

TIME: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING R. LYON (Souris-Killarney): Mr. Speaker, a question to the Minister of Finance. Can the Minister of Finance confirm that he has had communications from the Federal Government, either the Prime Minister or the Minister of Finance, with respect to the termination of the Anti-Inflation program, in which the topic of unemployment is mentioned, and to which the National Leader of the NDP took exception in the House of Commons yesterday, because in his words, "The Federal Government appeared to be relying upon increased unemployment as part of its tactic of winding down inflation."

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks): Mr. Speaker, there's a lot of statements of fact in the question which I cannot corroborate one way or the other. The question that I'm aware of, and which relates to me, there has been, over the months, communication between the Federal Minister of Finance and myself. The member may be referring to a message from the Premier to the Prime Minister suggesting the convening of a First Ministers' conference to deal with the critical matters before Canadians today, and it was in that regard that this exchange took place. I personally haven't had any response from, or any letter from the Minister of Finance or the Prime Minister with regard to the economy at the present time. We are awaiting, everyone is awaiting the issuing of a Green Paper, which I reported to the House, should have been forthcoming last week.

MR. LYON: A supplementary then, Mr. Speaker, to the Minister of Finance. Is he aware whether the First Minister or any of his colleagues have had such a communication in recent days from the Prime Minister or the Minister of Finance?

MR. MILLER: None that I'm aware of, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN: My question is to the Minister of Labour, Mr. Speaker, in the absence of the Minister of Industry and Commerce. The question is, can the Minister confirm that the reduction in staff and employment at Co-op Implements is a termination rather than a layoff?

MR. SPEAKER: The Honourable Minister of Labour.

HONOURABLE RUSSELL PAULLEY (Transcona): Mr. Speaker, before directly replying, may I, on behalf of the government, welcome back the Honourable Member for Riel. We're glad to see him looking so well.

In direct reply to my honourable friend, the Member for Fort Garry, Mr. Speaker, it's just a choice of words, really. Sometimes the word "termination", sometimes "layoff". In effect, it is the same, of course, that the parties concerned are without income after the event.

MR. SHERMAN: A supplementary, Mr. Speaker. Can the Minister of Labour advise the House whether the Department of Industry and Commerce is in consultation with the firm at the present time, and whether his office is in consultation with the collective bargaining unit at the present time to determine what may be done to ameliorate the difficulties.

MR. PAULLEY: Yes, Mr. Speaker, I had a meeting in my office the other day with representatives of the bargaining unit and representatives of the company, to see what, if anything can be done in order to reduce the number of employees concerned. The announcement was made, Mr. Speaker, to us some month or two ago, and it's primarily due to financial problems, and in particular, at that time, the weather conditions. At the meeting I referred to that was held in my office, I would say about a week ago, it did appear that the situation was a little more rosy looking than it was when the first indication was made of the mass termination or layoff.

MR. SHERMAN: A further supplementary, Mr. Speaker. Can the Minister advise whether alternative opportunities for employment for those being laid off or terminated appear to be in prospect?

MR. PAULLEY: We have under consideration Mr. Speaker, becoming involved in the same sort of process that evolved with the mass layoff at the Selkirk Rolling Mills, entering into agreements with Canada Manpower, the coany's union, and the Department of Labour. That has not been firmed up as of this moment, Mr. Speaker, but it is a methodology that we may be using.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Urban Affairs. In view

of the report that the City of Winnipeg is considering cancelling, or at least forestalling the implementation of the Handi-Transit Service for handicapped people in the city, does the Minister intend to meet with the City to discuss whether there is any further financial assistance that might be offered, or at least negotiations to that end should take place to try and bring that service on stream as quickly as possible?

MR. SPEAKER: The Honourable Minister for Urban Affairs.

MR. MILLER: Mr. Speaker, I haven't heard of the events that apparently the honourable member is aware of. I haven't heard of them. The Province of Manitoba did indicate to the City, when the City indicated its interest in offering this kind of service, we said we'd stand behind them, we would cost share, and that still goes. I'm not aware of any changes that have taken place, and if the City wants to meet with us, certainly we'll do so, but I'm not sure what could be gained by it.

MR. AXWORTHY: As a supplementary, Mr. Speaker, can this Minister or the Minister of Health and Social Development indicate if the Province is prepared to provide assistance for other private services that provide transportation for elderly people, handicapped people incapacitated. I refer in particular to the application of the senior citizens' service which presently provides free transit for senior citizens and handicapped people and which will be ending its funding in fact within a day or so. Is there a willingness, a responsiveness to providing support under the Employment Program for this kind of service?

MR. MILLER: Mr. Speaker, the province indicated to the City of Winnipeg that it was prepared to work along with them if the City of Winnipeg wanted to provide a special transit system for people who have handicaps. They indicated they were interested and asked us would we financially contribute to it and support it. We said yes and that's where it stands. The initial responsibility is the City of Winnipeg's. They have the transit system; we support it now and we would continue to expand our support into other areas if they were interested and we have indicated we would do so.

MR. AXWORTHY: Mr. Speaker, I understand that. The question I am raising with either this Minister or the Minister of Health or whichever Minister may be prepared to speak on behalf of the Employment Program, is the province prepared to support the application of the senior citizen's service which presently provides transportation services for senior citizens and handicapped people to fill in the vacuum that is being left by the lack of implementation of this program by the City of Winnipeg?

MR. SPEAKER: The Honourable Minister For Health.

HONOURABLE LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker, this is certainly the first time that I have heard that the City of Winnipeg had changed its mind. I was present at a meeting where the Minister of Finance had made the offer. I thought it had been accepted and we are not considering anything else at this time. If there is a change I guess we could consider but there is certainly no commitment and we feel that it is the responsibility and it was the will of the City of Winnipeg to do something about it.

MR. SPEAKER: The Honourable Member for Fort Rouge. Final question.

MR. AXWORTHY: Yes, Mr. Speaker, I still come back to my point that taking the fact that the City Board of Commissioners has recommended the City not get into this position, is the province — and I would address I don't know which Minister speaks for the Employment Program — prepared to assess the proposal made by an organization called Senior Citizens' Services which presently provides transportation for senior citizens and handicapped people for medical purposes to allow them to continue their service over the summer because they have already made application under the Inner City Employment Program but have heard no word whatsoever on whether that application is to be received or supported.

MR. SPEAKER: The Honourable Minister of Finance.

MR. MILLER: Okay, I think I am starting to understand, that there is really two totally different subjects here that are being discussed. The City proposal that they would operate a handi-transit system is one facet of it. The member says that the City decided to withdraw from it. That's the program the province stood ready to financially support any effort on the part of the City of Winnipeg.

Now the member is asking the question with regard to a totally different service, nothing to do with handicapped people and this is — (Interjection) — Well, I didn't realize you were bringing both questions in together. If in fact there is an application in to provide a certain kind of programming, a servicing under the Employment Program, if they haven't heard perhaps it's because it requires screening and evaluating but if they haven't heard, I am sure they will . . . if there is a non-profit organization who is applying for funds, they may indeed get financial support from the Employment Program. That's not a question I can answer offhand and I don't know anyone who might be able to give an immediate answer.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, a question to the House Leader. Could the House Leader advise us as to how many more bills the House can expect to receive such as the Election Act Amendment and other bills and could he give us not only the number but in view of the bill we received this morning, could

he give us the answer in weight as well.

MR. SPEAKER: The Honourable House Leader.

HONOURABLE SIDNEY GREEN (Inkster): Mr. Speaker, I indicated the last time I was asked this question that members could expect to receive the bills for which first reading was given — plus the Elections Act. I think that the answer remains the same. I don't think that I was asked at the last time the question was asked as to the poundage of the bills, and if I was asked, I wouldn't have been able to answer.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY. J. ENNS: Mr. Speaker, I direct a question to the Honourable the Minister of Highways. I wonder if the Honourable Minister has had an opportunity to look into the complaints of the community of Ste. Ambroise, I believe it is on provincial road 430, which I know have been addressed to the Minister's office. Has there any improvement been made or is underway on that particular road through that community?

MR. SPEAKER: The Honourable Minister for Highways.

HONOURABLE PETER BURTONIAK (Dauphin): Mr. Speaker, I believe the Member for Roblin asked the same question several days ago and I suggested at that time that I am sure as my honourable friend, the Member for Lakeside, who I believe was the Minister of Highways at one time too, that with 12 districts in the province whose ever district that particular road happens to fall under I am sure will have the situation well in hand, if there is a serious problem that the member has described.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: I have a question for the Minister of Tourism. Can the Minister confirm that his government has received a number of complaints or inquiries about the lack of enforcement of liquor and drug offences and rowdyism at Falcon Lake, the main campsite, over the long weekend?

MR. SPEAKER: The Honourable Minister for Tourism and Recreation.

HONOURABLE BEN HANUSCHAK (Burrows): Mr. Speaker, from time to time incidents of abuse at camp facilities of some form or another do arise and that is not uncommon, and I am certain that last weekend was no different from any other weekend so no doubt there may have been complaints of that kind. If there were, I am certain that they are being checked into.

MR. WILSON: Would the Minister explain or give us an indication of what the average age of the new camp rangers are and does the regulation of one vehicle per site still stand?

MR. HANUSCHAK: I believe the honourable member well knows that it is not the practice of government to inquire as to the age of job applicants.

MR. WILSON: Well, a final supplementary, Mr. Speaker. Would the Minister then make a statement to family campers that they should avoid the main campgrounds at Falcon Lake over the long weekends in the future?

MR. HANUSCHAK: I am sorry, Mr. Speaker, would the honourable member please repeat that question?

MR. WILSON: Would the Minister of Tourism care to make a statement to all the family campers that have in the past attempted to go down to the main campgrounds at Falcon Lake and tell them to avoid the main campgrounds on the long weekends?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, the Minister of Urban Affairs indicates that there are amendments to the City of Winnipeg Act which, rather than being brought in as amendments to the City of Winnipeg Act, are being brought in as another bill which has not been given first reading. He has just informed me of that but he says that they are technical amendments. I assume he could put them into amendments to the previous bill, but they are coming in as a separate bill.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Mr. Speaker, I wish to direct a question, a supplementary perhaps, to the Minister of Urban Affairs. It is in respect to the transportation services for senior citizens, and perhaps as I have several letters in my office right now and several phone calls that I have to return to, that's in respect to the program that's terminating today, I believe believe, tonight. Appointments that the senior citizens had for their medical appointments and the handicapped people. Any other form of transportation is quite costly. Will the Minister undertake to look into the program, the ending of it and perhaps consider the application that's coming in to see that transportation can be continued?

MR. SPEAKER: The Honourable Minister of Finance.

MR. MILLER: Well, Mr. Speaker, firstly this doesn't fall under my jurisdiction; I don't see these applications; they are a different branch of the government that handle it. If the member is simply asking can I try to discover where the application is, if in fact it is in, I can make inquiries from the provincial job office on that or whatever other group is looking at it, if in fact an application is coming in. But it is not something that falls under my jurisdiction and I am not aware of any such application at all. I personally wouldn't be aware.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK: Mr Speaker, my question is to the Acting First Minister. I wonder if he can indicate whether there has been any communication from the Province of Alberta to the Province of Manitoba with respect to the potential purchase by PWA of Canadian Pacific Airlines and its effect on the purchase of Transair.

MR. SPEAKER: The Honourable Minister for Labour.

MR. PAULLEY: Not that I am presently aware of, Mr. Speaker.

MR. SPIVAK: A supplementary to the Acting First Minister. I wonder if he can indicate whether the government has been in communication with the Federal Minister of Transport with respect to the purchase by PWA of Transair. That is, further communication than that which has been announced to this House by the First Minister.

MR. PAULLEY: Not that I am aware of immediately but I will check in to see whether there is or not.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker. My question is to the Attorney-General. I would like to ask him whether he can elaborate any further on the answer that he gave me yesterday with respect to the question of constitutionality of Bill 18, whether he is reviewing the submissions as he suggested, whether he has completed that review and whether he is going to go beyond mere review of the submissions to consideration of the legal question?

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY (Selkirk): Mr. Speaker, my own review of the submissions and the cases that were presented to me, it is my view that there is a differential between the situation as per Ontario and the situation here insofar as our own legislation is concerned. It is a matter that is open to debate and I suspect that it may very well be that the courts will be requested to adjudicate upon this very question in the future. I don't think that any one of us, or any legal expert can foreclose on what the end result of any such court adjudication might be.

MR. SHERMAN: A supplementary, Mr. Speaker. I thank the Honourable Attorney-General for that information. On the basis of it, would he give consideration, or has he given any consideration to referring it as reference legislation to the Court of Appeal before proceeding further?

MR. PAWLEY: No, I haven't given any consideration to that, Mr. Speaker. That would only be so done after consultation with my colleague, the Minister of Labour, and at the present time there is no consideration being given to that.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Consumer Affairs. In a recent news report it was indicated that there are several firms in the city which have received licenses from the Consumer Bureau, which are selling fire safety and detection equipment which is non-effective or which, in fact, provides no protection at all. Has the Minister investigated these reports to determine whether in fact licensing is being given to these companies and whether in fact they are selling equipment or devices which in fact are ineffective or which make no impact at all?

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

HONOURABLE RENE TOUPIN (Springfield): Well, Mr. Speaker, the subject matter has not been brought to my attention directly. It could have been investigated by officials of the department. I will check and let the honourable member know.

MR. AXWORTHY: Mr. Speaker, a supplementary on the same issue to the Minister of Labour. Is it also true that the Department of Labour certifies the kind of equipment sold by these companies, even though they have no basis for determining whether they are effective or not, but simply indicate that the equipment itself will not cause fires, but they may do nothing to stop them or prevent them?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I must apologize to my honourable friend. I didn't hear the first question. Is it in regard to smoke detectors and such equipment? If it is, we keep a watching eye in the Department of Labour as to the effectiveness of smoke detectors, and as to whether or not they meet the Canadian standards, CSA. And we have caused a close-down of the sale on one or two occasions of smoke detectors, much to the annoyance of the free enterpriser that was peddling the same, and to the consternation of many people who figured we were infringing on their rights. However, I do say, Mr. Speaker, that we have so done, on a couple of occasions, as a result of the department concerned — there are two of them really, involved — the Mechanical Engineering Department and the Fire Commissioner's Office. We try to keep an eye on them. I know that there has been a lot of publicity given to the matter recently, over TV and radio, and it's come to the foreground, but I want to assure my honourable friend that we are watching as closely as we can.

MR. AXWORTHY: Mr. Speaker, just to extend the question so that the Minister of Labour would know fully what I am asking. That there have been reports that there are several firms which are engaging in selling of a variety of so-called fire safety equipment, including heat detectors, not just smoke detectors, which are alluded to be totally ineffective, but they do carry a Department of Labour certificate, the certificate only indicating that the equipment itself does not cause a fire, but not giving

any worthiness as to whether, in fact, it is a preventative mechanism.

I'm wondering if the Department of Labour is able to re-assess whether they should be giving such certificates, or whether they should also be indicating whether the equipment has any effectiveness whatsoever, or whether it is just a piece of equipment which is not, in itself, dangerous.

MR. PAULLEY: Mr. Speaker, I appreciate the concern of my honourable friend. I now am knowledgeable of the whole point that he is making and I want to assure the member and the members of the Assembly that I will check into the department to see where they're going.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. I direct a question to the Honourable the Minister of Agriculture. I wonder if the Honourable Minister can inform the House as to the details of the agreement that was arrived at between the Co-operatives and the Manitoba Milk Marketing Board that obviously has resolved the dispute that we had earlier.

MR. SPEAKER: The Honourable Minister of Agriculture.

HONOURABLE SAMUEL USKIW (Lac du Bonnet): Mr. Speaker, it's obvious that it is not obviously resolved, because as I understand the agreement it is an interim one, pending further negotiation for a long term arrangement. I think both are acting in good faith to arrive at what is considered to be a mutually satisfactory price. In the meantime, things are back to normal, but it is an interim arrangement.

MR. ENNS: A supplementary question, Mr. Speaker. Can the Minister indicate to the House the price, the interim price that has now been agreed upon. Is that the original price that the Co-operatives were suggesting to the Milk Marketing Board that they could . . . ?

MR. USKIW: My understanding of it, Mr. Speaker, is that that is what the Marketing Board has agreed to, pending a negotiation of a long term price. It's a very short term arrangement.

MR. ENNS: My final supplementary question is, in the interests of keeping these processing plants alive and operating, will the Minister use his good offices with the Manitoba Milk Marketing Board to impress upon them the importance of their viability and of their continued operation, or will he let his own prejudice show, and perhaps, as the Member for Ste. Rose suggested . . .

MR. SPEAKER: Order please. The Honourable Minister of Agriculture.

MR. USKIW: I think that the Member for Lakeside is fully aware, having been responsible for this department for a number of years, that within the dairy industry there are viable processing plants, and some not so viable. I'm sure he is not suggesting that the milk producer reduce his price down to the point where he keeps the unviable plants in operation. If there is a need for rationalization, it has to be carried out ultimately.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, with leave of the honourable members, I would like to have distributed and lay on the table the report of the Leaf Rapids Development Corporation Limited. I should explain that the Chairman of the Corporation thought this had been distributed with other material. It hadn't been, but it's available for honourable members because there is a meeting tonight of the Economic Development Committee.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON: Mr. Speaker, I direct this question to the Honourable the Attorney-General. Has the Attorney-General received a complaint about harsh and brutal treatment meted out to boys at the Manitoba School for Boys, at a wilderness camp near Lake St. George?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I have not personally received such a complaint. If a complaint has been forwarded, then it's been received within the department and I have not received it personally.

MR. G. JOHNSTON: Mr. Speaker, I direct the question then to the Minister of Corrections, if he heard the question I will not repeat it. Has the Minister received and is he investigating a complaint of harsh and brutal treatment being meted out to boys at the Manitoba School for Boys at an outdoor camp near Lake St. George?

MR. SPEAKER: The Honourable Minister for Corrections.

HONOURABLE J. R. (Bud) BOYCE (Winnipeg Centre): Mr. Speaker, from time to time reports are made to me that some of the people who are in these institutions which are under my jurisdiction object to some of the methods which are being used and periodically we do carry out a review.

MR. G. JOHNSTON: Another question to the same Minister, Mr. Speaker. Will the Minister undertake to investigate the complaint which I will have sent over to him, in case he hasn't got it, and make a public report?

MR. BOYCE: Well, in response to the member's question, I will look at the complaint that he is

sending over to me, whether it will be made public or not, I will have to check with my solicitors within the department to see if that is possible.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK: Mr. Speaker, I would ask leave to make a very brief comment and that is first of all thank the Government Leader, the Minister of Labour, for his welcome back to the House. As I said earlier today to one or two of the members, I couldn't believe that I would look forward to coming back into this House on the first of June or the end of May but, believe it or not, I am quite happy to be back with everybody concerned in the House, Mr. Speaker. I want to thank all the members of the House as well as the press gallery for their expressions of concern and their well wishes during those days of my convalescence when I was in the hospital. They were very encouraging and it is a welcome for anyone who is in that position — I know that there are many members here who have been in the position of being in the hospital — to hear from their colleagues and despite the battles and debates that go on in the House, you know that the goodwill is there.

Mr. Speaker it is a pleasure to be back with you again and we look forward to more days here. I am sure over the next few days at least, Mr. Speaker, that I won't be one of the members that will be giving you a difficult time in the House.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I want to tell you I am quite relieved. I thought my honourable friend was going to ask an embarrassing question. He spared us at least on his first appearance.

Mr. Speaker, I would move, seconded by the Honourable the Attorney-General that Mr. Speaker do now leave the Chair and that 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 of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY

ESTIMATES — MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

MR. CHAIRMAN, William Jenkins (Logan): I would refer honourable members to Page 45 of their Estimates Book. We were on Resolution No. 84 Water Management (a) Administration (1) Salaries and Wages \$419,400.00. The Honourable Member for Rhineland.

MR. ARNOLD BROWN: Thank you, Mr. Chairman. The Member for Morris was speaking about some of the apprehensions that we have about the Roseau River, the work that's going to be done on the channel, and I also have some questions that I would ask. One of them is the channel to divert the water, the channel that's going to be built just north of Letellier that's going to divert the water from the Roseau River to the Red River, can the Minister tell me whether this channel is going to accommodate all the water, the total flow that's going to be coming along the Roseau or is it just going to be a partial diversion?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the honourable member asked whether it was going to divert all the water that's coming in. What I can tell the honourable member is that the works that have been considered are works which will mitigate in total the effects of any increased flooding of the flows on the Roseau River as a result of works in the United States, therefore, whether that channel does or does not divert all of the water, all of the effects of the Roseau River are designed to be brought back to normal by the works that are indicated in the Study Board report.

MR. CHAIRMAN: Resolution 84(a)(1). The Honourable Member for Arthur.

MR. J. DOUGLAS WATT: Mr. Chairman, I would just like to make a few comments on the Souris basin. Presently we have a Manitoba-Saskatchewan study going on in the Souris basin. I am wondering if there has been any interim report or if the Minister could give any indication on what that report might bring out.

I have pointed out before, Mr. Chairman, . . . I am curious but I am doubtful about any concrete report that can do anything to effect or to help Manitoba to decide on what might be done insofar as the flooding of the Souris basin is concerned when you consider — and I've said this before to the Minister, Mr. Chairman — the head waters of the Souris River rising in Saskatchewan in approximately the Weyburn area, entering into the United States where it loops as far south as Minot and back into Manitoba, comprises more miles of the Souris basin than the total in Saskatchewan and Manitoba. How you can equate our problem in Manitoba with the Saskatchewan area of the Souris basin is beyond me. Now maybe the engineers have some reason, maybe the Minister has some reason that he could indicate to the House or to me why the study is going on between Manitoba and Saskatchewan with approximately — off the top of my head I would say maybe 120 miles apart — where the river enters into the United States and comes back into Manitoba, how that study could assist water control in Manitoba in deciding what should or could be done about the problem arising in Manitoba where 20,000 acres of land has been flooded six out of seven years.

Now flooding is something that the Minister cannot control, that is quite understood, but is to get rid of the flood waters. The Red River floods **nobody can stop that but the water does eventually move and they seed the land. In the Souris basin, for years and years, 20,000 acres of land has been flooded and the water has lain their until July.**

Now the cost benefit study says that the benefit does not warrant the cost. Well I can understand that the engineers, Mr. Chairman, can assess the cost. What I would like to know is who assess the benefit for 20,000 acres of prime agricultural land? —(Interjection)— Water Control? They assess the agricultural benefit? Production? I ask, the the Minister Water Control, engineers in are they acquainted with agriculture and production? —(Interjection)— They know how to do it?

MR. GREEN: . . . they find out that information.

MR. WATT: Well, it's interesting. Mr. Chairman, Water Control has constantly indicated that there is a 2 percent flood on the Souris basin. Now, my understanding is, that that study, that 2 percent flood 2 means one flood in fifty years. In the Souris basin, just in the past ten years, we've had seven years of flood. Seven years of flood.

I've driven through the area and looked at that land lying all summer, year after year, non-productive. I'm sure in the past years, Mr. Chairman, that the loss in production of 20,000 acres of prime agricultural land, is probably more than what it would have cost to put in a diversion and dredging of the Souris basin through the Lauder aiea, to give some alleviation to the problem in that area, in the southwest.

We have a flood control committee out there, and I think they have come up with a fairly reasonable proposal which apparently has been ignored by the Minister. Their proposal, as a layman, looks to me to be reasonable. There is some diversion, some dredging through the Lauder area to Hartney, and I'm sure the Minister must have a copy of that proposal, with the maps that have been drawn up by the local flood control people, who have not really just *ad hoc* just simply drawn up a map and said, "This is what should be done." I think a lot of study has gone into it. I'm just reasonably asking the Minister to take a look at this. Why should . . . —(Interjection)— . . . and reject it.

MR. WATT: . . . and waiting to see what Saskatchewan has to say about the head water . . .

MR. GREEN: One-tenth of the cost benefit of .11.

MR. WATT: I rather think it's a stall, Mr. Chairman.

MR. GREEN: You spend ten dollars to get one.

MR. WATT: Yes. —(Interjection)— Well, I'm simply suggesting, Mr. Chairman, that 20,000 acres of prime agricultural land is worth looking at, even if it is in a Tory area in the Province of Manitoba. I just wanted to make a few comments on it, Mr. Chairman, because I realize it has been at a standstill for years, for at least eight years. —(Interjection)— Oh no, we could say a lot more than that, but it was coming to a point where something would be done about it. But it appears now that nothing is going to be done about it. I'd like to hear from the Minister what he expects would come out of the report on the Manitoba-Saskatchewan Souris Basin study.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, we're expecting the report of the Manitoba Souris Basin study to give us comprehensive information on steps that can be taken to deal with the total problem and total benefits of the Souris River. Such studies are engaged in, from time to time, in various basins, and the Souris River basin has been given this priority. If the honourable member doesn't consider that is a special attention to the Souris River, then I feel sorry for my honourable friend, because there is no greater attention that is given to any place than a special, comprehensive study of the total flow of that river.

You cannot discuss the Souris River without discussing the part that's in Saskatchewan, and the study will involve also the parts that are in North Dakota, or information relative thereto, and the part that flows in Manitoba. When we are doing a study of a total basin, we have to study — and this is not a basin study, this is the Souris River study — when we do a study of the Souris River, it would be the height of folly to do a study without discussing where the water is coming from, the water quality of where it is coming from, where it is flowing in the course of reaching here, and where it ends up after it reaches here.

So, if my honourable friend says that we shouldn't be involved in this study, we should just take the report of the farmers in the area and implement it, I tell him that his group would not do that if they were in government, and if they did do that they would be booted out on their ear. When the honourable member was Minister of Agriculture he could not convince the government at that time to do such a stupid thing. And he's certainly not going to convince us to do that kind of thing.

With regard to the brief of the association, the association on June 28, 1976, which is approximately a year ago, presented a brief to our Deputy Minister. The brief contained a proposal for a series of channel cutoffs. The honourable member says we didn't look at it, we ignored it. What he is saying is, we didn't accept it, and his definition of ignoring is that if you do not do what they say — that's the definition. If you look in Watt's dictionary you will find "ignore — refuse to do what I say." That's the definition. —(Interjection)— Well, the brief contained a proposal for a series of channel

cutoffs— see if we ignored it — along the Souris River, through the Lauder Sandhills, and the construction of a flood stage diversion around the Hartney Dam. Is that what it was? Did we ignore that? Did we know about it? Did we see it?

The Water Resources Division was requested to prepare a preliminary evaluation of the proposal. Not I, I was not asked to prepare an evaluation of the proposal. I admit that I would not know where to start, what to do after I got started, and where to finish. So our division was, the division that has been built up by series and series of governments of the Province of Manitoba, to the extent that I believe that we have one of the finest civil services in Canada, and particularly with regard to water resources, we are the envy of other jurisdictions in this country.

They were asked to do a preliminary evaluation of the proposal. You would not ask them to do that? You would say, don't do it, or you would say, I'm not going to turn it over to the division, I'm going to do what I want. Is that the way you would handle it? That's not the way we are going to handle it.

A September 1976 report concluded that — this is the way we ignored it, the honourable member says — one combination of cutoffs, estimated to cost \$32,600 annually, would be the most beneficial. The maximum benefit from the cutoffs in terms of a state reduction would occur in the immediate vicinity of the cutoffs and decrease progressively upstream, diminishing by the North Napinka bridge. Is that ignoring it? That would be the most beneficial of the cutoffs that they were talking about.

A flood stage diversion around the Hartney Dam would have no beneficial effect in combination with the proposed cutoffs, and was not considered further. Do you challenge that? You will find me a single water engineer in the Province of Manitoba with a sanity certificate saying that this is wrong. Based on the historic period, 1936 to 1976, and that is how any water engineer bases programs, he doesn't do it on the basis of the last seven years, he does it on the basis of history, because last year we had the worst flooding ever known on the Souris River, and if one was to base a program on last year, it would be quite a different program than if they based it on a program this year, when I suppose they are involved in somewhat less drought conditions than the rest of the province, because of the high water last year. —(Interjection)—

Mr. Chairman, my advice is that last year on the Souris River we had the worst flooding in recorded history. That is my impression. The worst flooding in recorded history, and flooding is defined, in my dictionary, as high water levels. In the dictionary, the lexicon of the Member for Arthur, high water levels does not constitute a flood. Well, in ours it does. In the lexicon of the Member for River Heights, reducing water levels constitutes a flood.

In any event, Mr. Chairman, based on the historic period, the proposed cutoffs would reduce average annual agricultural flood damages by \$3,630 to \$28,070 for the reach of the valley from Drummonds Bridge to North Napinka Bridge. That is our assessment.

The benefit cost-ratio of the proposal is 0.11. That means roughly nine dollars spent for every dollar in benefits that are obtained. If we were to build every project that had a nine to one cost benefit, non-benefit position, in other words, to spend nine dollars to gain one, we wouldn't have enough treasury in the Province of Manitoba to build all those projects. If we took the entire water resources budget because numerous projects could result in a 9 to 1 cost-benefit loss and if my honourable friend is agreeing that people across the province have to be treated equally, then we would have to base that as out method of proceeding. Well we don't do that. The present method of proceeding is to try to have a cost-benefit ratio of at least one; that for every dollar spent, you will get a dollar of value. Is that a wrong position?

So, the division staff met with the association. Now here's how we ignored it. After we had the delegation, after we sent it to the engineers, we then met with the association in Melita on October 27th, 1976 to discuss the report. Now, Mr. Chairman, I don't know what more a division can do except to build the project regardless. In this particular basin, we are engaged in a several hundred thousand dollar study of the Souris River, which we decided to give attention to; we have met with the people in the area; we have done a fairly sophisticated evaluation of the report; then we met with them to discuss the report to indicate to them what the problems were; and a detailed evaluation of the proposal has now been forwarded to the Souris River Basin Study for consideration of the development plan of the basin. What more would any government do with the exception — and I will admit that we have not done this — is proceed with the program regardless of what we think of it. That's the only thing that we haven't done and I couldn't face this House if that's what we did. I don't even think I could face the Honourable Member for Arthur because he would say, "Boy, did we ever put it over on that government. We just pushed hard enough and we squeaked the squeaky wheel against the grease." The project would be proceeded with but he would have no respect for us. He would consider it the biggest of all jokes. Well, we didn't do that.

Insofar as the Souris water Water Basin Study is concerned — and we are still talking Souris — in November 1974, an agreement for comprehensive study of the Souris River Basin in Canada was signed by the governments of Manitoba, Saskatchewan and Canada. The object of the study is to

develop a framework plan for the management and the development of the water and water-related resources on the Souris River in Canada.

On March 12, 1976, the Water Resource division entered into an agreement with the Canadian Department of Environment Inland Waters Directorate on behalf of the Souris River Basin Study to conduct investigations and report on the following. These are the things that are considered. And, by the way, the honourable member, if we can reduce the pitch of what is being said here, he knows that in many many years and the years when I first came here, the problem was a lack of water in the Souris River. So when you are doing a comprehensive study, you don't do it on the basis of what happened in the last seven years, and the honourable member knows that, you do it on the basis of what are going to be the problems we are going to have to face when the time comes. Yes, there has been a series of problem years but, Mr. Chairman, never have I so appreciated our own shortsightedness in terms of water than this year when I was praying for floods.

We had no floods in the Province of Manitoba this year but I suddenly realized that floods were not the worst problem. They are a problem but they are not the worst problem. The worst problem is drought. We managed to be spared a drought but we had one coming and there is nothing we can do about that either, so over the years I think that drought is worse. I think that drought is worse and I really don't know, I think what you've got at the moment is worse. In other words, when you have the floods, I used to pray that there be no water; now we have the drought and I was praying for water Mr. Chairman, and more and more one realizes the wisdom of things that have maintained themselves over the ages and ages and ages rather than what is said at a particular moment. It goes back to Joseph. There are seven years of plenty and seven years of famine and that may not be the exact term but what Joseph did was to store during the seven years of plenty so that there would be something for the seven years of famine. —(Interjection)— Well, the Honourable Member for Morris is having fun with me but, nevertheless, it's that kind of wisdom rather than reacting to a moment's problem that becomes the test of whether governments or anybody uses good judgement.

You plan for the total situation, not for the immediate problem and what we are doing here is we are talking about groundwater and water demands. The contract consists basically of determining the groundwater yield in the Manitoba portion of the Souris River basin, estimating current and future water demands and the identification and costs of measures to meet these demands.

Flood damage studies — this is Manitoba — the contract consists of defining the areas that are subject to flooding along the Souris River in Manitoba, developing a relationship between the frequency of flooding and resultant damages and identifying measures to reduce flood damage. A preliminary appraisal of the identified flood control measures will be carried out to determine those measures to be evaluated in more detail and one of the things that will be evaluated is this program that the people presented which has been given to the board for further evaluation. Flood damage reduction; project evaluation and supplement. The contract is continuation of earlier work and calls for a detailed evaluation of selected flood damage reduction measures.

The Souris River Basin Study is somewhat behind schedule and it is possible that an extension will be required. This is regarding time. The completion date is provided in the study agreement as December 31st, 1977. Yesterday, or I believe it was yesterday — I am beginning to lose track of the days and nights — I believe I signed a letter to various people including Ministers of the Department and the municipalities sending a copy of an interim report, which I haven't fully read myself but it contains data and is intended to both facilitate the information to them and information from them. I gather that the board does some community consultation in the process of its work, so the interim report was mailed out yesterday.

Now, I really can't be too — and if I have expressed some annoyance, I apologize because I know that the honourable member is pushing for some attention to his area and perhaps he has succeeded, despite my annoyance, because I don't know of an area at the present time that we are giving more attention to but the works that will be done will depend on having a pretty comprehensive set of recommendations and not done on the basis of the fact that some people who are disturbed at the fact that they have had flooding for some years having proposal as to how to deal with that immediate problem. We just can't do that. I have indicated that it shows a one to ten, excuse me, .11 which is one to nine, perhaps. One dollar gained for nine dollars spent. Now the honourable member wouldn't want me to do that.

I do have for my honourable friend — I say this because he hasn't been in the House — but it was in connection with the Paterson Dam. He asked whether that project was being proceeded with and I was not certain in my answer as to what the status of it was except that I knew that if it had a cost-plus benefit, we had asked the PFRA to proceed and there was a complication there but I will give my honourable friend the answer now. The Province of Manitoba asked the PFRA to construct the Paterson Dam under the Community Water Projects Program. Under this program, Canada and Manitoba would share equally in the cost as in the case of other water development projects such as the Vermilion Dam. Before the project could be authorized under the Community Water Projects Program, both parties would have to be assured that the project meets certain objectives regarding

engineering feasibility, economic viability and environmental impact. With the co-operation and aid of the Province of Manitoba, PFRA completed an evaluation report on the proposed Paterson Dam early in 1976. The report indicated that construction of a dam on Gainsborough Creek at an estimated capital cost of \$2.1 million is economically feasible based on a discount rate of 10 percent on unquantitative primary benefits of irrigation development, town water supply, low flow augmentation and recreation. So that one does have a cost-benefit value and we are asking that it be proceeded with.

In May, 1975, the Souris River Water Commission passed a resolution requesting that the councils of the Town of Melita and the Rural Municipality of Arthur and Edward be given an opportunity to review the report prior to governments entering into agreement for construction of the dam. Accordingly, copies of the report were sent to the Commission and to the secretary-treasurers of the Rural Municipalities of Edward and Arthur at the Town of Melita on March 25, 1976. We have had no requests from them but I understand the department has now been asked to follow up this report which was sent to them to see whether there is any objection to us now proceeding as indicated.

So there was an intermediate step, Mr. Chairman, which may have delayed us somewhat, in that we did send the two municipalities — that's Arthur and Edward — in response to a request from the Souris River Valley Water Commission. I don't know that we have heard from the two municipalities to this point — not at this point — but we are going to follow it up, Mr. Chairman, and I am asking for some departmental action in that connection.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: I think that probably I should not have used the term "ignored". I think the Minister took it in a different light than I intended it to be taken, but I was thinking in terms, Mr. Chairman, that the Minister was at loggerheads with that committee last winter when they met on occasions, and my indication from them was that they were ignored at the time. Now, I could be wrong.

However, Mr. Chairman, the Minister has been concentrating on flooding and I said in my remarks earlier, that nobody can do anything about the flooding; that our problem right now in the Souris Basin, from approximately 12 miles south of Melita to seven or eight miles north, the problem there is flooding, that the fact that the flood waters can't get away. And I have pointed out, I live in the Pipestone Valley, we have flood in the Pipestone Valley constantly, but the water goes away when we seed our land. The Red River Valley floods constantly, but the water goes away when they seed their land. But when it floods in the Souris Basin, it stays there. That is the problem; and what I am suggesting is that any report that can come out of the Manitoba-Saskatchewan Study cannot do anything to alleviate the fact that the water was going to lie in the Souris Basin, on the 20,000 acres of land that I refer to. However, we could argue about this all day and I wouldn't get anywhere, because you're the government.

I just want to make one suggestion, Mr. Chairman, that the Minister might look at in his department, and that is, in my understanding from the Hall Report that the Waskada-Lyleton Railway line will be retained, which will I believe entail the building of the Coulter Bridge. Now at one time we seriously looked at the Coulter Dam. The Chairman of the Water Control Board is here and I think he will recall that Coulter Dam would hold back twice as much water — I think it's 35,000 acre feet off the top of my head, I recall — I think it's approximately 35,000 acre feet of water that the Coulter Dam would hold back. But we had to abandon the possibility of building that dam because of the necessity to build a railway bridge, and the possibility, of course, that the railway would be abandoned. It would make us look rather stupid if we contributed to the building of a railway bridge and then the railway's being abandoned. But now I believe the Hall Report recommends the retention of that railway line, and if that comes about I just suggest to the Minister that it might be interesting to look at the possibility of switching from the Paterson to the Coulter Dam. —(Interjection)— Well, have a look at the geography out there. The Coulter Dam actually, with an earthfill of about a quarter of a mile, would hold back 60 feet of water for about 15 miles, and take up very little valuable farmland. I just suggest — maybe the Minister might look at it.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, we have a bird in the hand. I understand that we do have approval from PFRA and we'll be trying to negotiate to such an agreement for the Paterson Dam. I can't reject what you are saying. Offhand I am told that it would back up water in the United States, which given our stern position *vis-a-vis* the United States, would involve a certain amount of, certainly, negotiations, or possibly a reference to the International Joint Commission. But I don't dismiss what my honourable friend is saying. We'll look into it.

MR. CHAIRMAN: Resolution 84(a)(1)—pass; (a)(2) Other Expenditures, \$104,600—pass; (b) Operations (1) Salaries and Wages, \$2,461,900—pass; Other Expenditures, \$3,072,000—pass; Grants to Watershed Conservation Districts, \$605,400—pass; (c) Planning: (1) Salaries and Wages. The Honourable Member for St. James.

MR. GEORGE MINAKER: Yes. Mr. Chairman, I wonder if the Honourable Minister can advise us

with regard to the general planning and future programs for water management, the Minister indicated the importance of the cost-benefit ratio in that he indicated to, I believe, the Honourable Member for Lakeside and also I guess to the Honourable Member for Arthur, that where there is a situation where there is a positive cost-benefit ratio that they would attempt to proceed with these particular plans. Is the Minister now saying, that one of the major criteria that his government and his department has been following and will follow in the planning of projects of this nature, will be the basis that the cost-benefit ratio was favourable and preferably positive? Is that what the Minister is saying is one of the major criteria?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, I tried to distinguish yesterday between the major water programs where that is the criteria which we have been following in terms of pursuing them, such as the Vermilion Dam, the Paterson Dam, the McEachern Dam, the Red River Floodway, and I said that every time there has been one which shows a cost-benefit plus that we have pursued it; that there are none that I know of on the shelf that we haven't pursued that has a cost-benefit plus.

Now with regard to drainage, it's somewhat different. There may be many programs which have a cost-benefit plus ratio which we haven't been able to pursue on the basis of budgetary limitations. There is a different category, because in the one case we pursue from the point of getting federal sharing, in the other case we have a budget which we try to do as many programs with, to reach the level of our expenditures. There may be programs which would show a cost-benefit flow which we just don't have sufficient allocation to proceed with, but is it one of the considerations?

With regard to the major water programs my impression is, that it is one of the major considerations; it may be the most major consideration.

MR. CHAIRMAN: Resolution (c)(1) Salaries and Wages, \$2,013,300—pass; Other Expenditures, \$1,139,700—pass.

84(d) Canada-Manitoba DREE Agreements: (1) Canada-Manitoba ARDA Agreement (a) Salaries and Wages, \$510,700.00. The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Chairman. I don't know if this is the place to bring up this particular topic, but there was an agreement between Canada and Manitoba in regard to building pads, and then move your farm buildings onto these pads. This agreement apparently was discontinued about two years ago, but what happened was that there were two farmers that I know of that received approval to go ahead and build a pad and when they had completed — they built the pads according to the instructions given to them by that particular department — later on they found that the agreement had been discontinued, or the program had been discontinued, and they were forced to bear the total cost of this. I wonder, is this agreement going to be reinstated? If it is not, then it's going to be very difficult for anybody really to start up a new farmyard over there. Can we do something to help these two people that's had to bear this total cost?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, I believe I can recall correspondence *vis-a-vis* the two people, and my recollection is that they did not apply under the program. They were not told that there was a program and that they could make an application and that they would be reimbursed, that they proceeded to do something on the assumption that they would be reimbursed, and then made application afterwards. That is my recollection. If that is incorrect, if they were told that there is a program in existence, and then they were not reimbursed, I would look at it again. That is not my impression. But if they were told by our department that there was a program in existence, they proceeded and then were not reimbursed, Mr. Chairman, I think that would have to be reviewed. If you will provide me with the information I will review it.

With regard to the program itself, that particular program was merged in another program. In other words, the agreement we had with regard to that was changed to an agreement with Canada with regard to flood reduction generally. Again, my impression is that the Canadian Government was much more interested in flood reduction programs rather than programs which assume that the floods are going to continue, and that we are going to have to deal with people who are in a position of being subject to flooding. People would still be entitled to flood compensation, in accordance with the schedule that we have set, that is the flood compensation program, from time to time, that we have in effect. But the flood reduction agreement that we entered into with Canada replaced the previous program. I still would indicate that if the gentlemen were told by our branch that there was a program in existence under which they proceeded, I would certainly want to look at that again, that is not my impression.

MR. BROWN: I thank the Minister for his answer. It's my definite impression that these people were given the green light to go ahead with the construction of these pads and they did it according to the specifications of the department. In my opinion, they qualify for this grant. I would be very happy to direct them to come and see the Minister about this.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSON: Mr. Chairman, the statement of the Minister raises a question in

my mind now. I'd like to ask him if the program, and I recall the occasion when the amendment to that particular Act were passed through the House, and I spoke on the amendment and suggested that the contribution of the Provincial Government to the construction of pads to move farm buildings above the flood level — I think 1950 was used as the basis of determining how high those pads should be raised. I'm disappointed to hear that that program is discontinued, because in my view, it's going to be a lot more costly to the government if they're going to continue to compensate for flood damage on bills year after year.

It would seem to me that the contribution to the construction of a pad and ridding yourself of the problem, once and for all, would be far more economical than sending inspectors throughout the entire district assessing damage and paying compensation for those damages. It seems to me, if that's my understanding of the program, then the government has made, in my opinion, a mistake because it will cost a great deal more. As I understand it, the maximum amount that was available under that program, in any case, was only \$500, and I don't know whether or not that has been increased. I suggested a few years ago that that be increased to \$1,000, and the government would still save money, because they would not then have to compensate farmers for flood damage. I wonder if the Minister would want to comment on that particular program.

MR. GREEN: Mr. Chairman, I indicated that that particular program was changed to a flood reduction agreement that the department is negotiating with Ottawa, or has negotiated with Ottawa. —(Interjection)— No, Mr. Chairman, the Flood Reduction Program would also provide, as I understand it, for provision for farmers to flood-proof their dwellings. At least the attempt is to negotiate that type of provision in that particular agreement. But the agreement that we had with regard to the pads, and the building of that type of protection, there was no federal assistance in that particular program. So, we are trying to get that kind of assistance in this new program.

When I referred to flood compensation as being available, I didn't intend that that would be the substitute, that we would continue to pay flood compensation as against providing for protection. As a matter of fact, the agreement with Canada is quite the contrary. Attempts are being made to use this agreement to either prevent building in areas which are flood-prone, I know that that is a flood mapping agreement, and to take further steps to reduce payments of compensation. When I was talking about compensation earlier I said that the people who would have been affected in previous years would still be entitled to flood compensation, but they wouldn't be entitled to this program. Mr. Weber reminds me that the gentlemen referred to by the Member for Rhineland were applying to Mr. Bole under this program, and this program that they applied for, there was a cutoff date after which applications would not be considered, and they came in under the cutoff date. However, I'm still prepared to look at that particular application to see whether there are any extenuating circumstances. With regard to the more substantial point raised by the Member for Morris, which is a strong point, I am advised that the flood reduction agreement is designed to do exactly that, to minimize compensation that will have to be paid by taking protective steps, including the kind that has been mentioned by the Member for Morris.

MR. JORGENSON: I wonder if the Minister could advise the House what areas that that flood protection agreement will be effective in. I would presume the Assiniboine valley, those areas that are prone to flooding on the Assiniboine, the Red River, and perhaps conceivably the Souris River. Are there any to others? Are there any areas that have now been specifically designated as flood-prone that will have this assistance available to them?

MR. GREEN: It would certainly apply to the areas mentioned by my honourable friend. In the past we have been able to designate which areas would be available for flood compensation merely by designating them. So depending on the year, you have different flood conditions. For instance, last year, the Souris and the Assiniboine were very flood-prone areas and the Red was a relatively minor area.

I can give my honourable friend a more detailed description of the flood reduction studies. They are to investigate the engineering and economic feasibility of flood control works to reduce flooding in urban areas of Manitoba. Investigations also, as to the feasibility of flood control measures have been essentially completed in the following areas: Cowan, Brunkild, RM of Macdonald, Ste. Rose du Lac, Starbuck, and along the Garland River, and Point Creek. An investigation along the Seine River is under way. The report covering the investigation for Cowan has been completed. Reports on the other areas are under way.

Under an agreement with the Government of Canada, a pilot program was designed to assess . . . and suitability of flood hazard mapping to reduce potential flood problems. The Town of Carman was selected, and based on metric mapping a flood hazard map was prepared. A booklet and brochure for the town is being prepared by the Federal Government and is nearing completion.

An agreement between Manitoba and Canada has recently been signed to investigate flood damage reduction in Manitoba. To date no investigations have been initiated. The result of the flood reduction studies will provide guidelines to determine land use, and especially to determine what

portion of the flood plain could be developed with flood protection.

There is also subdivision reviews, waterway opening approvals, and Lake Winnipeg shoreline erosion. That's under another item.

The agreement with regard to protective measures for physical work, such as my honourable friend has referred to, is presently under negotiation, that is, presently the subject of discussion between the Federal Government and our government. That particular program was something that we funded 100 percent and we are trying to get some sharing for it, federally.

MR. JORGENSEN: I wonder if the Minister could advise the House how many people in the areas that were designated as flood-prone were able to take advantage of the compensation that was offered by the government during the time that that program was in existence?

MR. GREEN: Mr. Chairman, there are many, many, over the last several years. You're talking about over the last several years when there have been floods. I think that virtually thousands of applications were dealt with, in terms of compensation.

MR. JORGENSEN: I was thinking in terms of assistance for the building of the pads.

MR. GREEN: I don't have the figure handy. I can get it for my honourable friend, and will do so.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. BROWN: I wonder just exactly what type of program is available now. If somebody were to build a new farmyard in that particular area along the Red River, what particular program would be available for them right now?

MR. GREEN: If it was a flood area we would tell him not to build. We would tell a farmer not to build in an area that was flood-prone. As a matter of fact, we have the power to designate that he not build in a flood-prone area, so that would be the immediate thing. The only protection, as I indicated earlier, would be compensation if the farm were flooded, and, under the new compensation arrangements, if we tell them that they are in a flood-prone area and shouldn't build, they wouldn't be entitled to compensation. — (Interjection) — They would virtually disqualify themselves, that's right. We are not engaged in facilitating people building in flood-prone areas.

MR. BROWN: I agree that we should discourage people building in flood-prone areas wherever we possibly can, but in this particular instance over here, you probably have an area, a strip that's possibly about fifteen miles wide, taking the Red River pretty well in the centre. This is going to have quite a social impact on the area if we do not allow any farmyards to be built in that area. I wonder if the Minister has taken that into consideration.

MR. GREEN: Let them go ahead and build. Let them build in such a way that they would be protected when floods come. They are starting from scratch. You're not talking about somebody who's built a house and then the flood came along. If they're going to build in a flood-prone area, let them build in such a way that they can protect themselves.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Chairman, I just have one question for the Minister. I believe in the Assiniboine, some of the lands, in the last year the department has decided to purchase them rather than try to protect them any more. Have you any record of that? Were any lands purchased along the banks of the Assiniboine, downstream from the Shellmouth Dam?

MR. GREEN: No, the purchasing program that I can remember was around Lake Winnipeg. We may have purchased individual land since then. Lake St. Martin — we purchased land there, outside of the dike there. But the purchasing program that I can recall was the one around Lake Winnipeg at levels of 720, or something of that nature.

MR. ADAM: Thank you, Mr. Chairman. I'd like to ask the Minister, what happens in a case where, along the Turtle River, there are farms there that have been established for many, many years and have never been involved in any flooding. But in the last few years flooding has increased and some of the farmers now find themselves in a position where they either have to move their farmstrips. Is there any assistance for diking or assistance for moving back their buildings to get on to higher ground. The impression that they get is that because of more and more drainage being done upstream, that faster flows of water are coming down. They're wondering what they have to do now. They're in a bind.

MR. GREEN: Mr. Chairman, I can't confirm that that is the cause of their problems, I'm not sure. I have been told, from time to time, that that is usually not the case, but certainly I can't say that they don't feel that way, and perhaps this time there may be some justification. The only thing that is available is flood compensation which they can apply for, if they are in an area which has been designated in that way, or if our flood reduction agreement results in some negotiated position whereby they can get money for putting themselves in a better position, then they may have that to look forward to. But at the present that is not available.

MR. CHAIRMAN: Resolution 84(d)(1)(a) Salaries and Wages \$510,700—pass; (b) Other Expenditures, \$1,226,100—pass; (c) Grants to Resource and Watershed Conservation Districts \$150,600—pass; (d)(1) —pass; (d)(2) Canada-Manitoba FRED Agreement, \$27,300. The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just briefly, by way of interest, this is a winding down of the FRED Agreement in the Interlake part of the country, and I wonder if the Minister can advise as to whether or not, under that ten-year program, most or all of the original undertakings in that area and in that agreement have, in fact, been fulfilled. Or has there been any substantial amounts left that were originally conceived for one reason or another, left out of this program. My understanding is that to a large measure, the program has been completed. I would just ask the Minister to corroborate that.

MR. GREEN: Mr. Chairman, I believe that everything that the program envisaged was substantially done. I don't think that there have been any major things that have been left out. It appears that the Birch Creek Lateral will be completed during the year 1976-77, and that that will finalize the program.

MR. CHAIRMAN: Resolution 84(d)(2)—pass; 84(d)(3) Canada-Manitoba Northlands Agreement (a) Salaries and Wages \$156,300—pass; Other Expenditures \$82,400—pass; (d)(3)—pass. Resolution 84: Resolved that there be granted to Her Majesty . . . The Honourable Member for St. James.

MR. MINAKER: I wonder if the Honourable Minister can advise us of the number of contract employees under this resolution and also computer.

MR. GREEN: . . . contract employees and there are \$130,500 in computer charges.

MR. MINAKER: How many contract employees?

MR. GREEN: Eight contract employees. 4(c)(2) \$125,300; 4(d)(1)(b) \$5,200; those are the computer charges.

MR. CHAIRMAN: Resolution 84: Resolved that there be granted to Her Majesty a sum not exceeding \$11,969,700 for Mines, Resources and Environmental Management—pass.

Now I refer honourable members back to Resolution 81(a)(1) Minister's Compensation — Salary and Representation Allowance. The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I would like to first thank the Honourable Minister for his prompt answers to many of the questions that have been raised by myself and some of my colleagues covering his Estimates. I know the Honourable Minister indicated earlier when we got involved in debating some of the philosophies, he indicated that we could debate all day in this Legislature and all night and I am sure he would be prepared to and I am sure I would be prepared to. We know our differences so I won't necessarily repeat some of the comments that I made with regard to our concern about the exploration and the method the Minister is using. I would like to make some general comments at this time relating to some of the Minister's answers and general attitudes that the Minister has towards his department.

It is understandable, Mr. Chairman, the attitude that this Minister has towards the direction of his department because for the four years that I have had the opportunity to sit in the Legislature and listen to the Honourable Minister present his points of view and his government's points of view, that there is no question that he is probably the spearhead on the government's side to much of the socialistic legislation that has been brought forward in the past four years and in the past eight years. I would probably think that he is probably the strongest voice in the Cabinet in that effort. The architect, as the Honourable Member for Crescentwood indicated. I would think that statement wouldn't get that much argument on our side or I would think on the government's side. So when the Minister approaches the policy and direction of his department with regard to exploration and with regard to development, he obviously looks at that criteria of government ownership and government development and government employees.

I think the Minister has indicated through the years in his debate, my understanding of the Minister's presentation, that he believes in government ownership and the state ownership and so forth, so it is only natural that these are major criteria and major policy that the Minister puts forward and believes in the big government approach of the operation of many areas which he is responsible for. I think it came home to light the other night in debate with my Honourable Leader during the Economic Development Committee where there was debate going back and forth. There were four words that the Honourable Minister stated that caught my ear immediately and I recognized had come out that really came from the heart of the Honourable Minister and that was "that nonsense of free enterprise" he said. I think those were basically the four words that I heard. It seems to reflect into the general attitude that the Honourable Minister has towards the free enterprise development of the mining industry and his strive and long-term, long-range planning which would be all the resources developed by his government or the Government of Manitoba; all of the mines would be owned and operated by the government; all of the people working in the mines would be government employees or Crown agency employees, but still under that control of the State and the government. I think that — correct me if I am wrong, Mr. Chairman, or I hope the Honourable Minister will correct me if I am wrong — but this isn't his long-term range of plans that he would foresee and would like to see happen to Manitoba. This is the direction . . . he has indicated I think in the Legislature that, you know, we'll make six steps forward and maybe we won't be back so we'll maybe move two back. But then we will move another six steps forward some day so that, in the long run . . .

MR. GREEN: Lenin only took two.

MR. MINAKER: . . . this is the planning that the Honourable Minister would like to see happen. So, it is quite understandable that the Honourable Minister directs his mining operations and his development of MDC and so forth, in this direction. I suggest that the government has selected the right Minister to look after this portfolio because, as the Honourable Minister indicated in debate the other day, we could debate here all day. He won't yield and I won't yield, so that I would suggest that the government has selected the right Minister if this is their long-term range policy. It would appear that it is by the basis of the operation of this department and much of the socialistic legislation that this government and this Minister has spearheaded, despite of the 'image that the First Minister tries to portray of being the liberal type of leader who doesn't want to go that far to the left yet allows this type of operation to continue under a very major department; allows socialistic legislation to be spearheaded and put through by the Honourable Minister's efforts I am sure, both in the Cabinet room and here in the Legislature.

It is quite understandable that the Honourable Minister pursues this because this is his lifetime belief, and I think he indicated it approximately three years ago or two years ago when at that time I think the bill was Bill 81. He indicated that this particular bill he was presenting would be a major achievement in his opinion as being a political representative of the government of the people of Manitoba. So we understand the Minister's long-range plans; it's just that we do not agree with them and the debate will go on. I firmly believe that the majority of people in Manitoba do not want this approach so that it will be found out in the coming election. There is no doubt about it, the Minister indicated it. This will be the approach to the electorate and I believe that the electorate of Manitoba do not want big government, they don't want to work for the government. They basically want to see some moneys left in their pocket to spend the way they want to spend it.

Mr. Chairman, I did find difficulty though in understanding the Minister's logic when he presented the cost-benefit-ratio with regard to water management. I asked the Honourable Minister was this a major criteria or consideration and he indicated that it was with regard to development of water resources in controlling the water difficulties that we do have in our province. He said that if there was a positive side that they wouldn't be shelved, they would be approached.

Now, in debate with the Honourable Member for Lakeside, he sort of indicated that we on this side or the Honourable Member for Lakeside was trying to imply with regard to the integrity of the professional engineers that are on his staff. I, as a professional engineer, know the seriousness of that particular statement. The Honourable Minister knows, as a professional engineer, that if I am to dispute publicly or to someone like himself with regard to qualifications of recommendation by a fellow colleague engineer, that I have to forewarn him and advise him of it and such. I would like to advise the Honourable Minister at this time that the discussions that I am going to be talking about at the present time, I am not debating the integrity of his staff or the professional engineer. But what I am suggesting, Mr. Chairman, is that when one looks at cost-benefit ratios I think the Honourable Minister said that there was one that was nine to one. I think it was either Souris or it was the Souris involved with the flooding of Carman. That was just out of the question.

Well, Mr. Chairman, what happens — and I suggest to the Honourable Minister — if I am a professional engineer employee in his department, I am responsible for preparing a cost-benefit ratio. Basic guidelines are set and we go out and we gather the data, not just the engineers but their staff, and they gather the data, they come forward with the information, the professional engineers sit down and discuss them with planners and so forth. They present a report in most cases if it is going to a company, they are required to stamp the report. But the basic criteria is set.

Well, Mr. Chairman' to give you an example with regard to Manitoba Hydro, the engineers were advised to prepare a cost-benefit ratio on the Churchill River Diversion. They came forward with their recommendations. There was a change in government. The new government set new criteria. All of a sudden they said, look at the natural resources and the cost of the natural resources. Look at the human factor, I would imagine, which is part of the natural resources — displacement costs. The same engineers came back with a different cost-benefit ratio. Now, that is not being a poor professional engineer. The criteria was changed by the managers that you work for or your client. Now, if something is done wrong ethically, regardless of who the owner or the client is, it is demanded by the profession that the client that you are working for, you advise them that it is not ethical, I cannot do it, and you back off, if you abide by the professional ethics. Now, I suggest to you that the cost-benefit ratio, if the government sets the criteria to the staff that were here that's different from the original, they are by responsibility as employees should go out and gather new cost-benefit data based on other criteria. We are not debating at this point the integrity of the professional man.

Now, I ask you, Mr. Chairman, how does the Honourable Minister who is responsible for Water Management say on one hand that a cost-benefit ratio of nine to one, forget it when it comes to the flooding of Carman. At least in the instance of the Manitoba Hydro in the original plan, the native people that were involved in relocation would know the permanent level of the lake, would know where they had to move permanently, would justifiably I would hope, get proper compensation for

this difficulty, but in the case of someone who lives in Carman and farms along the Souris River, it's still a permanent factor, the flooding, if nothing is done about it. The only uncertain fact of it which is very important in my opinion is, is it going to occur next year? Is it going to be three years down the road? The uncertainty creates a problem. Are we not going to be able to put our crop in next year? These are still the same in my opinion as the native people who would be relocated in the South Indian Lake situation. Yet this government decided to set a different criteria with regard to cost-benefit ratio with the Hydro but doesn't look at it with regard to the flooding of Carman or Souris.

Now, Mr. Chairman, the other problem I have in understanding the Minister's logic is that he will use a ratio of ten to one to throw something out or will set the standards that he wants a positive cost-benefit ratio, but on the other hand in dealing with MDC, he doesn't look at the cost-benefit ratio in the same terms. If I understood the Minister correctly, he said the dollar spent; the dollar earned. Well, Mr. Chairman, what happened with regard to Saunders?

A MEMBER: Terrible guidelines.

MR. MINAKER: I would say that I am not discussing the integrity of Mr. Parsons who is a professional man. He came to the Minister and said we cannot go any further, we cannot go any further. This Minister made the decision, the criteria. We will go further. He decided on the cost-benefit ratio against the recommendation of his professional staff. Now, what is the cost-benefit ratio on a dollar earned, a dollar cost basis?

A MEMBER: What was it there?

MR. MINAKER: Well, Mr. Chairman, I can tell you on the report we received the other night, in 1975 sales of aircraft and parts \$263,475.00. In that same year, the deficit went from \$10,500,000 to \$40,435,000 so the cost-benefit ratio in that instance of some \$30 million to \$263,000 is 114 to one.

A MEMBER: Terrible.

MR. MINAKER: So, I cannot understand the Minister's logic unless he puts into the criteria, is it government owned, is it government operated, will it keep government workers working? This has to be the long-range criteria and I think the Minister indicated that when he said we will look at Part II of the MDC; we will make the decision. That's when that different cost-benefit ratio occurs. Well, I asked the Honourable Minister, is the land that's being flooded government owned? Are the people that are affected in Carman and along the Souris, are they government workers? Is it government development? Yes, the drainage is government development but all of a sudden there is a different cost-benefit ratio. That's I think the point that the Honourable Member for Lakeside was trying to point out, there are other criteria involved. I accept the Minister's responsibility. He has decided the approach to take on it. That's his approach. That's where we differ and we can debate about it all day.

These are some of the items, Mr. Chairman, that I have difficulty in understanding the logic of the Minister when on one hand if it's five to one — no. If it's ten to one — definitely not; but on the other hand, even if we give Saunders the benefit of the doubt that they produced 14 aircraft and they could sell them for \$600,000 each which is highly unlikely, you're looking at maybe a \$4 million return and a \$42 million expenditure. It's still 10 to 1 or 12 to 1. So, Mr. Chairman, it's difficult for me to grasp the Honourable Minister's logic in that particular area of responsibility that it has unless the major criteria of this department and of this Minister and of this government, the major, even above and beyond the cost-benefit ratio, is whether it is government owned, government operated, government developed and government workers will work for them.

Mr. Chairman, I suggest to you, Manitoba doesn't want this approach, not only in mining which is a major industry in the our province; it doesn't want it in the agricultural field; it doesn't want it in Manitoba. We're not built that way, Mr. Chairman, and the major population of Manitoba are not built that way, and that's why I suggest to the Honourable Minister that this debate won't be decided here today. It will be decided when the First Minister chooses to call the election.

MR. GREEN: Well, Mr. Speaker, the reason that the honourable member has difficulty in understanding my logic is that he has misconstrued it or he has refused to accept the basis of what I have said. He is now suggesting, Mr. Speaker, that the cost-benefit on which the Manitoba Development Corporation decided to build an aircraft industry at Saunders showed a loss of 113 to 1, and he knows that that is not correct. Mr. Chairman, he knows that that is not correct. Mr. Chairman, that is not the basis upon which they went into the program. The basis upon which the Manitoba Development Corporation went into the program was on the basis that they construed it could be a viable enterprise, the same basis upon which Mr. Hadfield the Conservative Premier of the Province of New Brunswick, went into the production of Bricklin automobiles. Now, the honourable member has the guidelines that have been issued to the Manitoba Development Corporation in 1973 regarding their criteria on which to enter an industry, and those are based on exactly the same criteria that I indicated previously, that it has to show a cost-benefit plus, and that is the philosophy upon which this government is proceeding.

With regard to the criteria in Carman, the honourable member is now suggesting that the engineers have been following different criteria as the result of the philosophy of the government. Well, I have to tell my honourable friend that the flaw in his logic, in that connection, is that there has

been no change in the criteria that are used by the department, with regard to water programming, than existed prior to 1969. There has been absolutely no change. And, therefore, if he is looking for inconsistency or if he is looking for a flaw in the program or a flaw in the philosophy, he will have to find it some place else, Mr. Chairman, because our criteria with the Manitoba Development Corporation, on the basis of proceeding with the program, is exactly now on the basis of the cost-benefit plus, and that started, Mr. Chairman, under this government.

The criteria that he tries to relate, with regard to South Indian Lake, is an entirely different proposition. In that case we were not looking at a cost-benefit relationship, we were looking at a total cost of a program. We are saying we want to produce so many kilowatt hours of electricity; here is how they can be produced. There are alternatives that can be done to produce them. Which is the least expensive? Under the previous administration they permitted them to determine what is the least expensive by ignoring the resource values. When we were arguing in the House — and my honourable friend the Member for Lakeside was here — not one word was directed against Hydro engineering. We said that we accept the fact that the Hydro engineers have properly figured it out and that they have given you these answers. What we say is that you must direct the Hydro engineers, that they should take into account what is happening, by virtue of the program with regard to resource value, and that's all we did, Mr. Chairman.

When we came into power we said, proceed as you have been proceeding, take into account the value of the resource values, add that to your cost and give us the best program. And they added that to their cost and they came out with the program that we are now proceeding with and it's not a cost-benefit program. The benefits we are aware of. The question is, how much should we spend to achieve them. And what we spent, and what we are spending is the amount that our engineers say is the cheapest program. It wasn't merely the Indians at that community that we were talking about. That's not the only part of it. There were 600,000 square miles of land; there was the wildlife resource; there were other resources that were affected, and the same firm went back and they figured out the value of these resources and said, if we take this into account and add it to the cost, there are equally attractive programs with less cost. That's how we proceeded. It wasn't a cost-benefit study. But if you are asking for consistency, Mr. Chairman, with regard to our MDC policy, you can't go after the events and say the cost-benefit study is what happened. The cost-benefit study is that this did not work out, and when it did not work out we discontinued it. The honourable member is wrong to say that we were advised by our professional advice not to continue it.

In the fall of 1974, the Board of Directors said that the amounts of money that would be required to keep this program in operation are such that we do not feel that the Board of Directors should assume responsibility for it. The technical advice from the board staff was still to the effect that this much money will produce a certificate, but the Board of Directors felt that they could not accept political responsibility for advancing that amount of money, even though it was indicated by the technical people that this amount will result in a certificate, and we want the government to assume responsibility. They didn't say, "Don't proceed." In the statement that was issued at the time that is what was said. So the government said, Okay, we will accept the political responsibility; we will not say that the Board of Directors proceeded on their own, especially in view of the criticisms that are coming and knowing what kind of attack is being made, the government will accept the responsibility for the net payments which are designed to get a certificate. There was no technical advice against that. What technical advice is my honourable friend referring to? Mr. Parsons advised not to proceed? That is not correct. Mr. Parsons has never said that he advised not to proceed.

A MEMBER: Didn't want to take the responsibility for it.

MR. GREEN: That is correct, Mr. Chairman. That is correct. Well, you know' at a certain point, Mr. Chairman, when a Board of Directors is under constant attack and when there is a lot of money spent, I felt that was perfectly reasonable on their part and at that time, Mr. Chairman, it was also indicated to us that there was going to be approximately \$6 million in federal moneys going to that project. Now, put yourself in the position. They tell you that \$9 million is necessary for a certificate; \$6 million appears to be forthcoming from the Federal Government; you have already invested \$20 million. Would you stop at that position? The government said, we will proceed to the next phase on the basis of governmental responsibility. It wasn't done on a non-cost benefit study position and even if there was at that time a problem, it wasn't as if we were starting from scratch. The program was in existence. Why doesn't the honourable member look at Churchill Forest Industries in the same way? On the basis of Churchill Forest Industries, with \$160 million invested and if we tried to calculate a rate of return on all of that, we would be losing enormous amounts of money in that firm every year. But we have to look \$16 million plus the \$11 million loss on operations which includes depreciation. Well, that may be high — that's \$27 million, there is some interest in that \$11 million — but nevertheless, what we are saying is that it is there; the question now is not whether we proceed with it but whether we stick it out and fight with it. On that basis, I never hear a word from members of the opposition to close down Churchill Forest Industries; it's been a constant drain on the treasury. The

amount that we have lost in Churchill Forest Industries is more than the amount that we have lost in all other Manitoba Development Corporation activities put together and the biggest potential drain on the industries remains Churchill Forest Industries because with regard to Saunders, it has been discontinued. You know, my honourable friend the Member for River Heights in a question in this House tried to juxtapose the two situations. He said, "How many employees are working at Saunders?" or something like that. I said that there are very very few. "How many employees are working at Churchill Forest Industries?" Almost a thousand. "Well that shows the one as against the other." Well, Mr. Chairman, on the basis of that criteria, Saunders Aircraft should be in continuation and would be a success. We could still have 500 employees working there but we would be putting more and more money into it and that is not our position.

The honourable member says that I am the person who has been designing the socialist programs in the Province of Manitoba. Mr. Speaker, if that's the way he wants to put it, let him put it that way. The fact is that the programs that I have been involved in are based on benefits to the public of the Province of Manitoba and are not based on the previous program of merely pouring money into failing industries. That is the basis upon which we are operating the Manitoba Development Corporation today.

There are some previous problems and those problems are a legacy of continuing Conservative and Liberal type policy. If you are going to look for socialism, don't look for the kind of activities that were engaged in by the Conservatives and the type of programs that we continued after 1969 for a limited period in terms of trying to bail out difficult situations. That's not socialism. Since 1973, and the honourable member ignores it, the amount of activities by the Manitoba Development Corporation, new activities which have resulted in problems has been a total of \$300,000 and that was a program where we went jointly with a private firm — that was Evergreen Peat Plant — that is the only loss on any activities beyond 1973 which were not previous problems of the Manitoba Development Corporation. So that in the last four years we have had the best record of operation of the Manitoba Development Corporation. The best record; not the worst record, and if one wants to then look at socialism, then look at the last four years when the policy was changed, when the guidelines were issued which have been followed up until now and we have a better record with our development agency than any development agency anywhere because we have not used the Development Corporation as a charitable institution for the purpose of trying to either help private industry or to operate as a bailing out situation.

With regard to the statement that my honourable friend makes that I am in favour of big government, Mr. Chairman, I am in favour of an increasing amount of public ownership. I have no awareness of any effective, really effective method of redistributing wealth in our society other than two things — the only things that I am aware of. One is public ownership; the other is the increased provision on the basis of social responsibility of services by the people collectively to all of the people in society. The provision of universal education to all citizens of society as distinct from the purchase of private education by those people who could afford it was an effective redistribution of wealth. The creation of a public park as distinct from the individual purchases of private recreational grounds for themselves is an effective redistribution of wealth. The provision of medical services at social cost — not free — at the cost of all of us because nothing is free, rather than the individual purchase of medical attention on the basis of individual responsibility is an effective redistribution of wealth. I am unaware, and I have made this position plain before, that the very very difficult attempts although they are well-intentioned and are useful because they constitute a direction with regard to tax reform have been an effective redistribution of wealth. One can look at the graduated income tax. In the United States when it started, look at the distribution of wealth before the graduated income tax and look at the redistribution of wealth after the graduation of income tax, net, in other words, after income taxes are taken. There is very little redistribution of wealth because the power structure is such that when the taxes go into play and the economic status quo remains the same, then those people who are required to pay tax also have the economic power to try to avoid the payment of those taxes or pass them on in terms of consumer goods. Members of the other side have said that and I don't find substantial argument with it but I do agree that one has to set a target of trying to have taxes based more on ability to pay. But as to effectiveness, then, Mr. Chairman, I suggest to you that public ownership based not on the fact of the public going into something because nobody else could do it and no bank would advance it but public ownership based on a viable return and viable enterprises is an effective way of redistributing wealth and the social assumption of individual costs of basic things which all societies should have is an effective redistribution of wealth.

The honourable member is saying that the government is going to lose the next election — you know, I mean, that's rhetoric which everybody must say. The Honourable Leader of the Opposition said it in 1973 too — next year in government — that was his slogan. The honourable member should know that the Member for River Heights and I are bred of a tradition which says—(foreign language spoken here)— which means "Next year in Jerusalem" which is a statement that your heart will be there. Physically it's not necessary but that is something that people of the Jewish tradition look to.

Well, he put it into "next year in government" with the same practical effect in terms of what actually happened for all of the people who say that. Maybe his heart was there but it never got there. The fact is that they make that statement and that is good rhetoric, perhaps they believe it, I would think I would accept their feeling that they think that they deserve to be in government. I believe we deserve to be in government so I say next year in government the New Democratic Party administration. That's all right.

Then they say that we are going to lose because of these things. Well, Mr. Chairman, if we lose, it will not be because of the mining policy in the Province of Manitoba. The mining policy in the Province of Manitoba makes eminent good sense. If we lose, it will not be because of the manner in which we are now dealing with the MDC. If we lose, Mr. Chairman, it will be because of the manner in which we dealt with the MDC before we made it a socialist program, not when it was a Liberal and a Conservative program. That is correct, Mr. Chairman. The manner in which the MDC was being handled was a legacy of what was happening under the previous administration and is handled that way by Liberal and Conservative governments right throughout this country. Do I have to give my honourable friends again chapter and verse? The Liberal Government of Ottawa and the Liberal Government of Nova Scotia recently bought a cruise ship for \$6 million. Well, Mr. Chairman, I say that that is Liberal policy; that is not this policy and I am suggesting that the guidelines issued to the MDC now — (Interjection)— Pardon me? The guidelines that we have set for the MDC — call it whatever name you like, look at the guidelines and tell me, what in those guidelines is not based on good business sense? What in those guidelines is not based on good business sense, as distinct from — and here is where the Leader of the Opposition, I'm told that I used the phrase — "that nonsense of free enterprise". Mr. Chairman, I never use those phrases unless they are in return. You go to Hansard, and as sure as God made little apples, you will find that that phrase was used — (Interjection)— as sure as God made little apples, you will find that the Leader of the Opposition used the phrase, "that nonsense of socialism". And I said, "that nonsense of free enterprise" just so that he would hear how it sounds when it comes out of his own mouth to somebody else, just as I did yesterday, with the Honourable Member for Fort Rouge.

I wouldn't call his proposals insane, but when he says what we are doing here is insane, then in order for him to understand the effect of that kind of statement, I say that the honourable member's proposal is insane, because that's language that he understands. So when the honourable member says that I said, "that nonsense of free enterprise", that was meant for the Leader of the Opposition, and if you will look in Hansard, he said, "that nonsense of socialism". — (Interjection)—

Mr. Chairman, let's look at the two situations. There is an economic theory which has considerable intellectual support and logic to it. The economic theory is based on the fact that a free society and a free economy, where each individual does his utmost to improve himself with as little interference as possible from the state, will, by use of that initiative, create wealth, that the result of that creation of wealth will mean that society as a whole will expand, and all of the people will gain the benefit of the initiative of these private individuals. And that these private individuals, because of their initiative and their willingness to take risks, will put up money, hard-earned money, which they have either earned for themselves or gathered because people have confidence in what they are doing, that they will risk that investment, and as a result of their willingness to take the risk, they are entitled to a reward as to what they are doing. And that reward goes beyond — like my honourable friend says, more than your fair share of 2 ½ times. That is a legitimate, intellectually sound proposition, which I respect.

There is an intellectually sound proposition advanced by people of good sense that society as a whole is able, through its collective efforts, to move into areas, to involve itself in risk taking, to then create wealth, which everybody in society will benefit from, and that as a result of society having been the agency which took the initiative and made the risk, society is collectively entitled to that. You may not agree with that, but that has been advanced by respected classical economists throughout history of a different school. I say that each one of those makes sense.

What makes no sense, and which is neither socialism nor capitalism, nor anything, is that nonsense of free enterprise⁸ as expounded by the Leader of the Opposition that society should gather from amongst its people a great deal of wealth, turn it over to an individual, and say that you run around under the guise of free enterprise, and if you succeed, we will declare you to be a captain of industry, and we will praise you, and we will lavish on you more than your fair share, and if you lose, we will take the loss. That is that nonsense of free enterprise which no political economist would give any credence to, which was exercised by the Leader of the Opposition when in opposition. It's interesting, Mr. Chairman, that even they would be embarrassed to say that that is what they were doing. Are memories that short?

They said that they were going to give \$100 million to somebody to build a forestry complex in The Pas, and the Minister of Finance responsible for the Manitoba Development Corporation, Mr. Evans, got up and said that these people have their own source of financing, they will not need public moneys. They certainly had their own source of financing. The source of financing was the pockets

of the taxpayers of the Province of Manitoba. And so "ridiculous and so nonsensical is that position, that the Conservative administration would not have been able to sell it to their own caucus and could only proceed on that basis on the understanding that nothing that they did would be open to public scrutiny. So that's what we are fighting, Mr. Chairman.

We are now in the position that the so-called free enterprise system has admitted failure. They admitted that they cannot proceed. They have said that we can only proceed now if the public finances us. . . And that has been done throughout this country. It's being done through the CDC, it's being done through DREE — talk about . . . in the Development Corporation, let's say in one year we lost \$17 million — in one year, DREE didn't lose \$17 million, they reached their long free enterprise hands into the pockets of the taxpayers of the people of this country and gave away 96 millions of dollars in gifts, in gifts, to people who they then called captains of industry and are then entitled to more than their fair share as a result of having used this public money with no risk to themselves.

Mr. Chairman, if this government has problems, and every government will, I say that those problems are not with those things which they choose to identify as socialism. It's problems, Mr. Chairman, that would result from things that have been done throughout this country which we have not sufficiently changed direction of in this government. So I will have no difficulty defending the mining policy of this government, nor will I have any difficulty defending the manner and the philosophy under which the Manitoba Development Corporation is operating at the present time. None at all. Distinct from what has been similar situations in other countries.

Mr. Chairman, the honourable member, the Leader of the Opposition has taken this 2 ½ times to one time and suggested that that is such a horrendous idea that anybody should be satisfied that 2 ½ times what the lowest income wage earner, after taxes, is getting, is not a sufficient distinction as to what a man is worth in this society. Mr. Chairman, that is really quite a ridiculous . . . People of the same party disagree from time to time, that's not a secret, but the statement by the Premier that redistribution of wealth is one of the main goals of any social democratic society, as he said, or others would say, a democratic socialist society, and I choose to use neither the term social democracies or democratic socially, but I will say that a system of society that moves towards a greater equality of financial reward for the people who are in it is a good thing. I can't agree more, Mr. Chairman. The only thing that I would find a problem with is talking about figures of 2 ½ to one. Why 2 ½ to one? I'll give my friends something to go more to. I say that society should move towards greater equality to the people who are contributing to it. —(Interjection)—

Well, Mr. Chairman, it was said in philosophical terms by people who espouse ideological socialism, or whatever name you use, from each as to their abilities, to each as to his needs. Why one to one? Why should not people be rewarded in accordance with their needs rather than in accordance with what somebody else is getting? Because when you say 2 ½ to one, Mr. Chairman, — I wonder if the honourable members will just give me a few minutes — they feel that this is going to be used for them. For them, that's right. —(Interjection)—

Mr. Chairman, the honourable members say that I have convictions or ideas or beliefs. Yes, I grew up, Mr. Chairman, in what other people would consider circumstances of relative poverty, although I never in my life felt poor. Never felt poor. But people now tell me that what I was living in was poverty. I didn't feel poor. I mean, my father was working very day of the week, except Sunday. Sunday he worked at home. He hauled coal, Mr. Chairman, from morning till night. He worked like a horse, and he worked like a horse until he was, perhaps 67 years of age, and he got remunerated on a relatively modest basis. Honourable friends are telling me that I am worth 2 ½ times to one of what my father was. And I have a great deal of difficulty, Mr. Chairman, —(Interjection)— no, that's what you are saying. That's what you are saying. Mr. Chairman, you are saying that that guy who slugs it out and doesn't happen to involve himself in that type of activity which reaps a very large return, is obviously engaged in something which makes him worth less. And I say that he was not worth less, that what has happened is that we have figured out, in this society, a system of remuneration which rewards many people far too much who do too little — yes, and we have too many people who are rewarded far too little and do too much. And that society should move towards equality. I consider it an embarrassment, Mr. Chairman, for someone to say that I am worth 2 ½ times to one of my father, who worked hard, or of the normal working man.

Now the honourable members say, well you could easily relieve that embarrassment. You could give up that extra salary that you are earning. They made fun of the Member for Winnipeg Centre because he said he was earning too much. Mr. Chairman, I say that there should be greater equality, but I have no embarrassment at all about what I am earning. And the reason that I don't, Mr. Chairman, is although I may, in the context of things believe that there should be a system which is more equal, the fact that it isn't, I don't know how much I'm worth, but I know I'm worth as much as the Leader of the Opposition is worth, and therefore I have absolutely no embarrassment in taking the salary that society gives me, and know that I am worth as much as many other people who are making that same salary. As long as that continues, there is no way I am going to take less than what I can get. No way. But if you ask me whether I would work towards and move towards a society in which people,

yes, are remunerated more equally in accordance with their needs, and are asked to contribute to society more, in accordance with what they have to offer, I believe that such a society is worth working for, is worth fighting for, is worth coming into this House and arguing with my honourable friends about, is worth going throughout this province, from place to place, convincing people that that kind of thing is worth working for.

It's only that kind of challenge, if anything makes political support for this party, it's that kind of challenge. It's not the challenge that this party will give you something for nothing. Because nobody gives something for nothing. There are many many people who are willing to support and give their effort and their votes to a group that has vision of moving society towards a better proposition than giving up the ghost and saying, "They're all the same anyway, it doesn't matter who you vote for." On that basis, the Conservatives can be elected. But I haven't given that up, Mr. Chairman. Even if I did, what is so fundamental about the positions that we are proposing, is that you can go to any society in the world, you can go to any country in the world, it can be a democratic country, it can be a totalitarian country, it can be mixed, you will find that the substance of what I am saying is being said by people as a matter of political philosophy, as a matter of religion, and as something that people will work for. As something, Mr. Chairman, that people will work for, as against the notion that it's every man for himself, as the elephant said when he was jumping among the chickens, as Tommy Douglas so aptly put it.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. LYON: Mr. Chairman, I regret that I missed the first part of the interesting comments of the Minister of Mines, but I do, in the few brief minutes that are left want to say to him, first of all, a commendation for his bravery, because he is the first member of the front bench of this government to try to stand up and defend the 2 ½ times one proposition which animates and motivates this government. His First Minister hasn't had the candor, his First Minister hasn't had the bravery to come into the House and say what the Minister of Mines has just said, so I commend the Minister of Mines for saying what he has said this morning, because it does put into true perspective, perhaps more than anything, more than anything that's been said in the last eight years, the essential difference between my honourable friend's belief and the belief that is shared by many. I won't say all, many of his colleagues on that side of the House. I doubt very much if the Minister of Health shares my honourable friend's philosophy. In fact, I know he doesn't. I doubt if some of the others share it. But I'm happy to hear him stand up, as he is wont to do, forthrightly, and say what he thinks about it.

There are two other brief comments I would like to make on what the Minister said this morning, because he is striving for an ivory tower type of ideal which has been part of his ideology for almost 100 years since it was first penned on paper by —(Interjection)— well, 2 ½ times one, somebody said last year, even Castro does better than that. He's three times one. But to hear him say that in those terms is welcome, because I think it does bring in to crystal clarity the difference between his approach and the approach of the vast majority of the people of Manitoba, not just our party, the vast majority of the people of Manitoba do not prescribe to that. I'll tell him why in a few short words.

I thought it was very significant that in the course of his trying to detail what the philosophy is that animates the Conservative Party or people who are not socialists, he was talking more about Adam Smith's ideas than he was about modern day, non-socialist thinking.

Adam Smith was an interesting philosopher from the 19th Century, but Adam Smith does not animate the thinking of too many people on this side of the House. There have been many refinements since Adam Smith, and we admit that. I only wish my honourable friend would admit there have been many refinements and empirical disasters that have occurred since the time of Marx, and if he would only understand that then we would be on a modern-day debating basis.

The other omission from his comments this morning, he talked in his description of the free market system and so on, and his particular view of it — and I know that that animates him and I respect him for it — but he didn't once mention what is at the heart of the whole thing. . .

A MEMBER: Not once.

MR. LYON: . . . and that is, individual freedom, individual freedom. Because no matter how my honourable friend wishes to slice it the further down the trail you go to achieve this Valhalla, this socialist egalitarian society, the greater is the diminution of individual freedom, and that is not a political or a rhetorical statement I am making, that's historical fact. My honourable friend can look at whatever jurisdiction he wants to choose, in whatever part of the world he wants to choose, and that is the historical fact.

And the other thing that my honourable friend and most of his philosophical colleagues are blind to is, that it is a great idea that he espouses, this idea of equality. We happen to believe in equality of opportunity. We think that that's much more pragmatic and much more in tune with human nature — equality of opportunity — and we believe in that as fervently as he believes in egalitarianism.

But, the other point that my honourable friend and his colleagues always forget is, that set up there in an ivory tower his theory looks and reads well, but people keep getting in the road of it all the

time. Human nature keeps getting in the road of it all the time. There are tens of thousands of people in Manitoba, I'd say to my honourable friend, Mr. Chairman, who don't want to be squished into a two-and-a-half-times-one socialist Valhalla; or to use the Premier's inimitable terms, that generic middle-class that we're all striving to achieve. There are thousands of people, hundreds of thousands I'd venture to say in Manitoba, who don't want to be squeezed into that kind of a compartment; who want at the same time to have their individual freedom; who freely are willing to pay taxes and more taxes to support those same social services that my honourable friend believes in, that we believe in on this side, for senior citizens, for the disadvantaged, and so on and so forth. My honourable friend — (Interjection)— We'll admit it. My honourable friend will admit it. Some of his less perspicacious friends may not.

But social improvement is not a monopoly of socialist parties. There hasn't been a socialist party in office, federally, thank God, in the history of this country, and yet we have . . .

A MEMBER: Medicare.

MR. LYON: . . . programs — there have been Conservative and Liberal governments in office down through the years — but we have programs that my honourable friends support, that we support, that the Liberal Party support, and there is no monopoly on compassion. So I merely say to my honourable friend, he's left out a few things, and there isn't going to be time to round out this discussion, but he has left out individual freedom. And what he should remember is that one of the concomitant parts of the free market, free enterprise system that has developed in the world over the last 200 to 300 years, is a degree of individual freedom that we in the Western World happen to cherish a great great deal; and that most of us — including my honourable friend — most of us are prepared to fight for. We're prepared to fight for that sooner than fight for egalitarianism, I'll tell him that' because individual freedom, once lost, is something you can never regain. And I say this, that individual freedom is tied in to economic freedom.

A MEMBER: Right.

MR. LYON: And the kind of economic freedom that he would try to hit on the head through his two-and-a-half-times-one formula is not consistent or consonant with individual freedom, and is against human nature, and is alien, and is alien to the thinking of the vast majority of the people of Manitoba. So I welcome the way that he has brought into pristine clearness and clarity this morning, that one of the fundamental differences — there are many others — but one of them, and I respect him for his views; I expect he respects me for my view; but never the twain shall meet and I suggest to him, that empirically and pragmatically his system has been an absolute failure in every part of the world where it's ever been tried.

MR. CHAIRMAN: Order please. The hour being 12:30, the hour of adjournment. Committee rise and report. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

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

MOTION presented and carried.

MR. SPEAKER: The hour being 12:30, the House is adjourned and stands adjourned until 2:30 this afternoon.