

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 2 April, 1985.

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 . . . Notices of Motion . . . Introduction of Bills . . .

### ORAL QUESTIONS

#### Limestone Generating Station - Avoidance of tendering process

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Mr. Speaker.

My question is to the Minister of Energy. In view of the fact that the major contract for the turbines and generators at the Limestone Generating Station was awarded by negotiation and discussion with CGE as opposed to by tender, I wonder if the Minister has had any discussions with representatives of the Canadian Manufacturers Association of Manitoba with respect to their view of this avoidance of the tender process for such a major contract.

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

**HON. W. PARASIUK:** Mr. Speaker, I've had consultations with about 30 groups in Manitoba representing industry, labour and community groups whereby we talked to them about the processes that we would be undertaking with respect to trying to ensure that we had a maximization of spinoffs to Manitobans from the Limestone developing project.

Virtually every group agreed with the government's intention of trying to maximize the spinoffs for Manitobans, and I believe all Manitobans in fact are pleased with the fact that we have been able to increase the sourcing by Manitoba firms in the development of the turbines and generators by 100 percent; and we've been able to increase the number of jobs in Manitoba as a result of that agreement by 2,000 jobs, Mr. Speaker.

**MR. SPEAKER:** Order please.

The Honourable Member for Lakeside on a point of order.

**MR. H. ENNS:** Mr. Speaker, I simply ask you to remind all members of the direction that you sent out at the start of this Session. Our leader asked a very specific question with respect to whether consultations had taken place on a specific matter of a contract with a specific group, the Canadian Manufacturers Association. Now I don't mind, we've heard this speech from the Minister of Energy, we'll keep on hearing it

but, Mr. Speaker, I do ask you, Sir, as chief steward of this House whether or not we should abide by the rules that you have laid down when this Session started.

**MR. SPEAKER:** The Honourable Government House Leader to the same point.

**HON. A. ANSTETT:** Yes, Mr. Speaker, to the same point of order. Those guidelines respecting question period that you sent out to which the member so eloquently referred, contain under Item 5 the following statement: "When answering a question, a Minister may answer the question, defer his or her answer, take the question as notice, make a short explanation as to why the answer cannot be made at the time, or say nothing."

Sir, Beauséne speaks quite extensively on the fact that members . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. A. ANSTETT:** . . . in opposition or in the back bench can choose the format of their questions; Ministers choose the format of their answers. There is no obligation on the Minister to answer the question in the form that the members opposite demand. The Minister provides the answer as the Minister sees fit. That's always been the practice, and that's what our rules provide.

**MR. SPEAKER:** Order please. I would remind all members that questions should be short, concise and to the point, and that answers should also be short, concise and to the point.

The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Thank you, Mr. Speaker. I'll continue with the answer that I was providing before I was interrupted by the Member for Lakeside who apparently didn't like the answer.

I did say that we had a process of consultation with business, labour and community groups, and, Mr. Speaker, I certainly have met in the past with the Canadian Manufacturers Association. I haven't met with them specifically about this particular contract, but we conducted, I said, about 30 consultation meetings which are 30 more than the Conservative Government conducted when they were in office.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Mr. Speaker, in view of the fact that Manitoba is a net exporter of manufactured goods and relies on markets outside of the province for many of its manufacturers to survive, prosper and provide jobs in this province, has concern been expressed to him that there might be retaliation by other provinces with

respect to the manner in which this was done without a tender system?

**HON. W. PARASIUK:** Mr. Speaker, we certainly don't expect retaliation in this matter. The Hydro companies in other provinces have, in fact, had negotiated offsets contracts for a number of years. Marine Industries, for example, which apparently raised one point of concern, had been awarded negotiated contracts by Quebec Hydro over a number of years, Mr. Speaker, one of the reasons possibly being that Marine Industries is about 60 or 65 percent owned by the Quebec Government. But, Mr. Speaker, we certainly don't expect to have any negative retaliation on this. We've invited people, we've had people in from all parts of the country, all parts of the world, Mr. Speaker, looking at the potential that they might get for participating in the Limestone development.

What we're interested as a bottom line in achieving is to make sure that we have a maximum of spinoffs for Manitobans. We believe that we are going some way to accomplish that, Mr. Speaker. We believe that we have achieved significant benefits for the people of Manitoba, for the workers of Manitoba and for the communities of Manitoba, and we intend to pursue that course, the course throughout the Limestone development to maximize benefits for Manitobans.

#### **Western Canada Lotteries Foundation - Laying off of staff**

**MR. G. FILMON:** Mr. Speaker, my question is for the Minister responsible for Lotteries, and it follows upon an announcement last fall that British Columbia was pulling out of the Western Canada Lotteries Foundation, which at that time we were assured by the Minister responsible would not result in layoffs in Manitoba, but in fact that jobs might be lost by attrition. I understand today that more than 10 employees are being laid off here in Manitoba, and I wonder if the Minister could give us any explanation as to why things have changed since the last word we had.

**MR. SPEAKER:** The Honourable Minister of Culture.

**HON. E. KOSTYRA:** Thank you, Mr. Speaker. I'll take that question as notice.

#### **Limestone Generating Station - Availability of jobs for Manitobans**

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I direct a question to the Minister of Energy or the Minister of Labour. It comes from the advertisements that are now being carried in our media with respect to job opportunities at Limestone, and it follows on I believe the statement by either the Premier or the Minister of Energy that some 400 jobs will be created in the first year of the Limestone operation. My direct question is: how many of those 400 jobs will be available to Manitobans generally, particularly in southern Manitoba?

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

**HON. W. PARASIUK:** Mr. Speaker, what we're talking about is something in the order of 380 direct construction jobs that would occur at the Limestone construction site in the first year. We are also talking about a significant number of spinoff jobs in terms of indirect jobs that are taking place. I believe that right now we have engineering firms and we have other firms involved in the tendering process that are hiring people in connection with the Limestone development.

So I could expect that there will be a significant number of southerners who will indeed be eligible for construction work up North, because they will be qualified journeymen; and there will certainly be a significant number of southern Manitobans who will be partaking in the jobs that are being developed right now as firms get ready to bid for Limestone jobs; and secondly, get organized to produce on those commitments that they will be undertaking.

**MR. H. ENNS:** Mr. Speaker, Manitobans are being encouraged to go to their Manpower Offices right now to enquire about job opportunities with Limestone. I'm getting those calls from my constituents, and I am utilizing the government's advertising and directing them to those numbers.

My simple question is: of those 400 jobs, how many jobs can unemployed people in Winnipeg and southern Manitoba expect to get?

**HON. W. PARASIUK:** Mr. Speaker, we on this side of the House prefer to talk about the employment opportunities for all Manitobans, people in the south and people in the North. We have indeed announced a policy of fair shares of employment for all Manitobans, so I certainly believe that a significant number - and I can't give you specific numbers because we don't do it that way, Mr. Speaker - we certainly wouldn't want to intervene to that extent that the Conservatives might want us to. But certainly what we are doing is providing a fair share of those employment opportunities to all Manitobans.

Mr. Speaker, if we have 400 construction jobs that people can look forward to with some certainty relating to Hydro construction, I think they will see that as a very positive thing. If furthermore, various companies in this province can look forward to bidding on up to 58 tenders that Hydro will be calling, Mr. Speaker, which in their own right will create a whole set of employment opportunities for Manitobans, both in the south and in the North, then I believe that the people of Manitoba will be very pleased with that and will want to make sure that they can participate in those developments.

**MR. H. ENNS:** Mr. Speaker, a final question to the same Minister. It is my understanding that an agreement has been signed with the Allied Trades Council that will be responsible for the overall labour provisioning of the Limestone contract that sets out a formula for hiring practices, indicating quota allocations for Natives first; for Northern Manitobans second; thirdly, Manitobans generally; and fourthly, Canadians. My simple question to the Honourable Minister is: has an agreement of that kind been signed formally, and would it be possible to table that agreement in this House for Manitobans to see?

**HON. W. PARASIUK:** Mr. Speaker, the Allied Hydro Council Agreement was refined because it has been in existence I believe now, since 1967 or '68. The building trades unions and the managements renegotiated that agreement to enable all Manitobans to have a fairer share at the employment opportunities, and I believe that showed far-sightedness and vision on the part of all parties to that agreement that did undertake the renegotiation. I might indicate that it was renegotiated some time in January. We certainly could table that if the member would like to receive that information. It certainly has been made public for some time.

### **School of Psychiatric Nursing, Portage - Closure of**

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

**MR. L. HYDE:** Thank you, Mr. Speaker.

My question is directed to the Minister of Community Services. Mr. Speaker, I have been endeavouring to get a decision from the Minister regarding the closing of the Psychiatric School of Nursing at the Manitoba Development Centre in Portage. Can the Minister inform this House if and when she met with the chief medical consulting officer, Dr. Glen Lowther, when considering the closure of the Portage School of Nursing?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Mr. Speaker, I've already answered that question I think before. The medical officer is in charge of consulting on individual cases. But with regard to the other question about the decision, I will be going to Portage tomorrow to give the decision.

**MR. L. HYDE:** Well, Mr. Speaker, to the same Minister, why did the Minister not consult with her chief medical consulting officer, a man with 35 years of experience, Sir, in the field of mentally retarded and handicapped people in our province? Is she afraid of the advice that she might receive from a man of this calibre?

**HON. M. SMITH:** Mr. Speaker, we have a planning and consulting process in the department where everyone has the opportunity to have input and to evaluate proposals and I think there's an orderly process for doing that, Mr. Speaker.

**MR. L. HYDE:** Mr. Speaker, my final question to the same Minister. Will the Minister consider seriously the registered psychiatric nurses' position on the adverse effect the closing of the Portage School of Nursing will have on the delivery of service to our mentally handicapped people?

**HON. M. SMITH:** Mr. Speaker, I did meet with the association for the second time last Friday and I must say they were reassured to hear that our plans are not to close or reduce the number of people trained in that specialty but to rearrange the way the service is delivered.

The closing of the school is a misnomer which has been exaggerated to include all the schools of psychiatric nursing, indeed of the Portage School Developmental Centre itself, none of which has ever been contemplated. The question at issue has been how most effectively and efficiently to deliver the educational program to the psychiatric nurses.

### **Transfer payments from Fed. Gov't - Cuts in provincial spending**

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I'd like to direct a question to the Minister of Finance and ask him if he can clarify his very sad and dejected image last night on television, whether this was because he received \$115 million from the Federal Government, whether that's the reason that he wanted more or was it the loss of the one sure-fired election issue?

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. V. SCHROEDER:** Mr. Speaker, contrary to the member opposite, we had no desire to use that kind of an issue in an election campaign.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order, please.

**HON. V. SCHROEDER:** You know, in 1981, Mr. Speaker, we fought an election against a Provincial Government that was continuously fighting with the Federal Government, the most unpopular Federal Government in the country's history basically. We fought an election saying we are prepared to co-operate with whoever is the Federal Government. Why would we now say that we are prepared to fight the election against a Federal Government which is far more popular than that particular Liberal Government was at that time? That would be basically committing political suicide. We are not prepared to do that, so I can assure honourable members that we will pick substantive election issues when the election comes, and I can also assure honourable members that the constituency of Elmwood will again be NDP after that election.

**MR. R. DOERN:** Mr. Speaker, I suspect Rossmere is one that will not be NDP in the next election, so it might balance out.

The other question I would like to ask the Minister is - he made statements prior to the granting of this additional federal funding to all sorts of municipal governments, to schools, universities, health care institutions - that it was because of a lack of federal funding and a shortfall in provincial revenues that they could not make sufficient grants. Now that the Minister has achieved, with the support of the Conservative Party, at least 70 percent of his goal, will he now then make up some 70 percent of that shortfall that he denied many substantial institutions?

**HON. V. SCHROEDER:** I am sure that if the member read the Budget Speech and if he listened, if the words

of that speech didn't just fall into his ear and then get garbled and fall out of his mouth instead of going possibly straight through both of his ears, he would understand, as Manitobans do, that we budgeted for that expenditure. We expected to receive \$72 million. We told the hospitals, the school divisions; in fact, I had a meeting with a school division about three, four weeks ago. They were saying they appreciated the fact that we had now told them that whether or not we get the money from Ottawa the dollars we have said we will send to them are firm. They said that's fine, that's fair, and that's what's happened. So maybe if the member would read the speech and understand it, he would be a little more clear.

**MR. R. DOERN:** Mr. Speaker, the final question I would like to ask the Minister, who is in an ugly mood because of his disappointment at receiving the money, whether he will be making some substantial cuts in provincial expenditures or at least cuts towards the figure of some \$22 million, and would he seriously consider eliminating millions of dollars in image advertising that the government uses?

**HON. V. SCHROEDER:** Mr. Speaker, I must admit that it's difficult to follow the logic of the Member for Elmwood. In one question he says will you now spend the extra money, please, send it away; then in another question he says now that you don't have as much money as you expected to have, where are you going to cut?

### **School of Psychiatric Nursing, Portage - Closure of**

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister of Community Services.

Mr. Speaker, I am sure the Minister is in receipt of her confidential Impact Report of the closing of the School of Psychiatric Nursing at the Manitoba Developmental Centre on the Schools of Psychiatric Nursing at Brandon and Selkirk Mental Health Centres. Mr. Speaker, I would ask the Minister if she would not abandon her ill-advised and politically motivated plans to close the school at Portage in view of the revelations in her Impact Report, which she received last week, that there is a change in the level of saving from \$132,000 down to some \$24,000; in view of the fact that the study has been based on improper information which she now abandoned, this ill-conceived and political plan to close the school of Psychiatric Nursing at Portage?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Mr. Speaker, we have had a collection of reports from the different schools. We have pooled the problems and the potential solutions, and I can assure the member opposite that what is being weighed is the realistic expectation of saving and it is substantially different from what that one report had indicated in their preliminary study.

I must say I find it very surprising that the members opposite are trying to discourage those of us on this side from running the government in an efficient and businesslike way.

### **Red River Community College - Mental health workers' course**

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Mr. Speaker, that is exactly what we're trying to help the government do, to run and make efficient decisions, not ill-considered ones.

Mr. Speaker, last week I posed a question to the Minister as to whether to replace, in part, the closing of the School of Psychiatric Nursing training at Portage la Prairie. Her department was involved in the establishment of a two-year training course at Red River Community College, which will train developmental services worker counsellors. The Minister took that question as notice. Can she indicate to us today whether her department is involved in plans for the development of a brand new training course at Red River College, at considerable expense to the Provincial Government?

**HON. M. SMITH:** Mr. Speaker, the answer is no. There may be a developmental counsellor training program that deals with the whole range of services, but our belief is that nurses are most appropriately trained in the institutional setting; and in the consideration of training psychiatric nurses we are retaining the heavy integration in the institutional setting of the training program, because we believe it's the combination of classroom learning with practicum placements that seems to develop the most all-rounded nurse.

So the direct answer is that we are not planning anything in a college setting to replace the traditional pattern of psychiatric nurse training, what we are doing is closely examining, using three schools to train the nurses in comparison with using two in a rearrangement of staffing and classroom instruction.

### **School of Psychiatric Nursing, Portage Reconsideration of closure of**

**MR. D. ORCHARD:** Mr. Speaker, it would appear as if the Minister is already announcing the closure of the Portage school.

I would ask the Minister that in view of the fact that it took 10 years of study before they closed the dairy farm at the Portage School of Development would she simply take more than six weeks to make a decision to close the School of Nursing there and entertain advice from Dr. Glen Lowther and other experts in the field of mental retardation before she makes this ill-conceived and political decision to close the school at Portage?

**MR. SPEAKER:** There appears to be a certain repetitiveness about that question.

The Honourable Member for Pembina, do you wish to rephrase this question?

**MR. D. ORCHARD:** Allow me to rephrase the question, Mr. Speaker. In view of the fact that the Department

of Community Services studied for some 10 years the closing of the dairy farm before arriving at that decision, would the Minister entertain advice from Dr. Glen Lowther, her chief medical adviser, a man with 35 years experience in the mental health field, before making her announcement in Portage la Prairie tomorrow?

**MR. SPEAKER:** Order please. That is merely rephrased, it is not a different question.

### **Welcome Home Program - mentally handicapped**

**MR. SPEAKER:** The Honourable Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Speaker.

My question is to the same Minister. Can the Minister confirm that about 50 percent of the mentally handicapped at Portage are epileptics? The Minister's Welcome Home Program will place many of these multi-handicapped into rural communities. Will this program not require more registered psychiatric nurses than what we are employing at the present time?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Mr. Speaker, I think the question that is underlying the questions that are coming from the other side is the question as to whether the mentally retarded are best cared for in what is fundamentally a medical setting or whether they can be effectively, and in fact in an improved quality, be cared for in a community setting.

It is our belief that 10 years of study and looking at the question has not produced significant change in the system to provide a balance, a balance between institutional setting, which may still be appropriate for some, and community placement. It is our determination through the Welcome Home Program to develop greater balance in the system and to ensure that whether people are in rural settings, in community residences, in supervised department living or foster care that the full range of support services are there, including - it is true - some services have psychiatric nurses. But we aren't planning any reduction in the number of psychiatric nurses who are being trained. So I think what we are doing is developing a different service pattern whereby their valuable services and valuable inputs can still be delivered to the people in the community.

**MR. A. BROWN:** Mr. Speaker, it is my understanding that more RPNs will be required after the Welcome Home Program is in effect. Now, can the Minister confirm that Selkirk and Brandon are not equipped to train RPNs in this special field of mental retardation, and why is this Minister closing the only school in Manitoba that is capable of this specialized training?

**HON. M. SMITH:** Mr. Speaker, the Psychiatric Nurses Association themselves say that the training that is given in psychiatric nursing is training that includes exposure to service for geriatrics, for the mentally ill and for the

mentally retarded, and that a graduate psychiatric nurse is in fact able to function in any of those fields. Now, in the proposed new arrangement of the educational program, which we have been studying, all of the nurses will in fact get practicum places in those three types of settings.

**MR. A. BROWN:** My final question, Mr. Speaker, is: can the Minister confirm that the former Minister created absolute chaos in the Children's Aid Society by dismissing CAS Winnipeg before another program was in place? — (Interjection) — Now, the . . .

**MR. SPEAKER:** Order please, order please.

The question is argumentative. Would the honourable member wish to rephrase the question to seek information?

**MR. A. BROWN:** My question to the Minister is: why is she following this same disastrous course with the RPN Training Program when there is no other training program in place?

**HON. M. SMITH:** Mr. Speaker, it is my opinion that question has really been answered, that the Psychiatric Training Program has a generic set of skills and knowledge that is required and recommended by the Psychiatric Nurses Association. Then it also has a range of experiences which are taught mainly through practicum placement in the different fields, including the community service, working in the community as a worker, supervising care of the mentally retarded, and that all of the programs undertake to give some of that practicum. It's true that more people who have chosen this specialty in mental retardation have been at Portage, but by placement of the people who will be getting their core training at the other two schools at Portage for both their preliminary practicum and their specialty areas should they so chose, the same results, the same quality of training, the same number of graduates can be assured. If there is any problem with the numbers being trained, recruited and available for good quality care, then we will move to address that. But we feel confident that the need will be met, and that the quality of the training will in fact be improved, Mr. Speaker.

### **School of Psychiatric Nursing, Portage - Input from Department of Health**

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker.

My question is for the Minister of Health. Since the Minister of Health has a responsibility for the registered psychiatric nurses in the Province of Manitoba, I would like to ask the Minister of Health if he or any member of his department has been involved in the decision-making process to decide which of the three schools the government will close that are currently training psychiatric nurses?

**MR. SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Mr. Speaker, there has been discussion between the two departments and the staff

of the two departments, and our department can assure us that we can take the slack, if anything, and train the people properly to serve the best interests of the people of Manitoba.

### **Red River Community College - Mental health workers' course**

**MR. D. ORCHARD:** Mr. Speaker, I have a question for the Minister of Education.

Can the Minister of Education indicate whether herself or any members of her staff have circulated a Letter of Intent to the Red River Community College which deals with the intention to introduce a training program to graduate two-year developmental services worker counsellors?

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. M. HEMPHILL:** I'll take that question as notice, Mr. Speaker.

### **Horse Racing Commission - Topley, Robt.- extension of contract**

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. W. STEEN:** Mr. Speaker, I'd like to direct a question to the Minister of Business Development and Tourism. Some 10 days ago, I asked the Minister if Robert Topley, the Supervisor of Racing, had been given a three-year extension to his contract by the Racing Commission. Has the Minister been in a position to find out if that is the case?

**MR. SPEAKER:** The Honourable Minister of Business Development.

**HON. J. STORIE:** Yes, Mr. Speaker, the premise of the honourable member's question was somewhat off base. The current supervisor of racing has been made an employee of the Horse Racing Commission as of February 1, 1985, so there has been no extension of a contract of the kind that the member was referring to.

**MR. W. STEEN:** Mr. Speaker, Thursday of last week, Mr. Robert Topley, the Supervisor of Racing, said that the reason that the handle at the track was up this past year was due to the fact that the three judges in the standardbred racing were improved over previous years. On Friday of last week the same Mr. Topley fired two judges, Mr. Ed Page and Mr. Gary Keays. In view of the fact that many cases against the Racing Commission have had to go to court, Mr. Speaker, I would ask the Minister if he would have the Racing Commission appear before a standing committee of the House so as to enable members of this side of the House to get at the bottom of the problem at the race-track?

**HON. J. STORIE:** Thank you, Mr. Speaker.

First of all, Mr. Speaker, the premise of the member's question is somewhat off base. He is suggesting that

there is some need to get to the bottom of the Racing Commission. Mr. Speaker, the member may recall that several years ago the Manitoba Horse Racing Commission, the Assiniboia Downs was in serious trouble. Mr. Speaker, we have taken a number of steps, the Manitoba Horse Racing Commission has taken a number of steps to improve that situation and we are seeing a gradual improvement. I am not disagreeing with the member's contention that there have been a number of problems related to the standardbred meet, but that is not to say that there has not been an improvement both in the quality of the judges, in the establishment and the consistency with which the rules have been applied, and the fact, Mr. Speaker, that the supervisor of racing and the judges have been meeting with the Manitoba Harness Horse Incorporated to establish new rules, to strengthen the rules, to make sure that the industry does continue to succeed and that this important industry continues to be a benefit to Manitoba's economy overall.

Mr. Speaker, the improvement over the last couple of years is evident to all of the people involved in racing and the industry. Mr. Speaker, there is no question that a number of moves made by the Horse Racing Commission in their continuing efforts to strengthen the quality of judging and the rules, is going to make an important improvement to the track and to racing in general.

**MR. SPEAKER:** Order please, order please. The Minister should not use his answer as an excuse to make a speech to the House.

The Honourable Member for River Heights.

**MR. W. STEEN:** Mr. Speaker, in view of the fact that in four years this government has had three separate chairmen of the Racing Commission; they have changed the personnel of the Racing Commission on a regular basis; they have changed the supervisor of racing twice during their days, and now they have had three judges, one from Ontario and two from Manitoba . . .

**MR. SPEAKER:** Question.

**MR. W. STEEN:** . . . two Manitobans have recently been fired. I would ask the Minister if he will have the Commission appear before a Standing Committee of the Legislature because the Minister's Estimates aren't due up before this House until the tail end of the Session. So will the Minister have the Racing Commission appear before a Standing Committee of this House?

**HON. J. STORIE:** Mr. Speaker, of course the members opposite will have every opportunity to discuss the Horse Racing Commission and its function in very short order and I welcome that kind of opportunity. I don't support the member's contention that there are any insurmountable problems. I have indicated on a number of occasions that there have been improvements. The industry is improving. Mr. Wright, the owner, has been most supportive of a lot of the moves that have been made and to my knowledge, continues to be so.

**Rent increase on houses - north Winnipeg**

**MR. SPEAKER:** The Honourable Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Speaker, through you to the Minister of Housing. Does the Minister approve of the 20 percent increase leveled by the City of Winnipeg on some of the houses in the north end?

**MR. SPEAKER:** Order please. The question seeks an opinion. Perhaps the honourable member would wish to rephrase his question to seek information.

The Honourable Member for Assiniboia.

**MR. R. NORDMAN:** Then, Mr. Speaker, through you to the Minister of Housing, would the Minister of Housing check into the fact that there has been an increase of 20 percent levied upon the renters in an area in North Winnipeg?

**MR. SPEAKER:** The Honourable Minister of Housing.

**HON. J. BUCKLASCHUK:** Thank you, Mr. Speaker.

Yes, I have been made aware of these rather large increases in the rents for homes in north end Winnipeg. I should inform the House that The Rent Regulation Act, Section 3(1)(c) indicates that: "Residential premises that are administered by or for the Government of Canada or of Manitoba or a municipality or any agency thereof are exempt from The Rent Regulation Act."

However, if the Member for Assiniboia is suggesting that we review the regulations to impose rent controls on those properties owned by the City of Winnipeg, we could take that under consideration. However I didn't realize there was all that much support from the opposition for rent controls. I'm glad to hear it.

**MR. R. NORDMAN:** Mr. Speaker, if the City of Winnipeg is a creation of the Provincial Government, does it not come under the same regulations as the private sector?

**HON. J. BUCKLASCHUK:** As I indicated, Mr. Speaker, The Rent Regulation Act specifically exempts the Federal Government and residential premises owned by the province and by the city. I certainly think the city is mature enough to be able to handle its own residential premises and for that reason I would suspect it was not under the regulations.

The other thing that the member has missed noting in the newspaper item . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. J. BUCKLASCHUK:** . . . the other fact the member has not referred to is the notation that the City of Winnipeg is subsidizing these units fairly deeply. If we were to subject the City of Winnipeg to subject their property to rent controls, then those subsidies would have to come out of the taxpayers' pockets of Winnipeg.

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

**ORDERS OF THE DAY**

**ORDERS FOR RETURN**

**MR. SPEAKER:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Speaker. I move, seconded by the Member for Minnedosa

THAT an Order of the House do issue for the return of the following information:

1. The total number of employer applications for the Careerstart Program for each of the years 1983 and 1984, showing:
  - (a) name of employer;
  - (b) type, description, salary and number of jobs required by each employer;
  - (c) municipality or district in which the employer is applying for job assistance;
  - (d) for each employer application, state an acceptance or rejection.
2. Total number of employee applications for the Careerstart Program for each year 1983 and 1984:
  - (a) type and description of jobs requested;
  - (b) municipality or district in which job is requested;
  - (c) for each employee application, state an acceptance or rejection.
3. For all applications and jobs created by the Careerstart Program in 1983 and 1984 specify:
  - (a) the salary for each job including provincial and/or federal contributions;
  - (b) the length of the job;
  - (c) a description of the job;
  - (d) the municipality or district in which the job takes place;
  - (e) the employee's age.
4. The total cost of the advertising spent on the Careerstart Program.
5. The total cost for each publication issued under the Careerstart Program.
6. The total number of employees employed on contract, or on term hired to administer the Careerstart Program
  - (a) salaries of all employees;
  - (b) job descriptions and titles of all employees.
7. The number and location of regional offices and costs to the Careerstart Program
  - (a) to lease, rent or buy office space;
  - (b) costs of office furniture, decorating and refurbishment.
8. Costs to rent, lease or buy cars for the Careerstart Program.

Mr. Speaker, in consultation with the Government House Leader some difficulties arose over supplying information for No. 2. So realizing that we don't want to cause undue hardship and expense I think we would be agreeable to deleting No. 2 from that Order, if that's agreeable with the government side.

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Mr. Speaker, I would like to speak to the motion as corrected. I guess we can take it as



corrected with the deletion of Item No. 2. We are prepared, Mr. Speaker, to accept the Order, subject to what we normally call reservations or conditions.

Because of the length and complexity of the Order I would like an opportunity, Sir, to state what we can supply and ensure that it is acceptable to members opposite so that staff have it clearly on the record as to the agreement we have reached here today.

Mr. Speaker, with regard to Item No. 1, we can supply a complete alphabetical listing of approved employers for 1984 and 1983. We do not have a similar listing for rejected applicants but we can get for the honourable members a complete total for each official data region of the number of rejects within those regions, so that there is a number available both for approvals and rejects for regions which will provide most of what the honourable member is asking for there.

With regard to the type, job description, salary and number, Sir, we do have the Canadian Classification and Dictionary of Occupations codes for each approved position rather than job descriptions for 1984 and 1983, and can supply the code listing for that, to interpret the code classification.

We can supply the total approved wage assistance per each approved employer application for both '84 and '83 and the official data region code for each employer for '84 and '83, so that the approvals by region can be calculated.

I will dispense with No. 2 then, Mr. Speaker, since it's omitted by correction.

No. 3 - We can supply No. 3 with the exception of federal contribution because I am not aware of any federal contribution there. Well, we can state that there isn't. We've got the hourly salary for each approved position for '84, the number of approved hours per position for both '83 and '84. Again, the Canadian Classification and Directory of Occupations Code for both '83 and '84; official data region codes rather than by municipality it will be by official data region for both years; and employee age we only have for '84.

Questions 4 to 8, Mr. Speaker, we can answer as requested in the Order. If, with those reservations, the Order is acceptable to members opposite, we are prepared to meet the request, Sir.

**MRS. C. OLESON:** Yes, that's acceptable, thank you.

**MOTION, as amended, presented and carried.**

**MRS. C. OLESON:** I move, seconded by the Member for Minnedosa,

THAT an Order of the House do issue for the return of the following information:

1. The number of applications in 1983 and 1984 for the Community Assets Program. For each application and year, state:
  - (a) the name, description and location of the intended program;
  - (b) the municipality or intended district;
  - (c) the number of proposed jobs the project will create;
  - (d) an acceptance or rejection by the Community Assets Program;
  - (e) the name of the group, business or applicant who applied for the project.

2. List all the approved Community Asset Program projects for 1983 and 1984. Include the following information:

- (a) length of program;
- (b) total cost of program;
- (c) breakdown of funding showing provincial grants, federal grants and funds provided by the applicant;
- (d) the total number of jobs created by the project and those jobs directly funded by the Community Assets Program and other provincial programs.

3. The total cost of advertising spent on the Community Assets Program.

4. The total cost of publications produced for the Community Assets Program.

5. The total number of employees hired or on contract or term employed to administer the Community Assets Program, their job descriptions and their salaries and expense accounts.

6. The number of regional offices, office locations and the following costs for the Community Assets Program:

- (a) to lease, rent or buy office space;
- (b) costs of decorating, refurbishing and furniture.

7. The cost to lease, rent or buy cars for the Community Assets Program.

**HON. A. ANSTETT:** Mr. Speaker, we are also prepared to accept this Order subject to several reservations and conditions, Sir, if they are agreeable. We can provide most of the information asked for in No. 1 as follows.

We can provide a listing of all applications both approved and rejected for '84. We only have a list of approved projects for '83, but for both years for all those projects then we can have both a brief description, actual location of the project - not just municipality or district - but actual location, proposed number of jobs and the sponsor name, and that would include an indication for '84 of whether it was accepted or rejected which was (1)(d).

No. 2 - We can provide a listing of all of those approved projects as requested, including number of work weeks in the approved project - it might not be the exact length of the program - but it would be our approved number of work weeks, the total sponsor contribution and the MCAP grant contribution from which the total cost of the project can be calculated. I cannot provide any of the balance of the information requested in No. 2. We do not have that information, Sir, except by going through all of the detailed files and there are hundreds of applications.

Sir, we can answer Nos. 3 to 7, inclusive, as presented in the Order. If those reservations are acceptable, Sir, we will agree to provide the Order.

**MRS. C. OLESON:** Mr. Speaker, I am wondering if it's in order for me to suggest then if the approvals are not available for 1984 if they could be forthcoming at a later date.



**HON. A. ANSTETT:** Mr. Speaker, I may have misled the honourable member. We will provide all of the approvals for 1984. If because the program is still ongoing and some of the information is incomplete, we could file a supplementary order later if there was a change. But I think by the time the information is collected and collated which will take several weeks I would expect; although I understand from the Minister that if most of it is readily accessible now we may be able to provide fairly up-to-date information because the program for this year closes the end of June and pretty well all projects are either completed or under way. Some of them may not be final figures because as the project proceeds, some variations occur.

**MOTION presented and carried.**

**MR. SPEAKER:** Would the Honourable Government House Leader indicate the next item of business?

**HON. A. ANSTETT:** Mr. Speaker, I beg to move, seconded by the Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker, it would be our intention to proceed with the Interim Supply Resolution.

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

### COMMITTEE OF SUPPLY SUPPLY - INTERIM SUPPLY

**MR. CHAIRMAN, P. EYLER:** Committee, come to order. The Member for Lakeside.

**MR. H. ENNS:** Mr. Chairman, it would be my hope that the government members would acknowledge that this is an important debate, traditional debate, where we deal with Interim Supply. It's an opportunity for members in the opposition, despite the fact that we have had ample opportunity in terms of the debate since it concluded respecting Throne and Budget, but nonetheless it's one of the few occasions where we have an opportunity of dealing with a number of areas concerning the broad spectrum of government services.

I would hope that two things, No. 1, the Government House Leader would attempt to have a reasonable number of Ministers in the House to listen to us, and; No. 2, that the Ministers do not abuse the occasion to respond to some of the questions that my members have and to allow the reasonable . . . of Interim Supply to be passed.

I remind particularly the Minister of Finance. It's his Interim Supply that he is wanting to get passed for good reasons. There are other pressures on him that we are aware of. We have agreed to passing Interim Supply but I ask the House Leader to control some of his members so that we can have a reasonable debate with respect to Interim Supply.

**MR. CHAIRMAN:** Order please, order please. Order please. It was not clear to me whether or not the

Member for Lakeside was rising to speak to the resolution for Interim Supply or as a point of order. I take that it was meant as a point of order.

The Government House Leader to the same point.

**HON. A. ANSTETT:** Mr. Chairman, I assume the Opposition House Leader was speaking as first speaker in the debate in Interim Supply, and if you recognize me, Sir, to speak second in that debate I would like to address some of the concerns he raised.

Mr. Chairman, I appreciate the concerns raised by the honourable member. I'm sure that he appreciates that, as I am sure his Whip is aware, that some of our Ministers are away on government business. His Whip has been advised of the need for those pairs and he is aware of them. I'm somewhat surprised, Mr. Chairman, nonetheless that he raises that concern when two-thirds of those Ministers who are members of the Treasury Bench were here. We raised the concern and I have no expectations, Sir, that they would leave.

Mr. Chairman, I appreciate that the Interim Supply is an attempt and an opportunity for a cover the waterfront debate. We've had that opportunity for three full weeks. I'm sure that it is the intention of Ministers on this side to respond to questions for information. However, I have to emphasize for the benefit of members opposite that if we are going to have a debate and flights of fancy that members on this side find that just as enticing as members on that side, so the tone of the debate is set as much by opposition members as it is by government members. We anticipate participating in that debate. We know that debate is traditionally recognized as opposition time where Ministers respond and government backbenchers also participate, but generally it's an opportunity for general questioning rather than an opportunity for wide-ranging debate, although both are allowed.

I'm somewhat taken aback by the opening remarks of the Opposition House Leader. If that were to occur and become a problem, I would expect that speech. I don't think that we, on this side, have given him any cause for coming to those conclusions and making those assumptions about the tenor of this debate.

**MR. CHAIRMAN:** The Member for River Heights.

**MR. W. STEEN:** This, during Supply debate, gives me an opportunity to make a few comments regarding the Horse Racing Commission and some of the problems that are facing this industry. As you know, Mr. Chairman, in question period today, I asked the Minister if he could have the commission appear before a standing committee of the Legislature. My purpose in asking that question was that I know that his Estimates are in the second half of the number of Estimates that are going to be done and we may not get to his department until June or possibly July — (Interjection) — as my desk mate says, they may come up with enough courage and have the election prior to the completion of the Session - in the passage of the Estimates and the Minister of Business Development and Tourism.

Mr. Chairman, anybody that reads the newspapers and has been for the last number of months knows that problems in connection with the Horse Racing Commission and the horse racing industry have been

in the papers on a regular basis since Christmas time of last year, and that there is some great concern amongst the horsemen. I say to you, Mr. Chairman, is that in Manitoba there are some 3,000 persons that earn more than 50 percent of their annual earnings from the horse racing industry, whether they be involved in the standardbred or thoroughbred industries. These people play an important role in our society and horse racing has been deemed by the Minister's Department of Tourism as the single most important item when it comes to attracting tourists from North Dakota and Minnesota.

So therefore I say, Mr. Chairman, to you, and I appreciate the fact that the Minister is here to hear my comments, is that this is why I raised this question with members of the House and particularly the Minister is that it is an important industry. It's one that I hope that the Minister doesn't take lightly when he is performing the duties as Minister of Business Development and Tourism.

I think that in the past, Mr. Chairman, 11 years we have seen seven different Ministers who were responsible for the Horse Racing Commission, that is, through the Schreyer Government days, the Lyon Government days and now the Pawley Government days. In the last four years, as I mentioned earlier, Mr. Chairman, we have seen three different Ministers from this government who have been responsible for the Horse Racing Commission. We have had three different chairmans of the Racing Commission, and one of the backbenchers on the government side says that all were very well experienced persons. Well, if they've had three different chairmans of the Racing Commission and they're all very experienced, why are they changing them so frequently, I would ask through you, Mr. Chairman?

In the past four years, Mr. Chairman, we've had three different supervisors of racing. We've gone from a Mr. Bond who was there during the Conservative days. Then there was a fellow by the name of Freeman that was in as a supervisor and Mr. Axworthy in his wisdom, thought Mr. Freeman wasn't suitable for the job and wouldn't permit him to have landed immigration citizenship papers so that he could work in this country. He was an American, Mr. Chairman, and he was a very qualified person.

So, therefore, the Commission went out looking for a new person and they found a Mr. Robert Topley from Eastern Canada who, for some reason or other, was deemed by the commission to be a better and more qualified person than Manitobans. Mr. Topley's great experience with the horse racing industry was zero. His occupation, prior to coming to Manitoba, was to collect urine for the Department of Agriculture in the Province of Ontario, and, besides that, he used to sell advertising in a racing forum in Eastern Canada. He has had virtually no experience with the racing industry, yet he has come into Manitoba and he's been here for some two years and has done nothing but harass and cause trouble with the Manitoba horsemen.

I was glad to hear from the Minister that Mr. Charles Ibey, who is a friend of Mr. Topley's, who Mr. Topley brought in - I am told that he was seconded to come out to Manitoba and act as a judge during the standardbred season - will not be back for this summer. I welcome that news and I say that's good news because

Mr. Ibey has been a thorn in the side of many of the Manitoba horsemen. The drawback, Mr. Chairman, is that these two individuals, this Robert Topley, the Supervisor of Racing, and this Charles Ibey have come to Manitoba from Eastern Canada with one thing in mind. They are going to prove to Manitobans that they know better and they have set out to do nothing but harass the horse racing industry here in Manitoba and to cause nothing but great difficulties in driving in wedges between the commission and the horsemen.

Mr. Chairman, I think it is shameful that Mr. Topley has now become a civil servant and I question whether the position was ever advertised. They have taken it from a contract job and made it a civil service job. What I don't like personally about that is that after the next election, if we want to change the supervisor of racing, we may be faced with a very difficult role in releasing Mr. Topley from his duties, because I think that I will certainly bring that to the government's attention at that time that Mr. Topley is not qualified for the job and shouldn't have it. I don't know whether, Mr. Chairman, Mr. Topley has made contributions to the ND Party or ever carried a card with them or had any association with them or not, but he isn't competent and qualified for the job. Yet there are Manitobans who are and there are other Canadians who have vast years of experience in the racing industry and, in particular, experience in dealing with people which this Robert Topley obviously hasn't got, and that is the experience and the knowledge and the know-how to deal with other humans. What he tries to do is act as a small czar or a dictator at the track and get his own way. So often, Mr. Chairman, that when there were decisions before the three judges, Mr. Topley would overrule the two Manitoba judges and side with his friend and cohort, Mr. Ibey, the judge that he brought in from Ontario, and overrule the two Manitoba judges.

I guess perhaps these cases where Topley has had to overrule the two Manitoba judges has been one of the reasons why Mr. Page and Mr. Keays have both been released from their terms of employment and fired from acting as judges. We are about to embark on the summer season of the standardbred racing which goes into some 20 rural Manitoba communities and in many of these communities. I know from my own experience, Mr. Chairman, that racing is a major event at the agricultural exhibitions that take place throughout Manitoba. In fact I hear my colleague and friend from Minnedosa saying, here, here, and I would agree with him. In his own home town of Minnedosa the racing has grown by leaps and bounds over the last couple years and it is now a major attraction during their summer fair. I have had the privilege over the past number of years, because my family comes from the Carberry, Manitoba area, of attending the Carberry Exhibition on a number of occasions and the racing is a very important part of the rural agricultural exhibitions.

Now we are going to be embarking on this racing season which comprises of some 20 or so areas within Manitoba and we have fired the two Manitoba judges. Mr. Ibey will be going back to Eastern Canada, I'm led to believe, so we are sitting here today, almost at the tail end of the standardbred racing season, and we are about to employ new judges.

I think it is shameful that Mr. Page and Mr. Keays have been dismissed. As I have said they are both

experienced persons. Mr. Page was brought back from Alberta and asked if he would participate to be part of the Manitoba racing season and be a judge. He's a man of 60 years of age with many years of experience in the racing industry.

The most difficult part of the whole thing, Mr. Chairman, to understand is that only last week one of the Free Press reporters wrote an article in the paper saying that the reason, according to this Mr. Robert Topley, that the betting-per-person attending the races - the attendance has been down - but the betting-per-persons attending the racing is up. He complimented the judges and said that the judges were the reason why there was an improvement in betting at the track and then only 24 hours later he dismisses two-thirds of the judges and releases them or fires them. This, Mr. Chairman, I find most inexcusable.

I would hope, as I have said earlier, that the Minister's Estimates are not likely to appear before the members of this House for a number of months now, and I think the racing industry in Manitoba needs some improvement. There are a number of members on my side of the House, Mr. Chairman, that would like to have an opportunity to question members of the Racing Commission and find out and get to the root of the problems, and see if we can salvage the racing industry in Manitoba before it goes down the drain.

The Minister of Tourism knows, Mr. Chairman, that the track in the Minneapolis area is going to be opening in June of this year. His department is placing a great deal of their emphasis in relation to tourism dollars in promotion in the Minneapolis area to try and lure Minnesotans up to Manitoba this year. We are going to be in competition with the new American track. In fact there was a release from Government Information Services just yesterday, saying that members of the Minister's staff are in the Minneapolis area and are promoting tourism into Manitoba.

The Minister's staff has said at Brandon at the recent Tourism's 15th Annual Meeting, that the one single thing that attracts tourism from North Dakota and Minnesota is the race track here. If our race track is having a number of problems in regard to the people that are regulating it and controlling it and personnel problems within that body, I think that is a matter that members of this House should be interested in and should be asking, through the Minister to his members of the Racing Commission, to try and find out what are the problems and getting this thing resolved to the extent that we can get the horse racing industry in Manitoba back on its proper footing.

As I said at the beginning, Mr. Chairman, there are over 3,000 Manitobans that derive the major portion of their income from the horse racing industry. It's an industry that I would hate to see reduced in size. We are in a state of high unemployment as it is. We shouldn't want to see any of these 3,000 persons not able to earn a living through their horse racing industry.

So, Mr. Chairman, I wanted to make some comments regarding this industry. I think it is shameful that various Premiers in the past and present have changed the Minister responsible for the Racing Commission so frequently and this government has seen fit to change the chairman of the Racing Commission on three occasions within a four-year period. The commission has changed the supervisor of racing on three occasions

in the last four years and obviously, politicians and government in general - and particularly this government - don't give the horse racing industry a high priority when it comes to regulating and making appointments to boards and commissions.

I mentioned this last year when the former Minister who is now Minister of Natural Resources was appearing before committee with his Estimates, and he mentioned that Mr. Chisvin was going to be the new chairman of the Racing Commission. Well Mr. Chisvin is also the chairman of the Liquor Commission. He is also carrying on a practice of chartered accountancy. At that time, I asked the then Minister if he felt that Mr. Chisvin could devote the necessary time to the Racing Commission and it's obvious, Mr. Chairman, that Mr. Chisvin is too busy a man to devote the necessary time to the Racing Commission.

The Minister of Finance constantly is asking the Liquor Commission to bring in hundreds of millions of dollars in income in the way of liquor taxes and, with liquor sales being on the decline the only way that they're able to increase their revenues is by jacking up the prices. It's obvious that Mr. Chisvin has got a busy role in trying to satisfy the Minister of Finance with the necessary revenues, that he isn't able to do the job, in my opinion, as Chairman of the Racing Commission simply because he is too busy and hasn't got the time to go out to the track and be among the persons at the race track, and meet with the horsemen at their levels and discuss the problems that are facing the horse racing industry.

So, Mr. Chairman, I would ask through these brief remarks that the Minister involve himself personally into this matter, and call the Racing Commission before a committee of the House. I don't care, Mr. Chairman, whether it is Statutory Regulations, Agriculture Committee or whatever it is. We can move various members from committee to committee who show a keen interest in the horse racing industry.

So, Mr. Chairman, again through you and because the Minister is present, I would again appeal to him to have the Racing Commission come before a Standing Committee of the Legislature. If the Racing Commission has nothing to hide, then there is no reason why the Minister should protect them and not have them appear before a committee of this Legislature.

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. R. DOERN:** Thank you, Mr. Chairman. One of the, I guess, pleasures that we all have after the Session, is to go home and turn on the TV, watch the news or watch Johnny Carson, watch one of the old movies. — (Interjection) — Well, I was thinking of the citified members of the Legislature. But when I'm not watching the news, I sometimes like to turn on Johnny Carson because he is one of the best comedians on television. But last night as I was turning the dial, I thought that I had come across an old Laurel and Hardy movie, because there was somebody who looked like Stan Laurel and somebody looking like Oliver Hardy, and after I realized that this wasn't in fact one of those old black and white reels, it was none other, Mr. Chairman, than the Premier and the Minister of Finance.

There they were moaning and groaning, complaining, sad and dejected, talking about the fact that they didn't

get that \$72 million, Mr. Chairman, sullen and long-faced just like the Minister of Finance today, very dejected, blew the big issue, blew the chance at re-election and didn't give the Feds any credit. Now, I think if someone is an objective observer, and I consider myself to be objective but maybe I'm not, maybe I'm not, but I would say that any objective observer of this situation would say that the Federal Government had in fact come a long way to rectifying a problem that was not of their creation. The problem that the government faced was a feature and a policy of the Liberal Government. It was the Trudeau Government that had settled on the formula, and it was the Mulroney Government that, in effect, responded to a problem.

So, Mr. Chairman, the Minister of Energy came into the House yesterday, and he brought in two little vials of crankcase oil, and he asked us to applaud and to give credit where credit was due and not to be preaching doom and gloom and to rejoice in this terrific strike in western Manitoba, probably second only to the Leduc oil strike in Alberta, and the government was dejected.

Mr. Chairman, I think the government is making a mistake. I think they are blowing the ball game by continuing to harp on the fact that the Federal Government hasn't given them precisely what they want. Mr. Chairman, I think that's the wrong strategy. The right strategy would have been to say we forced Ottawa to give us another \$50 million, and then we got another \$65 million, we got more than we had hoped for. That would have been a smart strategy.

Mr. Chairman, instead, it was doom and gloom. And there was the Premier, coming out with his trendy new jargon. I rather like it; it's not the old jargon that he used to use all his life. He has new speech writers now. He said that it's still \$22 million short of fairness. I've never heard that expression before, "short of fairness." There is fairness; and then there is short of fairness; there is close to fairness; there is near fairness; almost fair; pretty fair; very fair; ultra fair — (Interjection) — right, which means . . .

**A MEMBER:** Faraway.

**MR. R. DOERN:** Faraway.

Well, Mr. Chairman, I'm simply saying that if the Minister is going to continue to harp on that subject, and according to the Free Press, the Free Press writer here, Page 1, Fred Youngs - Page 4, "While Pawley and Schroeder were gearing up for another attack on the formula," well, Mr. Chairman, that is going to fall on deaf ears. — (Interjection) — It won't sell, or as my good friend says, it won't wash. That's the old Sid Spivak saying. We used to always listen to Mr. Spivak in the Chamber - always this won't wash and that won't wash, but that will not, Mr. Chairman, wash or sell. Because any fair observer, any reasonable observer, will say that's enough, they got enough, they wanted so much, they got so much. They don't want to hear about it anymore.

Mr. Chairman, the government made another mistake. They put the Tories on the hook. They put the Provincial Conservative Party on the hook, and then what happened was the worst thing, namely, that they together get credit for this. In fact, I suspect that if it wasn't for the active participation of the Conservative

opposition in Manitoba that money would not have been forthcoming, wouldn't have been forthcoming. It was because they were put on the hook that they helped deliver, and that the people in Ottawa listened to the logic and also looked at the politics - because you know we are, in the last analysis, politicians - and they will say, well, we can't give all the credit to that \$50 million, plus \$65 million to the NDP, we have to give an equal or greater amount to the Conservatives because that is fair.

So, instead of the government being able to accrue that credit, they have now divided the credit, diluted the credit, and blew an opportunity. They peaked too soon, Mr. Chairman, that's really what the problem was. They peaked too soon.

Mr. Chairman, I think that we could very well have been looking at an election if that money hadn't been forthcoming. When you think about it, Mr. Chairman, if that money had been turned down flat, then the Minister of Finance would have come in, brought in a new mini budget, raised taxes, called the election, gone to the people and talked primarily, fundamentally about those meanies in Ottawa and then talked a bit about Limestone. But now that has been blown; that opportunity is no more.

So, Mr. Chairman, it'll be interesting to see what cards the Minister has left. Because, as the old saying goes, Mr. Chairman, he's not playing with a full deck. He's only got one card left, and that's the Limestone card. That's it, it's Limestone or nothing.

**A MEMBER:** The Limestone cowboy.

**MR. R. DOERN:** That's right. Mr. Chairman, that is the issue that they are left with. I just want to say at this time, the government keeps harping on the fact that the opposition has been asking questions every day about Limestone. Mr. Chairman, I expect a full debate in this House, and I know that the Minister of Energy is looking forward to that debate, and I'm looking forward to that debate as well. I think that there has to be a block of time set aside, maybe two weeks, maybe longer, to go through that issue so that the case for can be put and the case against, and then the public will decide whether or not this project should go forward or not.

Mr. Chairman, the Premier has given us that assurance. He gave that assurance to me personally when I spoke to him on the Peter Warren show one morning. He said, yes, there would be a full debate in the Legislature before major decisions were taken, and that is what concerns me. The Minister of Energy, I think, should not morally and ethically take decisions before there has been a full-scale major debate on that question.

Mr. Chairman, we all know what is going to happen. We all know that the Minister and the government will now put all their eggs in the Limestone basket, and if anybody wants to know what the campaign literature is going to look like, I have a preview here from the - well, it happens to be a picture - from the University of Winnipeg's Annual Report. There's the Premier with a little hard hat perched on top of his head, being shown around. I'm not sure who is showing him around, but that's it, that's the election campaign. I mean I can

see the government ads, I can see the television, I can see the full-page ads, I can see the NDP ads, and it's Kasser and Reiser all over again. It's CFI all over again. Well, you see, my friend from Brandon holds his head because he remembers the pain of Kasser and Reiser, but the Minister of Cultural Affairs, he laughs because he wasn't here. He thinks this is a different ball game. It's just \$3.2 billion, you throw it down on the table, and if you hit a certain number, you win, Mr. Chairman.

All I'm saying is that is the only card left in the government's hand, and I don't think they can win an election on that, Mr. Chairman. I don't think it can be done because the debate will not centre on whether or not Limestone should be built, it'll centre on whether or not Limestone should be accelerated. That's where the entire attention of the Legislature and the people of this province has to be focused.

So, Mr. Chairman, I simply say that I think the government made a mistake on their best card. They had two cards in their hand and they have now thrown away their federal equalization payment trump card. — (Interjection) — That's right, that's gone. They shouldn't have put the Tories on the hook because in that way if it was a loser they could blame them but if it was a winner they had to give up some of the credit and that's what they did.

It will do no good, Mr. Chairman, to say that they only got 70 percent of what they asked for. You know when I thought of that it reminded me of that old saying about whether you have a glass that is half full or half empty, so I drew this magnificent drawing here of a glass that's 70 percent full or 30 percent empty.

Mr. Chairman, are you going to go around and say to people, well, we have 70 percent of this cup full but we are going to complain about the fact that it isn't 100 percent full? Will people pay attention to you? Will they be persuaded about the cruelty of the Federal Government which filled in a situation that was far worse and made I think an honest attempt.

I think everyone in this House has some respect for the Minister of Health Jake Epp. He is a man of integrity and principle and I think when he said he would go to bat for Manitoba along with other people I think people will in fact respect that.

What has happened here as well, Mr. Chairman, is that the Premier and the Minister of Finance have shown that they are not a match for the Leader of the Official Opposition and the Member for Turtle Mountain. I think they were no match for the Conservative members.

Mr. Chairman, I am listening to the so-called heckling of the Minister of the Environment, a man who pollutes the environment every day with his heckling and he should clean up his own act.

Mr. Chairman, I simply say that in the end when we will examine this issue, now and at election time, that issue is dead and the Minister and the Premier can try to keep it alive, can try to keep it going, can talk about it all they want, but that opportunity has been lost. If you were to rewrite the headline of March 22nd in the Free Press which said, "Drivers and smokers pay more," I think you'd have to say that it would properly read "Drivers, smokers and Federal Government pay more."

**MR. CHAIRMAN:** The Honourable Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Mr. Chairman. I would just like to make reference to a friend of mine, Bud

Budel, who I had mentioned when he was at the Health Sciences during the Throne Speech Debate. Well, as of Wednesday March 20th, Bud died but not before he attended his son Guy's wedding four days before his death. Bud displayed a determination to win battles even under overwhelming odds.

Last Saturday, I would like to mention, that my family and I celebrated my Uncle Alex's 90th birthday. The family background is Transcona. We go back a long way in the Transcona area. I know there has been a mutual respect of my family and the Member for Transcona's family out in that area. But both of my Uncle Alex's daughters were at the celebrations of the 90th birthday and I asked my Uncle Alex if this was going to happen every 90 years. He says oh no, the next one is at 100 and you're invited. So I felt pretty good about it.

Mr. Chairman, I would like at this time just to thank the Conservative federal members, particularly Jake Epp, and the announcement of the \$115 million transfer payments. I just can't understand it. It's not enough, not enough. Well, if it's not enough maybe we'll give it back. It seems that you don't look a gift horse in the mouth. I think it was a good gesture on the Federal Government's part and I think that some credit has to go to the provincial Conservatives and the provincial NDP, but I don't think we should be negotiating in the manner which has taken place and yelling not enough, not enough; please, Sir, some more. No thank you. Let us take what we got and be thankful.

Mr. Chairman, last night I listened for an hour and a half to the Minister of Finance, a good speech. I sat in anticipation that all of a sudden he was going to jump up and yell "April Fool." It seemed it was that kind of a speech that he had provided us with. But I took personal offence to a remark about the Tories had failed to provide any constructive criticism. Isn't that great!

On Thursday, March 28, 1985, in Hansard, the Honourable Minister of Environment and Workplace Safety and Health in his speech, and I quote: "The Member for Niakwa has also suggested that the Compensation Board consider adopting a merit ratings rebate system. This is a very - in my opinion, Mr. Chairman - valid suggestion." I can't think of anything other than the term "constructive criticism."

He also goes on to say, "I am pleased that the Member for Niakwa appears to be one of the few members on the opposite side who is more intent on seeking constructive solutions than merely hurling irresponsible insults in regard to the Compensation Board."

Now the content of that doesn't really matter, but what I'm saying is that we have been providing constructive criticism and I think the honourable Minister of Finance should sit there and listen to the constructive criticism and take some action.

I am very very disappointed that I didn't get a chance to speak on the Budget yesterday which was the last day. We voted on it at nine-thirty last night. As is a regular procedure when the Minister provided the Budget, I think the routine is that he wears a new pair of shoes. Last night through a little accident where I spilled some tea on my shirt, I was prepared to wear a new shirt, new tie and new undershirt for when I spoke on the Budget Debate but I wasn't given the

opportunity. I asked the Honourable Minister to allow me the opportunity but that was not forthcoming.

Mr. Chairman, I am going to speak on the preferential treatment in hiring of Natives and northerners on this Hydro project at Limestone. I listened to the Minister of Energy make some remarks about how all Manitobans would benefit from the hiring practices.

I would just like to point out, Mr. Chairman, how all Manitobans are going to hire from the hiring practices. Let me refer to Friday, March 22nd, in Hansard to the Honourable Member for Churchill where he is stating the policy of the New Democratic Party Government, and I quote: "We have already heard what members opposite have to say about the training programs, and about the affirmative action programs, and about the preferential hiring programs that we have put in place to ensure that happens."

He also goes on to say: ". . . northerners and especially northern Natives will have a fair chance at employment and business opportunities arising out of Hydro." All very good, but he says: "I would ask the Member for Radisson" - I think he means the Member for Niakwa - "if he would suggest that I'm wrong in saying that in his speech he very clearly outlined his concern about those programs . . . "Yes, I really am concerned about some of the programs. And he says: ". . . and very clearly that he was opposed to some of them. I think the record is clear."

Okay, now opposed to some of them? Yes, I am opposed to some of them, and I did speak on why I was opposed, on how this New Democratic Party Government is turning the north against the south, and I repeat, that is what they are doing. They are turning people from Winnipeg against people from Thompson. People from Thompson against people from Winnipeg.

Why do we discriminate against southern Manitobans? That is exactly what is happening, Mr. Chairman. There is discrimination against the southerners. The Charter of Rights guarantees equal opportunities of employment.

Mr. Chairman, I want to get back to the hiring policy of the New Democratic Party Government. I want to know, and I think it's my right to know and to ask questions, concerning the agreement that was made with northern Manitobans and northern Natives. Was the same courtesy extended to Natives in the south of the Province of Manitoba? I'm not against correcting an injustice that has taken many many years to come to a head at this point. I know that there are discussions going on in Ottawa right today concerning some of the injustices that have taken place, particularly with the Natives in the North.

I know what it's like to be part of an oppressed group, and I'm not going to extend on that, so I do understand what some of the Natives are going through. To correct an injustice? Yes. To train Natives so that they will be competitive in the workplace I think is a noble gesture, and I support it completely - support it completely. I think the attitude of this government in training the Natives is a noble attitude, but not to give them preferential treatment in the hiring. I can accept that. I am in favour of training the Natives for future jobs and as I suggested once before, now is the time to start that training process.

I heard the Member for Rupertsland whom I had the opportunity of visiting with when he was up at Red

Sucker Lake, I guess I've got to repeat again, that I certainly have nothing against northerners when northerners do deserve some of the things that will come out of this project, but not preferential treatment, not in hiring. That's the only thing that I'm saying. It's preferential treatment for one group over another. That's all I'm saying. — (Interjection) — No, I don't.

**A MEMBER:** It's in our backyard, Abe.

**MR. A. KOVNATS:** You know what? - certainly it's in your backyard. But you've forgotten the other Natives in the province, the other people from Indian reserves, from Valley River, from Waywayseecappo, Roseau River Reserve, Fort Alexander Reserve. If you can tell me that these people were treated with the same consideration, I'll jump up and yell "hallelujah" because then you are not going with strictly preferential treatment for one particular group.

Again, to correct an injustice, there are other ways of correcting the injustice. Training them, training the Natives and the northerners to be able to qualify for particular positions, completely acceptable. But to turn one Native against another, turn one Manitoban against another Manitoban, is just something that I cannot accept. You did it, and I repeat, you did it with the Francophones and the Anglophones, with the proposal that you people had at one time, and I'll never forgive you for that. You broke a lot of families up when they took sides, and I can't forgive you for that.

Why are you in such a hurry to get started at Hydro, at Limestone? Just the possibility — (Interjection) — Sure, all right. If you want to do it as a political ploy just to give people jobs, say so. That's not really what your intention is. Don't give me, you know what about the jobs. I don't think that's what your intention is. Your intention is to do what's right.

Now let us say that you do start a year or two earlier. Now I know you've come up with figures that said there is all kinds of extra monies that will come in if we start earlier. We'll be able to sell some interruptible power some place and there will be additional sales. But if you're wrong, and we are right - and I think that we are - you're now looking at \$300 to \$400 million in interest charges. You've just got to go a little bit further. They're not always correct. We're talking about \$300 to \$400 million in interest charges that the people of the Province of Manitoba might have to pay off in the future. I think they will have to pay off in the future if we go too fast. These are the consequences.

Look what we did with Garrison. We had an international agreement that the Canadians wouldn't allow the water from the Missouri to come up into the Churchill River system - an international agreement. But there was the possibility of the danger of ruining the fish industry in Manitoba, and I've forgotten the term for the fish eggs that come up it, shad or whatever it was - but the Americans advised us that there was no danger in that. They were going to take every kind of preventative measure, but we didn't want to take the chance so we told them, no, and they stood by their agreement. We could see the consequences of the action.

You know, you don't have to rush into Limestone. You can already take the credit. I know these jobs that



we keep making reference to, and it's an important thing to provide people with jobs, to take people off welfare, to take people who are tradesmen who are just waiting for the opportunity to go to work; I know it's important. I'm not saying, don't think it don't consider them. But you can already take the credit for the start up of Limestone.

You don't have to have all that expensive stuff into the ground in starting; and you know what? You put us in one heck of a position because I don't think that we would stop it even if we got to be government, the cost would be so prohibitive at this time - the cost would be so prohibitive — (Interjection) — Are you telling me that my deputy leader has said, we would stop Limestone? — (Interjection) — That isn't what he said. Don't put words in my mouth. No, it's a project that we supported right from the start. It is the timing. Do you think you came up with the idea of Limestone? Baloney!

**A MEMBER:** Tell us why you're against it then.

**MR. A. KOVNATS:** I didn't say I was against it. Don't put words in my mouth.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please, order please.

**MR. A. KOVNATS:** I have listened to the Minister of Finance make a remark about how the Minister of Energy had obtained the best possible price. Where's the remark? But that's what the Energy Board said with respect to Mark Eliesen, Wilson Parasiuk and Manitoba Hydro - the best possible price. That's tremendous. That's real bargaining.

What is the best possible price? Couldn't you have got a little bit more? That would have been the best possible price.

**A MEMBER:** Or a little more than that.

**MR. A. KOVNATS:** Or a little bit more than that. That would have been the best possible price.

I remember being part of the theatre distributing business that I used to be in, and we used to advertise the admission prices, popular prices. Sure, they were popular to the theatre owners, not to the people that were going to the theatre. That's what the difference is. You know, it is all a matter of playing games with words.

Best possible prices, best possible deal - sure it's the best possible deal for the Americans. I'm not against that either. We have given them a guaranteed price, which is more than we can say for the Manitobans who are going to have to pay for power into the future. Prices will increase in Manitoba, no doubt about it, not in the United States. They have got a guaranteed price. I wish I was in the electrical energy business in the United States. We're doing them a big favour. Maybe the Minister got whatever he could, but I think that there always could have been a little bit more.

I'm going to speak a little bit on the environment at this time now that I see my colleague, and I would like to thank him for the remarks that he made about me

earlier. They were nice remarks, but scared the living hell out of me, because I don't want anybody to think that we're that friendly and that you do accept some of the constructive criticism that I have supplied you. It really scares me, but I'm not going to lose that much sleep over it, Mr. Minister.

I did hear the Minister of Environment, Workplace Safety make some remarks about the leaded fuel tax, and you know it's the attitude of the New Democratic Party Government to make the rich pay. The leaded fuel tax isn't going to affect the rich; it's going to affect me and people like me who have got old cars that use leaded gas. It is going to affect old trucks that use leaded gas. The tax on cigarettes - you should have doubled it.

I'm glad and I looked around, because just a little bit earlier, you know we are still entitled to smoke here in the committee rooms, I think somebody was smoking a little earlier. I'm not going to be critical of that. I quit smoking five years ago, I feel good about it, and I have no intention of going back to smoking.

Mr. Chairman, I've forgotten what time I started.

**MR. CHAIRMAN:** The honourable member has 10 minutes remaining.

**MR. A. KOVNATS:** Okay, well that's fair enough, fair enough.

I'm just going to speak a little bit on the smoking and the cigarettes and the taxes. The tax on cigarettes, acceptable. How high would the increases in taxes on cigarettes have gone or taxes on leaded gas have gone - oh, welcome to the members of the press. I never thought that there would be anybody here, because none of this stuff ever gets reported. I was listening to the Minister of Finance last night, and I'm glad that none of that stuff is ever reported.

When it happens that there will be a change in government, what are you people going to give us? It's like a football game with an offence and a defence, you're all part of the same team. We are all part of the same group in here, we're all working for the Province of Manitoba, but the New Democratic Party Government are the defensive part of the team. They have been sent out onto the field to stop the opposition from scoring any points. They have got us the ball, and they will be turning the ball over to us, but they're leaving us on our own five-yard line with our back against the wall. This is what you are doing to us. They are going to make us government, but you're making it as difficult as possible for us to take over - \$300 million to \$400 million. The economic conditions that you're leaving us with are atrocious.

If this wasn't your last sitting of the House and your last Budget, would you have increased any of the taxes? Would you have increased the payroll tax? I believe that you would have if it wasn't getting ready for an election. Would you increase the Workers Compensation rates at a greater level than what they have been increased? I believe that you would. Would you increase the extra billing to the senior citizens? Well, I'm sure and I believe that you would have. Would you increase any of the other taxes and all of these things that make things half-decent to live in the Province of Manitoba? Cheaper Hydro rates, sure you're going to increase



them right after there is the opportunity of finding out that it's not going to hurt you in the next election.

Thank goodness that four years have gone by or almost four years have gone by. That was the only salvation that the taxpayers in the Province of Manitoba can stand up and say, you know, well, they're going to take another crack at it, and a deficit of over \$500 million — (Interjection) — hey look, I can have it both ways, I've told you before. I can have it both ways. There is nothing wrong with that. I'm a member of the opposition.

A deficit of over \$500 million, and you know what? We're going to blame the Federal Government, because they didn't give enough transfer payments. How in anybody's sane mind can anybody prepare a Budget not knowing whether you're going to get that money or not? There was no guarantee. Thank God we have people on this side of the House that were prepared to help to increase the transfer payments.

I have more to say, Mr. Chairman, but before I sit down at this point, I would just like to ask the Minister of Finance or it could be the Minister of Energy, is there any written agreement with the Natives concerning the preferential hiring?

**MR. DEPUTY CHAIRMAN, C. Santos:** The Honourable Minister of Energy.

**HON. W. PARASIUK:** Mr. Chairman, I am certainly pleased to rise and answer the question of the Member for Niakwa and provide an explanation to him, because I believe that he's got a number of misconceptions about what the northern and Native northern preference is, and I think he's drawing the wrong conclusions.

There has been a collective agreement between the Allied Hydro Council and the Allied Projects Management Committee which consists of Hydro and contractor representatives and this has been in effect for some time, some number of years, and it had been negotiated so that there would be a collective agreement before us with a "no strike" provision until 1995. That agreement had been negotiated some time in the latter '70s in terms of its last negotiation and that agreement had contained a northern preference clause. There has been a northern preference clause in that collective agreement for some number of years.

The northern preference clause provided for a preference for northerners to be hired within a certain territorial area which roughly coincides with the Northern Affairs boundary and that was in effect when the Conservatives were in office from '77 to '81. The problem with that was that everyone agreed, when they looked at the figures, that it didn't work that effectively, but there was a preference clause in existence.

We had said and we had campaigned saying that we believe that we should have the orderly development of the Nelson River and that we should try and ensure that northerners have a greater opportunity to participate. So there were discussions with the unions involved and with the Hydro project's management committee. There were instances where the agreement was worded in such a way that the intent wasn't being realized.

I think it was a couple of years ago on a smaller job related to one of the DC converter stations, there were

some layoffs and it was Native people who were laid off first, northerners laid off first, hired back on again last. People were saying well there is something about northern preference, it doesn't seem to be working.

So that was one concern that was a legitimate concern raised through experience, but there were a lot of other concerns raised by northern people, not just Native people, but northern people who said that here we have these major projects taking place in Northern Manitoba, and there are very few northerners, especially northern Natives who are getting a chance to participate in the employment opportunities provided. It is these communities that have some dislocations, have some changes to them, and there have been some environmental impacts in the past with some of them, and yet they are not partaking of the employment opportunities. In some of these communities, you have something in the order of 90 to 95 percent unemployed. You have what may be called a chronic state of underemployment.

The question then became one of, how does one actually provide a fair share for everyone? Because in the past, virtually all of the people working up there weren't from the North and there were very few Native people employed.

So there were negotiations between the Allied Hydro Council and the Hydro Projects Management Committee and they did modify the preference clauses that existed already. The modification was that northern Natives would have a first preference and the contractor and the employment searching agencies would have 72 hours to fill a position. First preference was northern Natives, second preference northerners, third preference comes down to the rest of Manitoba, so there's a 72-hour preference in a sense for the North. But the bottom line, and this is what the Member for Niakwa isn't realizing, the bottom line is that the preference applies to skilled people. The preference applies to someone who is skilled, so you can't just take someone and put them in if they aren't skilled. The person has to be skilled. The person will have to be a journeyman, a carpenter, an electrician or what have you. There are skilled classifications that the federal placement agency, CIC, has, and that the contractors have. The people will have to meet those skill requirements. That means that in terms of the skilled people who will be getting work on that job, that the way things are right now, a large number of the people getting work as skilled people, will indeed be southerners, they've got the skills. There are some skilled Native people, they will have an opportunity to get work there. There are skilled northerners, they will have an opportunity, but there are a lot of jobs to be filled and the large majority of them will come from the south.

Now, what we're also doing, however, and that's built into the agreement, is that we're trying to train people so that they will, indeed, develop the skills. The way in which construction training works is you don't basically train these people in the classroom for three or four years until they get their journeyman papers as carpenters or as electricians, you train them on the job. They're trained as apprentices.

So we have worked with the Hydro Projects Management Committee and the Allied Hydro Council to identify targets.

**MR. H. ENNS:** I'll be asking about them.

**HON. W. PARASIUK:** I don't mind you asking about them because they're very explicable and they're very defensible. I don't feel intimidated by that at all, in fact, I welcome that, and I'm trying to take the opportunity now to meet some genuine concerns that were raised by the Member for Niakwa, which I thought he raised in a sincere manner and I'm trying to provide that information to him, and say that we are trying to see whether, in fact, it's not possible to increase the number of carpenter apprentices who are northern Natives, increase the number of northerners who are carpenter apprentices, or electrician apprentices or pipefitter apprentices.

The way that the apprenticeship program works is that you have to have a number of journeymen in relation to, I think it's four journeymen per apprentice, so that you will have, I hope, a fairly high proportion of apprentices on that job who are northern Natives, and who are northerners. They will be dealing with a very high proportion of skilled journeymen who will be from the south. As those people work over the course of that project and take some classroom training, because they take some classroom training through the apprenticeship program, it is everyone's hope that you reach a stage over the course of the next three years, four years, five years, where the number of skilled northern Natives who have the qualifications to undertake the job will, in fact, increase. So that in the future, instead of having just a few skilled carpenters up North of Native ancestry, we might have a lot more electricians, a lot more pipefitters.

That's the way this whole process will work. We think it's a fair process. We think that it is going to be good for the construction of Limestone in its own right, but also good for Manitoba in the long run. Just imagine, if you could have unemployed people who develop journeymen's skills that they can use in their communities in the future, or use on other construction jobs, just think of what type of saving we, as a society, will have. Because we have far too many instances in my estimation where jobs are undertaken up North, and the whole crews are flown in there and housed. The cost plus is very high, and there are local people who I think if given the proper opportunities in the past, might have developed those skills so that they could be building some of the houses up North or undertaking some of the other projects.

Now this is a difficult task, I'm not saying it's an easy task to accomplish, but I believe the approach being undertaken is a very comprehensive approach. I commend the contractors for being on-side. I commend the trade unions for being on-side. That is where the agreement rests, between them.

The agreement is between the unions and the contractors' association. They have had the vision and the far-sightedness to enable these opportunities to occur, especially with respect to the apprenticeship side. I frankly wonder what the Conservative position is on this whole matter.

I have heard some people raise these points then I see a pamphlet that you send out saying that, "With respect to Hydro you say that employment opportunities for northerners and Natives should be ensured." Well

what are you saying? If you are saying that you don't want to have these types of things, how then do you send the pamphlet out to the general population saying that one should ensure these types of things?

We believe that this is the right approach to take. We believe we have sufficient lead time, and work is being undertaken right now to identify what skill levels people in northern communities have. It may turn out that some of them have one or two or three years of experience. They won't have to get into an apprenticeship program in Year One. Some of them may be able to get into Year Two or Year Three, and they'll have to pass equivalency tests and that's being looked at by the Apprenticeship Branch of the Department of Labour. People from Keewatin Community College are involved. Federal groups are involved. The Federal Department of Indian Affairs is involved. Flora MacDonald's department is involved.

People see this as a very positive opportunity to provide some genuine employment opportunities of a real nature with some excellent long-term training opportunities for northern people, especially northern Natives. We've not had anything like this before with respect to the construction industry in Manitoba. It's been tried a bit in some other companies in other parts of the country, and I met with some of the companies that had been involved in trying to develop some of these programs with respect to northern and Native northern training.

One of the companies was Imperial Resources, and one of the people I met with was Don Lougheed, who is Peter Lougheed's brother, and he had been involved in a project at Norman Wells. He said these types of things are indeed possible and they, I think, undertook excellent program to try and bring about more Native involvement in the employment opportunities created at Norman Wells.

He also said that they were able to bring about their entire project at a substantial saving and that might have been because now is a good time to be undertaking large construction projects as the industry is very hungry and very competitive.

So we took a look at their example. We took a look at the example of Nova which has had some experience in training Native northerners in Alberta. We took a look at what had taken place in Saskatchewan at Cluff Lake with respect to assimilated training programs for Native people, and we've learned some interesting experiences there.

When I was at Yellowknife last summer at a Mines Ministers' Conference, I met with some of the officials there who had been involved in a training program to train Native people, to help lay the pipeline between Norman Wells and a place in Alberta which is a connecting spot for the pipeline and they had achieved some success.

They said what's important is a clear commitment on the part of government, on the part of the company, on the part of the trade unions and on the part of the communities. I am happy to say that I think we are achieving that.

I expect over the course of the next eight years that we should be able to have over a thousand people partake in the training program, developing long-term skills so that they can compete effectively in the North or in other parts of Manitoba or in other parts of Canada

for jobs that they are qualified for. We believe that type of participation is a good long-term thing for this country. We believe the Federal Government agrees with this as well, and we are hopeful that they'll be participating with us in the future.

We have had the opportunity to explain to them what we are trying to do, the approaches we are taking. I might point out that - people didn't play this up too much - the Federal Minister of Indian Affairs sent a letter to the National Energy Board hearings, saying that he was impressed with what Manitoba was doing and hoped that we would be able to work together to achieve these long-term objectives. To give him credit since that time, we've been working well with his department and with Flora MacDonald's department. We hope that we can achieve a lot more than was ever achieved in the past in this respect.

We have had some examples that we can draw on with respect to training. I think it was about 12 years ago there were some people who said that it must be possible to train northern Native teachers, a very high turnover in the past of teachers in the North. A lot of people go up North and they don't feel that comfortable there. They don't want to stay up there that long. They tend to think of it with a grubstake mentality. You go up there for a year or two, make some money and come back home. Home is Winnipeg. Home might be Brandon or some other area.

So a program was developed to train northern Native teachers, and there was a lot of skepticism that it isn't possible, and people can trot out all the examples of why these programs don't work. They make a lot of generalization statements about the work habits or the work ethics of northern people or Native people in particular. But when this concentrated program was developed, and it was developed through the skepticism, through the pessimism, and it has worked exceedingly well, it was continued by the previous administration, the Conservative administration, and I give them credit for continuing that program because it was a good program and it does have tremendous long-term implications for this province of a positive nature.

I believe that now 12 or 13 years after that program was started, we have something in the order of 350 trained, qualified northern Native teachers, most of whom are teaching in the North right now, and to me, that's a tremendous success story. It hasn't been given a high profile, but it's those types of steps that I think are very important in providing greater equality of opportunity for people in this province.

We now find ourselves in a situation whereby because of programs that were started in the past - not just by us but by other people and I acknowledge that - I think we have something like four Native people who are in medicine, two Native people in dentistry. I believe these are major strides, very significant strides.

So what we are looking for in the Limestone development in terms of the employment opportunities, is what I would call a fair-shares approach to employment; fair shares for people in isolated and remote communities in Northern Manitoba, fair shares to northerners, and fair shares to southerners because they already have those skills, because they are the journeymen, carpenters, electricians or pipefitters, because the jobs up there call for qualified journeymen, carpenters, pipefitters, truckers, what have you.

They indeed, after that preference has gone through and we try and find out all those in the North who do have the skills to work because the bottom line is that they have to be skilled, they will be getting those jobs. But there will be a process through the Apprenticeship Program, and there is a preference expressed in the Apprenticeship Program. You said that yourself. We should be giving people the opportunity to learn those skills. It's important to provide that support service as well. It's important to tailor those training programs, and there will be some costs attached to that. We will calculate those costs and try and get federal participation in those costs as well, because a number of those people are Treaty Indians up north, and we believe that the Federal Government does have an obligation as well. But our approach I think is a very solid one.

When I have talked to people in the private sector and different companies across this country and talked to them about the approach we are taking, they are very supportive. They believe that we are certainly on the right track. These are from the executives of companies that have tried this approach. They have had some success. They aren't saying to me, don't do it. This is discriminatory; it's not the right way to go. They are saying this is the right way to go. We commend you for your commitment. You need the will. You need the discipline, and it's going to be a hard task to achieve. You have to work to try to achieve it.

So I wanted to try and provide that information to the Member for Niakwa. I think he raised points in a very sincere way, and I believe that when he's had a chance to look at that agreement and listen to my comments - and I hope he takes a look through Hansard to check with them again - if he has further questions on this, certainly I would be pleased to answer the questions that he raises on it, because I think it was in the Throne Speech Debate that he made, I think, a blanket statement and more of a generalization saying he was concerned. It was quite easy to draw the inference that he was against it. But when I listened to him closely in terms of what he was saying, I thought that he was saying that there were different categories, different approaches that should be taken. I believe that we are recognizing that in the approach that we are taking, and I believe it is the proper long-term approach.

I won't really dwell on his other comments at length on Limestone in general. I believe that the comments that he has made about the risk and the uncertainty and about whether in fact we will have a benefit or not were, in my estimation, adequately dealt with by the National Energy Board which did its independent analysis, did the independent analysis, and said that there was a net benefit of \$20 million for Manitoba of the advancement.

We have already heard the President of Manitoba Hydro saying that there is a technical requirement, not a financial one but just a technical one, of a year advancement in order to meet the requirements of the Northern States Power sale.

We have also heard the President of Manitoba Hydro, and the member knows who I talk about because I think he was involved on the board of Manitoba Hydro in the past and he knows which staff have been doing what for how many years, but this person said very

clearly, Manitoba Hydro and the people of Manitoba are much better off with the sale than they would be if they did not have the sale, and that will be reflected in the rates.

So I would ask him to take another look at the Public Utilities Committee meeting transcripts of last year, because it is clearly stated there. I certainly hope that he would take a look at the report of the National Energy Board which frankly has completely contradicted the position taken consistently by the Conservative government, and has completely contradicted the statements made by a number of the members on that side that people didn't take an adequate calculation of the costs or anything like that.

I will just use one quote. The Member for Niakwa says that we are saying or the Minister of Finance has said that we negotiated the right price or the best price. It was the NEB that said that on Page 28. "The board is satisfied that in the circumstances of this case, the export price is the best price that could be negotiated by the applicant in this particular United States market." It's a very significant statement for them to make, and I have looked at NEB hearings and reports in the past.

They have gone through our arithmetic with a fine-tooth comb, and they have made those types of judgments. I can appreciate why some members on the other side of the House wouldn't want to delve into this analysis at any great length. But the bottom line is that they have said that the NDP government position is right; the arithmetic is correct; the Conservative doubts are wrong; and secondly, whatever arithmetic they might have put forward is completely wrong. But I think that's to depart a bit on a side issue, because the issue I wanted to deal with was the preference issue which, I believe, the Member for Niakwa has raised twice now and raised sincerely. I tried to give him a sincere and full answer.

**MR. A. KOVNATS:** Thank you, Mr. Chairman, and thank you to the Minister.

I think that there are a lot of things that we do agree with. I stated my case concerning the advancement of the start-up of Hydro and my opposition to it, as a matter of fact, if training Natives for these jobs, fine. I heard the Member for Rupertsland make the remark that there were five, I think, of Red Sucker Lake people in Thompson training right now to be TV technicians. I recommend things of that nature.

The only thing that I have been trying to establish at this point to the Honourable Minister is: where do you draw the line as to who is a northern Native and who is a middle Native and who is a southern Native? My concern is for the Natives, and I think you misunderstood. My consideration is for the Natives for all over Manitoba, not in the backyard of the Honourable Member for Thompson. I don't give a damn about the Honourable Member for Thompson. My concern is for the people in the North and for the south. My concern is for the development of Hydro.

I can't be against the development of Limestone. The timing is the only thing, and I stand today and yesterday and the day before and in the future. It's the timing. That's all I am making reference to, the cost to the people of the Province of Manitoba if your timing is wrong. I want to see hydro expanded.

There is something in the paper here, and I don't know whether the Honourable Minister would have seen it and whether he would have twigged to it at all, concerning hydro and energy policy and the development of hydrogen power. I want him to pay attention too, the Honourable Minister of Finance, if he would just kind of sit back just a little bit so the Honourable Minister of Energy can pay attention because it is important. He knows my feeling towards Manitoba Hydro and the expansion of Manitoba Hydro and the expansion of hydrogen power.

There is something in the paper here where it says "\$2.5 billion of gas project with Japan in jeopardy." It goes on, "Energy policy at issue. 'A long delayed \$2.5 billion project to ship Canadian liquefied natural gas to Japan starting next year is close to complete failure,' a Japanese industry source said today."

What has the Minister done with Manitoba Hydro in developing hydrogen power? We have spoken about this before. Has he made any commitment for the excess power, because you're going to have an awful lot of excess power? Yes, you will. Are you going to develop hydrogen?

**HON. W. PARASIUK:** Give me a minute.

**MR. A. KOVNATS:** Please, I can't. The reason I can't give you a minute is because what I asked, and I am not a vindictive person, but the Honourable Minister of Finance wouldn't give me the opportunity out of courtesy last night to speak my mind, and I am not about to give up the floor at this point. I'm sorry, no.

Anyway, we've got a project of liquefied natural gas to Japan, and I don't believe that there is anybody from Manitoba Hydro through the insistence of the Minister who has made any contact with them, because it looks like this natural gas is going to be in jeopardy. Well, in B.C. — (Interjection) — Well, I'm talking about a contract with Japan where they would use hydrogen power which we will develop because, you know, this is the salvation of the Province of Manitoba, hydrogen power, and I don't want to see us just sitting on it and concentrating — (Interjection) — you're not paying attention, Willie - on things that aren't as significant. Sure, it's good to provide some jobs and I'm all for it, but damn it, let's look to the future. Well, we've got to look to the future. — (Interjection) — Well, I'll see when I get finished with this.

I want to also bring to the Minister's attention, and look, the Honourable Minister is going to get an opportunity of replying possibly even later tonight, but when he gets the chance to reply I want him to make some comments on how we negotiate contracts with Hydro in the sale of turbines and generators on a negotiated price. Oh, would I have loved to be able to do business with you. — (Interjection) — No, I wasn't. I would love to do business with you, where you can negotiate a price, and you talk about spinoff. I don't know whether it's a demeaning term or not - spinoff or payoff - and I'm not talking about under-the-table payoff. That's not what I'm saying. Don't misunderstand my comment. You know, but what are you getting back in return? Sure, you're getting back \$10 million that they're going to put into the training of some of that, but we don't know. We don't know. We really don't know what the contracts are.

I heard the Minister say what was done with the personnel, with the Natives in the North, but I hope he's going to be able to tell us where exactly the monies that are being turned back, the spinoff that is being turned back to the people of the Province of Manitoba, not just contracts saying that you're going to have to hire northern Natives. And you know, I don't want it misunderstood. I have insisted before that I think now is the time to start training them. I think we're probably years late in starting to train the northern Natives and the other northerners. You know, I'm a northerner at heart, long before anybody else on that side - maybe not long before, but certainly before most of them. I guess I'd better withdraw that statement. I think the member for Red Sucker Lake, from Rupertsland, was probably a northerner long before me, or at least a Native long before me.

Anyway, Mr. Chairman, I hope that when the Minister gets up to speak that he's going to tell us of the planning of Manitoba Hydro, the extension of hydrogen power, not just talk about it. What has definitely been done? Whether any contact has been made with Japan to replace this liquified natural gas? Because, you know, we have a market there. We have a market, and it would justify - and has the Minister made any arrangements with this building down there that we are criticized for stopping the construction of, on Ellice, the old St. Paul's College site. Have you made any arrangements in using any of the facilities there to develop hydrogen? I think this all has to come forward and not just talk about it for the sake of getting a few votes. Put down something concrete; show me where we're going.

**A MEMBER:** Okay, would you support me on it?

**MR. A. KOVNATS:** Oh, you're darn right. You know better than that, Willie, you know better than that. You know my feeling towards hydrogen power, but I can't see anything happening. You've always put it on the back burner, and I hope it's not just coming forward because I'm pushing you, because that's the only way things ever get done over on that side. It's through us. — (Interjection) — Well, it's the only way that it'll get done, and I hope that some plans have been made in the past.

I have some other things that I wanted to bring up, and I see that my time is running loose and a little bit short. I guess that I will take the opportunity of completing my remarks later this evening, and I hope that the Honourable Minister will have some remarks in reply. If it's my time, I hope that I will be given the opportunity of being the first speaker when we come back this evening, Mr. Chairman.

**MR. CHAIRMAN:** The hour is now 4:30 p.m. I'm interrupting the proceedings for Private Members' Hour. The committee will return at 8:00 p.m. this evening. Call in the Speaker, please.

## IN SESSION

### PRIVATE MEMBERS' HOUR

**MR. SPEAKER:** The first item on the Orders of the Day for today is Proposed Resolutions.

## RES. NO. 3 - TELECOMMUNICATIONS

**MR. SPEAKER:** The Honourable Member for River East.

**MR. P. EYLER:** Mr. Speaker, I move, seconded by the Member for Thompson, the following:

WHEREAS the telecommunication system is an essential component of economic and social development in Manitoba, and

WHEREAS the Government of Canada and its agencies have issued regulatory directives relating to the provision of long-distance telecommunication services and are undertaking significant reviews that could result in the major restructuring of the Canadian telecommunications industry, and

WHEREAS the Manitoba Telephone System is dependent on earnings from long-distance services in order to maintain affordable local rates, and

WHEREAS research conducted for the Government of Canada and seven Provincial Governments indicates that further restructuring of regulations pertaining to long-distance services could result in a decline in the quality of telephone services and substantial increases in the cost of basic local services, and

WHEREAS the impact of these rate increases would be particularly onerous for subscribers in rural and remote areas, and

WHEREAS telephone subscribers in Manitoba would experience a disproportionate share of the cost increases and a minor share of the cost savings, and

WHEREAS telephone subscribers in Manitoba currently enjoy first-class telephone service at universally affordable rates,

NOW THEREFORE BE IT RESOLVED THAT this House urgently request that the Federal Government not proceed with further changes to the structure of long-distance telecommunications without the agreement of the Government of Manitoba, and

BE IT FURTHER RESOLVED THAT the Clerk of this Assembly be instructed to forward a copy of this resolution to the Federal Minister of Communications and to the Chairman of the Canadian Radio Television and Telecommunications Commission.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for River East.

**MR. P. EYLER:** Thank you, Mr. Speaker. We seem to be approaching a significant decision point in the history of telephone service in this province. It's the point where we have to decide whether we continue with the current philosophy that underlies telephone service or whether we depart on a new course.

When Manitoba Telephone Services was first set up just after the turn of the century, it was set up as a result of several forces working in unison. Back then, Bell Telephone had the service in Winnipeg, and they charged fairly high rates, and the businessmen in the City of Winnipeg didn't like high rates. The people who lived in Winnipeg didn't like high rates. The people in the rural areas couldn't get service at all from Bell because the capital cost didn't justify the service that

could be provided in return, so there was a mass movement, rural and urban, which came together and led to the creation of Manitoba Telephone Services to provide universal service at the lowest possible cost.

Now we are . . .

**MR. D. ORCHARD:** Who did it?

**MR. P. EYLER:** The Member for Pembina says, "Who did it?" The "who did it" is Sir Rodmond Roblin. He also brought in public ownership of grain elevators, a very progressive gentleman.

However, the issue before us, Mr. Speaker, is whether or not we will continue in the traditions of Rodmond Roblin, and offer universal service at the lowest possible price. We are threatened today with the neo-conservative god of deregulation, the idea that an economy which is totally unregulated is more efficient and provides better services than an economy which is regulated. We have seen what happens in the United States with deregulation to the telephone services there.

Back at the beginning of 1984, business telephone rates in Grand Forks, North Dakota went up 44 percent, so that last year it cost \$36-a-month for a business telephone - that's Canadian dollars - in Grand Forks. In Bismarck, residential rates went up 48 percent. Now it costs \$20-a-month Canadian for a residential phone in Bismarck. Those are not necessarily all that great an increase.

Last August, there was a little article in the Wall Street Journal which indicates that New Jersey residents, who formerly had the cheapest local telephone rates in the United States, they were \$7.41-a-month back in August of '84, but the regulatory authorities are now considering a 67 percent increase. In Arkansas, where the telephones are \$14-a-month, they want a 50 percent increase. In Nevada, where the local rate was \$9.20, the telephone company wants a 71 percent increase.

That is primarily because, with the breakup of AT&T, the monopoly which was providing relatively efficient service in the United States, now the long-distance rates are coming down, and the cross-subsidization of local rates is being eliminated.

Somehow it seems that there are people who think that this same trend would be useful and desirable in Canada. The CNCP has made an application to the CRTC to allow competition in the long distance telephone service between B.C. and Ontario and Quebec. In their application to the CRTC, the CNCP says: "Public demand in Canada for more extensive competition in telecommunications, particularly in long-distance telephone service, has been growing in the past few years."

Well, where's all this public demanding coming from? I haven't seen anything in the newspapers about it. Maybe there was a little story buried on Page 83 of the paper sometime, but let's face it, there is no mass movement today for competition in telephone service like there was a mass movement at the turn of the century for universal service at the lowest possible rates.

The CNCP application is clearly a sham. There is definitely a demand, but it is not by ordinary people who are going to have to pay the costs. That's not who wants the services like that, Mr. Speaker. I can tell you who does though. There was a little book that came

out, I guess, just about six months ago. It's called, "The Traders," by Alexander Ross. It seems he must have sat in on a board meeting of McLeod Young Weir back in the spring of '84. I don't know if he taped it or just took good notes, but he includes from the minutes of that board meeting for the stockbroker: "These long-distance charges are killing us. Our phone bill is \$4.5 million a month and 60 percent of it is long distance." Well, the stockbrokers sure want low rates, they want competition, but that's not going to help the little guy. That is not going to help the ordinary person.

I can tell you who else wants competition. That's CNCP, of course, and they have been gradually getting their foot in the door in this area for the last many many years. The telex system which they offer, the telex service was set up in 1956, and they put up a cross-country microwave system in 1962 to handle that service. That can handle telephones just as well as telex.

In 1979, the CRTC ruled, as a result of an application by CNCP, that Bell Telephone must interconnect with CNCP for business purposes, for business services such as data communications.

In 1981, the CRTC added B.C. Telephone to the ruling. So CNCP already provides business data services on its microwave system between B.C., Ontario and Quebec. The next step is to get into the telephone business. It's a natural.

It is interesting that Joseph Schmltdt, the Vice-President of CNCP, is quoted in another book that came out last year. It's called: "Canadian Pacific - Portrait of Power." Joseph Schmidt is quoted as saying: "It will have to be a province-by-province trench fight."

Well, this is one of the trench fights right here. Manitoba is sending this resolution to Ottawa telling Mr. Schmltdt that we don't want competition in the long-distance telephone industry. We don't want high local rates in Manitoba. The savings aren't beneficial to us. They are far outweighed by the cost to the local services and to the regular users.

Here's an example of how CNCP likes to bend the truth a little bit when it goes around giving its side of the story. John Sutherland, the President of CNCP - he's a Winnipegger too - said: "The telephone companies use their monopolistic power to cross-subsidize their different services and engage in predatory pricing." Well that's ridiculous. If you're a monopoly, how can you engage in predatory pricing, because predatory pricing is the strategy of competition. So he's got a complete non sequitur. It sure sounds good though when he says it. "Predatory pricing," that's something nobody wants, but it doesn't make any sense.

If he had simply stopped and said: "The telephone companies use their monopolistic power to cross-subsidize their different services," that would have been perfectly accurate, and it would be something that we totally support. We support the cross-subsidization. He doesn't, because then he can't compete.

So that is the threat that we face today. It's a threat of higher local services, which are going to cost the ordinary Manitoban a lot more money, a great deal more money, and will save big business a great deal more money. Why? — (Interjection) — The Member for Morris says, "big business." It isn't going to save small business any money. It isn't going to save the



local grocery store any money. They don't send their groceries to Ontario or Quebec.

So the fact of the matter is we are threatened with total chaos, the situation which exists in the United States right now where — (Interjection) — well the Member for Gladstone is amazed that there's chaos in the United States. There is chaos, and the biggest complainers are the business community. What you have in the United States in a totally deregulated system is a total lack of responsibility for service.

It used to be, if you picked up the telephone and there was a problem, you called the telephone company and they came and fixed your phone. Now you call the telephone company in the United States, and they get back to you a half-an-hour later and they say, well it's not on our system, it's on someone else's system. So you've got to phone around and find out what system. Is it the long-distance carrier? Is it the local system? Is it the store that you bought the telephone from? What's your problem? Nobody knows who is responsible for the problems which exist in the American telephone system.

It is exactly what would happen in Manitoba if CNCP would eventually get the right to compete with Manitoba Telephone for long-distance service. You'd phone up Manitoba Telephone and you'd say, I can't get my call through to Quebec. Manitoba Telephone would call back in a half-hour and say, we're sorry, it's CNCP's fault; it's not our fault. The consumer doesn't benefit. He thinks he is getting the runaround. That's deregulation. Nobody is responsible for the problems. — (Interjection) — The Member for Morris says, you give them a call, they don't come around for two weeks anyways. Well, there are always going to be problems. Fred Cleverley will turn up every single problem that exists. We can be sure of that. But the fact of the matter remains that the system that we have in Manitoba provides excellent service at undeniably low costs, and certainly meets the mandate which was set down by Rodmond Roblin, the great Conservative of half-a-century ago, three-quarters-of-a-century ago.

So why change something that works? Why change it indeed? You know, the Federal Government would like us to think that we're unpatriotic in some way if we oppose deregulation. There was a business advisory group set up by the Federal Government a few years ago, the Liberals not the Conservatives, that was appointed by the Federal Minister of Communications and reported in 1979, "The high of long distance telephone rates is a barrier to national communications." It recommended that long distance rates be "reviewed" or lowered in other words, so "they reflect national as well as regional interest". What this means is that if you have a local consumer who is going to pay more for his telephone rates, he's being un-nationalistic. Local interests are just like, you know, the ordinary person who is concerned about his telephone bills is being a regional chauvinist rather than a nationalist in the Canadian sense. That's the approach that the Federal Government is taking, and that bothers me, because we're already seeing the same this trend towards lower long-distance rates and higher local rates in Canada.

B.C. Telephone, which is one of the major parties which will be affected by the deregulation, has already had a 4 percent general increase in rates as of January

1, 1984, and they've applied for a further 15 percent rise on top of that 4 percent for this year. And what they want is to charge 30 to 65 cents a month more for the individual lease telephone; a \$25 on-premises service charge for repairing lease sets; 5 percent to 25 percent more for installing telephones; and in return, for jacking up the rates 15 percent as well as adding charges, they're going to reduce long-distance charges by 2 or 3 percent. Well, that's right - a whole 2 percent. And in return for getting a 2 percent reduction in your long distance, you get 15 percent on your local. That's a good trade-off if you're a businessman, but not for the ordinary person.

Now, one of the inevitable results is that people are going to give up their telephones. Bell Telephone, before the CRTC, has already estimated that if its local rates double, as they're projecting it as a result of competition, 400,000 people in Ontario and Quebec will not have a telephone. What's going to happen according to Bell Telephone's estimate is that 3.2 percent of the population will drop their telephone service if the rates double. Now the Congressional Budget Office in the United States last summer did another study and they concluded that the price elasticity of demands for telephones is in the range of between minus .07 and minus .09. What that means in common parlance, I'm sure the Member for Morris understands this, is that if you double your rates, 7 percent to 9 percent of the people will drop their service. If you're in the rural areas where it may triple, then what? 14 to 18 percent drop their service.

It's a problem which is rampant in the United States. Michigan is projecting that 15 to 20 percent will drop their service if telephone rates double in that state. So they're coming up with a bunch of new ideas on how to deal with this social problem of people dropping their services.

In California, they've got what they call life-line service. It was introduced in 1968, and for \$1.48 a month, you get 30 local calls. The only problem is, you have to make less than \$11,000 a year to qualify for life-line service. It's a subsidy program. Now who pays for this subsidy program? There's a 4 percent state tax on long distance revenues. Have you ever heard of anything so ridiculous? You deregulate it and then to solve all the problems you create through deregulation, you institute a whole new set of regulations. It doesn't make any sense at all. That's the American way.

There's another proposal before Congress which is that you simply go out and provide a subsidy to these high cost local systems. They had a bill before Congress last year that would have paid \$550 million in subsidies to local telephones which had high capital costs in the United States - \$550 million subsidy.

Bell Telephone before the CRTC says that it thinks that its solution to this particular problem is a government subsidy from the Federal Government of Canada and they're saying it'll probably cost about \$200 million a year. Well, where's the Federal Government going to get \$200 million a year? Maybe they'll put a tax on long distance telephone service.

So where are the benefits? You lower the rates for long distance through deregulation, then you come in and you tax it so that you can pay for the subsidies on the high cost of local service. Talk about a bureaucratic nightmare, a mess. That's deregulation.



That is the result of deregulation and it's a circular trail. You get started on it and you come right back to where you started. You substitute one set of regulations for another set of regulations and you're probably worse off in the end than if you'd never done anything at all.

So, I would hope that the members, especially the rural members in this House, would come and support this. I'm sure they will support it, because I know that the government in Saskatchewan supports it. — (Interjection) — Well, the Member for Morris says he's going to get cheaper long distance calls, but those are going to be extra-provincial, not intra-provincial. They're going to be outside of the province. Now how often do you call Thunder Bay to check on the terminals to see if they've loaded your grain? Every day, you check on it? Have you loaded that grain shipment to Poland yet? — (Interjection) — Every hour, he says. Well, he's going to save a bundle and who's going to pay for it? The average guy.

The average Manitoban who's going to see his telephone rates double. The small businessman is going to see an extra 17 a month on his telephone bill and he's going to go home and pay an extra \$7 at home; \$24 a month for the small businessman. What's that a year? \$300.00. Why? So we can make the Member for Morris happy and he can call Thunder Bay every day. That doesn't make any sense, Mr. Speaker. It's better to let the system lie. If it works, keep it. That's what the Conservatives tell us all the time, if the system works, don't tinker with it, don't tamper with it. I expect the Conservatives to put those philosophies to work, instead of the neo-Conservative philosophy of deregulation. We will see whether or not they are consistent, or whether they want to have it both ways, and whether they're going to say, don't tinker or deregulate.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker.

Mr. Speaker, the member that's introducing this resolution has brought before the House an interesting subject of discussion right now and I have to compliment the Minister of Culture in some ways, because he attempted a great mobilization of the people of Manitoba to support what in essence is this resolution. He circulated to various groups, senior citizens' groups and other groups in Manitoba, a scenario that with deregulation the rates could go up and therefore he was soliciting the support of various groups of Manitobans in backing up the government in attempting to thwart this effort which allegedly, if it was carried through to its final degree, could have some impact on telephone rates on the Province of Manitoba.

Interesting anomaly in that, Sir, is that the Minister of Culture and the government chose to develop a potential issue to try to harness public alarm and public support on increasing telephone rates. But at the same time, Sir, there are more Manitobans that are, particularly in rural Manitoba, captive to Manitoba Hydro and are using Manitoba Hydro for electric heat and hence that's much more of a necessity to many of those Manitobans than is the telephone. But there was no effort to inform Manitobans about the ill-starred

Hydro development plans and the advancement of Limestone and what it would do to their hydro rates and inform seniors in rural Manitoba and other parts of Manitoba of the impact of this government's Hydro development program on the rate structure.

Of course, they couldn't do that, Sir, because they, themselves, are the ones that are promoting an ill-starred development program in Manitoba Hydro that will jam the rates to Manitoba users of Hydro clean through the roof. But they were with fair game when CN and CP, that combination of two evil multinationals are joining together and may have some impact on telephone rates. — (Interjection) — Oh, yes, they're a multinational now, they're into the United States. But at any rate, Mr. Speaker, I don't want to get sidetracked on the politics that the Minister of Culture was trying to harness in this issue because it is potentially a serious issue, and it's especially potentially serious because of the circumstance that we today find the Manitoba Telephone System in.

Now the Manitoba Telephone System - and it's an interesting thing if honourable members opposite would care to refer back to the last Natural Resources and Public Utilities, the committee that studies the MTS annual statement - they would have maybe followed a line of questioning that I developed with Manitoba Telephone System, and it was in regard to their current debt-equity structure. The Manitoba Telephone System over the last number of years, Mr. Speaker, have indicated to us that in comparative rate scheduling across Canada, they are one of the lowest priced telephone service deliverers in Canada. They always fondly compare the Manitoba Telephone rate structure with that in Ontario which is served by Bell privately.

But there is one subtle difference, Sir, that we pointed out to them in the last year's Public Utilities Committee that studied the annual report of Manitoba Telephone. Bell in Ontario, has a debt-equity ratio of approximately 54 percent. Now to achieve that kind of a debt-equity ratio they've been paying off their capital through their rate structure. Manitoba Telephone System has a debt-equity ratio of approximately 88 percent.

Now the question I pose to the Telephone System's senior management was, if Manitoba Telephone System was in a 54 percent debt-equity ratio, what would the telephone rates have been for the past few years? Would they have been comparable to those in Ontario? Now I didn't get an answer to the question but we know that the rate that Manitobans would be paying for telephone service from MTS would be considerably higher if they maintained the debt-equity ratio of the private corporation in Ontario. Whether they would equate, I can't tell you - MTS could - but I can't tell you.

But it's interesting to note that in one of the most recent issues of the Telephone System monthly paper they send out, they have identified the issue of reducing their debt equity down to a more manageable figure as one of the priorities the system has over the next few years. That alone, Sir, will mean higher rates to Manitobans.

But the overall problem that is being posed to the Manitoba Telephone System today is two-fold. It's technology first off, because there is a whole new expanding world of telephone technology out there, and Manitoba Telephone System has a sizeable

investment in aging technology and equipment. Now if they are forced headlong into the rush to keep up with technology and provide the same quality service as say will be provided by Bell in Ontario, that means massive investment. Massive investment is hard to undertake when you have a debt-equity ratio of 88 percent. Bell Ontario won't have near the problem at 54 percent debt-equity ratio. They have fiscal maneuvering room, they can borrow.

So, Mr. Speaker, when the Manitoba Telephone System is faced with competition that is coming from technology, it is a problem. We can I suppose, go one of two ways. We can shut out the advent of technology and keep a system with a debt-equity ratio of 88 percent, like we have in Manitoba now, and attempt to go against the tide of the technological revolution in communications. That will present some problems years down the road in the quality of service we provide.

But there are certain things that are happening in technology that the Manitoba Telephone System cannot ignore. The sharing of trans-Canada long-distance telephone revenues is by a very highly structured formula, but already the land system in which we are participating in revenue sharing, when a telephone long-distance call goes from Victoria to Montreal, it passes through the land systems at Alberta, Saskatchewan, Manitoba and Ontario to get to Montreal, and we share, and we take a portion of that revenue. But already what is happening is there is an increasing amount of traffic that is being routed through the United States and completely by-passing the Canadian system, and that is a 100 percent total loss of revenue to the Canadian system. That, Sir, has every indication that it may well increase in future years and leave us very balkanized if we stay with our land-base technology.

Now, Mr. Speaker, the CNCP application - and I have not read it and I am not expert in what they propose to do - but basically, if I can be so presumptuous as to make a couple of assumptions and I know honourable members opposite will correct me if I'm wrong.

CNCP were wanting to take some of that long-distance revenue across Canada and route it through their circuitry and in effect, provide competition. In return for that it is my understanding, Sir, that CNCP was willing to enter into a negotiation with the Trans-Canada Telephone System of which MTS is a member, and discuss methods of revenue sharing so that the telephone utilities, like MTS, who were providing the basic telephone infrastructure could share in some of those revenues so that they would not lose the entire revenue structure. Now, Sir, I'm making the assumption that was part of the application because that's my understanding.

I pose the rhetorical question. Would we be better off as Manitobans sharing revenues, not only from TCTS long-distance service, but also from CNCP service and getting a division back of CNCP's revenues, or are we better served by an increase of the use of the American satellite system to completely by-pass all Canadian systems? I suggest, Sir, in the latter case, that we lose all of the revenues.

In the case with CNCP as abhorrent as it might be to us to have MTS adjust to the realities of the changing technological world, we may well be better off in sharing some revenues from CNCP than risk the potential of losing them all if more and more long distance is carried

directly via American satellite systems, because that is happening. That's a reality of the technological world. It's happening, Sir.

Mr. Speaker, I want to deal with a couple of other areas before I leave the whole area of telephone service. The sponsor of this resolution indicates a very excellent level of service that MTS is providing, and he indicates that it's one of the best in Canada. It's obvious that the Member for River East has never lived in rural Manitoba and has never talked to anybody in rural Manitoba, because if he talks to any citizen and particularly members of the farm community in rural Manitoba, he will find that there are a great number of complaints that people have about the level of service that MTS provides to rural Manitobans.

And I want to point out to the member, and this is so that he doesn't go around and misquote my colleague, the MLA for Morris. The Member for River East used an example, that in B.C. the basic telephone will go up by 15 percent and the trade-off will be a 2 percent or 3 percent reduction in long-distance revenues. To most rural Manitobans their bill is probably 80 percent to 85 percent long distance because in my community I have a total number of 350 Manitobans that I can call before I have to pay long-distance charges. My long-distance bill is a major revenue to Manitoba Telephone System, and most rural Manitobans believe that they are disproportionately contributing revenues to the Manitoba Telephone System and receiving a disproportion of the less amount of service from the system.

Sir, that is a reality that exists in rural Manitoba, not only as farmers who are on party lines in rural Manitoba, but also individuals living in the many towns and communities throughout rural Manitoba. They all have to communicate via long distance. That does not exist for people living in Winnipeg, where you can phone 600,000 people. That doesn't exist in Winnipeg, that problem.

Mr. Speaker, we have an example here where the Manitoba Telephone System has been very actively promoting reaction against a CNCP application in Ontario as to the adverse effects it might have on their revenues. Now, Manitoba Telephone System is concerned and the concern is, in no small way. I don't discount it one little bit, their concern is legitimate if there is a significant drop in their long distance toll revenues.

Now, Mr. Speaker, they are harnessing the natural tendency to condemn anybody who is big like CN and CP that are undertaking predator competition to them as poor little old MTS just sitting in Manitoba doing their best to provide telephone service.

Well, Mr. Speaker, that presents an interesting problem. MTS is saying on one hand that they have to be protected from the world of competition as may be forced upon them by that giant CN and CP. But, Mr. Speaker, ever since I have been a member of government and when I was Minister responsible for the MTS, I heard and we attempted to resolve complaints from ordinary businessmen in the Province of Manitoba, who said that the Manitoba Telephone System should be a telephone system, they should get out of selling computers, computer games and other competitive services that are putting them out of business in Manitoba.

The Manitoba Telephone System says to the Minister, who currently is the Minister of Labour, which should be a very interesting sort of a person to be looking after telephone service, but they say to the Minister of this current incompetent government that we need to have the ability to sell computers, children's computer games, business machines, mobile telephones, all these sorts of things - the Commodore 64, they advertised it till it won't stop being advertised. Now, Mr. Speaker, they say to these Ministers in this NDP Government that they have to be in that business so they can make money to cross-subsidize telephone rates.

Mr. Speaker, they haven't proved at any questioning that I've put to them because they say they enterprise account these outside sales, they haven't proved that they make money on them yet. They haven't proved that they make money at MTX. As a matter of fact, this year they are losing money on MTX and we are exposed in Saudi Arabia, but they are doing it all to maintain low rates and they have no qualms whatsoever, Sir, if they put 10 businesses on Portage and Main out of business, because they are competing with them in the computer sales or office equipment business. They don't care.

MTS does not care if their competition is unfair to the small businessmen in the Province of Manitoba and I find it to be something of an anomaly that they can sit on both sides of the issue of competition. When it's competition from CNCP, they want protection. When it's ordinary businessmen in the Province of Manitoba that are saying the Manitoba Telephone System is unfair competition to me and my business, they say that is all right, we have to do that.

Now, Sir, they can't have it both ways. Either MTS wants to only be in delivering of telephone services and communication services, and we protect them from all forms of outside competition and internal competition. We either do that; and if we do that, Sir, we get them out of competition with small Manitoba businessmen who are trying to make a living selling Commodore 64s, business office machines and other mobile telephones and things that many other businesses in Manitoba can supply. Now, Sir, they can't have it both ways in the Manitoba Telephone System. They can't have it both ways.

Now, Mr. Speaker, a number of the people over here are asking which way do we want. So, Sir, you know they've got a problem.

**MR. SPEAKER:** Order please.

The Honourable Member for River East on a point of order.

**MR. P. EYLER:** Yes, I wonder if the honourable member can tell us if he is speaking for or against this resolution.

**MR. SPEAKER:** That is not a point of order.  
The Honourable Member for Pembina.

**MR. D. ORCHARD:** Mr. Speaker, if the Member for River East understood the parliamentary system more than he understands the congressional system that he left, because he was afraid to stay in his own home country, he might know that we will from time-to-time answer those kinds of questions.

Now, Sir, there is a number of people in the back row that were asking where do we stand on the issue. Mr. Speaker, I submit that those people who are asking the question do not understand what the application from CNCP was, what it proposed and how it would impact on MTS. They do not understand and, Mr. Speaker, I don't either. I will admit that I don't understand what the impact of CNCP is. But, Sir, when we get to the telephone committee and, particularly, after MTS has been decrying the potential damage that this is going to do, we are going to ask them for some facts and figures. Hopefully, they will be able to provide it.

But, Sir, in the meantime the Manitoba Telephone System and the sponsor of this resolution should show some of the same concern for the small business in Manitoba that MTS is currently competing against in terms of retail services, that he is now allegedly showing for MTS in the face of this application by CN and CP. Until, Sir, they straighten out their own house and bring in a positive position on whether competition which puts small Manitoba businesses out of business and bankrupts them, then, Sir, they cannot live on both sides of the competition fence. You can't protect MTS from competition outside of the province and allow them to have open competition, which is harmful to Manitoba business in retailing operations that Manitoba businesses are trying to make a living out of, are trying to employ Manitobans who are taxpayers, and are trying to provide better service to Manitobans. Mr. Speaker, they cannot have it both ways.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Order please, order please.  
The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, I am delighted to be able to speak on this resolution introduced by the Member for River East, a resolution which highlights a concern on the part of the Government of Manitoba, the residents of Manitoba, the governments of Saskatchewan and other provinces, and the peoples across Canada who are concerned to have an assurance of continued service, a service that has been excellent, has provided low rates because we have been able to share in an unprecedented way revenues from across the country.

I am troubled, Mr. Speaker, because I had anticipated that a spokesperson for the opposition would clearly indicate, at the first opportunity that arose when this resolution was introduced, that they would be supporting the resolution and furthering the efforts of this government to try and ensure that . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. A. MACKLING:** Well, Mr. Speaker, members opposite are chattering and apparently uninterested in what I have to say. I will address my remarks to you. Mr. Speaker, this . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please.  
The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, this is a very serious issue for the people of Manitoba. The people of Manitoba, as the Honourable Member for River East has pointed out in his remarks, have enjoyed an exemplary service, a service that was established by governments of yesteryear, Conservative governments, with the purpose that they were going to provide service to Manitobans at the least possible cost; service that was based on the principle of averaging costs throughout the system so that all people of Manitoba could benefit by a communication service that is vital to maintain the social fabric of our province to provide essential services.

But from what I hear opposite, Mr. Speaker, there is no support for this resolution. The Member for Pembina did everything but condemn the resolution. He did not speak in favour of it. Yet, Mr. Speaker, Conservatives in other areas have been articulating in a very forceful way the identical concern we have with this attempt by large business to deregulate a system so that they can make more profit.

Mr. Speaker, it's a matter of public record. In our sister province of Saskatchewan, they have a similar corporation as we have, the MTS. They have a government there that's a Conservative Government. They are very concerned.

In the Free Press of November 21st of last year, the Communication Minister of Saskatchewan, Gary Lane, was quoted in an article indicating his grave concern in connection with the application of CNCP. They have sent out thousands of letters. They have involved bill stuffers. We're considering doing a bill stuffer in Manitoba. There is very grave concern about the issue and as is pointed out in this article, CNCP would be skimming off the cream, and as a result, the users of telephone services in our Provinces of Manitoba and Saskatchewan are going to lose in the result. There is no question about that. — (Interjection) — Now, Mr. Speaker, honourable members say, lose what? Do they have any concern at all with the issue? The issue is that if CNCP skim off the very lucrative long-distance rates and revenue which we share, then we are going to lose that long-distance revenue, revenue which makes up 38 percent of the revenue to the Manitoba Telephone System, a significant impact.

We don't hear concerns opposite. I had hoped, Mr. Speaker . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please. Order please.

May I remind other members that they will have the same opportunity to put their opinion before the House as the present member.

The Honourable Minister of Labour.

**HON. A. MACKLING:** I had sincerely hoped, Mr. Speaker, that with perhaps the introduction of the resolution, a spokesperson from the opposition endorsing the resolution in principle, perhaps a reply here, this House could pass the resolution, because it is important that we register with the Federal Government, and the officials they have looking at this situation, the concern of the people of Manitoba to

preserve a system that was built by past governments, sustained by past governments and the people of Manitoba want this government to maintain that system.

The Member for Pembina criticizes the system. I admit, Mr. Speaker, there are inadequacies in any system that we have, but for goodness sakes, we expected that there would be a positive endorsement about this resolution so we could send it off to Ottawa, because there is no question, Mr. Speaker, about the result. We have seen what happened in the United States. The Honourable Member for River East alluded to what's happened down there.

In the guise of this wonderful system of deregulation, you develop economic chaos, real chaos. We have seen, for example - and the honourable member quoted rates - in Nebraska, for example, the consumers have been obliged to face a 49 percent increase compared to 5 percent last year.

The Honourable Member for Pembina is concerned about our debt equity ratio, good concern, and I'll be happy to have staff of MTS, when we get into the committee, deal with that issue. I think it's a valid point, but not to stand up and say, yes, we want to protect our system. We want to protect the rate structure we have. I'm astounded, Mr. Speaker. I had hoped to receive early endorsement for this, so that we could reflect with the government in Ottawa a unified concern from this House that we want to protect the interests of the Manitoba telephone users.

Mr. Speaker, this is an issue that should not be dealt with in a narrow partisan way. It should be dealt with in a manner that befits the protection of the interests of the people of Manitoba. Mr. Speaker, the system is one which people enjoy and depend upon. Mr. Speaker, I had hoped for early resolution to it.

Mr. Speaker, the Honourable Member for Pembina referred to the concerns about rural service, and I heard one of the honourable members shout from his seat, yeah, six on a line. If there are six on a party line, that is a subject for our concern and, I think, collectively we have to address those programs. But for someone to get up in this House and speak all around the question, but not indicate positive support for the system, I think is shameful.

Mr. Speaker, members know or should know how dependent we are in this province, as they are in Saskatchewan, on the sharing of revenues from long-distance communication. Now how that works — (Interjection) — and it's true, the Honourable Member for Pembina says it is an involved formula. But basically any telephone call that is made from Manitoba to Manitoba or transverses Manitoba from Saskatchewan, for example, to Ontario, we share in that revenue. We share equally with our partners in that. It has been an excellent system, and the people of Canada have benefited from that system.

The concerns now are that there are companies highly-reliant on sophisticated telecommunications who want to get a better deal. — (Interjection) — The Honourable Member for Pembina says that perhaps we should negotiate with them a better deal. You know, there are options open for any system to negotiate with customers, but that isn't the approach that CNCP are taking. They want their own system, and they want to enjoy the hookups of the Manitoba Telephone System, the hookups of Saskatchewan Telephone System and

so on, and therefore be able to make the savings for their shareholders, savings that will be made, as the Member for River East points out, to the detriment of every consumer in Manitoba.

Mr. Speaker, the Honourable Member for River East has, I think, fairly covered the equity in this resolution.

**A MEMBER:** Excellent, not just fairly. Come on.

**HON. A. MACKLING:** When I said, "fairly," I meant he gave a very fair and reasonable exposition of the issue here. I was appalled at the Member for Pembina attempting to try and mask his - I think he should have been agreeing with the Member for River East, but he didn't know what his party was going to do about it. His speech was just full of baffle-gab or whatever.

I will conclude my remarks, Mr. Speaker, very quickly, and I hope that one of the honourable members opposite will stand up and say, we're in favour of this resolution. We are prepared to see it passed right now so that we can send it to Ottawa and register our concerns about protecting the rights of the people of Manitoba in a cost-effective, reasonable telephone service.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Speaker. It's a pleasure to enter into debate on this most pressing issue at this time.

I'm wondering, after I listened to the Minister of Labour, as to what his concern is with respect to the speech given by my colleague, the Member for Pembina. In my view, that particular member put on the record a very thoughtful and a very definitive position as to where our party stood, and I think I would ask members opposite to possibly pay a little bit closer attention to that particular member when he addresses the House because he offers an awful lot of support for all of his arguments and I think that this particular time offered no exception.

Mr. Speaker, if one were to listen to the preamble that was offered by the Member for River East, you would be totally convinced that you were in a horror chamber, that in fact all of the telephone lines in Manitoba, those that were above ground, that is, were going to come tumbling down; that in fact, the whole system was going to disintegrate before us.

It takes me back, Mr. Speaker, to a couple of situations over the last two or three years where I've heard those same horror claims, whether it was to deal with the prorated, and we even heard some reference to variable rates, or whether it's even tuition fee increases, one can name any subject, and of course we'll always have members opposite jump to their feet and try and convince anybody that is listening to them - and I daresay very few Manitobans are wanting to listen to them these days - but they'll try and convince anybody. In fact, we have a tremendously difficult situation arising within certain areas and I must say the way the Member for River East preambled his presentation today, I felt like we were right back to that same situation.

Mr. Speaker, the Member for Pembina moved into a major concern of members on this side of the House

and that of course was the debt-equity ratio within Manitoba Telephone System, and what influence the members opposite are bringing to bear within that monopoly, within that Crown corporation, to try and come to grips with the major concerns to all ratepayers within Manitoba.

Mr. Speaker, the bell tolls for the member that brought forward the resolution.

**MR. SPEAKER:** Order please. Since it is not yet 5:30, perhaps the honourable member wishes to continue.

**MR. C. MANNES:** I have a very important matter that I want to put on the record and I'm glad I wasn't interfered by some bell.

Mr. Speaker, I, at first glance, cannot accept some of the statements made by the Member for River East, and I'd like to tell you why. I heard a lot of his discussion was directed towards the area of cross-subsidization and how he felt it was such a good thing within the area of communication, particularly as used by the Manitoba Telephone System within various areas of its service.

Mr. Speaker, it struck me kind of odd when I heard him make that particular statement, that although he was prepared to accept that principle within that area of service to Manitobans, there is no way he would accept that principle, or his government accept that principle, within the area of the pricing of milk within food stores. There is no way he would accept that principle within the area of bread within our food stores.

So where do these members opposite really stand on this whole area of cross-subsidization, because it's a very powerful weapon, and with that we agree? I think we agree with that totally, Mr. Speaker. — (Interjection) — And the member says it's a prorated, and I don't disagree with that statement. But where does he come off standing on one side saying that cross-subsidization is an acceptable practice in one area, yet totally to be rejected within another?

Well, Mr. Speaker, that question begs answering. And I think members opposite should be prepared to address that area when they have an opportunity the next time this resolution comes forward, to speak to that particular issue.

Mr. Speaker, I think the Member for River East, and indeed the comments offered by the Minister of Labour, are significant enough that they bear some heavy consideration by our party, and they will receive that over the next number of days. I'm sure we will have a number of speakers on this issue and there will be many other matters that we will want to lay on the record for the consideration of the House.

Thank you.

**MR. SPEAKER:** Has the honourable member concluded his remarks?

**MR. C. MANNES:** No, Mr. Speaker. I'm not.

**MR. SPEAKER:** The time being 5:30, when this resolution is next before the House, the honourable member will have 15 minutes remaining. I am leaving the Chair and the House will resume at 8:00 p.m. this evening in committee with the Deputy Speaker in the Chair.