister of Agriculture on a point of order.

MR. DOWNEY: On a point of order, Mr. Speaker, I wonder if the member could be allowed to finish reading the amendments and I would agree with the member that it could be discussed during the Capital Supply. However, I would like to . . .

MR. SPEAKER: Order please. The Chair is now asking advice. Is this a continuation of the one amendment or is this another amendment?

MR. GREEN: Mr. Speaker, may I suggest the following. We now have the amendment; we don't

have to have them read to us. We are going into Capital Supply and when we go into Capital Supply, we have our discussion and then we will come out of Capital Supply and then the member will move his amendments and we will deal with them in the regular way as the Report Stage will in other words be postponed until after Capital Supply.

MR. SPEAKER: The Honourable Minister of Agriculture on a point of order.

MR. DOWNEY: Mr. Speaker, on a point of order I have no difficulty with that, however, in Agriculture Committee, it was agreed that the bill would be accepted as amended but I have no difficulty with what the member recommends.

MR. SPEAKER: Order please. I believe that no committee can make any commitment of the entire House.

The Honourable Member for Lac du Bonnet on a point of order.

MR. USKIW: Mr. Speaker, I just wanted to rise to make the same point that you just did that the committee is not empowered to give that kind of commitment. We did agree that the amendments will come by way of the Report Stage but that's where it rests.

MR. SPEAKER: Can I seek the advice of the clerks here? Is there any agreement to defer the Report Stage in this bill at this time? Is that agreed? (Agreed) Then we will proceed to next order of business, Bill No. 42, Adjourned Debate on Third Reading of amended bills — the Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'm not trying to hold up this bill but I would ask that it stand and will deal with it with the other third reading.

MR. SPEAKER: Is that agreed? (Agreed) The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, rather than call Bills 59 and 63, the Minister of Finance indicated he'd like to have those held today.

I move Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

CAPITAL SUPPLY

CHAIRMAN: Mr. Abe Kovnats (Radisson).

MR. CHAIRMAN: This committee will come to order, the Committee on Capital Supply, 1981-82 Capital Authority requirements for non-budgetary programs.

Schedule A, The Manitoba Agricultural Credit Corporation — pass — the Honourable Member for Inkster.

MR. ENNS: Mr. Chairman, I wish to make several remarks with respect to The Agricultural Lands Protection Act which is now before us and which the Minister has indicated he will be able to respond to questions on as they affect amendments which he intends to have introduced on the Report Stage of the bill.

Mr. Chairman, I want to indicate some of the hazards of trying to deal with a question where the primary interest is to single out somebody on the basis that they are a foreigner, because it will be agreed by the Minister that any Canadian can hold land in the Province of Manitoba to the extent of a million acres if he wants to, that any resident of Manitoba, whether he lives in the country or in the city, would be able to do that and that therefore the sole solution that this Act intends to obtain vis-a-vis land holding in the Province of Manitoba, and if I am wrong I wish the Minister would correct me, but that the sole accomplishment will be that a person who is neither a Canadian citizen nor a landed immigrant living in another country, will be able to hold more than 20 acres of land in the Province of Manitoba. That is what everything is directed at. If it's a person in Toronto, he can own a million acres; if it's a Canadian living in Moscow, he can own a million acres; a Canadian citizen can own all of Manitoba, according to the intention of the legislation.

Now, I agree that that's carrying the argument in such a way as to show how ridiculous it is but nevertheless what I say is legally correct, that if a person was living in Moscow but happened to be a Canadian citizen, he could own all of the land in the Province of Manitoba. I am sure that if that happens, that the Minister would introduce a bill saying that a Canadian citizen living in Moscow can't hold more than 20 acres. I am sure that that's what would happen. But nevertheless, that's his intention.

Now, Mr. Speaker, look what he has to do to establish that intention. First of all, the way the Act was worded, it appeared to suggest — as a matter of fact, when I read it, and I will admit that I was somewhat late in dealing with some of the issues. I dealt with the main issue on principle in second reading. I wasn't able to deal with it clause-by-clause. But under the Act, it says resident of Canada means a Canadian citizen or landed immigrant who is permanently resident in Canada. I think it was somebody who appeared in Law Amendments Committee who said that a Canadian citizen who is not permanently resident in Canada is not permitted to own land in the Province of Manitoba and that's the way it reads. I suggest to you any lawyer would read it that way and you have now read it that way. A resident of Canada means a Canadian citizen or landed immigrant who is permanently resident in Canada or any person who is lawfully permitted to reside permanently in Canada. I gather that the last part of it would mean that if a Canadian citizen was in Florida, he is entitled to reside permanently in Canada and therefore would be a resident under that section.

Then, Mr. Chairman, I wonder why the section, "Resident of Canada," means a Canadian citizen — oh, I see, you have added on the corporate structure.

Now, Mr. Chairman, the way that was read by the person who appeared before committee is that a resident of Canada means a Canadian citizen or

landed immigrant who is permanently resident in Canada or any person who is lawfully permitted to reside permanently in Canada would include a Canadian citizen who does not reside in Canada.

Why would it not say that? Why is not a Canadian citizen singled out as a separate category of person; if the intention is that a Canadian citizen can hold land in the Province of Manitoba, why is a Canadian citizen listed as someone who is permanently resident in Canada, because there are many Canadian citizens who are not permanently resident in Canada? There are Canadian citizens, who the Minister says can own land, who are not citizens of Canada at all. Now, that point, Mr. Chairman, has caused some to think that one would have to see whether a Canadian citizen or a landed immigrant is in Canada for 183 days. What do you do? How, Mr. Chairman, do you go about determining whether a landed immigrant is in Canada 183 days? Do we have detectives, Mr. Chairman, seeing whether they are —(Interjection)— The Minister says he wants to deal with it? That's one of the ways we will do it is by detectives watching where people enter and leave Canada, Mr. Chairman. (Interjection)— Oh, yes, they could tap his telephone or they could do other things of that nature.

Mr. Chairman, is it worth it to have this law passed that we have to have an investigative situation to determine whether a person has spent 183 days in the country and if he spends 365 days this year and two days the next year, will you average it out and say that he spends 183 days a year in Canada? That's, Mr. Chairman, one of the problems that I wanted to raise, as to how you determine that he has spent 183 days.

Secondly, Mr. Chairman, you say that a person who is not entitled to hold land in Canada has to dispossess everything but 20 acres. I mean, isn't that the other feature, that you have to dispossess yourself? If I happen to be an American who lives in Noyes and I have a section of land in the Province of Manitoba, I have to give away 620 acres of land, sell or dispossess myself of 620 acres of land. I've got that right, I hope.

Now, Mr. Chairman, you have laws which say you can't dispossess yourself of 620 acres of land because under The Planning Act, you can't keep 20 acres of land. So in this Act, you say that he has to dispossess himself of 620 acres of land and keep 20, but there are very few circumstances under which you can keep 20 acres of land and therefore are you really leaving 20 acres of land, because the effect of this is that they must dispossess themselves of all the land. And, Mr. Chairman, that is not a major point because I think that if a person who is a foreign land holder had to get rid of a section of land, he was not going to keep 20 acres in any event. It just doesn't mean anything, and I think that the suggestion that he is keeping 20 acres is of no consequence.

First of all, Mr. Chairman, we have this question of how you are going to watch whether or not these people are . . . where they are living. We are going to have The Agricultural Land Act administered by bureaucrats who run around to see where people are living.

Secondly, Mr. Chairman, we have a section which says that one has to dispossess themselves of

everything except 20 acres, and even then, Mr. Chairman, the Minister has problems. Even then he cannot be certain that with all of the loopholes that people have said have been brought to his attention and all of the loopholes that he thinks that he has covered up, even then, Mr. Chairman, in order to proceed with this type of legislation, the Minister is forced, and I submit to you he has no choice and I want the Attorney-General to take particular note of it, he is forced to pass the most arbitrary type of section imaginable. What he is forced to say, Mr. Chairman, is that no matter what has happened, no matter how you've tried to cover yourself, no matter how the law reads, if we find that we don't like what you've done, even if it complies with every other section of the Act, we can undo it.

Does the Minister, is he aware — well I'll read him the section, Mr. Speaker, "Notwithstanding any other provision of this Act, where the board is satisfied that effective control over land or of the owner of land is vested directly or indirectly in an ineligible person, the board may order the owner or the ineligible person to reduce his land holdings to the maximum permitted under Section 2."

Mr. Chairman, listen to that section. We have all of these detailed descriptions of when you can own and when you cannot own and when you can own directly and when you can own indirectly and how many days you have lived in the country and what your status is and whether you have landed immigrant status, whether you have lawfully the right to reside and a person could normally think that if I could comply with this Act, if I can fit into everyone of these provisions, then nothing can happen to me. By the way, when something can happen, it's a big happening, it's a \$50,000 fine. And not only is it a \$50,000 fine for the holder, it's a \$50,000 fine to the person who sells it to them. It's a \$50,000 fine to the Member for Gladstone. The Member for Gladstone, if somebody comes and says I am going to comply with every provision of the Act, and he sells the land to that person, and that person turns out to be, under this complicated provision, a person who is not supposed to hold land in the Province of Manitoba, the Member for Gladstone can be fined \$50,000.00. A farmer in the Province of Manitoba is going to have to determine under this schedule of the Act, Mr. Chairman, that the person — he's going to have to do what the Minister says is in the Act, he's going to have to make sure that the buyer — he's going to have to check his citizenship. He's going to have to check how long he's going to have to stay in the country. He's going to have to check everything else and it turns out that after he has checked all that that's he legally wrong, it costs him \$50,000.00.

That's what the Act says and the member says that's perfectly all right. The Member for La Verendrye says that's perfectly all right, that the farmer in La Broquerie who has a buyer, and the buyer comes and says I want to offer you this money for your land and he sells it to him, the Member for La Verendrye says that farmer not only has to do now the Agricultural Credit Corporation's work, he has to check the qualifications of the purchaser, and if he sells it to him, it costs him \$50,000 and he can't even check the qualifications of that purchaser merely by looking at the provisions of the Act, because after you have written on these provisions

and made them specific it says, "notwithstanding any other provision of the Act." In other words, without looking at the Act, Mr. Chairman. "Where the board is satisfied that effective control over the land or of the owner of land is vested directly or indirectly in an ineligible person, the board, may order the owner or ineligible person to reduce his land holdings."

Mr. Chairman, sometimes you cannot show the weakness and the hopelessness of these sections without using an example which sort of hits you in the head. If the Member for Lac du Bonnet owned land in the Province of Manitoba and he had a mistress in France and the board came — (Interjection)— Mr. Chairman, other than the fact that I know the member's wife very well, I am not talking about a consumation not devoutly to be wished, but nevertheless the fact is let's leave the Member for Lac du Bonnet out of the scandal. We have a farmer in the Province of Manitoba who has a mistress in France. The mistress in France has effective control over the farmer in the Province of Manitoba. The board is of the opinion that effective control or of the owner of land is vested directly or indirectly in an ineligible person; that the board can say that he has to divest himself of that land. (Interjection)— Mr. Chairman, how much do you want farmers in the Province of Manitoba to give up? How much did they have to sacrifice if they have a friend in France, Mr. Chairman? The fact is, Mr. Chairman, that this section has no place in a punitive statute.

I am now trying to be perfectly serious. If you are making a punitive statute which calls for a \$50,000 fine to the owner and to the purchaser, then those things which are punitive should be clearly set out. Those things which are wrong should be clearly set out and if a person complies with the Act you shouldn't have to have a catchall section which says no matter whether you complied with the Act or you didn't comply with the Act, if you are doing this, you lose effective control of the Act, and I suppose then all of the other sections comply.

Mr. Chairman, you also have admittedly a difficult situation and you have, Mr. Chairman, sections which put people under tremendous jeopardy. If you look at Section 12(1), "every person who hinders or prevents the board from effectively carrying out its duties and powers under this Act." Mr. Chairman, I want to repeat that, "every person who hinders or prevents the board from effectively carrying out its duties and powers under this Act."

I had occasion, Mr. Chairman, to be in Ottawa at a tax conference and there was a bureaucrat there and we were talking about the income tax and he was aiming his finger at the income tax lawyers and he said to them that they had found ways to get around his Act, and he said we're going to get you. Mr. Chairman, I at that time had no income tax business whatsoever but I knew several lawyers that did and I said that I want to know what right you as a bureaucrat, a servant of the people, have to say to a group of lawyers that we're going to get you because they have taken your Income Tax Act and under the law saved their clients income tax. That's their role.

But is this board going to say that if somehow, some lawyer, and that's apparently what they are saying, has figured out within the confines of the Act, systems of land holding that apparently the board

objects to, that that's going to be an offence, because the board is going to say that they are hindering or preventing the board from effectively carrying out its duties. It's going to be an offence, Mr. Speaker, to hinder this board from carrying out its duties. It is going to be against the law, and if a lawyer says that he is going to try to show that one of these sections will not prevent his clients from owning land, that's going to be an offence, and he'll be committed on summary conviction to a fine not exceeding \$50,000, because he is trying to have a land holder own land within the confines of this Act. Again, Mr. Speaker, every person who advises another person to commit an offence, well, I am sure that is always an offence, but under this Act we don't know what the offence is, because the question of what kind of land can be held and what kind of land cannot be held is a problem.

Now I want to make a recommendation to the Minister, Mr. Chairman. I don't want it to be completely destructive even though I don't agree with this legislation; I don't agree with the objects and purposes. I think, Mr. Speaker, that it is aiming at using not a sledge hammer but using an atomic bomb to break a peanut, because the Minister has himself indicated that the amount of land that we are talking about is less than 3 percent of the lands that are held in the province; less than 4 percent of the lands that are held in the Province of Manitoba, and I would suggest to you that there are Canadians who hold land in other jurisdictions that are not being refrained from doing this, but I would suggest, Mr. Speaker, that the Act should contain a provision to enable a person to know whether he is or is not going to break the law by owning a piece of land in a particular way, and there is no such provision. Without there being such a provision, you are putting a seller of land in a terrible situation. You have a person who wants to sell his land and if he sells his land in a way which breaks the Act and not to his knowledge, he can be fined, Mr. Chairman, for \$50,000 on the basis that ignorance of the law was not an excuse for what you are doing.

So I think, Mr. Chairman, that the Act and the amendments that he has now brought forward — I am glad that the Minister has permitted us to come into committee to discuss these amendments, but I really think, Mr. Chairman, that it is worthwhile saying at this point, that the Minister is being forced further and further into an untenable situation by trying to write an Act which really doesn't accomplish a great deal and which is aimed at stopping a situation which doesn't really change the problems that will occur in the Province of Manitoba vis-a-vis landholders.

I have indicated, Mr. Chairman, that you are going to have to detectives determining whether people stayed 183 days in the Province of Manitoba; that the holding of 20 acres is unlawful under The Planning Act; that, Mr. Speaker, the section dealing with the board being able to say that regardless of whether the Act has been followed or not we think that you hold land which is controlled by a foreigner. Why don't you just leave that section? What do you need the other sections for? If you have a section which says, "where the board is satisfied that effective control is vested in an ineligible person, you could save yourself a lot of trouble by crossing out

all the other sections. Now I would not suggest that. I would suggest crossing out 7(2) because 7(2) gives an inordinate amount of power to a board with regard to determining ownership and it doesn't even have to be shown to be other than in the Act.

I would suggest also, Mr. Chairman, that because of the difficulties that the Minister himself has been having in plugging loopholes, that he not subject people in the Province of Manitoba to fines of \$50,000 for proceeding in a way which they think is legal and then is found to be illegal because the board says that they thought — or at least this would not necessarily effect the punitive section, but it certainly would effect the person divesting his land. The punitive sections which certainly apply to a farmer who is selling land to somebody else in the Province of Manitoba, who he can't figure out whether or not it is lawful under the Act. I don't know why we have to find the farmer who sells land. I do not know why the vendor of land has to be the one who sees to it that the purchaser has a lawful right to hold it. I think that's for the board and I certainly think the section which fines a farmer for selling land is a section which has no place, Mr. Chairman, in this piece of legislation.

MR. CHAIRMAN: Corporation — pass — The Honourable Member for Lac du Bonnet.

MR. USKIW: Well, Mr. Chairman, I have had an opportunity to peruse the amendments and I find that I'm having some difficulty in trying to be satisfied with those amendments; that they are indeed dealing with the kinds of problems that have been alluded to by the Member for Inkster. To me it seems not the true intent or wish of the government I am certain, to want to impose harsh penalties on innocent vendors in any transaction and the way the sections read, Mr. Chairman, I am afraid that we may have some people that may be caught up innocently in ventures that will result in very stiff penalties.

It seems to me, Mr. Chairman, that we might be well advised and I'm not certain that I'm recommending it, but it might be worthwhile considering, that the Minister hold back on this bill and give it some further consideration as to its legal implications and what it in fact does to people without their knowledge so to speak and how it can adversely affect many many people in Manitoba which was really not the intent of this legislation, either when it was introduced or even when the amendments were brought in subsequently, including these I'm certain. I just can't believe, Mr. Chairman, that this Minister would want to or does intend to bring about such harsh penalties on people that might be innocently trapped under these circumstances.

So my recommendation, Mr. Chairman, would be, without reflecting on the Minister or on the government, I think this is a sincere recommendation that it might be worthwhile to not proceed with this bill until another session, to give the Minister an opportunity to reflect on the comments that have been made and to bring forward amendments that would not create the kinds of problems that we see here, without going into detail on any of them, Mr. Chairman, but I'm satisfied that the amendments are not going to deal with those problems as I see it. I haven't consulted with legal expertise on those

points but I think I'm very close to being accurate and certainly the Member for Inkster is confirming my own concerns.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: One additional point — I've understated the fine; I set it at \$50,000.00. "Every person who acquires or sells land in contravention of section 2" — I'm reading from 12(2), "is guilty of an offence and is liable on summary conviction to the penalties set out in subsection (1) which is \$50,000; in addition is liable to an additional fine that is equal to 10 percent of the price at which the X-land was sold or acquired."

It means if he sells let's say a section of land that sold now, let's say for \$700 an acre; we're getting to half a million dollars, that 10 percent of that is also subject to fine, which is \$100,000 fine to a seller of the land.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, I appreciate the comments made by the Honourable Member for Inkster. I would have to say that as a new legislator that he can probably go over a bill or an Act that would make you think as if you were going to totally destroy the farm community or the rights of people, in a way in which no one else in this House can. I go back to some of the previous bills that I've introduced; in fact amendments made to The Farmlands Protection Act when I was first elected and became Minister and I would have to say at that particular time, that I'm sure I could read back in Hansard and hear the same speeches. The Member for Lac du Bonnet — the same kinds of comments that the Act wasn't going to work, but let's just think back and I should just remind the members and I don't want to get into — I'll deal with the specific amendments as are proposed.

At that particular time, Mr. Chairman, we were dealing with a bill and I think it's important for our members to be well aware, we were dealing with a bill that restricted the ownership of agricultural land in Manitoba to other than farmers of 640 acres — 640 acres, Mr. Chairman. That was a restriction placed on the people of not only Manitoba but Canada. That's what they told us that we could own as a Canadian citizen of this country.

Now they're saying, here we are; we're giving the people the freedom of this country; either landed immigrants and I want to point that out very plainly, landed immigrants or Canadian citizens the right to buy and own all the agricultural land that they want. They're free, not restricted, Mr. Chairman, by government, and I could get a copy of the old Act, but if I looked at the numbers of dollars that their fines were, they weren't very kind in the way in which they were proposing to fine people of contravention of the Act. The member suggests that it is only foreigners. We really aren't, Mr. Chairman, and they paint it as if we're out to get somebody or prohibit somebody from doing business or farming in Manitoba. That, Mr. Chairman, is far from it.

The concern is, is that we have to maintain the agricultural land base in the hands of Manitoba farm

people, or Canadian farm people, or people who want to come to this nation or this country and become farmers, Mr. Chairman. What the situations we are trying to deal with and they are very few and the member has to be aware when you bring any act of government in, if it's to stop wrongdoing or not the desire of the majority of the people of that particular jurisdiction, then you have to bring in rules and regulations that affect — everyone has to live under but they're really attempting to control a few that want to abuse that particular will of those people. That, Mr. Chairman, is where we've had to make these kinds of changes.

We would welcome the foreign people who want to come and participate in the agriculture community. What we are attempting to prohibit, Mr. Chairman, is people who may be an industrialist or any other individual living in another land; deriving, living, putting all the benefits of their business there and all their tax base being in that country and coming to this country and adding nothing to it.

Some of the people suggest put a foreign land tax on. All that does, Mr. Chairman, is transfer a higher cost of operating costs to those people who may want to lease that particular farm from the foreigners, so you don't in fact put in the effective control.

That, Mr. Chairman, is the issue and if I remember the Honourable Member for Inkster's speech some two weeks ago, that his concern was absentee land ownerships and the cost of the land; that we should be bringing in legislation that would force people to live on the land; we should legislate them to the land or, Mr. Chairman, we should put a price control on the price of land or let us go to what his real objective is. His real objective is to take state control of all the land and dish it out on a lease basis and that comes to the final, so when he tries to scare the people of Manitoba that the terrible Conservatives or he'd say, we're terrible Conservatives trying to control land, we do certain things; his answer is not to give them more freedom, less control, but to go completely the opposite and turn it into the — and I don't want to get into a long debate on this — into the hands of the government. He says, how, Mr. Chairman, how, Mr. Chairman, can we control this? With inspectors?

Mr. Chairman, the member has to be well aware that in a farm community, the ownership of land and the operations of certain farms, there's a pride in that. Everyone in a farm community knows who is doing what. You know, as we modernize our telephone system and it's very slow in modernizing, as we take the multiple-use lines out of rural Manitoba, the communication link is getting more difficult to operate, because at one time everyone was on the same telephone line and you knew what was going on.

So if a foreign investor had come in and bought a parcel of land, it was immediately known by that farm community, Mr. Chairman, and the people of Manitoba are broad-minded enough and appreciate the fact that they came from a foreign country and don't mind a foreign family moving in.

What concerns them, Mr. Chairman, when a large tract of land is or could be bought by large foreign industrialist money; competing against them who are making their livelihood out of a land base, that is the

most important base we have, they're at an unfair advantage and that is the reason for this legislation, Mr. Chairman.

The people who have been long time residents of this country, who now want to sell — I believe, I believe in no way, shape or form, would there be any intent by them to break this law and transfer that property title to foreigners. Not directly by those farm people but there are some people known as real estate people and legal professional people, who see that there is a good opportunity in farming, not the farms, but farming the farmers in a land sale. When you look at a 5 to 10 percent sales percentage on land that could be \$800 an acre, that is a lot of money, Mr. Chairman, \$80 an acre, 10 percent for legal transactions and real estate fees, \$80 an acre, Mr. Chairman, is more than the land cost the farmers in this province 10 years ago — 10 years ago, Mr. Chairman. So the people who are not in the business of farming and investing and making their livelihood, are now taking advantage of a resource of a farm people who would just as soon see it in the hands of Manitoba neighbours or their own children, want to see something done about it.

Mr. Chairman, that is why we are putting that particular stiff penalty. The Member for Inkster again says, we are being too tough. The Member for Lac du Bonnet makes a point, he says, we should hold it over. The main criticism that we have had, Mr. Chairman, from the farm community is that we haven't been tough enough in what we're proposing and haven't moved quickly enough. The arguments that the members are making, I don't believe stand up.

The other point that I want to deal with and that is the effective control or the people have to prove that they're eligible to be owners of this particular property. Let us again look at what we're attempting to do. The other Act or the other bill that we had, the onus of responsibility to prove whether they were eligible or not, is in the old Act; it really isn't that much new. They could have been prohibited under that section if the board hadn't been desirous of it. It hasn't created any great difficulties, Mr. Chairman; this section tightens it up and let me again, as I said in 1978, it's difficult legislation to introduce; it's difficult legislation to make work in this province.

I am satisfied that the way in which it has worked under our direction has been somewhat more satisfactory, somewhat more satisfactorily than what the members opposite had introduced, even though they made an attempt to do the job that we're trying to do and that's keep the effective control in the hands of Manitoba farmers. Not limit it, not limit the amount of land or the amount of property that can be owned, but to keep the control within that and if, Mr. Chairman, let us proceed, if, Mr. Chairman, we were to see happen what the Member for Inkster says, that one individual from Toronto and one individual from anywhere became the major land owner in Manitoba, there would be pressure from the farm community, there would be so much pressure from the farm community that there would be a major change forced to take place. Call it agrarian reform or whatever you want to call it. That, Mr. Chairman, would take place.

I, Mr. Chairman, believe that what we are attempting to do is to toughen up the Act; I believe it

will work. This session of the Legislature again sits in the coming year or two and I know, I know there will be pressure; I can tell you right now that if it appears — if it appears that this is not tough enough, there will be pressure again from certain districts of the farm community to further tighten it and put limitations on the amount of land that people can own.

I can see in the foreseeable future that kind of pressure come onto the legislators of this province. I can foresee it, Mr. Chairman, —(Interjection)— Pardon? The Member for Inkster says that might make sense. To me it doesn't make sense, Mr. Chairman, because you're restricting your ability to produce food and when you restrict the most productive free enterprise people to do the thing that is most essential in society, then you end up with a system that you have in a country like Poland, where they have private property, they have public property, and they haven't got the ability or the incentive to produce enough food to put food on their tables. You don't have to watch much T.V. these days, in fact hours and hours a day it's blurping at everyone in the world what is happening in those countries. That is where you would end up, that a country would have the productive land base without the farmers having the incentive to produce enough food for Canadians, not only export food so we can sell it to the international world to buy the world oil at world prices, which generates the money to do that, and it's about time the public better start to understand where the money is generated in this country. It's come from mines, which run out of production at a certain period of time. The potash industry that's starting in Manitoba has an expected lifetime. It's a great thing, but let's look at what's happening in agriculture. It's gone on for hundreds and thousands of years. It is our base and it is our objective with this legislation to protect it for the people of Manitoba, for Canadians, and for those people who want to become landed immigrants and Canadians. I believe, Mr. Chairman, that what we are proposing here is effective legislation and if there is an error, as we said in 1978, that it is showing severe hardship on any particular Manitoba farmer or anyone wishing to sell his farm, which I can't see it in there; the member would have us believe that, but it means that we are dealing with it and we're dealing with it, and I can tell this to the farm community, in a very firm and decisive manner and plan to proceed with the legislation as it is.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, let's deal with the basic premise that the Minister put forward, that he is reacting to pressure. He said that he is reacting to pressure. He said that the farmers were complaining that the sections are not tight enough and that if somebody from Toronto owned lots of land, he would react to that pressure and make that illegal.

Then he said that if he made that illegal and the farmers came and pressured and said that one person is owning too much land in the Province of Manitoba, that that would be another pressure and presumably he would react to that pressure.

I said, Mr. Chairman, and I do say that that would make more sense than reacting to this pressure. I'm

not saying that would make sense, but a person saying that one person owns too much land makes just as much sense as saying that a foreigner can't own land in the Province of Manitoba. It's an emotional pressure and it won't solve the problem.

Now the Minister has then used a red herring by saying that I proposed a whole bunch of things, none of which I proposed. I never proposed state ownership of the land in the Province of Manitoba. I never said nobody could own land. I never said, Mr. Chairman, that nobody can own more land. I never proposed reducing the freedom. As a matter of fact, Mr. Chairman, I proposed increasing freedom. I said that there should be a certain amount of public land, none of it compulsorily acquired; none of which will be sold by anybody who didn't want to sell it; none of which would be farmed by anybody who didn't want to farm it; available to that farmer who said that I prefer to live a little richer and die a little poorer, that I am willing to farm on a publicly-rented piece of land where the appreciated value will not have to be taken into account with the rentals, because right now you can't even rent land, but if the public had acquired, let us say 3 percent of the land, Mr. Chairman —(Interjection)— Well, we own 75 percent and the honourable member is not referring to that as Communism. The people of Manitoba own 75 percent of the land in the Province of Manitoba, 75 percent, and the farmers would be the first to complain if we started to give it away. The farmers would be the first to complain if the government started to dispossess itself of all of northern Manitoba. They would say what are you doing; you're giving our land; you're crazy. That's what they would say.

So we said, and this is the only thing, and the Minister will never attack this proposal — he will attack all kinds of imaginary proposals that he can knock down but he will never attack this proposal — that if the public had a certain amount of land which can be rented out on the basis of stable values, because the public doesn't have to appreciate its value, and that certain people will be able farm it and earn money on the basis of what that land was available for and would not have to put 20 percent into mortgages to buy land and then find that they are not making as much money as they could if they had invested the money in the land and just taken the interest. Is that a restriction on freedom? That is an additional freedom.

First of all, nobody who doesn't want to do it has to do it; nobody who doesn't want to sell has to sell; nobody who doesn't want to rent has to rent, but it is available for those who want to. I calculate freedom by an additional option, not by reducing options, and that's an additional option.

Let's get back, Mr. Chairman, to the section, because the Minister has successfully distracted me. He says that this section was formally in the bill and all he is doing is tightening it up. It's incorrect, Mr. Chairman. Read Section 7(2)(1) carefully. "Notwithstanding any other provision of the Act, where the board is satisfied . . ." Where it is satisfied, not where the provisions of the Act have been violated, not where they can show that the shareholding is contained in a certain way, but all they have to be is satisfied that the control over the ownership of land is vested directly or indirectly —

they don't even stick to "directly" — in another person, they can order the owner to dispossess himself of the land.

So now I have got to go to a bunch of people whose interest is simply that their bureaucratic control be effective and they say that this man, looking at the Act, has bought land, there's no section violated, there's not ownership that is in a foreign person, the shares are not owned by foreign people, what have you, it is in every letter of the law legal. But son of a gun, he's figured out a way whereby a foreigner can have control of that land and, therefore, regardless of whether he has broken any provision of the Act. What the Minister is saying is that we're not smart enough to think of all of the ways of doing it and therefore we are going to say that if they figure out a way to do it, regardless of whether we have made it illegal or not, we are going to ask him to dispossess himself of it.

Now, Mr. Chairman, that is a procedure which is foreign. Talk about foreign. This is the most foreign thing that is being introduced into the Province of Manitoba. Foreign ownership of land is not the worst thing that can happen in the Province of Manitoba. It has been permitted for a hundred years and we are still relatively freedom-enjoying people.

But this section is foreign; this section is Fascism. This section is foreign to the concepts of law in the Province of Manitoba. I challenge you to go to any Bar Association and ask them whether this is not foreign to our system of law, to say that after we have written all the sections, after we have laid down all the rules, if we haven't been clever enough, we will give the bureaucracy the right to say that we are going to require the citizen to behave in a certain way. That is foreign. That is far more insidious an introduction of a foreign, and I'm sorry, Mr. Chairman, that I have fallen into the trap of using the same type of jingoism that is right in this Act, but if you want to go to things that are foreign, that section is foreign, and foreign in the most insidious way, not in a positive way.

It wasn't in the old Act. I have just looked at the old Act. The old Act says, "where there has been a provision of the Act that has been broken," where there has been a violation of the Act. But this says — it starts off, "Notwithstanding any other provision of the Act," regardless of what the Act says. If we think that it's controlled by another person, you dispossess.

Mr. Chairman, I'll be more calm now with regard to another section. I read the Canadian Citizen, Resident of Canada section in a way which is completely different than the intent of the Minister, and I still read it that way. After hearing and understanding his interpretation, it is still wrong. Resident of Canada means, and I'm going to ask the Minister to change this, and in this I am helping him with legislation that I consider bad: "Resident of Canada means a Canadian citizen or landed immigrant who is permanently resident in Canada." I say that that means that the Canadian citizen has to be permanently resident in Canada. Then it says, "or any individual who is lawfully permitted to reside permanently in Canada," and I say that you cannot include the first two in the third because you have described that it must be a Canadian citizen who is permanently resident in Canada, and then the next

category is any individual, and that excludes the first category.

So I would suggest that you say, (j) Resident of Canada means (1) a Canadian citizen. Period. That's what you intend. (2) A landed immigrant who is permanently resident in Canada; or (3) any individual who is lawfully permitted to reside permanently in Canada. But do not group Canadian citizen with the phrase, "who is permanently resident in Canada." That, I think, Mr. Chairman, and that's just for what it's worth, I think that that would be a helpful change to the Minister, whom I am not really anxious to help but I am doing this as a duty for the people of the Province of Manitoba. I think it would be better and you can check with your lawyers.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, I would agree with the last change that the member has recommended, that it be drawn that way.

MR. CHAIRMAN: Manitoba Agricultural Credit Corporation — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I can't help but notice that the Minister of Agriculture in his response to the suggestions that have come from this side of the House, has misinterpreted our suggestions in that his response was again an attack on the basis of the principle of the legislation as opposed to recognizing that what we are really trying to do, even if some on this side don't agree with the principle of the legislation, what we are trying to do is make it work, even though we may not agree with it, or at least the Member for Inkster doesn't agree with it.

In principle, we were prepared and continue to be prepared to support this kind of change or this legislation, Mr. Chairman. But we do see problems in the way it is worded and we don't see that the problems are removed by the amendments that have been introduced.

So I find it difficult, Mr. Chairman, without having some time to bring further amendments, to lend support to it the way it is now written, even though in principle I agree with the intent. So we have a bit of a difficult situation here, Mr. Chairman, and that is why I had suggested that for the good of all it may be best not to proceed with it, unless we can hold it off and come back again next week with some further amendments. Otherwise, my preference would be that we not proceed with it to third reading, that we bring it back at the next session. No disagreement in principle, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: I appreciate what the honourable member is saying, Mr. Chairman, however I would indicate that if the bill, and it's working, as we have done since 1978, if next session there was a need to further make a change to the particular bill, an amendment, I would be quite prepared in the one, two, three, four or five years, to bring forward amendments that would accommodate what the honourable member is saying because I do think he's put it on the record, and in principle they agree. The

way in which we accomplish that is where they find disagreement. I would accept the comments from the Honourable Member for Inkster and would suggest that we proceed to pass it and recommend it to the House.

MR. CHAIRMAN: The Honourable Member for Lac du Bonnet.

MR. USKIW: Perhaps the Minister would consider one suggestion that I think would be worthwhile on his part, and that is that when we get to Section 17, we change that to "proclamation" instead of Royal Assent, and that would enable the Minister to give it further thought and review and, if necessary, hold back the proclamation until he is satisfied that he is able to make it work in the way it's intended without undue hardship.

MR. DOWNEY: Mr. Chairman, I think the legal counsel has got the amendments prepared, as recommended by the Member for Inkster. On the issue of Proclamation versus Royal Assent, I have no problem in agreeing with the Member for Lac du Bonnet and I hope we could get support on the bill.

MR. CHAIRMAN: Manitoba Agricultural Credit Corporation — pass; Manitoba Telephone System — pass — the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I would like to know from the Minister what is happening with the big loan? I mean, what the auditors told you how much of it can be included as an asset and how much of it you're going to have to consider as an expense? Are we still in a situation where we are developing this program at the expense of the Telephone System advancing money to the person that it has to pay?

MR. CHAIRMAN: Order please. The Honourable Member for Lac du Bonnet on a point of order.

MR. USKIW: I wanted an opportunity to debate the Agricultural Credit Corporation. (Interjection)— Well, I know, but I didn't know, Mr. Chairman, that the Member for Inkster was going to go on the Telephone System. (Interjection)— Well, no, not really, Mr. Chairman, we didn't have an opportunity.

MR. CHAIRMAN: The Honourable Member for Inkster on the same point of order.

MR. GREEN: Mr. Chairman, I don't want to interrupt my friend but I think they went through several items. They went through the Agricultural Credit Corporation.

MR. USKIW: They didn't call it.

MR. GREEN: Yes, they did; you missed. I'm prepared to go back but the item was passed.

MR. CHAIRMAN: The Honourable Member for Lac du Bonnet on another point of order?

MR. USKIW: Well, no, Mr. Chairman, I'm sure that it is not the wish of the House to deny debate on \$33 million, plus another \$3 million of Agriculture Credit Corporation, Capital Supply Estimates.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Well, Mr. Chairman, I did ask a question to the Minister of Transportation. I believe that the Manitoba Telephone System now reports to him. We know that last year the Telephone System entered into an incestuous — it was under the previous minister, let's have it clearly identified that it wasn't this Minister, that under the previous minister who doesn't have a mistress in France unfortunately, but he entered into an incestuous loan, Mr. Chairman, whereby they would finance the company that they were buying goods from so that the company that they were buying the goods from could produce the goods that they had to buy, and I just wonder whether the Minister is able to tell us how that is working out?

MR. ORCHARD: Well, at this stage of the game I can't tell the Member for Inkster whether the loan that he is referring to will be repaid. It's coming up shortly where that decision will be known to us. At this stage of the game, I don't know whether that half-million dollars will be repaid.

MR. GREEN: Mr. Chairman, could the Minister be a little bit more specific and advise us in fact and, you know, we've all had to do this from time to time, that the loan is in serious jeopardy and it doesn't look like the company has got enough assets to pay it back and it will have to be written off as an experiment that the Manitoba Telephone System tried but didn't work. Is he able to give us any enlightenment in that connection and does he have specifically, or does the Telephone System have, an analysis or report which indicates whether their position is secure, insecure or doubtful? Is there any information that is presently available to him or the Telephone System with regard to the security of our position?

MR. ORCHARD: Well, Mr. Chairman, it's my understanding that the company is not at this time in prime financial condition and if I had to put a status on the loan, I suppose I would choose the category "Doubtful", that the Member for Inkster laid out of the three alternatives, but, I believe the company is attempting to resolve their financial position with MTS. They have some time left to do that and should they be successful, then that "Doubtful" category would be immediately turned around to where MTS would be repaid. If I had to put a status on it at this moment in time, I would have to classify it as "Doubtful."

MR. CHAIRMAN: Manitoba Telephone System — pass; the Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. We had discussed during the committee hearings and on other occasions in the House, the completion of the telephone service to many areas in Northern Manitoba. I'd like to take this opportunity to ask the Minister if he can provide us with the status report as to the activities which have been undertaken by his department over the past number of months in respect to bringing telephone service into the communities of Brochet, Lac Brochet, Tadoule Lake

and Shamattawa and completing or extending very limited toll service in the communities of God's River and Split Lake.

MR. CHAIRMAN: The Honourable Minister.

MR. ORCHARD: Well, Mr. Chairman, there have been ongoing investigations as to how to complete, shall we say, or provide a service other than the present radio-telephone service to particularly the four communities mentioned. Several alternatives are under investigation at the present time. All of them are quite expensive to undertake and I can not give them a definitive answer as to which alternative may be chosen, which would be recommended, if any would be recommended by the System to attempt to bring an improved level of service. Some of the costs are \$1 million per year to serve the four communities and the resident base, I believe, is somewhere in the neighbourhood of approximately \$2,000 and the \$1 million per year represents a fairly substantial investment by the Manitoba Telephone System in providing that service. Alternatives are being looked at including satellite deliver, etc., to try to resolve the problem of, from time to time, the radio-telephone system being inserviceable to those communities.

MR. COWAN: Thank you, Mr. Chairperson. Well, we've gone over that ground before with the Minister. We know that in fact the completion of the service is going to be a fairly expensive undertaking. There's no question as to that, and I think in a speech just the other day in the House, I mentioned that providing basic services to the North is more expensive on an absolute basis and on a per capita basis than it is to provide similar basic services to the South, but that's no reason for them not to have that type of service.

When we talk about telephone service to communities which are now only serviced by radio-telephones we are talking about not an amenity of life but a necessity of life. I don't think that the Minister would ask other people in this province to go without adequate and competent telephone service. I think that would be ridiculous for him to do so. I think it's ridiculous for him to do so in respect to the four communities about which we are talking. He is absolutely right when he says that the population of those communities is spread out over a large geographical area and is not situated closely in one area and that makes it more expensive to provide service to those individuals, but that is no reason not to provide service to those individuals. That does not excuse them from the responsibility of governing, and we've been fairly patient in this House about those telephones and the completion of the service to those communities. We've been more patient than the people in the communities have been, and we've brought this matter to the attention of the government when the previous Minister was responsible for Manitoba Telephone System, three years ago. We brought it to the attention of the government last year; we brought it to the attention of the government this year and always we get the very same answers. It's going to cost a lot of money to provide telephone service to a very few number of people and that excuse has been worn very thin.

Previous to this we had some suggestion that the government was examining this problem very

vigorously and that there was an optimism that was presented that would lead one to believe that there was a financial breakthrough that was going to in fact result in the completion of the telephone service to those communities. Over the past number of months, I've been somewhat concerned because that optimism has been fading, and we hear more and more pessimistic remarks on the part of the Minister and on the part of his departmental staff when we start to talk about this problem. A couple of years ago, I believe it was the previous Minister, the Member for Brandon West, who said that the problem was one of investigation; that they were trying to make a comparison between the two different systems and the cost of those two different systems. The one system being extending the microwave lines into the communities, which has been done in other communities, and the other system being a rather innovative approach to the problem which has been made possible by developments in technology which were not foreseen a number of years ago. I'm talking in specific about satellite transmission of signals going not only into the community but from the community and hooking up those communities to telephone service by satellite.

At that time it was my impression that the department was very vigorously pursuing that line of research, and there was a hope held out that that was going to be the answer to a problem that was of a longstanding nature, but I guess as the department pursued their research they found that that too was in fact a very costly process and it now appears as if the Minister is indicating subtly in his comments that that telephone service is a long ways off. In other words, they're no longer holding out potential for very quick action. They are saying that the money is going to be too substantial an investment. In order to proceed they're saying that it's too expensive to undertake for the population base it serves. Now I'm quite concerned about the change in direction which the government's activities appear to have taken in respect to this.

The Minister will recall, or if he doesn't recall personally, he can certainly look back into the records to the activities in respect to the continuation and the extension of telephone service in Northern Manitoba to remote communities, which was undertaken by the previous administration. It was expensive then, but that administration, the New Democratic Party administration, I might add, saw the necessity for telephones service to be extended into communities which did not have that telephone service at that time. That was a priority item with them. It was a priority item with them because it is a matter that affects every aspect of living in those communities, from making a simple phone call to contact someone for personal communication reasons, to making emergency phone calls to call in Medivac Services because an individual is sick and is in urgent need of transportation out of the community.

We have a situation that extends from an individual preference to one of a life and death situation in those communities, and that's why it was a priority and that's why we saw the type of money and capital investment which was necessary to provide that basic level of service to those

communities. We're not talking about a fancy system. Some of the communities such as the God's River Band and Split Lake have only one or two or three phones in the whole community, pay phones, and if an individual wants to make a call they then go to one of the centralized locations in the community and make their call from that phone. Now, at this point they would like to see that service expanded. They would like to see more phones put through the community. They would like to see the same type of service which the rural members would like to see and that is where every individual can have a phone. They would be happy with party line service. I'm not saying that anybody should be happy with party line service, but when I say that I make the point that they don't even have that; that in many instances it's one or two phones in the community and in the instance of the four communities about which we're talking in specific, Brochet, Lac Brochet, Tadoule Lake and Shamattawa, it's a matter of no phones other than the radio-telephone.

So, if they compare the situation that is present in those communities now with the situation that is present in the rural communities in respect to the difficulties they face with party-line service, I think the comparison points out that there are some parts of the province that are behind other parts of the province in respect to the level of service provided to them by Manitoba Telephone System. But, there are four specific communities that are way behind; in fact, don't have any service whatsoever provided to them.

So, if it is expensive, one has to compare the cost of that with the benefits that will be provided to those residents of those areas and I'm trying to impress upon the Minister by using this type of argument. Firstly, that we have been patient in allowing the department what we believe to be sufficient and adequate time to research out all the potential ways by which they could maximize service and minimize cost to those communities. We have shown that patience because I was sincerely and honestly of the opinion that the department was moving forward; that the department was taking action; that the department was coming up with options.

We now find that the department has researched the options; it is now a matter of a political decision on the part of the Minister, as to whether or not those communities should get phone service and the direction now seems to be turning a different way. We start to see optimism being replaced with a mild pessimism. I'm certain if we were to stay here another year that that pessimism as we put pressure on the government would become more and more so, rather than less and less so.

So I'm gravely concerned about this. I want to impress upon the Minister and his government the inadequate services and the problems that are associated with those inadequate services in those communities and attempt to move him back to a more optimistic posture, but the time for optimism alone is over. We need to see some concrete action. We need to see some positive steps being taken that will result very quickly in telephone service to those communities because they have waited far too long, far too long for that type of service.

I was hoping that the Minister could provide us with some details as to whether or not this program

has been included in the negotiations which are ongoing and long overdue, I might add, in respect to the Northlands Agreement or the Northern Development Agreement as the Conservative Government prefers to call it. I recall vaguely the conversations which we had during the Committee and at that time I think it was indicated that in fact they had made some representation to the Federal Government in respect to cost-sharing a program to bring phones into these communities. I don't know if that was a way in which it was proceeded with under the previous government. It may have been a Northlands program but the fact is that phones were brought into the communities. I'd ask the Minister if they're looking at that option and if so, what specific information he can give to us now respecting the potentiality of seeing an agreement with the Federal Government that would provide for this very basic level of service, which is necessary and long overdue to the communities of Brochet, Lac Brochet, Tadoule Lake and Shamattawa.

MR. CHAIRMAN: The Honourable Minister.

MR. ORCHARD: Mr. Chairman, the Member for Churchill, as he often does, has moved his interpretation of statements beyond what they really are in indicating that it is beyond the negotiation stage, that recommendations have been made and it is now a political decision which is not correct, Mr. Chairman.

I've indicated to the member that we are looking at alternatives. He mentioned in his remarks earlier that technologies are changing and that in changing they are providing alternate methods of telephone service delivery to the communities. Probably there's been more changes in that regard in the last year and one-half, which the system has been pursuing to try and come up with a service which has the least financial impact possible, not only on the communities but on the system itself, because the system itself must bear the total costs and that means all telephone subscribers in the province must bear the total costs of providing that additional service.

The matter is being pursued with the Federal Department of Indian Affairs to see if they would contribute towards providing of that service because I believe without exception the four communities he mentioned are native communities, are reserve communities and there is I think a legitimate role to be played by the Federal Government in helping to provide that telephone service.

So that when the member stands up and indicates that the matter is dead or not proceeding quickly, he is not correct. The matter is proceeding. It has not been slowed up. It is under active consideration right now by the Manitoba Telephone System and they are attempting to come up with the recommendation which will be in the best interests of not only the members of those communities but in the best interests of the system, which has obligations to all of Manitoba to attempt to keep rates as economical as possible.

MR. COWAN: Well, Mr. Chairman, the Minister indicates that it is under active consideration. That leads to the question quite plain and simple which is, when can we anticipate an announcement in respect

to the completion of service or the introduction to service, would be the more correct way to phrase it, to the community of Brochet, Lac Brochet, Tadoule Lake and Shamattawa. Has the department drawn up a schedule? Have they set some goals? Are they now in the process of putting together a timetable by which we can judge their efforts as to whether or not they have proceeded in our opinion and in the opinion of the people who are most affected by this, the residents of those communities, in all due haste.

MR. ORCHARD: I cannot give the member a timetable.

MR. COWAN: Can the Minister indicate if the \$1 million figure, which he suggested was an appropriate figure for the completion of service to these communities, is based on a microwave system or a system which uses satellite technology to complete two-way communication?

MR. ORCHARD: The \$1 million is an annual operating charge of a satellite delivery system; nothing to do with the capital cost, but an annual operating charge.

MR. COWAN: Well that would lead to two questions. Can the Minister indicate what is the capital cost of introducing that system into those four communities? As well, can he indicate what would be the side benefits of that, because when one introduces that technology, which is far-reaching into a community, there are aspects of it which extend far beyond the original use?

The other question must be, what is the capital cost of extending telephone service into those four communities by microwave system and what would be the annual operating cost of that system?

MR. ORCHARD: I don't have those figures, Mr. Chairman.

MR. COWAN: Perhaps the Minister can tell us whether or not those figures are available?

MR. ORCHARD: No doubt, Mr. Chairman, the system has preliminary estimates on that system of delivery.

MR. COWAN: The question to the Minister then, Mr. Chairperson, is he prepared to provide any copies of those preliminary studies with the accompanying statistics and data to myself, so that we can more thoroughly review this matter and in that way be able to make a better informed judgment exactly as to whether or not there appears to be unacceptable delays in respect to the continuation of the service to these four communities?

MR. ORCHARD: I will attempt to provide those.

MR. COWAN: A very brief question to the Minister — when?

MR. ORCHARD: When I receive them, Mr. Chairman.

MR. COWAN: I really don't like playing the cat and the mouse game with the Minister, but I certainly will

continue until we get some information. Is he now saying that he's going to ask for them immediately and when they are forwarded to him, they will be forwarded to us immediately, or is he suggesting that when he gets around to it and gains receipt of them, by whatever means, that he'll forward them to us?

I ask that question quite sincerely because I do think that we have waited long enough for this type of service. I do think that it is long overdue. I do think that the residents of those communities have a legitimate criticism of the government when they condemn the government for not acting more quickly in respect to providing that basic service. So I want to know when we can expect those studies. I want to know when we're going to start to see some real action in respect to this and I think the Minister has a responsibility to provide those answers to those questions. He doesn't have to; he has the prerogative not to, but I think he has a responsibility to do so.

MR. ORCHARD: Well, Mr. Chairman, I indicated to the member that I would provide him that information when I receive it.

MR. COWAN: Well, I guess I can't force any other answer than that intransigent answer from the Minister, but I do want him to know that answer is not satisfactory in the least. It's an indication that when he gets around to it, we will get that material. Well it could be said that when he gets around to putting the service in or making certain that the service is completed, he will do so and we're not satisfied with that answer either. We want some positive action; we want some immediate action; we want some action which will result in the completion of that service.

I have a number of other questions which I would like to ask the Minister on this. I see that the hour is fast approaching 12:30 p.m. and we'll reserve them for a later date.

MR. CHAIRMAN: The hour is 12:30 p.m. Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Rock Lake, that the report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour is 12:30 p.m. Has the Honourable Government House Leader further information?

The House is accordingly adjourned and stands adjourned until 10:00 a.m., Monday.