

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 14 June, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, by leave, I would like to make what I consider to be a nonpolitical statement on the Garrison visit.

MR. SPEAKER: Does the Honourable Minister have leave?

HON. A. MACKLING: Mr. Speaker, I would like at this time, the earliest time that I have had an opportunity to report to the House, to indicate my sincere pleasure and my sincere appreciation and my personal thanks, and on behalf of all I think, for the excellence of the contributions of all members of the joint Federal Government-Provincial Government delegation recently in Washington.

As honourable members know, it was composed of members at both levels of government and from the three major political parties in Canada and I say, without equivocation, Mr. Speaker, that in my opinion the teamwork indicated an extremely successful collaboration of viewpoint. I particularly want to thank my colleagues from this House; my colleagues, John Bucklaschuk, the Member for Gimli; the Member for Inkster, Mr. Scott. I particularly want to thank the two previous Ministers of Natural Resources, our colleagues; the Honourable Mr. Enns for Lakeside, the Honourable Brian Ransom for Turtle Mountain and the Honourable Harry Harapiak who also served, the Honourable Member for The Pas, who went. I can say, Mr. Speaker, that I don't think that such teamwork with such effect has ever been displayed before. There was a very good impression made in Garrison by the kind of common understanding and common purpose that was displayed. I particularly want to note the efforts of Senator Duff Roblin and the Honourable Lloyd Axworthy, Messrs. Bockstael, Jack Murta and the Honourable Terry Sargeant and the Honourable Mr. Masters from Thunder Bay.

It was truly impressive, the kind of team work, Mr. Speaker, that was evidenced and I think that alone, beside the argument that was addressed, had a very marked effect in Washington. I sincerely want to say I appreciate all of the members who participated in that exercise.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I wonder if I may be

granted an equal privilege to comment on the remarks just made by the Honourable Minister?

Mr. Speaker, I certainly want to, on behalf of my colleague, the Honourable Member for Turtle Mountain and also the colleagues of the Conservative Party, Messrs. Murta and Charlie Mayer, express our appreciation for having the opportunity given to us to participate in the rather unique delegation and the representation that was made on behalf of Manitoba, on behalf of Canada, in Washington. Mr. Speaker, we hope of course that it will bear the kind of results that the effort expended would call for.

However, Mr. Speaker, let it be said, and I feel that I should say it, there was nonetheless a continuing feeling that I had, and shared by some of my colleagues, that the fundamental role in this whole matter has to be played by our national government through the offices of the Canadian Embassy, through the Department of External Affairs, a role of course that has been played over these past many years. I think it was a useful purpose to have demonstrated the unity on this issue to our American colleagues, but one can't help but get that impression when you witness the pressure cooker of politics that takes place on the Hill in Washington, particularly at Budget time, that really, in the kind of relations that countries such as ours have on important issues like that, I would not want to leave the impression that these journeys by political people from time to time can in effect bring about that basic understanding of the issue that is best represented forcibly by those particular jurisdictions that have the direct responsibility, in other words, the Department of External Affairs. It is Canada and the United States that have a difficulty, as much as Manitoba is involved. It is the assurances that we have had from several American administrations that they will honour the 1909 Boundary Waters Treaty that we depend on.

I was pleased to have been included with the efforts of the Minister and let me acknowledge the good efforts of that Minister; the Minister certainly represented Manitoba well in the presentations in Washington on the very important matter of Garrison.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. R. PENNER introduced Bill No. 53, an Act to amend The Builders' Liens Act, Loi modifiant Loi sur le privilèges du constructeur.

MR. G. MERCIER introduced Bill No. 62, an Act to amend The Highway Traffic Act (2).

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the gallery, where we have 25 students of Grade 8 standing from the Kenway Secondary School. The visitors are under the direction of Mr. Bob Reimer and the school is located in the constituency of the Honour-

able Minister of Highways.

There are also 28 students of Grade 5 standing of the J. A. Cuddy Elementary School under the direction of Ms. Marie Brooks. The school is in the constituency of the Honourable Member for Morris.

There are 20 students of Grade 8 standing from the Isaac Newton Junior High School under the direction of Mr. Armstrong. The school is located in the constituency of the Honourable Member for Burrows.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I have a question for the Minister of Finance or for the First Minister.

In view of the fact that the Federal Minister of Finance has apparently indicated in the House of Commons on Friday last that there is some question about the constitutionality of Manitoba's proposed payroll tax, will the Minister of Finance now provide an opinion from the law officers of the Crown of Manitoba, indicating that this tax is one that is constitutionally in order vis-a-vis the ability of a province to tax the Federal Government?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker. I have seen the statement by the Minister of Finance of Canada and I've also seen his statement indicating that it is his opinion that they will do what is constitutional. I presume that it is also his opinion that their payments to Quebec are constitutional. That being so, I don't see any difficulties whatsoever.

HON. S. LYON: Mr. Speaker, will the Minister of Finance or the Attorney-General now provide a written opinion from the law officers of the Crown as to the constitutionality of this tax, which the Legislature is going to be called upon to deal with and pass very shortly?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: As I attempted to point out to the Leader of the Opposition some time ago but, you know, just as you can lead a horse to water but not make it drink, I don't think you can lead the Honourable Leader of the Opposition to intellectual thought and make him think.

The fact is that there's a presumption of constitutionality in favour of bills passed by a Provincial Legislature. We rely on the presumption of the constitutionality, which means that it is up to anyone who would challenge it. I would think that it would be the Leader of the Opposition who would be last to do that if he had any feelings for the needs of the Province of Manitoba. It's up to anyone who would challenge it to challenge it.

Secondly, when he asks for the opinion of the law officers of the Crown, there are some 90 of them; would he have us take a referendum among all of the

law officers of the Crown and if we win by a majority, which law officer of the Crown does he have in mind? How ridiculous can you get? I can scarcely believe that at one time he was the Attorney-General of this province. As the Chief Law Officer of the Crown, I have given my opinion to the Minister of Finance good, bad or indifferent as it may be and on that we stand until challenged.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I don't think members on this side of the House or indeed the public of Manitoba need be read any particular lecture by the present Attorney-General about the proprieties of obtaining a legal opinion for the House from the law officers of the Crown. If he wishes to betray his ignorance of the system, that's fine, but he doesn't have to offend the sensibilities and the intelligence of the people of Manitoba by showing that he doesn't know how government operates.

I am asking the First Minister now if he will obtain, for the benefit of members of this House, an opinion as to the constitutionality of the tax that he is purporting to impose upon the people of Manitoba. I ask this question, Mr. Speaker, because I now have in front of me the response of the Minister of Finance that was made last Friday and the Minister of Finance said as follows, according to the information just handed to me, "Madam Speaker, I do have an answer for the honourable member" - this is Mr. MacEachen speaking - "I would like to read the answer. I have had this matter carefully looked into and advise that the Federal Government had consistently taken the position that a province does not have the legislative jurisdiction to impose a tax on the Federal Crown."

Mr. Speaker, that being the opinion that apparently the law officers of the Crown have given to the Federal Minister, will the First Minister now obtain an opinion for the benefit of members of this House, so that we will not be asked to pass a law that is unconstitutional vis-a-vis the Federal Crown?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, the question has been very thoroughly answered by the Attorney-General and I associate myself with the response by the Attorney-General.

HON. S. LYON: Mr. Speaker, the response of the First Minister only beckons to mind that old statement, "There are none so blind as those who will not see."

I'm asking the First Minister again, Mr. Speaker, and it's a serious . . .

MR. SPEAKER: Order, order.

HON. S. LYON: It's a serious matter, Mr. Speaker, and the law officers of the Crown are in a position to give opinions to the government and to this House. Indeed, any member of this House can seek an opinion from the Legislative Counsel of Manitoba and, in the absence and the inability and the unwillingness of the First Minister or the Attorney-General or the Minister

of Finance to do that, perhaps the Opposition will be called upon to go to the Legislative Counsel of Manitoba and ask for that opinion before we are asked here to pass a law that is possibly unconstitutional. Will the First Minister force the Opposition to ask for that opinion or will he, in reason, ask for the opinion because of the statement that has now been made by the Minister of Finance that indeed the tax could well be unconstitutional vis-a-vis the Federal Crown?

HON. H. PAWLEY: Mr. Speaker, first I cannot help but wonder if indeed it is considered by the Leader of the Opposition that this tax is an illegal tax, an unconstitutional tax, I cannot understand then why the Leader of the Opposition, while Premier of this province, did not take Quebec to the courts a number of years ago. Because by the implementation of this tax in the Province of Quebec, it is my understanding that the Province of Manitoba and the taxpayers of the Province of Manitoba would have indeed lost millions of dollars.

Insofar as the question itself, again I turn to you, Mr. Speaker, for a ruling as to whether it is in order in this House to continue to ask questions which are obviously of a repetitious nature?

HON. S. LYON: Mr. Speaker, a further question to the Minister of Finance on the same point. Could the Minister of Finance — (Interjection)— well, you haven't heard the question yet.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I would appreciate a ruling pertaining to whether or not it is in order to be required to respond to repetitious questions.

MR. SPEAKER: Order please, order please. I'm sure that all members have read Beauchesne and they find in there that there are prohibitions against almost any type of questioning including repetitious questions. I believe I made it clear to both House Leaders at the beginning of the Session that there would be as much latitude given to questioners as possible, knowing that there would be an equal amount of latitude given by the answerers of those questions.

The Honourable Leader of the Opposition may continue.

HON. S. LYON: Thank you, Mr. Speaker. My question to the Minister of Finance, Mr. Speaker, arises out of the meeting that the official delegation of the City of Winnipeg had with the Urban Affairs Committee of Cabinet on Tuesday, May 25th, the summary of which was given to all councillors. I ask the Minister of Finance if this resume of the discussion is accurate. "The Minister of Finance" - I should explain, Mr. Speaker, in response to the city's request that they be exempted from the province's purported payroll tax. "The Minister of Finance replied that the credibility of the program depended upon the principle of no exemptions, and while he believed the city may have some valid concerns, he was not prepared to jeopardize the collection of the tax from the Federal Government by giving local governments an exemption."

Mr. Speaker, in view of the fact that the answer or that resume seems to indicate that the Minister of

Finance does have legal doubts about this payroll tax, which he has not admitted to the House, will he tell us if he's saying one thing to the city and another thing to this House?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, on Budget night, I explained that this was a tax which we regrettably had to impose because of a loss of \$719 million in revenues from the Federal Government over the next five years in equalization and established program financing. We had to replace that loss, which has to do mainly with health and post-secondary education, with another tax. This was the tax that we chose. I believed then and I believe now, that if we set up a tax which is discriminatory as between employers, that it would be a difficult tax to enforce and therefore we have been consistent in saying that all employers in this province, no matter what the circumstances, will be required to pay the tax.

Now there are some employers of small businesses who qualify for interest rate relief, for instance, who if they qualify for that program are entitled to a rebate of this one because of special circumstances. We are looking at the difficulties that certain other employers are facing and we will see what we can do about it. But in terms of allowing large groups of employers to opt out and then expecting the Federal Government to pay without a challenge, I think that would be asking very much of the Federal Government.

The Federal Government, as I understand Mr. MacEachen's answer, made it clear that it does have some questions in terms of a technical legality; that is, that we could force them to pay the tax, but they have never suggested - in fact, they have even suggested the reverse - they have told us, through the papers, that they are prepared to pay that tax in Manitoba and be a good employer in the same way that they are paying it in Quebec, and in a fashion not the same but similar in Ontario where they pay half, I believe, of the medicare premium which works out to \$648 a month, half of that being over \$300 per employee, which is more than they will pay per employee on the average here in Manitoba.

So we are not concerned that the Federal Government will take one position in Quebec and Ontario and another position in Manitoba. If it happens that the Federal Government decides not to pay it in one place, then I'm sure that they will not pay it in any other place and, therefore, we will gain revenue, additional revenue, from the Federal Government because there will be more payments in Ontario, more payments in Quebec, more payments in B.C., and more payments in Alberta.

HON. S. LYON: Well, Mr. Speaker, without at all accepting the very dubious premise of the Minister of Finance that there is any relationship whatsoever between Health Services' premiums in Ontario and Quebec and the payroll tax that he has imposed or threatens to impose upon the people of Manitoba, because that's a faulty premise.

Mr. Speaker, without accepting that at all, may I read to the Minister of Finance the balance of what was said in that answer in the House of Commons on

Friday last for his edification and ask the Minister of Finance if he agrees with this statement? The Minister of Finance made the answer that I have quoted. The Honourable Mr. Epp then said, "Madam Speaker, that being the case and that opinion" —(Interjection)— Mr. Speaker, do we have to listen to the braying from across the way?

Mr. Speaker if these . . .

MR. SPEAKER: Order please, order please.

HON. S. LYON: "Madam Speaker," and I'm quoting from Hansard in Ottawa, "that being the case and that opinion being in keeping with constitutional convention, I point out to the Minister that reports in Manitoba are that Ottawa intends to pay the so-called payroll tax which was in the recent Manitoba Budget. Does the Federal Government now stand by that statement; namely, that it will pay it regardless of the constitutional convention that the Minister has read out today?"

The Minister of Finance answered, "Madam Speaker, we would observe the laws of the Constitution." Terry Sargeant then said, "Madam Speaker, my question is directed to the Minister of Finance as a follow-up to the answer he gave to the Honourable Member for Provencher, because the Minister was not especially clear in his answer. Is he saying that even though the Federal Government has paid a similar payroll tax in the Province of Quebec for some years now, it will not now pay the new Manitoba tax?"

The Minister of Finance said, "Madam Speaker, my answer was in reply to the Honourable Member for Provencher, those answers still stand and the answer that stands is, we would observe the laws of the Constitution."

In that event, Mr. Speaker, and the Minister of Finance having said that the practice, the constitutional convention is opposed to the Federal Government paying such a tax, what advice can the Minister of Finance offer as to the legitimacy and the bonafides of the law that he is attempting to bring in vis-a-vis the ability of the Province of Manitoba to tax the Federal Government? What further support can he offer, because obviously his Federal counterpart feels that the law is unconstitutional?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, the Federal Minister of Finance is saying, first of all, that the Federal Government does not necessarily agree that a province has the right to tax the Federal Government. He is then saying that notwithstanding that technical view, he is saying by doing, for the last 10 years they have paid an identical tax - and the Leader of the Opposition suggests that somehow our tax is different from Quebec's - there's only one difference between our tax and Quebec's and that is, ours is 1.5 percent and theirs is 3 percent and if he can find it another difference, then I would be pleased to have him so state. There is no other difference. The Federal Government is making that payment in Quebec and has done so at a time when it was 1.5 percent and is now doing so when it is 3 percent and the Federal Government, by the very statement of Mr. MacEachen, believes that it

is acting constitutionally.

I would like to see one single case that the Leader of the Opposition could bring forward that says that it is unconstitutional for the Federal Government to make that kind of a payment, either to the Province of Manitoba or to the Province of Quebec. I'd like to see one case that says that the Federal Government does not have the legal right to make that payment. I do not believe there is such a case in existence.

HON. S. LYON: Mr. Speaker, to correct myself, if I said similarity with the Province of Quebec, I meant to say similarity between B.C., Ontario and Alberta and if I misspoke myself, I apologize to the Minister of Finance.

Mr. Speaker, the Federal Minister of Finance has said, "I have had this matter carefully looked into and advise that the Federal Government had consistently taken the position that a province does not have the legislative jurisdiction to impose the tax on the Federal Crown."

That being the case, will he now provide to this House a legal opinion from the law officers of the Crown that the Minister of Finance's opinion is wrong?

MR. SPEAKER: The Honourable Government House Leader on a point of order.

HON. R. PENNER: Yes, Mr. Speaker, on a point of order. I would ask that you rule.

I realize that you have given some advice informally to members of the Government House Leader and the Opposition House Leader, but there comes a time when you're asked to rule where I would hope that you would see fit to.

I have been keeping track; that same question has been asked nine times within the last two weeks. Surely it is time to rule as other Speakers before you have ruled - and I would invite you to do so - as to whether or not repetition of that degree is in order.

MR. SPEAKER: I will take the matter under advisement to see whether the objection raised by the Attorney-General is valid. But while we're on a matter of order, I somehow doubt that the reading of material from outside sources is really appropriate at question period. There is probably something in Beauséjour which says that it is not permitted. However, we have allowed some measure of reading from outside documents in this House. Beauséjour, I'm sure, says that it is incorrect or not allowed to read from such a statement and then ask a Minister of the Treasury Bench to confirm it.

The Honourable Leader of the Opposition will see, I'm sure, to what abuse that could lead to if it became far more widespread. A lengthy question invites a lengthy answer and the general effect of question period disappears if that were to become the rule.

The Honourable Leader of the Opposition.

HON. S. LYON: Thank you, Mr. Speaker. We'll, of course, attempt to abide by your suggestions and your advice which in all cases seems to be - to this side of the House - quite reasonable.

Mr. Speaker, I have a question for the Minister of Mines and Energy. Can the Minister of Mines and

Energy advise if he has consulted with his counterparts in Saskatchewan and Alberta concerning the proposed suggestion of the Federal Government. Mr. Lalonde in particular, that the Federal Government might be interested in entering into some form of financing for the Western Power Grid or Inter-Tie?

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

HON. W. PARASIUK: We have yet to have the meeting at the ministerial level, Mr. Speaker. I have indeed written my counterparts a letter in that respect asking when it might be possible for all of us to get together to pursue these discussions.

We have had some discussions at the staff level. We haven't had a direct response from anyone in Saskatchewan; but the response from officials anyway at the Alberta level was that they indicated they were pleased by Mr. Lalonde's response in that any federal assistance with respect to financing would in fact have some impact - if it decreased the cost of money - on the overall cost of the project and that could have beneficial consequences to all three provinces.

So at the official level in Alberta, they certainly took a positive open-minded response to this and certainly I can't say that necessarily is the response of the Ministers. I haven't had a direct response from them yet, but I'm hoping that when we meet in the near future, this is an item that certainly will be discussed.

HON. S. LYON: Mr. Speaker, I'm aware of the fact that the Minister may not have this information immediately at his fingertips, but I wonder if he could take as notice a question and perhaps give us an answer before the House adjourns. How many ministerial meetings has he held with the Ministers of Saskatchewan and Alberta since this government came to office on the 30th of November, 1981 concerning the Western Inter-Tie?

HON. W. PARASIUK: I guess I can say that we've had one meeting in person; we've had communications over the telephone and by writing. We had a meeting that was scheduled for May 12th that was postponed at the request of the newly elected Saskatchewan Minister responsible for the Saskatchewan Power Corporation. We are awaiting a response from that Minister as to when he could see fit to meet with the Honourable Mr. Shaben, the Minister of Utilities for the Alberta Government and myself, who have expressed interest in meeting as soon as possible. Mr. MacLaren, the new Minister in Saskatchewan responsible for the Power Corporation has not been able to arrange his schedule to accommodate a meeting as yet, but we're hopeful that will take place in the near future.

HON. S. LYON: A question on a similar line, Mr. Speaker, to the First Minister. Could the First Minister tell us how many times he has had meetings with the Premiers of Saskatchewan and Alberta with respect to the topic of the Western Inter-Tie since he came to office on the 30th of November, 1981?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, as the Leader of the Opposition knows, the subject matter was to be discussed at the Western Premiers' Conference, but in view of the change in government in Saskatchewan, the Western Premiers' meeting has been rescheduled to later this spring or early fall, at which time the item is to be on the agenda.

HON. S. LYON: Mr. Speaker, so we can take it then that the First Minister has not had a formal meeting with the Premiers of Saskatchewan or Alberta, present or past in the case of Saskatchewan, since November 30th, 1981.

HON. H. PAWLEY: Mr. Speaker, there have been some discussions with former Premier Blakeney. In fact, I had some discussion as well with the new Premier Devine on the phone in connection with the Western Inter-Tie and Premier Loughheed at the First Ministers' Conference, but there's been no formal meeting as such.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health and I would ask him in view of considerable anxiety in the community, particularly in the community of St. James, whether the Minister can dispell concerns on the subject and reassure the public that he is intending no change, Sir, in the historic name of Deer Lodge Hospital?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I'm sure that the honourable member wishes me to give the same answer because he asked this question and I answered in a very straightforward manner.

I did repeat it on a number of occasions that it has never been a set policy of government, or it has never been discussed in Cabinet that there should be a change or that there would be a change.

During my Estimates, I did give as an example - I was talking about Mother Theresa who was coming in. I thought that she was a great lady; I still do. I thought maybe if there was a way that we could honour her and one of the suggestions was maybe name a hospital such as St. James after her. That's all I said; I said it very clearly. I said it in the House here. It was an opinion that I had - an example. Since then we have found other ways to honour Mother Theresa and I thank the member for giving me an occasion to repeat again, because it is repetitious - I answered the same question in the House - that there is no thought certainly at this time of changing the name of the hospital at all.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I direct my question to the Minister of Economic Development and would ask her if she could confirm that the bankruptcies in Manitoba for the first five months of this year have now reached the same number that we had

for all the year 1981.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. M. SMITH: Mr. Speaker, that is approximately true.

MR. R. BANMAN: In light of the New Democratic Party's position in the last number of years that the past rates were totally unacceptable, and in light of the fact that they have now increased by over 100 percent since they have now taken office, I wonder if the Minister could inform the House as to what programs he will be instituting with regard to trying to bring down that alarming statistic.

HON. M. SMITH: Well, Mr. Speaker, the total government program is an attempt to do what is within the provincial range of options to remedy the situation. Specifically as well, we have moved in on the immediate interest rate problems.

Our department has also put in place an Outreach Business Alert Program. It's doing what it can in the management or facilitation of refinancing to assist businesses in trouble before they find it necessary to collapse.

In addition, we are looking at the Venture Capital field. You know there was, Mr. Speaker, an amount put into the Budget to assist with that. It is not a large amount. We are cautious about moving into that field because we only have limited resources to meet that need. However, we are committed to doing what is within our capacity to do, Mr. Speaker, and we will be making definitive announcements as soon as our proposals are more complete.

MR. R. BANMAN: Thank you, Mr. Speaker. A supplementary question to the same Minister. In light of the fact that the 1.5 percent payroll tax is an additional cost of doing business, will the government be exempting companies that are on the verge of bankruptcy from paying this 1.5 percent payroll tax?

HON. M. SMITH: Mr. Speaker, I and my government have rejected the approach to make ad hoc solutions, and a patch here and a bandaid there to problems which are far more profound, Mr. Speaker.

We've looked at the tax situation and the functioning of business in the broad sense, Mr. Speaker. We have done what we can to stimulate through direct investment and through demand stimulus, Mr. Speaker, and we designed a tax to enable us to do this, which was the most progressive tax available within our options, Mr. Speaker.

MR. R. BANMAN: Thank you, Mr. Speaker. I wonder if the Minister could inform how much money has flowed from the Program on Interest Relief that she announced some eight months ago.

HON. M. SMITH: Mr. Speaker, to date the amount is in the neighborhood of \$140,000, which multiplied by four is \$560,000 to \$600,000.00. Mr. Speaker, we told the Opposition that this program would be under constant review and given a couple of months experience,

we are prepared to change the criteria if appropriate.

Meanwhile, the main function of the program to assist with management, to assist in the consulting process so that small businesses are aided by their own efforts, Mr. Speaker, to survive these difficult times is in place and is being effective, far beyond the actual output of money.

MR. R. BANMAN: Mr. Speaker, in light of the fact that only \$140,000 has gone out to help the entrepreneurs in the Province of Manitoba and in light of the fact that the 1.5 percent payroll tax is probably going to affect these industries that are on the verge of bankruptcy to a much higher rate than the funds which they've given out, are they anticipating changing the guidelines of the program to make it meaningful to help businesses in the Province of Manitoba?

HON. M. SMITH: Mr. Speaker, we've given our undertaking that we're reviewing the guidelines and will alter them as experience dictates. However, Mr. Speaker, to find a direct or a simplistic connection between businesses' ability to survive and thrive with a program such as that is quite oversimplifying.

I ask the members opposite to look at the total government program. We have always said that business was a very important generator of growth and development in the province but not the only way in which growth and development can occur. In the overall government Budget, Mr. Speaker, which has increased public investment, which has increased the amount of money in the pockets of the lower wage earners so that they can buy what they need, the total package is in our opinion a balanced approach to maintaining the economy and providing what stimulus we can.

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. I'd like to direct my question to the Minister of Agriculture. I'm wondering if he can confirm a report released last Friday which indicated that to this point in 1982, 18 Manitoba farms have gone into bankruptcy. Has this department substantiated this figure?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I want to tell the honourable member that while I can't substantiate the announcement, we have put into place in this department now, which was not in place previously, an attempt to not only meet with the financial institutions, but to monitor through our program the extent of the financial situation that many of the farmers in this province face.

While there are many farmers who may not go into direct bankruptcy, there are many farmers who are finding that maybe selling off equipment or selling off parcels of land in order to meet their debt load, we are very concerned about that and we want to know the extent to which that is occurring. Although there hasn't been that kind of monitoring in place in the past, we are attempting to have a handle on it to see what other measures we should in our

power undertake

MR. C. MANNES: Thank you, Mr. Speaker. Hopefully the Minister will give to us the results of that monitoring process.

I'd like to ask though whether in fact he could give to this House his rationale as to why there are 50 percent more farm bankruptcies in Manitoba than in Saskatchewan and Alberta, wherein those two provinces there are double the number of farmers that there are in this province?

HON. B. URUSKI: Mr. Speaker, one has to realize I can't give a definitive reply to the honourable member as to why at this point in time there are double the amount of bankruptcies in the Province of Manitoba. All one has to do is look over the last number of years at the declining incomes that farmers have faced, the increased cost of inputs along much of which have been the interest rates; all those, coupled with low incomes and downturn in the market economy, Mr. Speaker, have put a great pressure on many farmers. Many farmers are those who have levered themselves over the last number of years by purchasing tracts of land, of course have had a greater pressure on them in terms of the repayment costs and their ability to survive when the economy - and over the last number of years the economy has been going down, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I'm tempted to further ask a question of the Minister of Agriculture, but seeing as we have the Minister of Municipal Affairs with us, I have a question for him.

Mr. Speaker, some time ago he was making a great fuss about the Main Street Manitoba Program that he was introducing; it was going to be the answers to all small towns and villages in Manitoba. Can the Minister tell those small towns and villages and the people of Manitoba why he is discriminating against those towns and villages that are unincorporated and is not allowing them to take part in that program that he's introduced?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Mr. Speaker, I don't know where the member gets his information, but at no time in any of my statements have I said that unincorporated towns would be excluded; every town can participate in this program. Any towns, villages, small cities - they have to work through their municipality, Mr. Speaker, but they certainly are not excluded. If they have a project that is worthy, has merit, is imaginative, innovative, exciting —(Interjection)— Mr. Speaker, I wish the honourable member would desist, who usually has a practice of trying to suggest things that are incorrect, and he should get his facts in place before he goes off the deep end and makes statements that he can't back up. Mr. Speaker, I wish he would desist.

MR. J. DOWNEY: Mr. Speaker, it's quite interesting to hear the Minister of Municipal Affairs in his response. Would the Minister be prepared to table all documen-

tation, letters, referring to his Main Street Manitoba Program, would he be prepared to present or table them in the House so that the true facts can be put forward?

Mr. Speaker, I have been informed by a good sized town in my constituency that they received a letter from the Department of Municipal Affairs telling them they would not qualify for the Main Street Manitoba Program because they were not an incorporated town or village. So, Mr. Speaker, what the Minister is telling us is untrue; that in fact towns and villages that aren't incorporated do not receive support.

So, Mr. Speaker, it is the Minister of Municipal Affairs who I hope would table that information and put all the documentation forward so that people of Manitoba can judge who's telling the truth and who isn't.

HON. A. ADAM: Mr. Speaker, if a letter went out from my department indicating that anyone refused a project because of the fact that a town was not incorporated, I would ask the honourable member to provide, or table a copy of the letter in the House so that I can deal with it. If that has happened, I will certainly check with my department because that is not the case, Mr. Speaker.

MR. J. DOWNEY: In other words, Mr. Speaker, can I have the assurance or this House have the assurance from the Minister of Municipal Affairs at this time that all towns and villages, whether they're incorporated or unincorporated, will qualify for his Main Street Manitoba Program? Will he make that point clear at this particular time?

MR. SPEAKER: Order please.

HON. A. ADAM: Mr. Speaker, I have said it before and I say it again that we will, even at the expense of being repetitious - I have said it before; I say it again - each application will be judged on its own merit. In fact, I'm not sure whether that is what the honourable member is looking for.

We have said that we will judge every application on its merit. Those small towns that are not incorporated - UVDs in other words - will have to work with their municipality because the municipality will have to submit the application in conjunction with the storefront applications from that community. We will judge every application on its merit, Mr. Speaker. How much clearer can I be, Mr. Speaker? What do they want?

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs and ask the Minister if he can inform the House if the government has developed a firm position yet with respect to the Assessment Review Committee's Report.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Mr. Speaker, that is also a question I believe I've answered in the past in the House. The fact

is that staff is now reviewing the report, studying it themselves so that at least they are familiar with it; then we will be briefing the members, the Cabinet and the members of the Legislature at the appropriate time once the staff know exactly what the implications are.

In addition to that, we are undertaking special projects, special assessments in different areas, rural and urban, based on the recommendations in the report, so that we'll be able to see for ourselves exactly what the implications of the recommendations are, Mr. Speaker.

The way we will be proceeding is once staff has had time to do these things - study the report and do some pilot projects based on the recommendations - then we will set up, as I said in this House in the past and I say it again today, Mr. Speaker, a legislative committee once we are fully informed ourselves, and we will go and meet with the municipalities and interested groups out there, so that we can convey to them what the implications of the report mean to the people of Manitoba. Thank you.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call second readings on the four bills standing for second reading, consecutively?

MR. SPEAKER: Beginning with 21?

HON. R. PENNER: Bills 27, 33, 42 and 43.

SECOND READING - GOVERNMENT BILLS BILL NO. 27 - AN ACT TO AMEND THE SUMMARY CONVICTIONS ACT

HON. R. PENNER presented Bill No. 27, an Act to amend The Summary Convictions Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, Bill No. 27, an Act to amend The Summary Convictions Act, introduces new procedures to deal with provincial offences and bylaw offences.

Presently, by reference to The Summary Convictions Act, provincial offences are prosecuted in accordance with the procedures in the Criminal Code of Canada, procedures which are designed and intended for criminal prosecutions. Many people have found the procedures which govern prosecutions for provincial offences to be confusing, expensive, time-consuming and much too complex considering the relative seriousness of these offences.

These amendments introduce the concept of the default conviction into the Province of Manitoba. Similar legislation has been enforced in the Province of

Ontario for the past two years. Similar legislation has been introduced or is under consideration in most other provinces. The objectives of these amendments are to simplify previous practices, eliminate unnecessary technicalities and remove the obstacles of delay from the conduct of provincial offence proceedings without removing any of the basic rights or protections.

The amendments, Mr. Speaker, will give every defendant the most convenient opportunity for trial on the merits of their case and that these cases should be heard reasonably quickly. The amendments will permit a peace officer to set out the amount of a fine for a particular offence on the offence notice. This procedure is followed, for example, in Saskatchewan and Alberta and was recommended to us by the RCMP. The exact amount of the fine where that can be stipulated would be established by regulation and we propose to follow guidelines issued by the Chief Provincial Judge to all provincial judges, magistrates and limited jurisdiction magistrates - Justices of the Peace. These guidelines are invariably followed when the accused person pleads guilty.

Now under our present procedures, Mr. Speaker, when a person is stopped and issued an offence notice for let's say speeding - probably one of the most common offences to be committed and to be prosecuted under the present procedures - if there is no response to the summons, the defendant is in effect tried in absentia. This is called an ex parte trial; that is, without the party being present. There are several hundred ex parte trials held every month here in the City of Winnipeg; that is, people get their summons and simply don't intend to do anything about it. There is now a backlog of two to three months for ex parte trials. As you may suspect, invariably, an ex parte trial ends up in the conviction of the accused person. Now what happens, let me just say parenthetically, is that in order for there to be an ex parte trial, even though it's invariably without the appearance of the accused and ending in a conviction, is that police officers have to be present, judges have to be present at very very great expense.

Under the proposed procedures where a defendant does not respond to a summons within 15 days, a default conviction will be entered. However, in order to safeguard the rights of accused persons within that period, the defendant may send in the fine by mail; appear in person and plead guilty and dispose of the charge; write to the court office and explain the situation, which explanation in itself, just a written explanation, could lead to a conviction, a trial on the merits or a reprimand or acquittal; or indicate to the court office his intention to plead not guilty and have a trial date set. So in effect, we're really expanding the practical rights of an accused person. As a fail-safe procedure, where the accused person fails to appear within the 15-day period and the default conviction is entered, upon receiving notification by mail of the conviction the accused person is entitled to request a trial on the merits in the Provincial Judges Court; so it's not a shutoff procedure.

For parking violations, the new procedures will obviate the need of the City of Winnipeg Police Department to serve summonses on those defendants who do not respond. Presently, at very very great cost, the City of Winnipeg serve upwards of 350 such sum-

monses each day. Again as a fail-safe procedure, the proposed procedures will permit a person to request a hearing on the merits after receiving notice in the mail of the default conviction for a parking violation.

The failure to pay a fine for a driving offence or a parking violation results as it does now in the suspension of driving privileges, but where a person is unable to pay the fine, something called the Fine Option Program will be available; that is, an option of community service to the payment of fines. The amendments further provide for costs equal to 20 percent of the fine to be imposed unless the court orders otherwise. Where the costs are set out in the regulation, it is intended that the costs will be an exact dollar amount; that is, it will be evened off, averaging out to 20 percent of the fines prescribed by regulation.

In any determination of the costs involved in processing provincial offences, I can assure members of this House that the cost we collect at 20 percent of fines will not yet meet our costs in providing the service; however, we determined that the persons who commit provincial offences should pay a fair share towards those costs. I would point out that for an average fine of \$25, and that is about the median fine for the bulk of these offences, the costs then would be \$5.00. Presently, the amount of cost varies from case to case and depending upon the service rendered. The costs for a defendant A can vary considerably from costs assessed against defendant B, notwithstanding that they have committed the same type of offence.

I would stress in conclusion that for those persons who are for one reason or another unable to pay their fine, what I've referred to as the Fine Option Program is available and applies to both fines and costs.

In concluding my remarks, Mr. Speaker, I should acknowledge the assistance my department has received from the City of Winnipeg Police Department, the RCMP and the office of the Chief Provincial Judge. I commend this bill to the House.

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

MR. G. MERCIER: Mr. Speaker, before adjourning debate, I just have a question for the Attorney-General. I wonder if he could indicate the reason why he is repealing the amendments last year, which I believe just dealt with the Fine Option Program and is reincluding them in this bill? Has there been a change in the legislation for that program?

HON. R. PENNER: No. In fact, the legislation that was introduced on the Fine Option Program was not proclaimed as I recall it, Mr. Speaker, and we're simply incorporating it in this Act. But it can be done in either way and we'll look at it, that is, we can either proclaim the Fine Option Program as originally passed by the House and just leave it go at that, or include it in the bill.

My recollection is that in fact there is no change whatsoever and there is simply reference to the Fine Option Program in the bill, not an re-enactment of it.

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

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

**BILL NO. 33 - AN ACT TO AMEND
AN ACT RESPECTING
THE ASSESSMENT OF PROPERTY
FOR TAXATION IN
MUNICIPALITIES IN 1981 AND 1982**

HON. A. ADAM presented Bill No. 33, an Act to amend an Act respecting the Assessment of Property for Taxation in Municipalities in 1981 and 1982, for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. A. ADAM: Mr. Speaker, in 1980 legislation was passed to freeze the municipal assessments in 1981 and 1982 pending completion of the work of the Assessment Review Committee. This bill proposes a further extension of that freeze. There is a significant distinction in this bill however. As members know, the report and recommendations of the Assessment Review Committee have recently been received, tabled in the House and made public. I have proposed the establishment of a Legislative Committee to hold hearings in order to receive comment from individuals and municipalities on the recommendations.

Research is being carried out to determine the specific effect that the recommendations would have if they are implemented. This bill therefore proposes extension of the freeze on assessment for municipalities to a time to be determined by the Lieutenant-Governor-in-Council. The bill provides that the application of the Act may be suspended with respect to the making of assessments for assessment rolls for municipalities in any numerical year.

This change permits the freeze to be lifted so that assessment legislation can come into force to coincide with the municipal taxation year, which is not the same as the provincial fiscal year. It also means that operation of the Act can be suspended without a need for the Legislature to be in Session. This bill basically continues the existing legislation. The study of the 164 recommendations of the Assessment Review Committee is continuing and there will be further consultation when the all-party committee of the House begins its sittings. These provisions will be important after that process has been completed.

Mr. Speaker, what we are doing here is just extending a present legislation that now sits on the books in order to allow the staff, the Government and the Legislative Committee that will be sitting, having hearings this fall, to have the time to deal with the report. That is the reason why we are proposing the extension.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Mr. Speaker, I move, seconded by the Member for Roblin-Russell, that debate be adjourned.

MOTION presented and carried.

**BILL NO. 42 - AN ACT TO AMEND
THE EDUCATION ADMINISTRATION ACT**

HON. R. PENNER, on behalf of the Minister of Education, presented Bill No. 42, an Act to amend the Education Administration Act. Loi modifiant la Loi sur l'administration scolaire, for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Thank you, Mr. Speaker.

Mr. Speaker, at present, payment of scholarships or bursaries or loans can only be made to individuals. At times it is more appropriate and is more efficient to make such payments directly to institutions on behalf of individuals.

The purpose of this bill, Mr. Speaker, is to allow for such payment to institutions. For example, when the department offers bursaries to teachers so that they may take courses in computer science and special education or French, it sometimes makes more sense to pay the bursaries covering tuition costs directly to the institutions rather than to a number of individuals.

In short, this bill will streamline an administrative procedure and increase efficiency and I commend it to the House.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I move, seconded by the Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

**BILL NO. 43 - AN ACT TO AMEND
THE PUBLIC SCHOOLS ACT**

HON. R. PENNER, on behalf of the Minister of Education, presented Bill No. 43, An Act to amend the Public Schools Act, Loi Modifiant la Loi sur les écoles publiques, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Thank you, Mr. Speaker.

There are two aspects to this bill and the first deals with agreements between school boards and the Indian Band Councils. The second aspect of this bill relates to making it possible for trustees and teachers to negotiate sick leave entitlement beyond that authorized in the present Act.

We recognize, Mr. Speaker, the desire of our Native people to negotiate directly with school boards on matters relating to the education of their children. At

present the Act does not allow school boards to negotiate with Indian Band Councils. The amendment to the Act will make it legally possible for an Indian Band Council to sign agreements with school divisions for the education of Indian students in public schools and this is, we think, as it should be.

There is now, Mr. Speaker, an interim arrangement between the Federal Minister of Indian and Inuit Affairs, and the Minister of Education, whereby tripartite agreements countersigned by the Federal Department can be effected. This is necessary because federal statutes must be amended in order to give Indian Band Councils authority for the education of their children. The amendment proposed here will allow, under our standards, for the signing of local agreements but, of course, cannot be activated until federal statutes are amended. Both levels of government are in agreement with the promotion of local autonomy which will become effective by the proposed amendment.

As noted earlier, Mr. Speaker, the second aspect of the bill being introduced now for second reading, deals with sick leave entitlement by teachers. For many years sick leave was a matter which was negotiated between teachers and trustees. The parties believe, certainly the teachers believe, that the applicable legislation under The Public Schools Act with respect to collective bargaining included as a bargainable item the right to negotiate sick leave for teachers. Consequently, most collective agreements have included provisions for sick leave in excess of the mandatory requirements of the Act. Recently however, at a court ruling, the Court of Queen's Bench was asked by some school divisions to rule on whether or not sick leave entitlements could properly be negotiated by the teachers of a school division and the school division itself as a term of a collective agreement. The ruling of the Court of Queen's Bench was in the negative.

Mr. Speaker, I believe, and I believe that the former Minister of Education, that is the Minister of Education in the previous government, stated as well that it was not the intent when The Public Schools Act was proclaimed on December 1, 1980, to alter the hitherto existing negotiating procedures on this matter. Therefore, Mr. Speaker, the amendments proposed by this bill will make it possible for teachers and trustees to negotiate sick leave entitlement as in fact has been the case for years gone by.

The amendment, Mr. Speaker, for greater certainty will also make valid and enforceable all present provisions in collective agreements relating to sick leave, provisions which have been in force at the time of the court decision, and provisions which have been in force at the time the collective agreement was negotiated.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I move, seconded by the Member for Fort Garry, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the adjourned debate on Bill No. 21, The Community Child Day Care Standards Act.

**ADJOURNED DEBATES ON SECOND READING
BILL 21 - THE COMMUNITY CHILD
DAY CARE STANDARDS ACT**

MR. SPEAKER: On the proposed motion of the Honourable Minister of Community Services, Bill No. 21, standing in the name of the Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I adjourn this debate for the Member for Fort Garry.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Thank you, Mr. Speaker. I wish to offer a few comments with respect to Bill No. 21, Mr. Speaker, and am pleased that the Minister's duties, which I know are heavy, permit him to be in the House at this time. I want to assure the Government House Leader that I had in fact been intending to speak on the bill last week, but I didn't want to do it beyond the earshot of the Minister and hence I withheld my remarks till today.

Mr. Speaker, at the outset let me say that I think I can assure the Government and the House, on behalf of all members of the Opposition, that we do not stand in any way opposed to or critical of moves that are aimed at elevating the quality of child day care in the Province of Manitoba.

We welcome legislation that is designed to reinforce the excellent child day care system that we have in this province - which I might say is envied by jurisdictions across this country - and we certainly respond with our support and enthusiasm to efforts to ensure that standards of a reasonable nature for day care throughout the province are in place, are administered, and are observed effectively. All those things that lead to improved day care are certainly admirable objectives and goals and in principle we support such efforts.

However, Mr. Speaker, I want to express very firmly in the presence of the Minister our keen disappointment at the legislation that's in front of us, Bill 21. The Honourable Member for Wolseley, in speaking to this bill some 10 days ago made, I think, a very good case for day care standards and for improvements in the day care spectrum in Manitoba, or for that matter in any jurisdiction. It was a constructive and a positive contribution to day care discussion and debate. But I have to say, Mr. Speaker - and I listened to the member's remarks and I also have reread them in Hansard - that she was speaking essentially about day care. She wasn't speaking about Bill 21. What she had to say about day care had a great deal of merit, but it takes a quantum leap in imagination and speculation to link what she said with Bill 21.

As I've said, Mr. Speaker, we are keenly disap-

pointed for our part in what the Minister has produced here in the way of so-called legislation having to do with community child day care standards. It looks to us as though on the one hand he has laboured mightily and brought forth a mouse because of the fact that there is nothing substantive or tangible in the bill; and on the other hand it looks to us, Mr. Speaker, as though he has laboured mightily and brought forth a mystery. The bill itself, the product of the Minister's work, is a combination of a mouse and a mystery. We are left in Opposition, the day care community is left and the people of Manitoba are left not one wit wiser in terms of what this government is contemplating in the way of child day care than was the case when we walked into this Legislature and opened this Session, Sir, on February 25th.

During the examination of the Minister's Estimates in the month of March a number of my colleagues and I raised the question at that time, and raised it frequently, as to what he was intending, what this government was intending, in the way of day care legislation because this is another election promise of the New Democratic Government.

The government ran on a spectrum of promises, one of which was to introduce a Day Care Act having to do with day care standards and, at least in a mechanistic way they've followed through on that promise by producing a peace of paper and documentation entitled Bill 21, The Community Child Day Care Standards Act, which is now before us in this Legislature in the name of the Honourable Minister of Community Services. So, technically, Sir, they can say, well, we've kept the promise, we've brought in a Bill having to do with improved day care standards as we suggested we would, but on the basis of that promise, Sir, there were many of my colleagues and I, myself, who during examination of the Minister's Estimates in the month of March - and the record is there on Hansard, I'm not going to pull it out and reread it because it's there and I don't want it to occupy the time of the House at this moment in repeating it - asked the Minister as we examined the appropriation having to do with day care in his Estimates, what is contemplated, what is coming in terms of day care legislation?

The Minister at that time blandly assured the Committee and the House that all would be revealed once his legislation was introduced. The Bill was in the process of being drafted and the mystery would be unwrapped and unravelled and the answers would be provided once the Bill was brought into the House.

Well, Sir, this is the result of that exercise, Bill 21, which speaks in terms of the desirability of community child day care standards, a desirability with which we have no fault or argument, with which I suggest nobody could have any serious fault, but which, Sir, says absolutely nothing about the level and degree of those standards, the implementation and administration of those standards, the enforcement and application of those standards, and the requirements that persons interested in the day care community and the day care field of service are going to have to meet in order to provide the kind of services that are already in place in this province on a continuing basis, let alone provide additional day care services and programs. So, Sir, I have to say that this Bill is a vivid disappointment in its present form to those of us on this side of

the House.

Further to that, Sir, it is a disappointment and a troubling one to the Opposition because of what it represents in the way of the legislative process. The Minister and his colleagues are talking here, and obviously have been contemplating for some time, some major initiatives in a very important field of public welfare, community service and social activity in Manitoba. That was made very clear in the remarks delivered by the Honourable Member for Wolseley in her address on this subject in this House some 10 days ago. She spoke and she spoke very eloquently and very effectively about the crucial importance of good day care and good day care standards, about the unarguable value to us and to our society of our young children, our small preschool children, and of the urgent and compelling requirement for us to ensure that those young preschool children be given the most conducive and healthy atmosphere and environment that it is possible for us to provide them with during those formative years when their parents, single support or double support, are off in the workplace and unable to care for them at home.

She spoke eloquently and effectively about the very important requirement of good day care, good upbringing, good atmosphere, good environment for those vital resources of our province, the human resources, and the very young human resources represented in preschool children, in other words, represented by the consumers and users of preschool day care.

Now, that being the case, when you're dealing with an issue that important, and described as important and accepted by us as important, Mr. Speaker, one would think, certainly the Opposition would think, that the government would, in introducing legislation, have the courage and have the respect for the system and have the sense of responsibility to bring in whatever its legislative proposals were and place them before this Legislature in a way that they could be understood by the Opposition, by the backbench of the government, by the media and by the public.

One would think, Mr. Speaker, that the Minister and his colleagues would have said, the legislative process demands this of all legislation and certainly unarguably of legislation as important as this, in a field as important as this. We've got to tell the people of Manitoba, the public, the media, the House, what we're thinking about; what we're talking about. We've got to propose the legislative initiatives and innovations that we have been discussing ourselves, contemplating ourselves, so that there can be a meaningful, constructive and positive debate and exchange of ideas in the House where it should be on those policies and programming directions. We haven't received such from the Minister or the government, Mr. Speaker. We've got nothing from them except a cover, a book that contains a cover and empty pages left to speculation and imagination for the most part between those two covers.

So, I say that we are keenly disappointed and concerned on this side of the House at that level of consideration of this legislation too. First we are disappointed that the Minister did not keep the commitment he offered during his Estimates to bring in a piece of legislation that would reveal to us what he was con-

templating; second, we are keenly disappointed and disturbed in the attitude that it reflects toward the legislative process. That attitude being one of considerable and cavalier disregard at this juncture, at any rate, for what the Opposition may be able to say and provide in a constructive way where the government's contemplated legislation is concerned.

So we have to go blind on it, Mr. Speaker, and the Minister is asking us to buy a piece of blind-sided legislation. He's asking us to buy a pig in a poke. We don't know what he's contemplating in terms of the application and administration and enforcement of these standards. All that will come in the process of development and formulation of the regulations behind the government's closed doors.

Now the government has suggested that this is a process that is not going to be left to the bureaucrats, it's a process that is going to be pursued through a series or sequence of meetings and public hearings around the province; that, in fact, the Cabinet, the government is going to go out and seek the input and the ideas of the community before developing its regulations.

Well, that is something of a saving grace, Mr. Speaker, and if in fact that is the manner in which the government is going to proceed, then I think the Opposition must, in all fairness, acknowledge the ameliorating affect that will have. But it doesn't supply and it doesn't provide the kind of positive, constructively-produced legislation that the people of Manitoba have a right to expect because it comes at the wrong end of the legislative production spectrum.

If the Minister and his colleagues were going to go out and talk to the community and ask for input and ask for ideas and suggestions before moving into the day care standards field, why didn't they do it before drafting a bill and bringing a bill into the House and asking the Opposition, asking the House to pass a bill that simply provides a blanket opportunity for them to do anything in this field that they wish. Why would the Minister decide to proceed this way, committing this House to the concept and principle of community child day care standards without telling us what those standards are all about, rather than going out first and seeking that advice and those suggestions and that imaginative input, and putting those concepts together in a bill and bringing that bill into the House and saying to the people of Manitoba, and their elected representatives here, this is what we're contemplating; here's the bill and we ask for approval in principle and then we'll look at it clause-by-clause with you in the usual process after second reading stage.

It seems to me that would have been the traditional and the positive and, in fact, Sir, the proper way to proceed with this evaluation of public input and public attitude, instead of proceeding with the bill first and asking for that approval in principle and, in fact, asking for all three stages of approval in the House, and then going out and speaking to the public and the day care community about what they think should be in the regulations. Because, regardless of the well-meaning intentions of that aspect of the exercise, what will end up in the regulations, Mr. Speaker, will be precisely what the Minister and his colleagues want to be in those regulations and they never have to come into this House for assessment, evaluation, crit-

icism or passage.

So we approach this piece of legislation with very mixed feelings. Mr. Speaker, Nobody can be opposed to elevation of child day care practices, programs and policies in Manitoba; nobody can be opposed to a reinforcement of the system and an improvement in the quality of our day care and the implementation of standards and the requirement that day care operators must meet standards. But to ask us to do it this way, I think, represents a very cavalier attitude and a very cavalier disregard for the process and for the importance of the subject, an importance that was outlined by the Minister's own colleague, the Member for Wolseley, in her remarks.

Let us move on then, Mr. Speaker, having established the fact that we are being asked to do something here which we think is grossly unfair and grossly inconsistent with the legislative process, to issuing some guidelines and some warning signposts for the Minister and the government with respect to the regulations to be formulated, to be drafted and drawn by them over the course of the next few months, after this legislation receives approval in this House, if indeed it receives approval in its present form.

In approaching the regulations, in flushing out this legislation, in giving it body and giving it meaning, Mr. Speaker, let us emphasize to the Minister and the government, in the strongest possible terms, that this piece of legislation should not be used as a justification or an excuse for enforced conformity in the day care system. It's perfectly all right to pursue standards in child day care but the pursuit and the establishment of those standards should not be used to justify the introduction of homogeneity, just for the sake of homogeneity. We cannot necessarily achieve, and we should not, in my view, necessarily achieve, a totally homogeneous child day care system. If that is what is the ultimate objective of the government then the Opposition wishes to raise a warning flag on that point and urge them, in the most strenuous terms, to reconsider and certainly alert Manitobans and those in the child day care community, generally, to that danger so that those Manitobans, those citizens, can approach the government and urge them to reconsider.

One of the worst things potentially that could happen to child day care in Manitoba, would be an enforced homogeneity. We are a pluralistic society; we pride ourselves on the ethnic and cultural mosaic of our province. We have as many people living outside the major urban centre of Winnipeg as living within. We have remote and isolated communities, Native communities, far northern communities, vast tracts and regions of urban, rural, agricultural communities, and we have a major North American urban centre in the City of Winnipeg, and all those components of society combine together to form the social tapestry of Manitoba. All the threads in that tapestry are valuable in their own right and respected in their own right, and each of them needs to be addressed in exclusive terms, in specific terms to a certain degree when we are approaching Manitoba society from the point of view of social programming of the type involved in day care legislation.

To think that we can impose standards or that it's even desirable to impose standards with respect to qualifications of personnel, recruitment of personnel,

utilization of personnel in various of the rural and remote areas of Manitoba equivalent to those that one would attempt to implement in the highly urbanized Winnipeg area, I think, Sir, is negative and highly destructive, and will have the effect of damaging very seriously the morale and the quality of the child day care system as it exists in our province at the present time.

So our first warning to the Minister is to avoid any philosophical or ideological urge to make this whole system totally homogeneous and to produce standards that will be applied universally across the board where day care is in operation in every pocket and corner of this province. That kind of application of standards would be harmful and destructive.

Mr. Speaker, I want to ask the Minister on behalf of the Opposition to take very, very careful notice of the importance of the volunteer community boards and what those bodies have contributed to day care in this province. If it's the intention of the government to move in a direction that would bureaucratize the system and ignore the input of the volunteer and terminate the role of the volunteer community board, then the Opposition will certainly do all it can to fight those regulations as strenuously as possible. I suggest that vast components of the day care system will join in that battle, because at the very root and basis of the system at the present time are those volunteer boards, are those community boards who administer the centres, who give of themselves of their own time and their own energies to implement those centres, to put them in place, to make them work, and to provide the services specifically tailored to their own local communities that no government bureaucracy could ever do.

Mr. Speaker, a number of groups in the child care field have spoken up on this subject already and I believe the Minister has received some correspondence from some of them. Certainly some of his colleagues in the New Democratic Government Caucus have received some correspondence from them. They emphasize very strongly this point that I make about the volunteer community boards and that, I think, is an essential and a compulsory consideration for the Minister.

I'd just like to read the Minister some of the comments in brief that have been made to this point by the Central Region of the Manitoba Child Care Association, Mr. Speaker, and ask him to take these arguments under consideration very keenly. This is a commentary from a brief that's been prepared by that body and may have, to some extent, in some form found its way into the correspondence received by the Minister on this subject to date. If not, it certainly will be part and parcel of the argument advanced by the group in question at any public input hearings that are held when the drafting of the regulations is being contemplated, and indeed perhaps at clause-by-clause stage on this legislation after Second Reading.

This group, the Central Region of the Manitoba Child Care Association has, among other things, the following to say, Mr. Speaker, and I quote directly from the position that they take. "We believe the general value of our Canadian society is one of pluralism which suggests that our communities are best suited to getting needs met by a variety of independent

voluntary associations. May we remind ourselves that this is only possible if organizations which include voluntary community day care boards are independent of government authority." The Central Region of Manitoba Child Care Association goes on to say that believing in The BNA Act, its members believe in the definition of education as a provincial rather than a federal concern and, "This again reinforces the design of community elected boards. We find it an easy parallel to extend our vision to the volunteer community boards determining and enforcing policies for day care centres rather than the enforcer being a paid government employee, i.e. co-ordinators."

The Central Region of Manitoba Child Care Association goes on, Mr. Speaker, to say, "We acknowledge the need for standards and welcome them. We acknowledge the tremendous resource of concerned, skilled, volunteer community citizens and welcome their direction. We do not acknowledge the resource of only one person being given the power to enforce standards, nor do we welcome them. We trust you will carefully consider the alternative we have suggested." End of quote in that particular case, Mr. Speaker.

Other groups that have written in have included the Winkler Child Day Care Board, the Wee Care Child Centre from Carman and still others, Mr. Speaker, and I know that, as I've said, a number of these arguments have been presented to members of the government caucus. One urges those government caucus members, and the Minister in particular, to take them under very very serious consideration.

The Winkler Child Day Care Board makes the point that many of the needs of a day care centre operating in a community such as Winkler are very very different from those of an urban day care centre, Mr. Speaker. They point out that in many cases they would like to hire staff with formal training but they find it impossible to do so. If the regulations under this bill are going to require that only staff with formal training can be hired in day care centres, a number of rural day care centres are going to have extreme difficulty in staffing their facilities because of the arguments based on the experience of a group like the Winkler Centre to which I refer. They say they'd like to have staff with formal training but, up to this point in time, they've found it extremely difficult because of the fact that many graduates prefer to live and work in an urban setting. We know that's true in virtually all professional fields today; and secondly, that salaries offered by a rural day care centre are substantially lower than those offered in an urban day care centre.

The warning thus ensues from that experience, Mr. Speaker, that if there is too heavy a hand laid on the day care community by the government, with respect to qualifications and training, many rural day care centres may be forced to close. At the present time, many of those centres are giving care that is comparable to the care offered in the best centres in urban Manitoba and those providing the care are doing so with as much compassion and as much capability as child care graduates in most, if not all, cases. But forced into the conformity of regulatory qualifications and their application, those facilities may find themselves having to close their doors and those communities may find themselves without proper day care services, Mr. Speaker. These are very real concerns that

members of those communities raise and, in particular, members of the volunteer community boards on those day care centres raise with Government, as with Opposition.

The Board of the Wee Care Child Centre, in Carman, Incorporated, Mr. Speaker, puts the following argument, "The board of any nonprofit organization is essential in the performance of the program as a whole. The input of the community volunteer people is the backbone of such an organization. The community influence by way of the board reflects the needs of the community. Establishing one person as an enforcer would take away the purpose of the community board. We would then be primarily a fund raising body and would not have any direct influence in the community day care centre. A person from outside the community may not understand the different cultures and needs of a rural community. The philosophy of the community board may differ from someone who does not have a rural community background." They go on, Mr. Speaker, to make the case and re-emphasize the case that Government and Opposition, the Legislature of this province, must be very careful in proceeding with the implementation of a Community Child Day Care Standards Act not to damage and destroy what is out there and in place in the day care community at the present time.

Mr. Speaker, I think that one other aspect at least is worth emphasizing in looking at the intention of the government to move in this field, and that is there are a number of initiatives and innovations in the day care field that deserve attention alongside the matter of standards in the community child day care field. We think this government should be giving very urgent attention to day care in the workplace, which is a major evolving trend, and a subject that must be met and addressed with proper planning mechanisms now.

We think, too, that there are requirements that must be met in terms of recognizing the needs and the rights of parents, of women in particular, that go beyond formalized day care. There are a great many things that are required in our society for the emancipation and recognition of women and for the aid and assistance of parents, whether women or men, that exceed the formalized parameters of day care and one would hope that the government is looking at programs of support and assistance in those fields, not the least of them being the whole field of pensions and the position of the housewife in the pension category of society.

Mr. Speaker, a recent newspaper editorial pointed out that many services develop, and the examples are legion, precisely because innovative and motivated private citizens recognize a need and take it upon themselves, with their energies and their vision, to meet the need, to provide a service. This to a very large extent is the way many day care centres not only in Manitoba but everywhere in the western world, have evolved. Government does not provide all services, cannot provide all services and should not provide all services. As a matter of fact, Mr. Speaker, the Opposition, as you know, Sir, philosophically is strenuously opposed to any argument or any suggestion that government should attempt to provide any and all services.

There are many things in society that government

cannot do and will never be able to do, quite apart from the philosophical argument of whether it should or not and to move too heavy-handedly and too mechanistically into the field of providing such services as day care - where government is concerned - invites a reaction that would be most unfortunate for society, Mr. Speaker. Because the potential is there for the discouragement of volunteerism, not only the discouragement of private initiative, private effort and innovation, but the discouragement of volunteerism. Surely one of the greatest resources that we have is the resource of volunteerism, the desire and spirit of our citizens, a great, great many of them to give of themselves in fields of human service, child day care, being by no means the least of those fields.

So we would urge the government to be conscientiously committed to moving in this area in such a way as to continue to encourage volunteerism and private innovation and effort. The alternative, Sir, would be a stereotyped homogeneous system that would lead to the closure of many day care centres in the province that cater specifically to localized, regionalized, even ethnicized requirements and objectives and that, Sir, would be a tragedy.

All we can do at this point, Mr. Speaker, is offer those warning signs to this government because the government has said nothing other than it is going to move in the field of child day care standards. It would have, I think, produced and provided one of the most positive, imaginative and useful debates in this Session of the Legislature had the Minister been prepared to proceed with some positive suggestions rather than with an empty bill such as this. All we can do at this juncture is assure him that we support standards but we don't support rigid self-defeating regulations and we would urge him to approach his other initiatives in the field of legislation, the other way around, by bringing in the legislative proposals first.

MR. SPEAKER: Are you ready for the question? The Honourable Minister will be closing debate.

HON. L. EVANS: If no one else wishes to speak.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. J. STORIE: I would just have a couple of comments, Mr. Speaker, at this time. I had intended to make my comments during Committee but given the intention of the Honourable Member for Tuxedo to stand it, I think I would make my comments at this time.

First of all, I would like to compliment the Minister and his Legislative Assistant for all the work they've done in preparing this legislation. It is timely; it is something that is desperately needed and I would agree with the Member for Fort Garry when he says that he and the people in Opposition had no objection or criticism of the introduction of a piece of legislation that proposes to set some standards in the field of day care.

We recognize, and I believe the Opposition recognize that it is high time that standards were imposed on this important aspect of our society. Day cares have been in existence through one form and another

for centuries and over the last - particularly the last 20 years - we have seen a proliferation of types of day care, of levels of day care, and as well, we've seen an expansion or a widening gulf, if you will, of the standards, the methods and all of the aspects of day care have been widening to the point where individual parents, when they may wish to have their children attend day care cannot be certain of the quality of the day care that they'll be receiving.

We think it's important that parents have some assurance that when they take their children today care, that those children are going to be cared for with a certain standard of care; that those children will not be abused; that their psychological or social health will not be damaged by the fact that they attended day care. I'm not suggesting that is likely to be the case and I'm not suggesting that if it happens, it was out of maliciousness or any intent on the part of the individual responsible for the care of the children. It may be by accident, it may be out of ignorance, it may be for a lot of reasons, but the fact is the potential exists for the temporary or permanent damage of individuals in some way, unless there are some standards by which parents, teachers, individual citizens can be assured that care is of an appropriate standard, a high standard.

The Member for Fort Garry had made some comments concerning the bill before us. One of the comments that he made concerned the fact that there were no specific regulations outlined in the bill. What we have before us is the general intent of the legislation. It outlines some of the concerns and some of the areas of concern that the Minister, his staff and departmental officials, as well as representatives from the community had and they have covered them in a very general way, outlining the intent that we propose to follow.

As I've said, we agree on the standards or on the fact that there should be standards and those standards have to be enforceable. However, I disagree with the Honourable Member for Fort Garry that it would be appropriate to include a whole series of regulations that we would attempt in this Chamber to start negotiating or debating individual standards as they might apply to the different levels of day care. Clearly this is not the appropriate place to set those standards. What we have is the intent of the legislation and the standards will be set in consultation with departmental officials, individuals involved in the business of providing care to the children of the province.

Although I'm new to this Chamber, I do not believe that it is standard practice for governments to introduce legislation and introduce all of the regulations that pertain to that legislation at the initial presentation of the bill. I believe that regulations are developed in accordance with the guidelines and the principles that have been stated in the bill. I would suspect that the regulations that are developed as a result of this legislation, will be developed in a manner that regulations are developed; that they will be implemented and they will be developed by the people that have the greatest interest in seeing that these regulations do meet the needs of the children involved.

As well, the Member for Fort Garry had also made some comments concerning both the difficulties that we might be involving ourselves in when we try to over-regulate or try to regulate this very complex - I

was going to say institution, it's almost an institution - set of standards in this concept in the public mind. There are definitely going to be challenges that face the people when they develop regulations. However, I don't think that these are insurmountable.

In the first instance, the member was talking about the difficulty in finding qualified people or people who will meet the qualifications under the guidelines set up under this bill. However, it seems to me that finding qualified people in other areas, in the area of teaching, in the area of nursing, is also a problem in remote and rural communities. It is a problem that has existed for the past number of years and which exists today.

However, those communities, by and large, somehow do find the qualified people they need to carry on with those activities and the fact is that when the exact qualifications are known for this, to enable these individuals to become qualified day care staff, that those communities will find the ways and means to either have local people attend institutions to get the qualifications they need, or in time those qualifications will exist in the community. I should point out as well that in the circumstances, if circumstances warrant, the Minister under the Regulations 29.3 has the authority to grant individuals in the community without the necessary qualifications, the right to give day care, to provide day care. That's not to say that's the desirable way to proceed, but in the event that there is no alternative, a community is not going to be stuck for the lack of qualified personnel.

Clearly it's going to take a number of years for this new profession to generate the number of people that might be required in day care facilities. I assume that's to be expected whenever you're developing a new set of qualifications. It is going to take some time for people to come forward to offer themselves for training, so that we do have the people that we need, but that should not be a stumbling block. There are provisions which will allow the Minister to allow individuals, based on the qualifications that they do have, to take charge of day care schools at whatever level.

In addition, the Honourable Member for Fort Garry also made some comments about the difficulties that are going to be encountered because of the fact that different communities to begin with had different pre-existing conditions. Clearly, there is not always going to be the appropriate facility available in any community, a facility that would meet in the first instance all of the regulations which will be established in the near future. Again, that's something that will confront the Minister. There are going to be occasions when the community does not have at its disposal the necessary facility. There are going to be instances when the facility that is there does not meet in all aspects the requirements of the legislation or the regulations.

However, we can only conclude that the Minister, at his discretion, will be able to review the circumstances that exist in those communities, rural and remote communities, and provide the best day care with the best set of standards that are possible. Again, it's to be hoped that as the number of qualified people increase, as people's awareness of the need for quality people in day care facilities and become aware of the need for not only quality staff but quality activities and quality programming for their child, wherever their community, the demand will increase and communities will

become more committed to the provision of such services.

I don't believe that providing facilities or providing day care per se can be solely the responsibility of the government. Clearly individual communities and individuals in those communities have some responsibility for taking the initiative in creating the facility and creating the interest in the community, so that people will become qualified to provide day care service and provide the incentive in the community to seek the assistance that is available and to ensure that the day care that is in the community meets the standards that are established.

It's not something that is going to occur overnight, it's something that is going to take a number of years to implement effectively. It's going to take a number of years before we find any kind of unilateral standard across Manitoba, if in fact that is ever the case. There are always going to be exceptions; there may never be identical uniform standards. But our hope is that given the resources of the government, the resources of the community and the understanding that standards are important that we will begin to evolve a better, more humane and more consistent form of day care in the province.

There are a couple of other regulations in the legislation, sections of the legislation, which I think are heartening; one of them is the Day Care Staff Qualifications Review Committee. Clearly there are no set universal standards when it comes to day care and I think the establishment of this Committee should ensure that over the years the people involved in day care and the care of our young children will evolve standards which will be both affordable and which will provide the children of the province the best standard of care that can be available to them.

All in all, Mr. Deputy Speaker, I'm pleased with the legislation. I know that many communities in Northern Manitoba, in particular, but also rural Manitoba, are looking forward to the government providing some kind of standards; looking forward to having the security of knowledge that when they present their child for day care, at whatever level or whatever type, that their child will be cared for, that the programming that is offered there will be imaginative and of some value; that their child will be provided with some nutrition; that the program will be of general value to his or her emotional health and well-being.

Thank you, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER, H. Harapiak: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Acting Deputy Speaker, if there is no one else wishing to speak at this time, I move, seconded by the Honourable Member for Assiniboia that debate be adjourned.

MOTION presented and carried.

HON. A. MACKLING: Would you now call the adjourned debate of the Honourable Minister of Transportation, as amended by the Honourable Leader of the Opposition, the Crow Rate Resolution, standing in the name of the Honourable Minister of Agriculture?

RESOLUTION - CROW RATE

MR. ACTING DEPUTY SPEAKER: On the proposed motion of Mr. Uskiw, the Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, last time when I spoke on this debate the Opposition, I will have to say, still wants to play games with the Crow rate. They still want to continue to play their games with the Crow rate issue, Mr. Speaker.

Mr. Speaker, for a party that represents the majority of rural Manitoba, in terms of Southern Manitoba, they are really putting their constituents on the line. To put it very bluntly, they are putting the welfare of their constituents on the line on this issue, Mr. Speaker. Just to think that their constituents continue to vote while they will be paying out - it'll be very clear - in the years ahead, Mr. Speaker, it really leads one to wonder the kind of thrust or the kind of direction that these people representing portions of rural Manitoba, how they can lead their constituents down the line.

When the Leader of the Opposition spoke and introduced the amendment to this resolution indicating that the resolution of the Crow goes far beyond just the Crow rate issue, Mr. Speaker. While we, on this side, agree that we need increased rail capacity, we need improvements of the transportation system but to make those improvements on the backs of the farmers, of Western Canadian farmers, Mr. Speaker, that is a totally backward way to go, completely backward way to go.

Mr. Speaker, the members of the Opposition should be aware that we, as a government, wrote to the Minister of Transportation in Ottawa concerning his plan. I want to quote just one part of this letter at this point in time where our Minister of Transportation, my colleague, the Member for Lac du Bonnet, wrote to him on March 26th and he said: "I wish to express my appreciation for your visit to my office" - and I believe members have had copies of that letter but I want to put this point on the record to make sure that they understand that our stand on this issue is fundamentally different from the stand of your leader and your party on this very issue, Mr. Speaker. —(Interjection)— Mr. Speaker, the Member for Morris chirps from his seat, says we don't have a stand. It is by virtue of this resolution that the stand that we have taken now makes it abundantly clear that we are on the right track, and the Conservative Party is tied part and parcel with Gilson and with Pepin on his resolution to this matter.

I go on to quote, "My colleagues and I are appreciative of your courtesy but we regret that our discussion did little to resolve our differences. The essential difference between the Government of Manitoba and the Government of Canada on the subject of transportation may perhaps be summed up as follows: The Government of Canada believes that the statutory rate on grain causes the railways to suffer heavy losses on the movement of grain and that" - and I quote from the proposal that Pepin tabled - "consequently the railways do not have sufficient financial resources to undertake the large-scale investments required, to expand the railway system, that Parliament should pass a law to assure that the railways will be paid

adequate compensation for moving grain, and that the new framework should promote increased efficiency and economy in the operation of the grain transportation system." End of quote from the proposals from the policy paper that was tabled by Pepin when he released it; I believe it was in February - just to have the date accurately. Well, Mr. Speaker, I have the copy of the policy statement, I don't have the date on it for the honourable members, February 3rd was the . . .

Mr. Speaker, "The Government of Manitoba takes the position that the need to expand railway capacity in Western Canada is an issue that is separate from the statutory rate on grain; that the protection of the farmer against the monopoly of the power of the railways requires a rate fixed by statute; that to assure equality of treatment of producers in different regions and to protect communities against discriminatory rate-setting, the principle of equal rates for equal distances must be maintained by statute."

Mr. Speaker, finally, "The Government of Manitoba takes issue with the manner in which losses incurred by the railways have been misrepresented with a companion issue of adequate compensation to railways for the movement of grain," as issued by Pepin.

So, Mr. Speaker, while the Conservative resolution, the Conservatives try to address themselves to the whole issue of employment, the whole issue of transportation, Mr. Speaker, we are saying that this issue is separate from the need for increased and improved transportation in Western Canada.

Why have we not heard from the Conservatives in the last few days, Mr. Speaker, at the time when we have now reached an historical milestone in the transportation exporting of grain in this country? Why haven't we heard plaudits from the former Minister of Agriculture who continually wants to deride the labour movement, the people who load the ships and work at the ports every time they are bargaining for wages? Now when we have already reached an historical milestone some almost two months before the end of the crop year, what do we hear from the Conservative Party? Absolutely nothing. —(Interjection)— Yes, the Member for Lakeside - and I have to say that he and I enjoyed the Lunder Fair on Saturday. The deafening roar from the Conservatives, the silence of their deafening roar is almost overwhelming, Mr. Speaker.

I mean, what does the statutory provision of the Crow rate mean to farmers, Mr. Speaker? It means two things to the farmers: one, it means a fixed rate to the producers. Mr. Speaker, the producer has been, if one can put it mildly, a captive of the railways in 1925 and he is still a captive of the railways in 1982. Mr. Speaker, our producers have no alternative but to move our grain by rail to port. We have no alternative in terms of cost effectiveness, that is our alternative. We have to move grain by rail to our nearest port and for us in Manitoba it means the Lakehead, Mr. Speaker, so we are a captive of the railways, no matter how one wants to put it and the fixed rate allows our producers to pick up the law and the producers will know what it is going to cost them to move their grain.

Well, Mr. Speaker, the Member for Morris says it's not true, we do have the rates fixed by statute. Mr. Speaker, the 1925 statute is not only a fixed rate but a fixed rate on a per ton mile basis. The fixed rate in law

is our producers' protection against his exploitation by the railway and the fixed rate on a per ton mile basis is what gives us the second feature of the 1925 statute - equal rates for equal distance. Mr. Speaker, that really comes down to the crunch on the issues that are being raised by my friends opposite. Equal rates for equal distance give our producers the delivery system that they have enjoyed in this province, Mr. Speaker.

Well, Mr. Speaker, we're not opposed to that, so says the Member for Morris. Does the resolution make reference to making sure that the principle of equal rates for equal distance on a per tonne mile basis are in statute? No, Mr. Speaker. The benefits that they talk about as being preserved for the farmers, how does their resolution word that, Mr. Speaker? What did their resolution say? It says, protecting Manitoba's grain producers by assuring that the historic benefits of the Crow rate are maintained. Let's deal with those historic benefits. Is the \$600 million now that we have as a subsidy to the railways, is that a historical benefit? So is that going to go out the window, Mr. Speaker? Is that benefit going to go out the window and the farmers will not enjoy that, Mr. Speaker?

The Leader of the Opposition, when he spoke, he indicated that the farmers' pockets were being picked by the Wheat Board and he indicated that if we were to look at the totality of this change that there would be more employment opportunities for our people of Manitoba, Mr. Speaker. Well, we did the analysis - obviously, either some who didn't advise their leader very well - on the amount of work that could be brought into Manitoba or Manitobans could benefit by this change, Mr. Speaker, and what did we find? Obviously the members of the Conservative Party did not read our analysis and maybe they didn't believe that there would be a great amount of jobs for the Province of Manitoba. Obviously they have listened to Pepin; Pepin said that there would be greatly expanded job opportunities for western Canadians.

Well, Mr. Speaker, the Member for Morris - either I am touching on a very sensitive nerve on their part because they don't want to be tied in with Pepin, because their proposals in their amendment to our resolution puts the farmers of Manitoba at the mercy of Pepin and the railways. Clearly and succinctly, they are prepared to give up the benefits that our farmers have had and to sell them out, to put the Crow rate on the table and let's get it renegotiated.

Mr. Speaker, I want to quote a statement made - I wonder if the members of the Conservative Party will agree with this quotation: "If once tampering with the statutory Crow rate is accepted or condoned or is an item on the bargaining table, all will be lost, for once the subject is on the bargaining table, it will be only a matter of time until it is lost step by step." —(Interjection)— Who said that? —(Interjection)— No. Justice Emmett Hall.

Mr. Speaker, the members, maybe they don't like his statements, I don't know, but they certainly weren't prepared. It appears to follow some of his recommendations with respect to the Crow rate and they are prepared by their resolution to have their constituents, as I said last time, pay the bulk of increased handling costs that farmers will be faced. I mean, they honestly believe - how can I put it? - that main line, the capacity on the main line, that the Crow rate is the

obstacle to increased main line capacity on our rail system, Mr. Speaker. It appears they claim that the Crow rate and you know, Pepin has claimed that, and Lyon, in his remarks by bringing forth this amendment, has indicated that we see the totality of the transportation system as being something different than just something all-encompassing and not just a Crow rate, Mr. Speaker.

So they must see the Crow rate as the obstacle in western grain transportation, Mr. Speaker, in main line capacity. Yet, when the railways themselves put out their documents on the capacity of the system, and we look at what their projections are - the member has visited the Committee. They sat at the Committee and they said, you know, we are going to be shipping grain westward and we need the capacity, we need the dollars to build that capacity; we need greater amounts of investment capital, Mr. Speaker. But what are we going to ship? The bulk of the shipments over the next number of years will be coal, Mr. Speaker, will be iron ore. There will be iron ore; there will be ore bodies —(Interjection)— Yes, to the west. There will be natural resources and there will be fertilizer from Saskatchewan, Mr. Speaker, absolutely.

So that grain will become an ever decreasing portion of the goods that will be shipped to the western ports and yet, when we talk about needing increased capacity, we are talking, let's raise the Crow and let's ship all the grain that we can, regardless of the price. But it will be our farmers, the farmers of Manitoba, who will be the losers in this game and it is the Conservative Party, rather than uniting with members on this side and saying that we oppose the Pepin proposal because it will put our producers at the mercy of the railways with increased costs. They are now going off and want to be totally wishy-washy, to make statements on this issue that really are meaningless, really don't mean very much, so that they can get off the hook and say, well yes, we believe that our farmers should be protected; we believe that they need an improved grain handling system but, if you do away with the Crow, we will have a better handling system, Mr. Speaker.

Totally misinformed, really putting the producers of Manitoba and of Western Canada, at a time in history, Mr. Speaker, when producer incomes are at an all-time low, many farmers are being forced to leave their enterprises. These people opposite are prepared - you know four years in office wasn't enough - they sided with the Federal Government on the interest rate policies; they sided with the Federal Government with respect to the energy costs and prices of Western Canada. I mean, Sterling Lyon, the Premier of Manitoba then, was one of the first Premiers who indicated that there should be a national agreement on energy prices and that energy prices should go way up, Mr. Speaker.

That's where they stood, now they're on a third issue and they say the third issue with respect to the Crow rate, let's negotiate the Crow rate away; and they say they are a friend of the farmer. Mr. Speaker, it is like taking the rooster to the chopping block, that's how they are a friend of the farmer.

MR. SPEAKER: Order please, order please. The time being 4:30, when we next reach this matter, the resolu-

tion will stand in the name of the Honourable Minister of Agriculture.

COMMITTEE CHANGES

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Yes, Mr. Speaker, may I just announce a couple of committee changes.

On the Committee of Statutory Regulations and Orders, the substitution I'm announcing is the Member for Brandon West substituting for the Member for Kildonan and then on the Industrial Relations Committee, the Member for Kildonan substituting for the Member for Inkster.

PRIVATE MEMBERS' HOUR

RES. NO. 4 - INDEPENDENT CANADIAN ECONOMIC POLICY

MR. SPEAKER: The first matter on Private Members' Hour today is the resolution proposed by the Honourable Member for Thompson and the proposed amendment by the Honourable Member for Sturgeon Creek.

The Honourable Member for Inkster has 20 minutes.

MR. D. SCOTT: Thank you, Mr. Speaker. It gives me great pleasure to once again rise to address this rather important question and I might add that I hope not to use my full 20 minutes today. I would like to see debate of this resolution come to an end. I think that we should be taking some action on this House and move on; we have a number of other Private Members' Resolutions before us and I think not only the importance of this one, but of the others as well that the House should start to move with some urgency as we come toward the end of our Session, to get some of these opinions that come from the backbenchers of both sides of the Legislature and given expressions from those concerns that are raised by various backbenchers as representative of the whole Legislature of the Province of Manitoba.

I'll have to start off, unfortunately, by not agreeing with the proposed amendment to the resolution which was introduced initially by the Member for Thompson and the proposed amendment by Mr. Johnston. I think that the amendment as it now reads is something that we really cannot, as a caucus on our side, support because it is so, I guess, almost pejorative, it does not come through with any clear sort of rationale. What do they mean by the various things that they're bringing forward? What do they, for instance, mean by "realistic energy policy?" Is what they believe a realistic energy policy anything that I could buy or that members of my caucus could buy? Is their realistic energy policy to continue with the massive foreign domination of the Canadian oil industry which, up until December 31, 1980, the latest figures I had here, which I picked up in the Canadian Embassy not too long ago in Washington, which shows that 78 percent of the oil and gas production in Canada is controlled by foreign issues.

We had the issues brought before us by members of

the Opposition in this House in the past, supporting the high energy policy of the Federal Government. We've had them supporting a financing of the double tracking of the national railways, both the CPR and of the CNR through the Rockies, as the member who just previously spoke, the Honourable Minister of Agriculture, to have them financed not by the railway companies but by the farmers of the prairies, just not in a sufficient direction into what these individuals and the members opposite, what they mean by investment to reduce inflation, encourage private initiatives. What do these mean? Are these more tax breaks like they gave in their first year of office which did absolutely nothing, I say, Mr. Speaker, to stimulate the economy of Manitoba?

We've seen massive tax cuts south of the border, in the U.S. What kind of response have we seen there? Just in the other day's Washington Post and some clips I brought with me, we see the Treasury Secretary, Donald Reagan, bringing forward that he expects from their Estimates, from the official Estimates in the Treasury Department, that investment will be 2.4 percent less in 1982 than it was in 1981 even after all the massive tax breaks that have gone through to the corporate sector, then loaned to the personal income tax rates as well. So if their old logic of tax breaks to be able to push forward some form of investment to encourage the investors to come up with their silver spoons and their golden platters so that the economy is just going to take off once again, they're sorely mistaken, sorely, sorely mistaken. We just do not see any of that happening south of the border; we see a retraction rather than an expansion of investment. If you look to that in comparison to what was initially projected just a couple of months ago, they were saying that they projected a 7.3 percent increase in the investment in the U.S. Now they're projecting a 2.2 percent increase which is 2.4 percent less than they had last year.

We have as well, when you look back at what happened when their great budget cuts were introduced in the U. S. You had President Reagan at the time telling Congress that these tax cuts would cause business investment to rise some 11 percent faster a year than the inflation rate, 11 percent faster. Here we have them moving 2 percent faster, not 11 percent, with projections that for '82 and '83 they'd get up to 13 and 14 percent faster. Anything, but that, is happening.

We've got to look, as I said, when I spoke on the original resolution, some months ago I guess now, that we cannot just look at simple solutions. Tax cuts themselves are not going to give us any kind of revitalization of our economy. There must be public investment; there must be co-operation between the various sectors; there must be co-operation between the private sector and the public sector no matter how much the members of the Opposition may detest any kind of co-operation between the public and private sectors. It is clear that the private sector is encouraging this at the present time with the negotiations that our government here in Manitoba has had and that other governments have across the country.

We've got to move ourselves away from this silly ideology that has built up in the past few years. It is foreign to the free enterprise system I would suggest; it is foreign to not only the free enterprise system, but

to any kind of a strong economy area in the world and that is this great hang-up that we have with mega projects; that everything is going to be sewn in and billions and billions of dollars tossed into specific investments; they're going to turn around and rescue the province, not only the province but the country.

We had the Federal Government, up until recently, pushing an Alsands project, financed with taxpayers' dollars - almost all of the investment because of the tax concessions that were given to the oil companies. We just had them turn around and give a further \$2 billion tax concession to the oil industry and what do we have it for? We have it for trying to push ourselves towards producing oil that would have cost, had the Alsands project gone ahead, \$100 a barrel when it came on stream some seven or eight years from now. Those are the costs that would have to be charged for the oil coming out of the ground in Alsands for it to be able to break even.

Now if the members of the Opposition are suggesting that particular project, the Alsands project, should be forever subsidized by the Government of Canada, by the people of Canada and taxpayers of Canada, I have my great doubts that it would ever happen. I would hope it wouldn't happen with the kind of mentality that you have developing below me and to the right - maybe it might well be that is their intention - but you cannot build the future of our economy, you cannot hope that you're going to tide ourselves over in tough times by going into massive energy projects that are going to turn around and cause more damage to the economy in the years to come than what the drastic increases that we had from the Opec countries, back in the mid-'70s. Because they're shocked, the shock of these mega projects and paying for the oil via the mega projects rather than going through a stronger conservation and moving to alternative forms of energy; that the kind of shocks they will give to the economy will be much much stronger and much much heavier than with an economy less flexible and less able to absorb those massive costs.

If anything, I would term them - I guess this is sort of a new term for this House, but this idea on trying to use mega projects to stimulate our economy. I would refer to the same thing as a dope addict trying to use heroin to get him back onto his normal stream. When you're given yourself with this so-called heroinomics, which I will term, is when you move on, when you build yourself up to a level of expectation that you must continually keep injecting yourself, keep throwing more money after projects just for the sake of throwing them after projects, be they good or bad or indifferent, just keep pushing it into it and pushing in particular, federal and provincial taxpayers' monies into those projects.

We've had other indications just recently as well, Mr. Speaker, of the sickness of our own economy. Part of the rationale, I would say, goes far beyond the government sectors and the constant hassle that they have, at least within Canada, of the Opposition crying that their government deficits are the sole cause of inflation or the principal cause of inflation. They are certainly going to be a cause I would say in the future, in particular, in the U.S. right now, to be able to get interest rates down. It looks almost impossible for the interest rate policy of the U.S. to move in any direction

but up with the tremendous size of the money market being absorbed by the Federal Government.

We've had in the past in this country - and I should say in particular in this country - a tremendous number of nonproductive loans that have come forward. Now let's see where these nonproductive loans have gone to. The Member for Morris claims they've gone from the government. I would suggest that they have not gone from the government. I would suggest, when you have multinational takeovers which are totally nonproductive, what benefit to the economy is it when you have Thompson coming and buying the Bay and buying Sears? What does that do to the Sears stores? What kind of an additional investment is that in the economy? There's nothing new going in. All they're doing is buying existing assets. It's like trying to solve the housing crisis by giving people money to buy existing houses. All you're going to do is drive the price of houses up. You're going to drive it up; you're going to stretch people out further on a liquidity basis. You're going to make them so nonliquid that they just do not have a chance of surviving and that is exactly what we're seeing happening in several outfits.

We had Noranda, just a couple of years ago, bought out Brascan, leveraged itself so heavily that it became susceptible and then Edpure, the company of the Bronfmans turned around and bought Noranda. So they got two birds with one stone basically. They picked up Noranda which was a massive Canadian-based firm. But what is the benefit of the additional billion or so dollars, that they went to our banks to finance - and this is one of the reasons that banks are in trouble now - because they went and they financed a whole bunch of these useless takeovers that can't pay for themselves. Then here these guys continue to go along with any kind of a venture whatsoever. — (Interjection)— Okay, I shall deal with Petrofina for an instant. We have an industry in Canada that a couple of years ago, some three or four years ago, was owned almost 98 percent by foreign corporations. We have now had through the thoughtful intervention of the Federal Government through the purchase of Petro-Canada; through the Alberta corporate government, through the investment that they have made and in a nouveau corporation; through the Government of Saskatchewan in their wise investment to Saskoil, Saskatchewan Oil and Gas Corporation; we have now Ontario even getting in, the Ontario Tories are buying into Suncorp, trying to build up some level of Canadian control over the oil industry in Canada.

Now I would criticize their moves in one motion, in one area, and that is because they paid way too high a price for them and amazingly they're making money. We got Petro Canada right now in Quebec and they just started with their takeover of Petrofina in Eastern Canada. When you see the results in Petro-Canada's sales in the Province of Quebec - and this is fresh, it's out today - they're up 10 percent over what they were last year when the overall market itself in the total sales of gasoline are down 10 percent. So you have one corporation because some people, contrary to the fellows below me here, that have a little bit of national identity and prefer, like I do, and fill their tank up at Petro-Canada, so that the money that they're spending on gas, so that it will turn around and stay within the Canadian economy and not be exported

out. —(Interjection)— Now, as the Member for Arthur clearly points out, he would never buy from Petro-Canada. I think that's a sad reflection on his own integrity, of his own desires to what a Canadian economy could possibly be.

We've had Dome Petroleum which has been totally financed to tax giveaways by the Federal Government through their tax investment programs, where you bought \$15,000 tax write-offs through what was affectionately called, I believe, the Gallagher Amendment that the Federal Minister of Energy brought in some four years ago; that amendment came in which gave Petro-Canada the opportunity to use taxpayers' money, who are paying in a relative high tax bracket, so that they could instead of paying federal taxes, they could put their money into these oil investments programs. So you had a corporation, Dome Petroleum, with their exploration almost totally funded by taxpayers, funded through the back door by the Canadian taxpayers. That is one of the reasons why we in Canada have a rising deficit, because of the additional tax giveaways that they've given to companies like this.

They went out and used that money for every dollar that they invested, somewhat over 90 cents of it came from the Federal Government through the back door of tax loopholes that were created. The government now has turned around to try and close up some of those loopholes, but now they're not only closing up the loopholes, instead of closing them up and taking away it's tax exemption status, they turn around and they reduce the overall tax rates for those people, which again adds to the size of the federal deficit.

We have Dome as well. What did they do with these taxpayers' money? Not only did they use it in investment programs but they've taken and leveraged themselves so heavily with takeovers like Hudson Bay Oil and Gas and other takeovers that they've so ambitiously gone after in the past few years, that they now are on the verge of bankruptcy and this is one of the things. Now the Federal Government is recognizing that the banks themselves have gone out to help leverage these big oil firms to the extent that they presently are and that the banks themselves are in real trouble of losing control of their own investments, of their own loans that they have given out, that they're not going to be able to ever pay for the darn things.

They subsidized - they didn't subsidize - they went in gleefully and gave out billion-dollar loans for people to pay 140 and 160 percent of the value of an asset, the value of a company, and now they're saying, my goodness, we made lousy investments. We're going to have to have the Federal Government come along and rescue us. —(Interjection)— Well, the banks are there to take your risk. You're right, they're there to take your risk but as soon as they get into trouble, they come running back to mamma, running back to the Federal Government and The Federal Bank Act.

We've got the bankers telling us right now and we even had last week one of the members of the federal - I'm not sure if it's the Bank of Canada or from the Federal Banking Committee - telling the bankers to tighten up greater, call in some of these loans that are questionable. We have horrendous reports coming through right now just how many loans are in bad shape. We've got another report in the Free Press

today of a lot of companies only having six months to go. "Every banker is telling you that a lot of companies really only have six months to go, said Stan Roberts, outgoing President of the Canadian Chamber of Commerce."

What we have with the high interest rate policy that the Federal Government is towing in line alongside the U.S. administration, is we have an interest rate policy that is driving most of the smaller companies into bankruptcy and driving as well as - and I don't have a lot of sympathy for the huge ones that are going under because of poor investments - but it's the smaller guys who can't afford to carry the inventories, who can't afford to make the modest investments in their plants so that they do maintain a productive edge or at least a productive competitiveness in the international marketplace or even within our own Canadian marketplace. These are the guys that are being squeezed out.

Just last week we had one of the chief officers of MacMillan-Bloedel calling for, Mr. Speaker, the adoption of NDP policy at the federal level of this country, adopting a policy which would control the amount of currency going out of the country and when you go into the United States, you don't just walk in, they ask you if you've got more than \$5,000 with you. We found that out just last week. They want to take a close look at how many people are coming in.

So what we have to look at ourselves way beyond the question just simply of interest rates - certainly they are a major factor in itself - but we have to start looking at the true wheels of the whole economy, what areas we can as Federal-Provincial Governments join to make more ventures; to make more investments on our own into productive assets to assist the industrial sector of this nation to remain competitive with the international market.

In closing, Mr. Speaker, I'd like to recommend the rejection of the Opposition's amendment because it really states nothing in the passing of the proposed resolution by the Honourable Member for Thompson.

Thank you very much.

MR. SPEAKER: Are you ready for the question?

The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I was not planning initially to speak on this resolution or the amendment until I heard some of the speeches and listened to some of the comments that have been made by the members of the backbench of the government; we haven't heard too many from the front bench speak. But I think it's interesting to listen to the kind of backup support, Mr. Speaker, that the Treasury Bench have in the present-day government. You know, there has been some rumour throughout the community that possibly there would be a Cabinet expansion and I'm sure what we're hearing now is a lot of backbenchers who are vying for those particular Cabinet positions.

Mr. Speaker, the unfortunate thing is, I'm afraid that some of the speeches that have come from the backbench too closely fit in with the thinking of the present government that are running this province. That's the alarming fact that we have to deal with, Mr. Speaker, is the kind of thinking that we are seeing coming from

the backbench that's supporting the front bench. I have to honestly say, Mr. Speaker, that when we're in a time of an economic recession, as we are, the kind of economic policies and the kind of economic leadership we're seeing coming from the government - and it's demonstrated in the resolution that was introduced - will do nothing more but further add weight to this economy, weight to the depression, the recession, whatever you want to call it onto the productive people in society who are paying the cost of the kind of economic policies.

Mr. Speaker, for the Member for Inkster to stand and speak as he has spoken; for the Member for Thompson, I believe it was or River East - it was Thompson, I guess that introduced this resolution - to think that we can totally divorce ourselves, Mr. Speaker, from the policies of the rest of the western world, to divorce ourselves from the United States of America and live in our own little world is almost beyond the greatest of imagination to think that we could do that.

You have to, first of all, Mr. Speaker, appreciate the kind of basis from which this country has developed and the fact that we have a very productive country, we have a very productive base. We initially had, Mr. Speaker, a community of people in Canada who felt very strongly and very much in the pride of the work ethic - ethic, I'm sorry, I got that expression from the Minister of Natural Resources, Mr. Speaker, so I'll correct it. Mr. Speaker, the pride of the Canadian people has been somewhat eroded over the past few years and it's been eroded with the thinking of the Member for Thompson and the Member for Inkster and it's demonstrated because they got elected to come to the Legislature.

Mr. Speaker, to say that the Federal Government, to say that the present Prime Minister of Canada is anything any different than what they believe in would be a total fallacy, a total fallacy, Mr. Speaker. You don't have to read a lot, Mr. Speaker, you don't have to study a lot of the past history of the Prime Minister of Canada to know how he aligns himself; how his economic thinking works. He, Mr. Speaker, thinks very much along the same lines as the socialists across the way who are now governing the Province of Manitoba. There is very, very little difference in the economic policies that are administered by the Federal Government than those by the present government in Manitoba. In fact, Mr. Speaker, it's been demonstrated when the Joe Clark Government was defeated, we all know that it was a resolution or a move that was made by the Federal NDP supported by the Liberals to vote out some good, sound, basic, economic thinking in the Conservative Government.

So, Mr. Speaker, for this government here today, who basically I would think support their National Leader, and the Federal MPs who voted against Joe Clark and voted Prime Minister Trudeau back into office, have to believe in the same economic policies as those of Pierre Elliott Trudeau, MacEachen, Lalonde and all those people who are now in the federal jurisdiction. What are they doing about it, Mr. Speaker?

Yes, Mr. Speaker, they're standing in Manitoba and they're kicking at Reagan and they're kicking at Ottawa and they said we believe firmly in co-operative federalism. You know, we really believe in working out our economic difficulties in a nice sort of a way. What

did we hear the Minister of Agriculture just doing? Kicking at the Federal Government because they're introducing a resolution to the long-term standing grain transportation policies, Mr. Speaker. Mr. Speaker, that's what we're hearing. We're hearing them kick at the Federal Government over their high interest rate policies. Mr. Speaker, the Minister of Agriculture does more screaming and kicking than anything else. We haven't heard anything positive come out of him. Mr. Speaker, what have we heard for positive resolutions coming from the current government in Manitoba? We have a resolution where we hear the Member for Thompson saying he deplores government cutbacks, he doesn't believe that the money of the government should be cut back and that there should be any careful spending of government money, that you should go willy nilly and throw money at every problem that comes along.

Mr. Speaker, for the Member for Thompson and the Member for Inkster, who I just heard, do they ever stop and think where that money comes from? Do they ever consider who earns the money that they spend as government? —(Interjection)— The member says he just spoke on it. Mr. Speaker, when are they going to stop and realize and start to talk to the people who support them and the labour movement. All labour movements by the way don't support the NDP, thank goodness. I think there are a lot of people, in fact, I guess if Thompson were considered a labour town, Mr. Speaker, you know he's here by the skin of his teeth —(Interjection)— and he's still here. That's right. I would say almost half, probably those few that would have voted for my good friend and colleague, Ken MacMaster, probably stayed home to work that day because they believe in work.

I think, Mr. Speaker, what we're seeing happening —(Interjection)— oh, he's proud, they're was a strike on that day. They wanted more out of the system. Well, I think there were a few people working. Well, they're proud of that, Mr. Speaker, and let them be proud of that because I believe that there are other ways that the problems can be resolved other than confrontation —(Interjection)— no, I'm not bashing labour. I'm very much of the belief that people who have the labour movement should use it responsibly. I believe that the membership in the labour movement do, but I think it's abused again by the leadership of some of the labour movements and the people who are supporting them do not always believe in what the leaders of these labour movements think and I think he can admit that himself without losing any credibility within the membership.

The point I want to make, Mr. Speaker, is this, that those workers whether they be in a mine or whether they be on any particular service industry or whether they are producing goods or services, it doesn't matter. When they look at their pay cheque at the end of the month and they see that they grossed so much money, but the net if they're in one of the higher income tax brackets, probably a third of it is gone, a half of it is gone. To do what? To operate the province and the country of Canada. That, Mr. Speaker, is what they have to start to realize; that it's those peoples' money they're taking to solve the problem they're trying to solve. It's the take-home pay we have to start talking about; it's the take-home amount of money

that the labour movement have that any individual in society has to worry about. That's why I can't, Mr. Speaker, believe me —(Interjection)— The Member for Thompson stands and says don't worry about government expenditure. If it took three-quarters of a pay cheque of a labourer he would believe in taking it away to put in an ill-conceived program that wouldn't help anybody and they've proven that with their Interest Rate Relief Program. That's the point I want to make. They don't give a darn about how much money they spend because they take the money from the people whether the people can afford it or not. That's the point. They work for the government and that's where it's at, Mr. Speaker, in today's society. We've got to start looking at the amount of money that is taken away for government operations versus what is left to operate his home, to buy his food, to transport him to anything he wants to go to.

Mr. Speaker, I ask this question of the Member for Thompson when he brings in a resolution like this:— who are the people of Canada working for today? Who are they working for? They're not working for their own betterment. It's turned out to be that they're working for the whims and the wishes of the front bench in this government that are here today because I don't believe the backbench have one bit of say. They're working for the whims and the wishes of a Prime Minister who finds himself very seldom in Canada, quite often over in Yugoslavia telling everybody that he doesn't care about the Canadian dollar, that well, he guesses that the dollar will find its level. You bet it will find its level, Mr. Speaker, at an unprecedented depression rate that isn't doing anyone any good. What positive suggestions do we have coming from the members of the government benches in the Province of Manitoba? Yes, Mr. Speaker, spend more. Immediately they say, well, we're pushing them to spend more on a beef program or on other kinds of programs.

Mr. Speaker, I have no problem with spending money in a responsible way but I have problems in an irresponsible way and there are quite a few examples - I can name them and I will - of the irresponsible spending and it's not big money in some cases. It's not big money in certain cases.

I would first of all, Mr. Speaker, question the numbers of people that it will take to administer these programs they've put in place. You know, have we seen a holding in the line of the numbers of people that work for government? Have we seen a holding in the line of the amount of money that's paid to the Civil Service in this province or any consideration for the people that are paying their wages? I invite members of the Treasury Bench and members of the Government to travel throughout Manitoba today, any part, city or country. And what is the comment they'll hear? How can the government justify the increased wages to the people who work for the government when I have to take less? When I look at my pay cheque, Mr. Speaker, I see government taking a third or two-thirds as a citizen - I'm not saying my particular pay cheque, I'm talking about the average citizen - the government is taking this money. And what are they doing with it? They're automatically increasing wages; they're automatically spending money in areas that a lot of people would really question.

Everybody else is feeling the pinch. Mr. Speaker, our record speaks fairly well for itself on how we administered the province in a responsible way without expanding expenditures in a lot of areas. I would hope that the present government would think a lot of times before they spend in a willy-nilly way in which it would appear is happening.

The cost, Mr. Speaker, of the national debt and the debt of the provinces of this country today is something that the country cannot continue to afford to carry. I'm interested in the comments made by the Member for Inkster —(Interjection)— Hesays, and the Member for Thompson hollers, "What would I cut back?" The first thing I would cut back is the 4 cents a litre or gallon or whatever that everyone is being forced to pay to buy PetroCan and Petrofina. Who needs it? How much more oil are we getting out of PetroCan and Petrofina?

Mr. Speaker, here we are talking about Reaganomics and the control of government spending —(Interjection)— He asked me a good, sincere question. How would I cut it? I told them how I would cut it. The first thing I would do is remove the purchase price of PetroCan and Petrofina off the citizens when they drive up to buy gas and oil. That's the first thing I would do and I think that would be supported by every —(Interjection)— just try it, Mr. Speaker, just try and ask the people of Manitoba if they wouldn't like to buy their gas for just a little bit less money —(Interjection)— you bet. See, the Minister of Health agrees that it's a good idea and I take him at his word, Mr. Speaker.

They're blaming the whole area of why we're in the kind of unemployed situation that we are in this country on the private sector, that there aren't any jobs and it's the big multinationals that are taking away all of the incentive and all the cash. Mr. Speaker, there has never been a government in the history of this country that couldn't tax through the taxation system all of these multinational corporations to the amount that they need funds. Have they ever looked at the monies they've taken in taxation from those particular corporations —(Interjection)— Have you? The Member for Inkster says, "Oh sure we have." Mr. Speaker, I can bet you that if those multinationals really said we're going to really leave Canada high and dry - you think the unemployment rate is bad today - if they walked away and took their capital away, which by the way they're doing when you see our dollar drop to 78-some cents, that's showing the confidence of the international world on the kind of philosophical thinking that Pierre Elliott Trudeau has given this country, supported by the Premier of Manitoba in his demonstration of the policies. That's what happening in Canada.

Mr. Speaker, the Prime Minister of Canada and his economic policies . . .

MR. SPEAKER: Order please, order please. I'm pleased to hear that so many members wish to get into the debate, but when they all do so at once I cannot hear the honourable member.

The Honourable Member for Arthur may continue.

MR. J. DOWNEY: Thank you, Mr. Speaker. Just to follow up on that, Mr. Speaker, as I said earlier in my speech, the thinking of the Ed Broadbents and the Premiers of Manitoba like we have today in the

Cabinet are our socialists. The Prime Minister of Canada has been known as a socialist. In fact, there's a lot of question whether he's really a socialist or even further to the left of that. I think the majority of Manitobans would agree with me that he is further to the Left. But here's the kind of system and it was just timely that it was in today's Free Press, Mr. Speaker, that the Premier of Manitoba, the Member for Inkster, the Member for Thompson, here's what they would impose, or the results of what they would impose on the people of Manitoba and Canada. Mr. Speaker, I hope they've read it, and I'll refer them to it because the headline says: "90 Million Tons" - and they don't say tonnes, they say tons because it's still in the old measure. Mr. Speaker, "90 Million Tons of Produce Rot in Russia Yearly." Well, that's the kind of system that the Minister of Agriculture says we're moving toward, land ownership the same as the Russians, Mr. Speaker, their state land ownership, that's the kind of thing that's going to happen. And here it is, Mr. Speaker, I'll refer the . . .

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

HON. B. URUSKI: Mr. Speaker, I rise on a point of privilege. The privilege being that the honourable member is not reflecting the remarks that I made when I spoke with respect to the land issue that was raised by his Leader, the Leader of the Opposition. I ask the member to withdraw his remarks.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Speaker, I will refer briefly to the comments because I think it has quite a bit to do . . .

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I rise on a point of privilege, I asked the honourable member to withdraw those remarks or reflect those remarks accurately.

MR. J. DOWNEY: Mr. Speaker, I do not plan to withdraw because I did not say anything that has not been said in this House by the Minister of Agriculture and if he, through subsequent review of the Hansard, can prove that I have, Mr. Speaker, then I will give consideration to that. Mr. Speaker, I think that whole question will be resolved when he proves to the farm community and to the people of Manitoba, when he reintroduces the sale of the Crown land policy for the people of Manitoba, that'll be evidence that he is not a believer of the state farm program, and that will be the evidence that we will need in this House, that will be the proof.

I believe, Mr. Speaker, to further my speech, that it is important when we talk about Reagonomics. —(Interjection)— I have not been ruled out of order, Mr. Speaker, and I hope I have the floor. I, Mr. Speaker, believe very firmly that the statement that was made in the Free Press . . .

MR. SPEAKER: Order please. The Honourable Minis-

ter of Agriculture.

HON. B. URUSKI: Mr. Speaker, I rise on the Matter of Privilege the same privilege that I've raised before and I ask that this matter be dealt with in respect to the comments that the Honourable Member for Arthur has made.

MR. SPEAKER: Our rules require that a Matter of Privilege should be followed by a substantive motion that the House can decide on. Now, I did not hear one, but I will review what Hansard has said on this matter and it will be dealt with, no doubt.

MR. J. DOWNEY: Mr. Speaker, as I've indicated, if those remarks in any way hurt the feelings of the Minister of Agriculture substantively, after review of Hansard, I'll tell you, Mr. Speaker, and for the Minister of Agriculture that when he reintroduces the sale of Crown land policy that we put in place then I will withdraw those comments. Only after, Mr. Speaker, he can prove in any way, shape or form that I have said something that is not true and has not been put on the record previously in Hansard and, Mr. Speaker, if he, in fact, reintroduces the sale of Crown land to the farm community, Mr. Speaker, then I will give consideration to the withdrawal of those statements. I don't think I've said anything that's wrong. You're the judge, Mr. Speaker.

I hope my time hasn't been deducted by the frivolous attempt by the Minister of Agriculture to try and interrupt the point I was going to make on the state versus private ownership, Mr. Speaker, because when we see a headline "90 Million Tons of Produce Rot in Russia Yearly," that isn't because the farm people haven't produced the commodity, that isn't because the consumers aren't desirous of eating it and having it in the freshly produced state for them. Mr. Speaker, that's because the government think they know how to do things better than people who are paid for private initiative and doing things in the private sector. That's what they believe in this government. They believe that you should wash all that private initiative away.

People like the Margaret Thatchers, the Ronald Reagans, the Sterling Lyons in this country, Mr. Speaker, are tough individuals, Mr. Speaker, they're cut from the same cloth because they believe in the freedom and the initiative. They are truly leaders, Mr. Speaker, and I would far sooner associate myself with the Margaret Thatchers, the Ronald Reagans than I would with the Brezhnevs of this world, who they feel more comfortable with.

MR. SPEAKER: The honourable member's time has expired.

MATTER OF PRIVILEGE

HON. B. URUSKI: Mr. Speaker, I rise on a Matter of Privilege. Mr. Speaker, I move, seconded by the Minister of Health, that the Member for Arthur has misrepresented statements that I have made in this Assembly concerning the ownership of land in this province, knowing that those statements are inaccurate, and that the member withdraw those statements.

MR. SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: I would think that a point of privilege has to be introduced at the first possible moment after the point of privilege, and I would think that there was an opportunity prior to this when the Honourable Minister had the opportunity of making the substantive motion and he didn't do it at that time.

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

HON. L. DESJARDINS: Mr. Speaker, I think that the Rules are clear that you have to have a motion and there is no possible way that you can anticipate and have the motion before when somebody has a question of privilege. So this was written down as soon as he could, there's nobody that spoke after the member and the motion is in order.

MR. SPEAKER: The Honourable Member for Lakeside to the same point.

MR. H. ENNS: Mr. Speaker, on the same point of order. I agree with my colleague, the Minister of Health, that there's nothing untoward in the manner in which the motion has been presented. It indeed was the earliest opportunity the Minister could present it. I was, as you were, Sir, listening with avid attention to the remarks made by the Member for Arthur during the course of his speech and I have some difficulty in knowing the precise phrase or words that the Minister found offensive. If by way of consideration to you, Sir, I think the suggestion made by the Speaker was that upon perusal of today's Hansard you will be in a position to judge as to whether the motion that is now before you is in order.

MR. SPEAKER: Do any other members wish to advise the Speaker? It is correct that a few minutes ago I said that I would take the matter under advisement. I will add this to the matters I'm taking under advisement and if it becomes necessary the House can decide on the matter.

RES. NO. 4 - INDEPENDENT CANADIAN ECONOMIC POLICY Cont'd

MR. SPEAKER: We are on Resolution No. 4. Are you ready for the question?

QUESTION put on the Amendment, MOTION defeated.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I had the opportunity of speaking to this motion on the amendment and now choose to exercise my privilege of speaking to the main resolution before us.

Well, Mr. Speaker, if I failed to do so during my comments on the amendment, allow me to do so now, and that is to congratulate the Mover of the resolution in introducing this subject matter to the Chamber, because while it certainly isn't being presented as one that we in the Province of Manitoba or one that the provincial jurisdiction can indeed influence in a signifi-

icant manner and a significant way. I think the whole nature of the resolution is a general condemnation of the economic leadership being now shown in the Western World and emphasized by the use of the President of the United States' name within the context of the resolution, indeed, in the term 'Reaganomics' that has become vogue just in the last year or two with the policy that is now being enunciated by the American President.

Mr. Speaker, in the few moments that I wish to deal with the resolution - you know what bothers me about the resolution is perhaps the total lack of appreciation, total lack of sensitivity and understanding of what our economic relationship with our largest trading partner; namely, the United States, means to this country of ours, Canada, and to the province of ours, Manitoba. Mr. Speaker, it obviously was important enough to the First Minister, the Premier, who just a little while ago was in California talking about the need for close economic ties between the United States and Canada. Mr. Speaker, I read this speech and the comments the First Minister made in California just a few weeks ago, there was none of this thrashing about or chastising of the American President by our First Minister in California. Of course not, Mr. Speaker. I have far too much respect for the intellect of the First Minister and for his political smarts and his plain commonsense that he would not do that when he was sitting down with a group of Americans trying to bring about and trying to encourage a reasonable economic deal, in this case involving Hydro power. It's only in this Chamber here when we're well north of the 49th parallel that we indulge in this American-bashing, Reagan-bashing that has become so vogue with, I must say, members of the Left.

Mr. Speaker, I'm proud to say anytime I have the opportunity that I love the Americans. There is no greater, no better country than the United States. There's no country that has — (Interjection) — no, I'm sorry, Mr. Speaker, I will tell you why I say that - because we Canadians will not fight to keep our country the way the Americans fought to keep their country. We proved that with a referendum two years ago. We are prepared to disintegrate our Confederation, you know, at the will of a Provincial Government and we're prepared to put it on the ballot box, while the Americans feel a little stronger about their country. They fought for their country and so, Mr. Speaker, on that score alone, I have a lot of respect for my American friends, my neighbours and my cousins.

But, Mr. Speaker, that's not what the resolution's about. What the resolution is about is this total lack of understanding - even if you don't like the Americans - but they happen to be our biggest trading partners; 70 to 80 percent of all our export trade is done with that one country. So, Mr. Speaker, to have a debate in this Chamber, to talk about the benefits or lack of them, of the economic practices entered into by that major trading partner of our country in such a negative way and in such a blindfolded way simply, you know, belies the truth and the facts of the matter. We don't necessarily have to endorse; we don't necessarily have to like; we don't necessarily have to believe in the economic practices that are currently in place in the United States, known as Reaganomics. There are those in this Chamber that happen to believe that they

perhaps offer the only sensible course for western democracies out of the malaise that they have gotten themselves into.

But I'm not even raising that as an issue for debate. That can be a separate economic debate between economists and other people that are far more knowledgeable than I am. But, Mr. Speaker, as a practising practical politician that resides in Canada, in Manitoba, to hear the kind of nonsense whether it's coming from the Member for Inkster, whether it's coming from the Mover of this resolution, this total abject, burying the head in the sand, to think that we need not pay any attention to the economic reality of what's happening to our biggest trader, namely, the United States just is not understandable from my point of view and I can't understand why, particularly at a time when no matter what solutions our country tries to sort out for themselves and it'd be interesting to see the kind of choices our country's going to start looking for.

We understand now that the Prime Minister, Mr. Trudeau, finally from Yugoslavia, from Greece, from Munich, from wherever he's been lately is now coming back to Canada to start to tackle the serious economic problems this country is in and it's rumoured - I don't know, maybe members of the Treasury Bench have better information than I have - but it is rumoured that we can expect within perhaps the next two or three or four or five weeks some new initiatives. Some are even described as some pretty heavy-handed measures if they involve very serious price and wage controls; but anyway, some new economic measures in this country that are going to be designed to tackle some of the problems that we have.

But, Mr. Speaker, totally lacking in the discussion of this resolution and by any of those who have contributed either on the amendment that was put to the resolution by my colleague, the Member for Sturgeon Creek, is at least a realization among members opposite about some of the principal causes of our difficulty. Mr. Speaker, if that is the case then it is not wrong for my colleague, the Member for Arthur, to suggest the only possible alternative for what you fellows must have in your mind and that is a reasonably island state and island economy. If we are going to close our minds to the important influences of a trading partner that does 70 to 80 percent of the trade with this country, that we're not supposed to worry about them, then we're obviously talking about massive government intervention in the lives of every individual Canadian and every individual Manitoban. We must be talking about massive currency regulations; we must be talking about massive tariff regulations; we must be talking about massive intervention in every way in terms of the economy of this country. Without that, your ideas of course would not work at all; there is no other resolution. If you want none of Gulf Oil's money, if you want none of Shell's money to develop our resources; if that all has to come from the taxpayer, sure we'll have a 100 percent Canadian oil industry, but we'll be paying \$7 or \$8 a gallon of gas for it and it's questionable whether we'll have oil.

So, Mr. Speaker, let's at least in this Chamber tackle the subject with some honesty and some clarity. You see the unfortunate thing is it's so easy to blame the big bugaboo somewhere. It's so easy to blame the Americans for our problems. Most of the rest of the

world does it but, Mr. Speaker, I will always take the occasion whenever I can not to join that crowd, whether they're the banana republics of the south or others in the world that choose to blame all their economic ills on the Americans. There has not been a nation in this world that has been more magnanimous in terms of providing help where it's needed, in terms of providing assistance where it's needed and I just refute that kind of argument put forward too often from all members on the left.

But, Mr. Speaker, I acknowledge that the politics of the Member for Inkster, the politics of the Member for Dauphin are pretty heavy. When people are in trouble, when they're frustrated, when they're disappointed, they like to hear that somebody is at fault; that's what the Polish generals are right now doing in Poland. They're saying because western democracies that have loaned them up to \$27 billion - and Poland is in default - and now because we're not lending them quite as much more money, they are telling their people who have had to tighten their belt a little bit, it's because of western democracies that Poland is in trouble. That's the kind of socialist thinking and diatribe that you have to deal with and I don't like to be part of it; I don't like to see it in this Chamber, and that's what you gentlemen and ladies are engaging in from time to time. You blame it on the Yanks; that's the easiest thing to do. That's what that resolution says - Reaganomics. Reaganomics is all our troubles.

Well, prior to November 17th it was Sterling Lyon and the Conservative Government that was all the problem in this province. They said you vote for the NDP, you vote for Pawley, you vote for Scott and there's not going to be any problems in this country. You said there would be no layoffs, not only that - well, Mr. Speaker, it's just amazing that up until November 17th, the President of the United States had no hand and no responsibility for the difficulties of our problems and the economic problems of our province. Now we have resolutions when his name is the feature part of it.

Well, Mr. Speaker, I can only say that having had the opportunity, as some of my colleagues have had, of listening to some of the debates currently going on in the Houses of Congress in the United States in Washington, the biggest fear that we have is what happens if Reagan economics works - I'm not even suggesting it - but let's say what happens if it works 15, 18 months from now? Where are we going to be? —(Interjection)— Well, okay, I'm not suggesting but I'll give it a 50-50 chance, a 40-60 chance, a 20-80 chance, but what happens if it works? What are we going to be doing? What happens if you've got an 11, a 9 or 10 percent interest rate in 18 months in the United States and a 3 percent inflation rate?

MR. SPEAKER: Order please. Order please. When we next reach this resolution the honourable member will have 17 minutes remaining.

The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I think it's understood that there'll be Committee tonight and then I'd like to move that the House be now adjourned.

MOTION presented and carried and the House

Monday, 14 June, 1982

adjourned and stands adjourned until 2:00 p.m.
tomorrow. (Tuesday)