

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 24 March, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. D. James Walding (St. Vital): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY T. STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same, and asks leave to sit again.

I move, seconded by the Honourable Member for Riel, that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A.R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Speaker. I have copies of the statement I wish to make today, one for Mr. Gourlay. Mr. Speaker, I am pleased to announce that the provincial and municipal tax-sharing payments will amount to some \$28.9 million in 1982 — an increase of more than 15 percent. The amount estimated to be available for distribution this year represents an increase of \$3.8 million over the amount distributed in 1981. Manitoba was the first province to introduce growth tax revenue to relieve local property taxpayers. These payments are made through the allocation to local governments on a 2.2 points of personal income tax and payments will be made on the basis of \$24.30 per capita to all organized municipalities and to the Minister of Northern Affairs on behalf of unorganized territories. In addition, there will be an urban services supplement payable to cities, towns and villages and urban local government districts amounting to \$3.75 per capita for centres up to 5,000 population, and \$5.25 per capita for centres of more than 5,000 population.

As well, there will be transitional adjustment payments made to some nine municipalities to ensure that their 1982 entitlement will not be less than the amounts that they received last year. The basic per capita payment has been increased by \$3.30 or 15.7 over the amount paid in 1971. Whereas urban services supplement have been held at the same level as last year; payments will be made in July of 1982 and will be based on 1981 census population data.

I am pleased to be able to make the announcement at this time when municipalities are preparing their 1982 budget and my departmental staff will be advising municipalities of the entitlements which they

may expect in 1982.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D.M. (Doug) GOURLAY (Swan River): Thank you, Mr. Speaker.

I would like to thank the Minister of Municipal Affairs for making this information available at this time. Normally, the announcement has come much earlier in the year, but I am sure that the various municipalities will be pleased to have this information and certainly they will also be pleased to see the increase of some 15 percent. I believe this would indicate that as this is a growth tax, or a part of the growth tax as well as a portion of income tax sharing, it would indicate the very buoyant condition that was in existence in the province in 1981. In spite of the repeated comments by members who were then Opposition, indicating the very depressed state that the economy was in the Province of Manitoba, I think that this statement can only indicate that the situation was not that bad at all with the growth of some 15 percent in the provincial-municipal tax sharing payments.

But, nevertheless, I am very pleased with this announcement and again I am sure the municipalities will be very happy to get this information even though it is a few months later than normally expected.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Interlake): Thank you, Mr. Speaker.

Mr. Speaker, I would like to table the report of the Department of Agriculture for 1980-81 and the Ninth Annual Report of the Manitoba Water Services Board ending March 31st, 1981.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. JAY COWAN (Churchill): Mr. Speaker, I wish to table the 1981 Environmental Accident Report for the Environmental Management Division.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 36 students of Grade 9 standing from the Lorette Collegiate School under the direction of Mr. Normandeau. This school is in the constituency of the Honourable Member for Springfield.

We also have 50 students of Grade 9 standing from the Ken Seaford Junior High School under the direc

tion of Mr. Freed and Mr. Williscroft. This school is in the constituency of the Honourable Member for Kildonan.

There are 55 students of Grade 11 standing from the Oak Park High School under the direction of Mr. Oswald. This school is in the constituency of the Honourable Member for Charleswood.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question is for the First Minister. Will the First Minister confirm his earlier statement that the reserves of Manitoba Hydro have been fattened by what he termed a needless Hydro rate freeze?

MR. SPEAKER: The Honourable First Minister.

HON. HOWARD R PAWLEY (Selkirk): Mr. Speaker, my statements are as they were yesterday. Because of the very implications and the very consequences as indeed has been indicated by the Minister responsible and so indicated by technicians with Manitoba Hydro over the last year or two, there is a clear need for a review as to the direction in which we proceed in regard to rates in regard to Manitoba Hydro as to whether it be extended beyond the five years, whether indeed that freeze ought to continue for the five-year period. It's time for review.

MR. RANSOM: Mr. Speaker, but my question was, will the First Minister confirm his earlier statements to the effect that Hydro reserves have been fattened by what he termed a needless hydro rate freeze, and I simply refer the First Minister to the document which I tabled yesterday which appears over his signature and makes such statements that the Conservative Government has wasted millions of tax dollars on the needless Manitoba Hydro rate freeze. Hydro didn't need the freeze. It fattened Hydro rate reserves. I simply asked the First Minister if he'll confirm those earlier statements.

MR. PAWLEY: Mr. Speaker, if the Honourable Member for Turtle Mountain had listened yesterday he would have noted that on the basis of the two years of very low water levels that indeed there is a situation that certainly reflects upon the present course of action. The Honourable Member for Turtle Mountain should also keep in mind that indeed the monies that have been used in regard to the Hydro rate freeze have indeed come from the pockets of the taxpayers of the Province of Manitoba. There is no money to be found unless it does indeed come from the taxpayers of the Province of Manitoba, so let the honourable member not for a moment fudge this issue by suggesting that there's a Hydro Rate Freeze that isn't paid for by someone. That is being paid for by the taxpayers in Manitoba. There is an obvious question that must be asked, and that is whether or not that is indeed the most equitable means of providing for a distribution

of wealth in a equitable means

MR. RANSOM: Mr. Speaker, that may well be the question the First Minister wants to ask but it wasn't the question that I placed to the First Minister. The record will show that the First Minister has not answered the question which I asked him, to give the information that I asked he give the House.

As a supplementary, Mr. Speaker, then my question to the Minister of Energy and Mines. Would the Minister of Energy and Mines advise the House what he expects the approximate reserves of Manitoba Hydro will be as at the end of March 1982.

MR. PAWLEY: Mr. Speaker, on a point of order since the Honourable Member for Turtle Mountain asked that the record be clear, let the record be clear that questions that are being posed by members of the Opposition need not be answered precisely as they want those questions to be answered. The Honourable Member for Turtle Mountain's question was indeed answered. He may not like the answer that is provided but that is a matter that is a concern for the Member for Turtle Mountain.

MR. RANSOM: On the same point of order, Mr. Speaker, the First Minister is indeed right that he need not answer the questions that are placed. I was simply placing it on the record that he had in fact not answered the question which I had asked. He had responded to questions which he had in his mind, not to the questions which I asked, Mr. Speaker.

Further to my question to the Minister of Energy and Mines, could he advise the House as to what he expects the reserves of Hydro will be at the end of March, 1982?

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

HON. WILSON PARASIUK (Transcona): Mr. Speaker, I don't know exactly what the reserves will be at the end of this fiscal year. We're near the end of the fiscal year. I know that in the last fiscal year that Manitoba Hydro suffered a loss of over \$16 million; that for this present fiscal year they projected they could be suffering a loss between, oh, I don't know, \$28 and \$32 million, Mr. Speaker. That'll be known at the end of the fiscal year and when I have that information I'll certainly make it available to the Legislature.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, a question to the same Minister, I wonder if the Minister could confirm that in the Annual Report of Manitoba Hydro as of March 31st, 1978, the reserves of Manitoba Hydro were \$50,350,000.00?

MR. PARASIUK: Mr. Speaker, I'll have to take that question as notice.

MR. BANMAN: Mr. Speaker, that was March 31st, 1978. I wonder if he could also confirm, and maybe come back with the answer, that the surplus in reserve

as of March 31st, 1981 was \$125,348,000.00?

MR. PARASIUK: Mr. Speaker, those questions are more suitably asked in an Order For Return, but I expect that we'll have opportunity to discuss these matters in the Public Utilities Committee of the Legislature where these types of questions regarding Crown corporations are more appropriately asked.

MR. BANMAN: I wonder if the Minister of Energy could then confirm that since the rate freeze has come on, that these reserves of Manitoba Hydro have indeed increased rather than decreased?

MR. PARASIUK: Mr. Speaker, there has been an increase in reserves, but the point is that we are suffering, we are into a drought cycle or a two-year dry cycle, Mr. Speaker. We have had 15 percent less than average snow cover. Unless we have a tremendous change in the weather, Mr. Speaker, we will have low water levels again which do have a very serious effect on Hydro, not only in the short term, but in the long run.

MR. RANSOM: Mr. Speaker, a question to the Minister of Energy and Mines. In his response to the questions yesterday the Minister indicated that the question of Hydro rates is a very technical, indeed he used the term "technical" 13 times in his three answers to questions that have been raised. He said that those questions of setting rates should be taken out of the political arena and placed before a committee of the Legislature, the Standing Committee of Public Utilities and Natural Resources, for consideration as well as perhaps going to the Public Utilities Board eventually.

Mr. Speaker, in view of the fact that there are few things having more impact on Hydro rates than the scheduling of construction and the borrowings for Manitoba Hydro, will the Minister of Energy and Mines commit to bring the plans for Hydro construction and borrowing to the Standing Committee of the Legislature prior to any final decisions being made with respect to those matters?

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

MR. PARASIUK: Mr. Speaker, the normal discussions and reviews that take place in the Public Utilities Committee will indeed take place again. I don't expect that my colleagues, Mr. Speaker, will try and use closure or any underhanded devices to try and cut off debate in the Public Utilities Committee.

I can recall that last year the Conservative majority, Mr. Speaker, tried to cut off debate. We certainly don't intend to do that; we expect that the Public Utilities Committee will indeed be called and that it will pursue its natural course of action.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, in view of the fact that these questions are so technical and in view of the fact that the government's opposition for immediate

orderly commencement of construction on Limestone, which could have a tremendous impact on Hydro rates, I'm simply asking the Minister for his assurance that before that commitment is made he will submit those very technical questions to the Standing Committee of the Legislature for review prior to a final decision being made?

MR. PARASIUK: Mr. Speaker, I believe that it's important for the integrity of Hydro that the technical matters in fact can be raised in Public Utilities Committee and I expect that there will be an opportunity at the Public Utilities Committee to raise technical matters to technical people who come before the Public Utilities Committee.

MR. RANSOM: Mr. Speaker, I recognize, of course, that the Minister doesn't have to answer the question, but the question was not whether we could put technical questions to the committee, but whether or not he would bring a report; the question of the scheduling of construction and financing to that committee, as he pledged yesterday to bring a technical report relative to the Hydro rate freeze to be placed before that committee for discussion. That was my question and I ask the Minister once more if he would care to respond directly to that very direct question?

MR. PARASIUK: Mr. Speaker, the Member for Turtle Mountain, I think, is trying to make a mountain out of a molehill. The point is that when the technical people appear before the Public Utilities Committee, members on all sides of the House have the opportunity to ask questions relating to rates. They have the opportunity to ask questions relating to borrowing; they have the opportunity to ask questions relating to construction; they have the opportunity to ask all of those questions. As I said, it is not the intention of the government, unlike previous actions, to curtail that type of questions to technical people who come before the Public Utilities Committee.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, last week I was asked whether a member of our department had been invited to attend the bankruptcy hearings for the Metro Drugs and the answer to that is no. The department was not approached by any of the creditors to attend that meeting and I'd like to take this opportunity just to expand and to say that the department normally does not have as close a relationship to the retail sector of the economy as it does to the industrial and small business sector and the reasons for this are many. The retail field requires a much smaller type of investment for someone to get started than the industrial sector does and consequently an active role for government in partnership has not been as well developed so that we don't have any direct relationship to the retail sector. However, we are disturbed at the situation that has developed.

We see the bankruptcy problem and the large number of people going out of work as a symptom of the overall economic problems relating to the high interest rates and the unwillingness of the Federal

Government to move into a sound economic plan for Canada.

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

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Speaker, in view of that answer by the Minister of Economic Development, my question is to the First Minister. In view of the statements made by him as leader of the N.D. Party during the election campaign that an NDP Government would take action to prevent the loss of businesses by Manitobans due to high interest rates and in view of the statements by officials of Metro Drugs that they could have survived if the interest rates had not been so high, would the First Minister advise what action the NDP Government is taking to prevent the loss of a business like Metro Drugs?

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, if the honourable member would have studied closely the statements that were issued during the period that he's made reference to, the reference to businesses, indeed small businesses and medium sized businesses that are going under duly and solely through interest causes. Now, it's my understanding in regard to the statements that I've seen that the Metro Drug situation involves a number of factors; interest being one, but from all the information that I have heard there are indeed a number of factors that are involved in respect to Metro Drugs.

Mr. Speaker, I want to also point out that it would not be the intention of members to discuss individual case files before the Legislature. If it is the intent of the honourable members across the way to discuss individual case files that may or may not take place in regard to application for interest rate relief, we would not be inclined to enter into that kind of discussion.

MR. MERCIER: Mr. Speaker, the officials of Metro Drugs have indicated quite clearly in their statements to the media that they could have survived if it had not been for the high interest rate.

Mr. Speaker, in view of the statements made by the now Premier of Manitoba during the election that in spite of gains made by the working people, many Manitobans still live under the threat posed by plant shutdowns. In the last three years such major employers as Swifts, Maple Leaf Mills and the Winnipeg Tribune have all closed their doors. The Manitoba NDP believes that working people deserve job security in a workplace; Manitoba New Democrats would provide security for layoffs.

In view of those statements, Mr. Speaker, would the First Minister advise this House what action he is taking to prevent the loss of 350 jobs with Metro Drugs?

MR. PAWLEY: I'm delighted at the opportunity to respond to the Honourable Member for St. Norbert. Mr. Speaker, what we have been dealing with is three years of accumulated difficulties; difficulties as a result of federal and provincial policies pertaining to — (Interjection) — well, I'm sorry, Mr. Speaker, if the

honourable members don't want to hear — Mr. Speaker, what we are contending with is monetary policies that indeed have been of such a nature that it brought about difficulties from one end of Canada to the other. Monetary policies in respect to interest rates that were supported and endorsed by the previous government in the Province of Manitoba. It was the previous government of the Province of Manitoba that supported the Federal Government of Canada in regard to monetary policies pursued by the Trudeau government in Ottawa since 1975.

Mr. Speaker, at least this is a government that is attempting to do what it can within its limited resources in order to ensure that the business people and others in this province can enjoy some job security, some security in their economic futures. It is somewhat amazing, Mr. Speaker, to suddenly receive questions that, — (Interjection) — well, I don't want to use those terms in this House, but in the first three or four months of the period of government on our side to receive questions from a government that cared less about coming to the grips with the economic problems confronting Manitoba and indeed the whole of Canada.

MR. MERCIER: Mr. Speaker, in view of the fact that the First Minister is acknowledging that he's not going to take any action to live up to the guarantees and the promises that he made and signed in election documents during the last election, would he now admit, Mr. Speaker, that he lied, deceived and misrepresented his Party's position to win office in this government?

MR. SPEAKER: Order please, order please. I'm sure that the honourable member realizes that the words he has just used in his question are completely unparliamentary. I'm sure if he wishes to consider those words he would prefer to use others and perhaps withdraw those words.

The Honourable Member for St. Norbert.

MR. MERCIER: Mr. Speaker, I'll consider the use of those words in the light of the statements and the promises and the guarantees that were made to Manitoba and the fact that truth is always a defence.

MR. SPEAKER: Order please. I believe I suggested to the honourable member that he withdraw those words and I make it, perhaps a little firmer now, that he should withdraw those words and apologize to the House.

The Honourable Member for Turtle Mountain.

MR. RANSOM: On a point of order, Mr. Speaker, the words that the Member for St. Norbert used were not made in reference to anything that has been said in this House, they were made with reference to documents that were circulated to the public during the election and are not related to anything said with respect to this House and the member may well wish, of course, to respect your request, Mr. Speaker, but it has nothing to do with this House.

MR. SPEAKER: Does the Member for Elmwood wish to speak to the same point of order?

MR. RUSSELL DOERN (Elmwood): It is quite clear that the former Attorney-General, who supposedly knows something about points of order, made an unparliamentary statement. His statement was made in this Parliament; it is unparliamentary. It doesn't matter what the reference is; he has to withdraw that statement or withdraw from the Chamber.

MR. MERCIER: Mr. Speaker, in view of the position you're taking I'm prepared to withdraw the use of those words and let the people decide for themselves.

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, I'm delighted to have the opportunity now that the Member for St. Norbert has indeed withdrawn those remarks to answer the original question from the Honourable Member for St. Norbert.

Mr. Speaker, what we have seen in that past three or four months on the part of this — (Interjection) — Mr. Speaker, it's interesting the honourable members are having some difficulty listening to information that they particularly don't like to hear and it does, I'm sure, make them somewhat uncomfortable to indeed discover what this government has done in three months as opposed to what the previous administration had done in four years.

Mr. Speaker, number one, this government disassociated itself immediately in regard to the support of the monetary policies in Canada that had given rise to many of the financial problems that indeed have been created from one end of this country to the other. That was a major and significant move, a policy that indeed the Honourable Member for Turtle Mountain fully associated himself with during his term in government and still associates himself with the monetary policies of the Federal Government.

Number two, Mr. Speaker, this government initiated an Interest Rate Relief Program to assist homeowners and business people and farmers in this province. Mr. Speaker, where were the members across the way for four years when indeed interest rates were skyrocketing throughout Canada and in Manitoba? They sat on their rears, Mr. Speaker.

Number three, Mr. Speaker, the honourable member asked me a comprehensive question. I want to provide him with a comprehensive response. Number three, this government, unlike the previous administration, did not return to a process of acute protracted restraint, did not freeze construction in this province simply because of the burden of the deficit and fiscal transfer cutbacks that were imposed upon this administration. Mr. Speaker, we continued with the program of continuing of construction in this province to the extent that it was possible for this government to do so.

Mr. Speaker, we are proceeding with other areas of program assistance which are being outlined and which will be announced as we proceed, but the Honourable Member for St. Norbert should reflect for a few moments in the kind of statements that he is making in a somewhat irresponsible manner in this Chamber after three-and-a-half months, when he sat on a Treasury Bench that did absolutely nothing for four years to help those in plight in this province.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, after that palaver I have a question for the Minister of Economic Development and Tourism. — (Interjection) — I heard the request to smile, it's very hard after that nonsense I just heard. Mr. Speaker, I would ask the Minister of Economic Development and Tourism — (Interjection) — Mr. Speaker, obviously they don't want to hear the question. I've been used to the childishness of the NDP for years, but nevertheless, Mr. Speaker, I would ask the Minister of Economic Development and Tourism if she has had any technical discussions and has requested a technical report from her development officers that work within her department on the effect of removing the Hydro freeze from the point of view of attracting new business to the Province of Manitoba? Will we be receiving a report from the Minister on that subject, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Economic Development.

MRS. SMITH: Mr. Speaker, I can sympathize with the member opposite in wanting to advertise conditions in the Province of Manitoba that would attract new industry. I think we're all interested in doing that, but we also have a commitment to presenting the real facts in terms of what the costs are likely to be not just today or tomorrow, but over a sustained period of time. We would like to advertise a rate that we can live by and that maintains a balance in our hydro operations. We're committed to being very realistic in the information that we offer and not attempting to give false lures to business.

MR. JOHNSTON: Mr. Speaker, the disease is spreading; we're still not getting answers. I've asked the Minister if we will have a technical report from her department analyzing the consequences that may happen if we take off the Hydro freeze as far as attracting business is concerned. I would have a supplementary, Mr. Speaker, in asking the Minister will there be a report, a technical report, from her development officers working with business in Manitoba at the present time, small and large, as to the effects it may have on the present business in Manitoba seeing that they have now started to analyze their budgets and forecasts of expenses which are presently there in front of them. What effect will have if the Hydro freeze comes off to the present business in the Province of Manitoba?

MRS. SMITH: Mr. Speaker, technically speaking we are very interested and concerned about the profit and loss statements that confront the small business people and the industries of Manitoba. We're also concerned about the profit-loss picture that confronts the ordinary citizen and what we're looking for is the balanced approach. We want an economic situation where everyone's concerns get taken into account. We don't want to look at only one sector and expect full salvation from that quarter; we want a realistic and balanced approach to economic devel-

opment both at the cost end and at the benefit end.

MR. JOHNSTON: Mr. Speaker, will the Minister have a report from her department presented to the members of this House or the Committee of Economic Development as to the consequences of removing the Hydro freeze on industry to be attracted to Manitoba or presently in Manitoba, the same as the Minister of Industry and Commerce in the third month of 1977 received a report from his Deputy saying that manufacturing had been dropping for three years in this province and made suggestions on what to do about it? Will we get a report, Mr. Speaker, that gives us that information in this House?

MRS. SMITH: Mr. Speaker, there will be reports being presented from time to time, but we have no intention of bringing one factor and measuring it and looking at its impact on one sector in the economy. We're looking at a package of factors; we're not going to advertise Manitoba as a low-wage area or as a low-power area if the costs and benefits at the other end don't make sense. We're not prepared to sell the people or the province at any price. We want a balanced and sane responsible approach.

MR. SPEAKER: The Honourable Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Speaker, in view of the fact that the First Minister and the Government of the Province of Manitoba have continually promised to the livestock industry, particularly the beef producers of the province, could the Minister of Agriculture tell me when he is going to introduce the Beef Stabilization Program for the beef producers of Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, let it be known to the members opposite and to the farmers of Manitoba that the commitment was to sit down and have meaningful dialogue to develop a program for livestock producers in this province.

Mr. Speaker, we have been doing that, unlike the former administration who two weeks before the election ended decided to set up a committee to study the problem, while during the election the former Minister of Agriculture indicated to the farmers that the best way for them to stay in business was to liquidate their herds. We're not doing that, Mr. Speaker. We have sat down, we have been working with producers and we will be making an announcement as soon as we can.

MR. DOWNEY: Mr. Speaker, the only election promise that they lived up to so far is the fact that they have been sitting down.

Mr. Speaker, a second question to the Minister. When will he be announcing the stabilization or the level of stabilization under the old Beef Income Assurance Program that was a carry-over from their administration? When will he be announcing the support level for the final quarter of that program?

MR. URUSKI: Mr. Speaker, I'll take that question as

notice, and as well, that program would have been a very viable program to the farmers of Manitoba had it not been politically scuttled by the Conservatives when they were in office.

MR. DOWNEY: Mr. Speaker, the Minister has taken the question as notice but has seen fit to add a little bit more. I would ask him at this particular time, seeing that the fact that the producers had an option whether to stay in or out of the program and there were some 6,700 producers that initially entered into it, how many producers are still left in that program, if in fact it was such a great program as he tells the people of Manitoba, how many are left in his great program from a carry-over?

MR. URUSKI: Mr. Speaker, I understand that there are very few producers at this point in time left in the program. There were some —(Interjection)— Mr. Speaker, the member doesn't want to hear the answer. There were approximately 4,000 producers left until the year 1980, Mr. Speaker, at which time they were, in my opinion, coerced into leaving the program because they were fed the carrot that they wouldn't have to pay back some of the funds that were owing under the program, so they opted to get out in the easiest way. Now those same producers are in the process of going broke, Mr. Speaker, when the program would still be available to producers until the end of March of this year.

MR. SPEAKER: The Honourable Member for Gladstone.

MRS. CHARLOTTE OLESON (Gladstone): Thank you, Mr. Speaker. My question is to the Minister of Agriculture.

Could the Minister of Agriculture tell this House and the people of Manitoba how many farmers have received assistance through the Interest Rate Relief Program?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, I understand that there have been approximately 1,500 inquiries. In terms of the actual assistance paid out, assistance cannot be paid out at this point in time because the Bill is before the Legislature. The honourable member should realize that, Mr. Speaker. There have been, and I would be only guessing, a couple of hundred that have been accepted for further information and are in the process.

MRS. OLESON: In that case, Mr. Minister, how many people have been turned down for assistance?

MR. URUSKI: Mr. Speaker, at this point in time, I don't believe anyone has been turned down for assistance.

MRS. OLESON: Thank you, Mr. Speaker. What does the Minister propose to do to assist those farmers who will eventually be turned down?

MR. URUSKI: Mr. Speaker, when we get to that point, we will have to look at that if someone will be turned down.

MR. SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. My question is for the Minister responsible for the Manitoba Telephone System, and I ask the Minister, can he inform the House that the Manitoba Government did instruct the Manitoba Telephone System to install a satellite dish in Thompson?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD S. EVANS (Brandon East): Mr. Speaker, the honourable member persists in asking the same question. I think this is about the fifth time that he asked it. I think he's jealous that the people of Thompson have received and are about to receive better television under our government than they received under his government. He's just a little jealous.

MR. ORCHARD: Thank you, Mr. Speaker, and once again, I received no answer from the Minister. I would just like to ask the Minister, can he confirm that Thompson residents have been informed that the government has instructed MTS to install that satellite dish in Thompson?

MR. EVANS: Mr. Speaker, the way the member put the question, I don't know whether I can confirm or deny the way he put this particular question. I would add, Mr. Speaker, that the MTS is engaged throughout this great province of ours installing devices, removing devices, making modifications, expanding day by day, week by week, and I trust are continuing to do a good job and they've obviously done a very good job in Thompson or are doing a very good job because the honourable member is certainly very sensitive about that.

MR. ORCHARD: Thank you, Mr. Speaker. I didn't detect that I was particularly sensitive about the question. The Minister has been sensitive about his answer, but I would ask the Minister, did he receive a copy of the press release by the MLA for Thompson which I had hand delivered to his office last week?

MR. EVANS: Mr. Speaker, obviously that is a facetious question. It's a question that's out of order. Certainly the Member for Pembina sent me, with an urgent sticker on it, a copy of that particular press release, and I gather he's anxious that everyone on both sides of the House be aware of that particular press release. That's fine, but I would suggest that that kind of question is simply out of order anyway.

MR. ORCHARD: Thank you, Mr. Speaker. Now that the Minister has confirmed that in fact he has seen that press release of some two weeks old, would he be prepared to confirm that that press release states that the government did instruct MTS to install the satellite

dish in Thompson?

MR. EVANS: Mr. Speaker, I believe the question is out of order, and I've said two weeks ago that I am not responsible for any press release issued by any member of this Legislature.

MR. ORCHARD: Thank you, Mr. Speaker. Then could the Minister confirm for the House that the statement released by the MLA for Thompson is not factual?

MR. EVANS: It is entirely out of order.

MR. SPEAKER: The Government House Leader.

HON. ROLAND PENNER (Fort Rouge): On the same point of order, and I've hesitated because I'm mindful of your wish that the Opposition have the full use of the question hour, which they have now wasted. "A question" — I'm referring to Beauchesne, at 132, "A question ought not to refer to a statement made outside the House by a Minister." That's obvious.

Secondly, as I understand it, a question asking for confirmation is not a proper question and is out of order.

MR. SPEAKER: Does the Honourable Member for Pembina wish to speak to the same point of order?

MR. ORCHARD: Indeed, I wish to speak to that point of order. Mr. Speaker, throughout the course of this short-lived Session we have found on a number of occasions that statements have been made by departmental staff, as in the case of the Minister of Natural Resources, which the Minister had no knowledge of and in this case it appears that the MLA for Thompson has made a statement which the Minister has no awareness of. In that statement, Mr. Speaker, it is very clear that the MLA for Thompson indicated the government instructed MTS to undertake the installation of a satellite dish. If the government instructed MTS to do that, that is what we want to know. If the government did not instruct MTS to do that, then the statement by the MLA for Thompson is not factual and the point of order quite simply, Mr. Speaker, is — does the Minister know that MLAs in his backbench are making statements of government policy without his knowledge?

MR. PENNER: That's not addressing the point of order which I have raised. A question to a Minister can be made with respect to statements made by the Minister in the House or in any official document, but what is being asked is with respect a statement made outside of the House in a press release that I haven't seen, but it doesn't matter, it's the principle which is not that of the Minister. Therefore it is out of order.

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

MR. RANSOM: Yes, Mr. Speaker, I believe that it is entirely in order for members of the Opposition, indeed, for any member of the Legislature other than a member of the Treasury Bench, to seek clarification respecting government policy. The Member for Pem-

bina has been attempting to seek information respecting the government's policy having to do with its instructions to MTS concerning television signals in Thompson. The Minister declined to answer the direct question, and the Member for Pembina simply placed the question in a different manner to try and confirm whether or not what the backbencher had said actually reflected government policy. Mr. Speaker, I submit that the member is simply trying to determine what is government policy.

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

MR. PENNER: On the same point of order, Mr. Speaker. If a member in Opposition asking a question of a Minister is not satisfied with that question, it does not give that same member — in this case, the Member for Pembina — the right to breach the rules. That does not create an excuse for breaching the rules; the rules are the rules and with respect, the question was out of order, no matter what motivated it.

If the member opposite could respond to the point just raised by the Honourable Member for Turtle Mountain, if the member wants to know what the policy of the particular Minister or his department is with respect to a point, he asks the Minister that question. That question was asked of the Minister, the Minister replied; that's the end of the matter.

MR. SPEAKER: The Honourable Member for Virden to the same point of order.

MR. GRAHAM: Thank you, Mr. Speaker, on the same point of order. Questions of the Ministry have always been accepted in any Legislature as being questions seeking direction, seeking the policy of government. If we find that suddenly questions seeking the policy of government are to be ruled out of order, what is going to happen to this Assembly? Is the Honourable Attorney-General telling this Assembly that we can no longer ask questions seeking policy of government? I ask you to consider that very carefully in making your ruling.

MR. SPEAKER: Order please. I thank those honourable members for their advice who have spoken to the point of order. As members are aware, I've tried to give a questioner as much latitude as possible in asking a question. I find that most of the questions asked by the Honourable Member for Pembina seeking information as to government policy, as it refers to MTS, have been in order and as such I've allowed those questions; except that the last question that was asked by the Honourable Member for Pembina had to do with asking the Minister as to a government backbencher's press release, which is not within the Minister's department or within his sphere of influence.

I hesitated on that point, that the Minister stood up to speak in reply to the question, which is why I allowed it to happen, but if the Minister does not want to reply to it, that is his privilege; the matter is out of order in any case.

The Honourable Member for Pembina.

MR. ORCHARD: Mr. Speaker, I'd just like to take this opportunity to table the press release stating government policy issued by a backbencher of the government not the Treasury Bench.

MR. SPEAKER: The Honourable Member for Roblin-Russell.

MR. J. WALLY MCKENZIE (Roblin-Russell): Mr. Speaker, I have a question for the Honourable Minister of Co-op Development. I wonder can the Honourable Minister advise the House if anything new has taken place, or is there any new promises or pledges to the cheese plants at Rosburn and Pilot Mound regarding the disposal of the surplus cheese and the date that the plants likely would open again, and what future the dairy industry in those communities have as far as the Minister and the government is concerned.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. ADAM: Mr. Speaker, I would advise the Honourable Member for Roblin, that the Manco people have not approached the Minister of Co-operative Development to discuss any of their concerns at this point in time. I understand that they have met with the Minister of Agriculture and he probably would be the proper Minister to address that question to since he is in charge of the dairy producers in the Province of Manitoba.

MR. MCKENZIE: Mr. Speaker, I've another question then for the Honourable Minister of Co-op Development who naturally should be in charge of the development of these co-operatives at Rosburn and Pilot Mound. I'd ask him if he or the government can give the 25 or so employees who are out of work any assurances when they may be able to go back to work again?

MR. ADAM: Mr. Speaker, we can't give any indication when those plants will reopen again. It's a decision that was made by the board, the Board of Manco, to close four cheese factories in the Province of Manitoba, and subsequently have reversed that decision and kept two of them open. It is strictly up to the board to decide whether they want to reopen these plants or not. I think hopefully that some way will be found to dispose of the product that they produce and they will be able to open up as soon as possible.

MR. MCKENZIE: A final supplementary question, Mr. Speaker. I wonder if the Honourable Minister could advise the House or the dairy farmers at Rosburn and Pilot Mound as to what future they have with their dairy herds at this time or for the future.

MR. ADAM: Thank you, Mr. Speaker, again, I would advise the member that when it comes to dairy producers, that question should be addressed to the Minister of Agriculture who is responsible for dairy producers.

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

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Yes, Mr. Speaker. Would you please call the adjourned debate on the proposed motion of Mr. Uskiw, Bill No. 11, An Act to amend The Highways Department Act.

ADJOURNED DEBATES ON SECOND READING BILL NO. 11 — AN ACT TO AMEND THE HIGHWAYS DEPARTMENT ACT

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. FILMON: Mr. Speaker, I took the adjournment on behalf of the Honourable Member for Pembina.

MR. SPEAKER: The Honourable Member for Pembina.

MR. ORCHARD: Thank you, Mr. Speaker.

I have perused The Highway Departments Act and we find nothing that is of a major change in policy with the exception of the one item, and that being the implementation of the interest on the holdback, the 15 percent holdback that is part and parcel of our major construction contracts in the department and that is a move that I presume has come upon the advice of the investigation over the past year or so and it's a move that we endorse and would have been making the same kind of move had we been on the Minister's side of the House.

So, we would, at this stage, Mr. Speaker, recommend that bill to committee.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? (Agreed)

The Government House Leader.

MR. PENNER: Yes, thank you, Mr. Speaker.

Before we proceed to the next order of government business, if it would be in order then, on the notice of the committee meeting, with respect to law amendments, note that the bill now passed on Second Reading would be added to the list for that particular meeting.

I would now ask, Mr. Speaker, that you call the adjourned debate on Bill No. 13, An Act to Amend the Public Trustee Act.

BILL NO. 13 — AN ACT TO AMEND THE PUBLIC TRUSTEE ACT

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

MR. MERCIER: Mr. Speaker, I have no objection to this Bill proceeding to Committee.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? (Agreed)

The Government House Leader.

MR. PENNER: Yes, again, if I may, Mr. Speaker, if it's in order ask that notice be given that Bill No. 13 will also be on the list for the Committee Meeting on Law Amendments next Thursday, April 1st in Room 255.

I would now ask, Mr. Speaker, that you call the Interim Supply Act No. 14?

BILL 14 — THE INTERIM APPROPRIATION ACT 1982

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I don't wish to speak on this Bill at this time, but if anybody else wishes to speak on it I yield the floor, Sir.

MR. SPEAKER: I am not sure whether the member was taking the adjournment for another member or whether he was not speaking to this.

The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker.

On that point of order, if I could just have your direction on it, Sir, or the House Leader's. If I advise you, Sir, that I adjourn the debate for my colleague, the Honourable Member for Tuxedo, I think I lose my turn to speak. I don't wish to lose my turn to speak, so I simply want to advise you that I don't want to speak at this time.

MR. SPEAKER: One moment please.

Order please. I am advised that the Honourable Member for Fort Garry does not lose his right to speak on the debate; if he so wishes at a later time, the floor is open.

The Honourable Member for Tuxedo.

MR. FILMON: Thank you, Mr. Speaker.

I rise to speak to the motion of Interim Supply with great concern about some of the critical issues that are developing in terms of funding in this province, particularly in view of the information, or lack of information or incomplete information that is being supplied to this House by the Minister of Education.

The Minister of Education over the past number of days since the announcement for support for public schools in this province in a news release of March 5th, has done some unusual and amazing things. Upon the announcement of her support for public schools in the province at that time, and under questioning, it became evident very quickly to all of us and to most Manitobans, I think, that what she was indeed doing was offloading a great deal of the costs, the expected increase in costs this year, in education financing onto the property tax rolls.

Under questioning in the House, the Minister had difficulty with this particular concept and in a move that's unusual, if not unprecedented, about a week later, perhaps it was two weeks later, as a result of, I suppose, adverse comments in the editorial pages of both newspapers; as a result of a number of articles; and as a result of debates here in the House, the Minister called another news conference to clarify what she said was a misunderstanding of her

announcement on March 5th.

The Honourable Minister indicated that indeed she was doing much more than most people thought she had been doing or most people assessed she was doing by virtue of the announcement of her support for education financing in the province and the Honourable Minister issued a five or six page release, which I understand took a great deal of time and energy to try and clarify it in the eyes of the media who cover the Legislature just exactly what she really meant and what she was doing for the province. She said there was a great misunderstanding of how much she was expending and how much support she was giving to public school financing in the province.

Well, Mr. Speaker, I have to tell the Minister and I have to tell members of this Legislature that the problem was not that there was a great misunderstanding but the problem was, and it's her problem, that the public understands full well what she is doing. She is offloading a substantial portion of the responsibility for education funding in this province back onto the property tax rolls. After a program that had been well researched, well documented, well developed by the former government with the specific intent of taking the load off the property tax roll and was very successful in doing so, Mr. Speaker, by virtue of the fact that only 5 out of 58 school divisions in this province last year experienced an increase in their total property tax mill rate for school purposes, this year she is going to see virtually every school division in this province having an increase in its property tax mill rate for school purposes, as a result of her under-funding. I can't understand how the Minister could possibly not have understood that when she issued her news release on March 5th. I find it unbelievable because at that time she announced just precisely what the total projected expenditures by public schools in this province would be; \$611 million would be expended and that, Mr. Speaker, is \$66 million more than was spent last year by all the public schools in this province.

Yet, when their Estimates were released very shortly thereafter and placed on the table of this Legislature, they showed that despite all of the increases that she said she was giving in special grants here and in grants designed to remove certain inequities that she say exist and so on and so forth, the total amount that she was intending to spend out of the provincial general revenues was only \$40 million more. So, the shortfall is very obvious. If the increase is \$66 million in public school spending and she's only going to provide \$40 million out of general revenues, \$26 million has to be added on to the property tax rolls. That \$26 million, Mr. Speaker, taken on the total property tax assessment across this province averages out to eight mills; eight mills increase right across the province.

I recognize and we talked about it before, it's been confirmed that the Minister is giving special treatment to certain divisions. There's a handful of divisions across the province that she is giving special treatment to. I indicated before that I thought there might be some political motivation behind those particular divisions that are going to get special treatment, so some will not suffer as badly as others, but many right throughout this province are going to suffer worse as a result of that because the average has to make out to

eight mills across the board throughout this province for education taxes because of the underfunding of this Minister.

Now, this Minister has told us about how wonderful her program is and how it removes so many inequities and what a great improvement it is over the previous program and I repeat to you, Mr. Speaker, right across the board throughout this province, there's going to be an eight mill increase in property taxes for school purposes as a result of her program whereas last year, there was a decrease across the board. Only five out of 58 experienced increases; the rest of them were all either frozen or reduced and the net result was that there was an average decrease across the province in all property tax mill rates for school purposes.

She says that her program is better. She says that her program has removed all sorts of inequities and is going to be better and she's so smug and excited about this program that yesterday in question period, she said in response to earlier questions, she brought forth a prepared statement that took probably close to ten minutes to deliver in the House during question period, she indicated in response to my suggestion that she was only helping out her political friends in certain divisions, she said and I quote, "I have friends on every school board in the Province of Manitoba."

I have a little advice for the Minister of Education. I'd just like her to check back with those school boards after they have to release their property taxes and after they realize just exactly what the net result of her financing and underfunding is. Check back and see how many friends she has after they find out how much it's going to cost them and just how they've been abused by her changes in education financing in this province.

Mr. Speaker, again yesterday in question period in the course of the lengthy statement that she made, she said, "We raised the \$469 million required and we put in an additional 54.4 percent of direct provincial dollars." I'm quoting from her statement. Well, Mr. Speaker, if you put an additional 54.4 percent on \$469 million, you'd have to come up with a total expenditure of \$724 million, but her press release says that the total expenditures throughout the province are only going to be \$611 million. I suggest that the Minister is confused; I suggest that the Minister is more than confused, she's totally out of control with respect to her understanding of education financing in this province.

Somebody's writing very good sounding news releases for her. Somebody is writing information that she comes forth in statements here, but she doesn't understand it and she is giving it to us willy-nilly with a great deal of political posturing about how great everything is and the bottom line is everybody's going to be paying more on their property taxes. I tell you, Mr. Speaker, that this is a critical situation and one that is going to have to be addressed by this government and one that they're going to have to answer for when the property tax bills come out this year.

Again, further on, the Minister in her responses yesterday said, "we put in more provincial money than the previous government put in before." Of course, if you examine that statement, Mr. Speaker, if she had put in one dollar more than we had put in last year, that would have been more money. The point is

she didn't put in nearly as much of an increase as we had the previous year. She increased it by \$40 million from the direct provincial expenditures from general revenue. Last year, we increased it by over \$70 million, so in fact she's fudging the issue a bit; she's covering the facts with a lot of rhetoric. The fact of the matter is that it wasn't nearly as much of an increase as the Estimates had put forward last year under our government and as a result, property taxpayers are going to suffer. —(Interjection)— The Member for River East says, not in River East and that's precisely the point I'm making.

Everyone of those members opposite are sitting very smugly and grinning from ear to ear because they've gotten special treatment out of this Minister and a lot of other people throughout this province will suffer as a result of special treatment to a small handful. That's okay because that special treatment has translated into a mill rate increase throughout this province that they will have to pay for. —(Interjection)— Not very many people paid last year. There were only five out of 58 who experienced an increase and of those they were very minor. There were only two that were of any significance whatsoever. —(Interjection)— The Member for Springfield says 11 mills is minor. I'll suggest to you that there will be 20 divisions that will have 11 mills or more this year as a result. If the average is eight, translate that very quickly and you'll find that there are probably 20 of them who will have 11 mills this year. —(Interjection)— Again, Mr. Speaker, the Member for Springfield who wants to debate with me will have ample opportunity and he can get up and debate when it's his turn, but I suggest to you that at this present time, he's getting very sensitive about the fact that they are offloading costs on the provincial ratepayers in all ways to make up for their ill-conceived plans and their ill-conceived spending opportunities. I'll tell you, Mr. Speaker, those chickens will come home to roost and they'll have to pay for it.

Mr. Speaker, as part of all this we see a number of things evolving. We see the government's priorities being all fowled up, as far as I'm concerned, and obviously it's their decisions.

But we take a look at the Estimates, Mr. Speaker, and we find out where the priorities are being given — education 12.9 percent increase. Well, the average increase of expenditures this year in the Estimates is 16.9 percent. Education, which is presumably a priority, which they are presumably interested in supporting to whatever extent they can is only getting 12.9 percent and that breaks down into several different areas. It breaks down into an increase of about 16 percent to universities, an increase of only three percent to community colleges; despite five references in the Throne Speech to the fact that technical training and community college-type training is very important to the needs of Manitobans because it provides people in the skill-shortage areas and it provides people for jobs that are there, and so on and so forth. Five references in the Throne Speech, but a three percent increase. Which, as we well know, will result in a programming decrease at the community college.

So, okay, the universities fared well, why? Perhaps there is some reason for that; perhaps it is because there is a high-profile initiative involved with that. The

Minister is freezing tuition fees by giving that extra amount of money and she can take a great deal of public credit for it because it's a direct hand-in-hand coercion that's involved between the acceptance of an increase that's larger, perhaps than, other areas are getting and the freezing of tuition fees. And I won't argue on the merits of that because we've already had some discussions about who pays for it ultimately. It's the taxpayer who pays for it ultimately. So, we won't get into the details of that, there'll be another time during the Estimates for more discussion of that.

But that one she's getting some direct high profile treatment on and so, therefore, that one takes precedence. But the public schools, she says that she's tied into a program that was designed and put forward by a Conservative Government. Well, I want to put on the record, Mr. Speaker, that the Education Support Program does not require that government opposite to put one cent on the property tax mill. It could all be taken out of general revenues. The Minister boasted in her press release about the fact that she gave special grants of over \$14 million for a wide variety of causes to a wide variety of different school divisions. I can tell you that if she had given \$14 million, she could have given all the increase necessary to take care of the full 66 million increased expenditures this year in public school financing out of general revenues. The power was there for her to do it but she chose instead to offload a significant portion of it on the property tax rolls and the people of this province will not be very happy. There will be a ratepayers' revolt and they will let her know, and this will let this government know that all their posturing and all their rhetoric during the election campaign amounts to nothing in terms of their ultimate credibility because it's their actions that they'll be judged upon, Mr. Speaker.

She boasted a great deal about the special grants and said this was a new initiative and these are — well, last year the Estimates in reviewing them had \$13.7 million in special grants for a variety of different issues and initiatives that the former government was taking. It's nonsense to argue that she couldn't do anything else, that she was restricted, her hands were tied by the program that was put in place. Everything was in her hands; everything was in the government's hands; the Cabinet made the decision; the government supports it; and it's in the Estimates and they have to answer for it.

Mr. Speaker, that is the situation as it exists on education financing. There are many other problems that occur. There are many other things that this government is not handling very well, I'm afraid. We heard today in question period about the total lack of appreciation and understanding for the problems that exist today in the marketplace; the problems that businesses are facing as a result of high interest rates, which that government said as an election promise they were going to take care of which that government said they were very sympathetic to, they came out with a program that was totally inadequate.

It didn't understand the problem whatsoever and the Minister of Economic Development today gave us a clue as to why: They really aren't involved with the retail sector; they really geared their program, presumably to small investors and small businesses that are not involved in the retail or wholesale business.

Yet, if you examine that area very carefully, Mr. Speaker, you find that it's precisely those areas of the marketplace today that have to be hit hard by high interest rates. It's the retail and wholesale sector who have to carry inventory.

Inventory is generally carried on a demand loan basis from the bank, inventory relies on turnover in order for it to be increased again and brought back to scale but they always have to carry inventory, because if they don't carry inventory in the retail or wholesale sector, they can't be in business. When people come shopping they have to see the merchandise in order to buy it. So, it's those areas that are primarily going to be affected and I know from discussions with people in the business community, from discussions with bankers, from discussions with investors, that there is a great deal of concern, that there is a great deal of fear of what the consequences will be of prolonged high interest rates to those precise businesses.

Today, the Minister of Economic Development said they are not involved with the retail sector. Her department looks only to the industrial sector where there has to be a major investment to get businesses going. She considers that the retail sector has a very small initial investment and therefore doesn't need the involvement or the assistance of her department. That's true in terms of setting up businesses, but in terms of the operating consequences of high interest rates, they are precisely the area that needs to be helped and she says, they're not really involved with that area.

Well, I suggest that Minister had better redirect her priorities, that that department had better sit up and take notice, because the retail sector is a very high portion of the employment in this province. In fact, it's one of the largest job creation sectors and if the retail sector is having difficulty because of high interest rates and she's brought forward a program that doesn't help them whatsoever, we all have a problem, Mr. Speaker.

We've already got the first evidence with the Metro Drugs' collapse. All she has to do is start walking down Portage Avenue in the downtown retail sector, or into the shopping centres and she'll find that doors are closing, that businesses are going out and the reason is that they can't carry the inventories that they need to stay in business. But her plan has no regard for that and won't help them. In fact, if they have \$350,000 of gross income, and I tell you that isn't a very big business, you don't have to add up, as the Minister of Co-operative Development said not too long ago, you'd only have to sell two or three pieces of farm equipment if you were in the farm machinery business. They're that big these days and that costly. If you were in any type of equipment business, Mr. Speaker, you wouldn't have to sell too many items of equipment to get up to \$350,000.00. I tell you that people who are selling jeans today and clothing and other things are all above the tideline of \$350,000 that she said and the reason is that the Minister of Economic Development didn't know who she was helping when the program was set up. Therefore, Mr. Speaker, we are all in difficulty because all of the very businesses who needed assistance are excluded by virtue of the ground rules that she put on the program. Mr. Speaker, I'm concerned about that and I hope that

others are concerned about that.

I'm also troubled today, Mr. Speaker, when I hear from the Minister that her department hasn't done any research or hasn't looked in whatsoever to the possible adverse effects of the lifting of the Hydro rate freeze in Manitoba on industry and business. She says that they don't have any technical background data; they haven't done any research; and she's not sure of what the effects will be. I don't have to tell you that has been over the past four years one of the best selling features that Manitoba has had for bringing in new investors, new industry and new business, the fact that there was a five-year Hydro rate freeze. I don't have to tell you that, Mr. Speaker, because I'm sure we're all aware of it and I know that the people in her department would tell her that. That's one of the top things that they put on the list of advantages for Manitoba when they talk to people about coming here to form new businesses and new industry.

However, people in her government are merrily working towards lifting the freeze for reasons which we can only guess because it doesn't appear to be related to the stability of Manitoba Hydro. The Member for La Verendrye just put on the record today that since the Hydro rate freeze, Manitoba Hydro's reserves have gone up from 50 million to 124 million from 1978 to 1981, so it's obviously not in financial difficulty as a result of the freeze. It's obviously got reserves that will enable it to be stable and continue to operate as a public utility for the benefit of all Manitobans, so it can't be related to any financial difficulties. It has to be related to some funny priorities again that this government opposite has with respect to Hydro and I'm at a loss to understand.

Mr. Speaker, this government did a lot of planning and a lot of discussion and investigation into that Hydro rate freeze and there's no question that the Hydro rate freeze was put on because people were being adversely affected by the rates that had gone up as a result of a totally chaotic plan of building hydro-electric plants on the Nelson River and up north, built before they were required, built before the plans called for them as far as the load growth rate in Manitoba was going and they're sitting empty, many of them. The taxpayers are paying the interest on the debts that are invested there and not producing Hydro and that's why the Hydro rate freeze was put on because Manitobans should not have paid for the ill-conceived planning and decisions of the former government.

More so than that, the foreign debt exchange that was occurring which amounts to something in the order of 38, 40 million a year or so ago probably is in a similar category this year because they borrowed in foreign currencies and because those foreign currencies have been stronger than the Canadian dollar, the debt load increase for Hydro, for all of our utilities that resulted in increases in the rates that Manitobans were paying in Hydro that were unfair and unreasonable, so the rates were frozen. Those frozen rates have not affected as I demonstrated earlier Manitoba Hydro's economic stability and yet this government opposite wants to take off the Hydro rate freeze. I don't understand it.

From an economic development viewpoint there doesn't seem to be any realistic policies, any realistic

directions. Again, it's not a high priority of this government. The Minister talks in terms of, well, we'll be very selective about who we let into Manitoba. We'll be very selective about what kinds of jobs; we won't advertise low wages; we won't advertise low Hydro rates; we won't advertise any of our advantages. I don't think she wants to attract people to Manitoba for economic development, for job creation, for industry. I don't think that she cares about that and again, if we want to examine her priorities because her priorities are best put forward by the information in the Estimates, all she has achieved is an additional \$2 million in the Budget this year which amounts to 8 percent which is half of the average of all the Estimates and that \$2 million is totally in increased returns to the horse-racing industry. That's where the two million lies, so in fact in the true sense of economic development initiatives, in the true sense of the work of the department, she has a zero increase in her budget this year, Mr. Speaker.

That's tragic, but it's understandable given the kind of information that Minister has put before this House in the past few weeks. It's understandable because it's obvious that her priorities and her government's priorities are not job creation, are not economic development unless they involve government-owned enterprises and there's an even bigger problem. There, the storm clouds loom on the horizon and I think that Manitobans will suffer for a long time in future because of these ill-conceived policies, Mr. Speaker.

More so than that, we have a problem of understanding of finances totally over there that's been evident in the last few question periods. We have the First Minister making a speech in Brandon in which he says that the shortfall in the expected transfer payments and revenues from the Federal Government to the Provincial Government will be at least \$100 million. We have a first sort of blush look at it with a lot of confusing facts and figures being put forward by the Minister of Finance that indicates that maybe it will be about a third less than that, something like \$68 million and then we finally have all the figures put on the table. Incidentally, the Minister said that he was going to try and get together on the weekend with the Federal Minister of Finance, Mr. MacEachen, and hammer out a better deal with him. Well, he didn't get together; Mr. MacEachen refused to meet with him or declined to meet with him, we'll say that. He didn't get together with him, Mr. Speaker, but on Monday the announcement comes out that the expected shortfall that the First Minister has just announced three days earlier has been reduced by two-thirds.

I want to suggest to the First Minister that if his Minister of Finance can achieve a two-thirds reduction in the expected shortfall in transfer payments by not meeting with the Minister of Finance from Ottawa that he should recommend to his Minister of Finance here in Manitoba that he stop corresponding or speaking to him over the telephone and then we'll get an even better deal because that's how effective he is by not meeting with somebody. —(Interjection)— That's the problem. The Member for The Pas says that it's because we're being as tough as we can. It seems to me that the co-operative federalism is working only one way. The Manitoba Government is co-operating and the Federal Government is doing exactly what

they please and Manitobans are suffering because this Minister of Finance, as his First Minister and probably all his Cabinet, doesn't understand finance, doesn't understand the problems, doesn't understand the magnitude of the difficulties that this province is facing and chooses instead to say, we're going to be nice guys because we love to get along with everybody and they're going to get stepped on. They've already been used as a doormat by the Federal Minister of Finance; they've already been used as a doormat in terms of discussions on other issues — Health for one, and Economic Development for another — and it's because they don't know how to negotiate. They don't know how to discuss finances. They don't even understand the figures that their own departments are preparing for them, Mr. Speaker.

All of these things are of great concern. All of these things need addressing, Mr. Speaker, and all of these things are not going to get the proper attention that they deserve given what we've seen in the first few weeks of this Session.

Mr. Speaker, I want to speak just for a little bit on the priorities. I know that we on this side were criticized for maybe paying a little too much attention to the Expenditures side of things, and the government opposite is taking a great deal of pride in the fact that they have increased Expenditures by 16.9 percent this year across the board. That's their figures, and we know that it's going to be higher, but we don't know where they're going to raise it from. We've heard about increases in sales tax; we've seen already the off loading in terms of what will probably be happening in Hydro; what already has been announced in a 16-percent increase in telephones, what is happening with respect to a very very drastically increasing mill rate for school tax purposes; and in fact an across-the-board increase in mill rate for municipal purposes anticipated throughout this province.

So we know they've increased the park fees, they've increased all sorts of things, and this is only in the first three months. I don't think we've seen half of what they have in mind for this year alone. It's just the tip of the iceberg because the rest of it's going to be coming in the Budget. When that Budget comes down, Manitobans will rush for cover and will let this government know, I'm sure, just exactly what they think about the spending priorities of this government, because I could even support the increased spending if I believed that their priorities were right, Mr. Speaker.

If I believed that the areas that really ought to be looked at seriously were looked at seriously, but I've said before — Economic Development, 8 percent increase, half of the average of the overall Expenditures; Education 12.9 percent, just about four points below the average of their increase and expenditures. Now, Northern Affairs, Environment and Workplace Safety and Health on a combined basis, 0 percent increase over last year in expenditures. Those are areas of need. Those are areas of importance presumably, I think we all believe.

The Environment, as I said earlier to the Minister in our discussion on the Estimates, the Environment did not fare well given the fact that we are in a catch-up position as all provinces and even the Federal Government, well, all governments are, with respect to trying to clean up years and years and decades of

waste and lack of knowledge in terms of the decisions we made that have resulted in adverse effects on our environment, those have to be addressed by whichever government is in power. Those were being addressed by our government, and as the Minister acknowledged the other day, they are not being addressed with as many dollars as we had planned to spend in environmental issues, in environmental pollution control programs.

So I am concerned about their priorities because when I see that they cut back on areas like Environment, like Education, like Economic Development, Community Services and Corrections, and so on, and give them much less than their average increase across the board, and they place priorities on things like ManOil and having a different form of security service in public buildings that costs an additional 1.5 million and other initiatives of this nature, I have to say where are their priorities, Mr. Speaker, and I have to question exactly what they believe is important to the future of this province. I'm not very pleased with the results that I see because I don't think that their priorities are in order.

I think they're right out of whack and I think they're not in line with the needs and the desires and the hopes of Manitobans for the future. And that's something they're going to have to face because I believe that Manitobans will tell them and they'll tell them very strongly when the tax rolls start coming out; not only their property tax rolls but when the sales tax goes up, when they have to pay more for all sorts of items because of the initiatives of this government, they'll be told and they'll be told strongly and they won't be able to duck that kind of thing, Mr. Speaker.

How much time do I have? Five minutes, thank you. —(Interjection)— Well all I can tell the Member for Elmwood who asks about the deficit is that it's not nearly as much as it will be when your Budget is put forward.

We know exactly, even after increasing all of the taxes that you plan to for all Manitobans, you'll still present us, I predict, with a greater deficit than we've ever had in this province. You'll do it because your First Minister said we're not going to shy away from spending; we're going to keep oiling the machinery of government to spend more money regardless of what the taxpayer wants, regardless of it.

Mr. Speaker, this government opposite has some sort of funny idea that the people that they are going to be helping are in some way in conflict with the big corporations or the business community of this province. They do not realize that they are totally intertwined, that it's as much the small business of this province that keeps the wheels and the machinery of government going as anything else. Three-quarters of the firms in this province are classified under the Federal Income Tax Act as small business and they represent 80 percent of the employment of this province and they are the people, some of whom voted for you. They know they've already made a mistake and that mistake will be confirmed as soon as they get the tax consequences of the ill-conceived plans of this government, but they don't realize that they're not dealing with faceless multinational corporations in this province. The vast majority of these people that they are going to be affecting are their friends and

their neighbours, brothers and sisters and parents and people —(Interjection)— yes, you're right. The Member for La Verendrye says their ex-friends and that's true. They're not going to be friends much longer when they understand exactly the consequences of this government's priorities.

They don't like to look upon it that way because they like to paint all of those people as the faceless multinational corporate giants, but they're not. They're the people who live with you in your community. They're the people maybe who coach your son's hockey team or who are on the parent-teacher council or all of those things. They're the people who contribute to the United Way and the Heart Fund and Cancer Society and Manitobans on a per capita are the most generous givers in Canada, I want you to know that, in terms of all of Canada. In fact, they may well be the most generous givers in North America on all of those major charitable works, and they're good people, okay. They're wage earners, they're hard working people, they're employees, they're labour, they're management people and they're all involved in our business community in one way, shape or form. And you're going to destroy them by all the things you're doing, and you will. You'll destroy their initiative. It's happening already. Bankruptcies are up 24 percent over a year ago, and you were telling us at that time that they were too high, but I tell you that they'll be even higher, because we have already demonstrated your Interest Rate Relief Program will not help the people who need to be helped.

The bankruptcies, the business failures will continue only because they know that they don't have anybody in government who understands their problem. So, when the final word is in, when the final decision has to be made as to whether or not they'll pull out a little more money out of Canada Savings Bonds and try and invest a little further and try and keep an enterprise going, they'll do what's already being done in other businesses - we heard of one of 350 jobs today in jeopardy because this government provides them with no incentive and no encouragement whatsoever. In fact, this government tells them that they can't look to them for any help. They don't understand their needs because they're looking at some other priorities and those other priorities appear to be massive government intervention, massive government expenditure, in fields that they ought not to be involved in. I suggest to you, Mr. Speaker, that it's all wrong and the people of Manitoba will tell them so very, very shortly.

MR. SPEAKER: The Honourable Member for Ellice.

MR. BRIAN CORRIN (Ellice): Thank you, Mr. Speaker. Mr. Speaker, for the past week or so the Member for Tuxedo has attempted to wax eloquent - I say only attempted, I'm not sure he succeeded - with respect to the subject of our treatment of education taxes and support for local school boards across the province. Mr. Speaker, he's wound a very circuitous route, he's followed a very devious and circuitous route. Today I heard him in his remarks - I hope he's staying, I've listened him and I hope he does the same for me - I heard him in the course of his remarks talking about cutbacks, or the amount of money that we have pro-

vided to the universities. He's very concerned that a roughly 16 percent increase was exceptional and, in his opinion, indicated simply a manipulative and opportunistic political attempt to popularize the government by way of freezing tuition fees.

Well, Mr. Speaker, it should be remembered that, first of all, there was no condition imposed on that increase; there was no condition imposed whatsoever. The universities, when they received those funds, were free to allocate those funds as they pleased. We, on this side, didn't impose conditions. Notwithstanding what the First Minister said when he made his Throne Speech reply, notwithstanding what today the Member for Tuxedo said in his presentation on this Interim Supply Bill, notwithstanding that, Mr. Speaker, and all the talk about our restrictions and our imposing condition, it's not true; there were no conditions attached. You can't have it both ways, you can't have it both ways, Mr. Speaker.

The fact is that probably the amount of money that we have provided to the universities will enable them to forego a tuition fee increase in the upcoming year. That's probably, Mr. Speaker, the net effect. But it wasn't designed to be an opportunistic effort to attract that sort of result; it was a cooperative and voluntary effort with that particular sector of society.

Now, Mr. Speaker, before I go on to the next point, I also want to draw the honourable member's attention, since he was complaining about the extraordinary increase and the disparities between university funding and general public school funding, I want to remind him that such disparities existed under his government as well. Although I don't have the figures here Mr. Speaker, this afternoon because I didn't know that he was going to address this issue directly at this time, my memory serves me well enough to remember that universities were dramatically cut back during the term of restraint of his government. Mr. Speaker, my memory serves me well enough to remember that the effect of that, those unconditional restrictions on the universities, was to raise tuition fees and was to raise tuition fees in an exceptional way and presumably to cause significant hardship.

Now, Mr. Speaker, I want to talk as well about the level of support for the public school system which we have provided. Members opposite are going on about potential increases in the mill rate. First of all, Mr. Speaker, I would like to remind those members that in most cases that rate hasn't even been struck yet. Local boards haven't made decisions relative to the level of service that will actually be provided in their areas at this point. So, when people speculate on the extent of mill rate increases that will be caused by this government they have to look at it from a particularly important perspective, and that is the perspective of their own Education Support Program and the effect that is having, in most cases, on the local boards and areas that they represent.

The truth is, Mr. Speaker, that system, that particular program put into place - here I will be fair because I think that it was an effort, I would like to think I've always been fair but I think in fairness to the other side - I think it was an honest effort to impose greater equity with respect to the funding of the school system. However, it didn't succeed with respect to all points. There was an inherent deficiency. The inher-

ent deficiency, Mr. Speaker, was simply that it didn't take into consideration areas where there was a low tax base, a low assessment base, or where, for one reason or another, it was policy of local school boards to expend fewer dollars per pupil.

Now going into that, Mr. Speaker, that caused considerable hardship. It is true that those areas last year did not suffer dramatic mill rate increases; but it is also true, Mr. Speaker that those areas would if we continued to proceed under that particular program, would have most certainly been locked into inordinately restricted situations vis-a-vis their ability to provide services to the students they service in their areas. It was because those inequities were frozen in, they were frozen, as I understand it in the 1980 year. That was the base level in which everything was put.

Now, as well, Mr. Speaker, on the other side of the ledger, there were communities such as Transcona, River East, where I believe there were dramatic increases in the mill rate last year - 11 mills, I am told by the Member for River East, Mr. Speaker. So, I think we can say that there were inordinate disparities that were, in fact, built into that program. The program may have worked with respect to a lot of divisions in the middle but it wasn't fair, it wasn't just with respect to situations at either end.

So, what we have done, Mr. Speaker, is we have tried to impose a degree of equity by way of levelling through an additional contribution which, I guess, essentially works out the problem by equalizing the disparity between the two ends. We did that by providing roughly \$26 million and we provided that money in a way that was targeted for the use of divisions where there was going to be some hardship as a result of the former deficiencies, the deficiencies in the former program.

So, in doing that, Mr. Speaker, we actually - and I think it should be appreciated by members opposite - we actually caused a reduction in the mill rate increase for many of the constituencies on the honourable members opposite side in a very significant way. I want to use some of the figures that were related to the House yesterday by the Minister of Education; the supplemental grant, for instance, to the Seine River School Division of \$338,000-odd. We calculate that we provided a benefit by way of reduction of the school taxes in that area of some 8.3 mills. That, Mr. Speaker, is very significant. Mr. Speaker, again, the Mountain School Division 7.2 percent of mill rate relief; Whitehorse Plains, 6.9 percent; Pine Creek, 6.7; Intermountain 5.8. Now that's an attempt, Mr. Speaker to grapple with a problem. We also provided a measure of relief to River East and to Transcona; we leavened the disparity.

Now, I ask you, Mr. Speaker, in fairness, how would members opposite have asked us to cope with this problem? We provided the same level of funding as you did in terms of the total percentage of provincial allocation; we maintained the 65 percent contribution. In doing so, Mr. Deputy Speaker, we assured people of this province that there would be no reduction in provincial support for this important area.

We also contributed essentially what should be called an equalization grant of some \$26 million, which is a significant increase; and we distributed it in a way that would prove socially beneficial to the peo-

ple who lived in the areas where the impact of the former program was most harsh and unfair. In fact, most of the school divisions that benefited were in the areas that were represented by honourable members opposite.

Now, they're talking about a mill rate increase, Mr. Speaker. They're alarmed because school taxes may be rising inordinate. Well, Mr. Speaker, we can't unilaterally impose on school divisions the level and extent of programming that they are going to prefer to their public. And, Mr. Speaker, some of those divisions who formerly were maintaining very low levels of per pupil spending realized now, in retrospect, given the fact that they were disadvantaged by the former Education Funding Program of the Conservative Government, that that was a very imprudent course of conduct to follow. Mr. Speaker, it would surprise me not in the least to find that those who had maintained those restrictions, and probably, Mr. Speaker, largely because they didn't have a proper tax base, they didn't have an adequate secure tax base upon which to develop their programming, are now becoming somewhat more adventurous having learned the hard lesson of what that sort of restraint meant in terms of the treatment they received from a government which was largely supposed to be representative of them.

So, Mr. Speaker, if their move to be more pragmatic and their move now to appropriate more funds and increase the mill rate in order to do that one really questions whether that isn't a rational sort of response to the situation that they've encountered over the years. But, Mr. Speaker, that message is not in yet; that message, in terms of the total rate of mill rate increase, we don't know to what extent that will be based on individual autonomy and to what extent that will be affected by provincial policy. We do know that, as a result of our increases, we were able to leaven the rate of increase and we were able to withhold those increases, generally, to some 4.2 mills across the province which, in terms of past increases and inequities - we've had examples in the past four to five years, Mr. Speaker, of increases up to 30 mills, we've had them raised in this House - in terms of those former standards, I would say that 4 mills on average sounds very very reasonable. I think when members opposite are, as I said earlier, waxing eloquent about the disadvantages and the injustices they should remember, in perspective, historical perspective, what actually occurred under the former foundation - I think it was called an Education Support Program as well. I have difficulties, I must say, with the distinctions between the Foundation Program and the Education Support Program, I think it was the Foundation Program. But they should remember what the inequities under the former program were and the fact that they didn't move to redress those inequities in three of the four years they held power in this province.

So, I would ask members opposite to temper their rather self-serving enthusiasm for criticism of our measures in this area. What we have essentially done is simply provide the level of funding which was put in place by their legislation; we've maintained the same provincial school division formula, cost-sharing formula of 65-35; we've provided relief to school divisions on each side of the ledger, and we've attempted

to do that in a manner that would maintain overall the lowest increase in appreciation of the mill rate across the province.

Now, in perspective, I find it difficult to establish and understand why members opposite find this so repugnant, why they find those sorts of increases in any way inconsistent with the general area they said they were moving in a year-and-a-half or two years ago; really, I can't understand it. There had been no conditions imposed, notwithstanding the fact that members opposite now are saying that funding is somehow attached to conditions, there have been no conditions imposed. Frankly I'm not sure that in some cases that we shouldn't have imposed conditions, but we didn't. It was a policy decision on this side to leave locally elected representatives some degree of autonomy, some flexibility so they could address the needs which they thought were most immediate and important in their areas. So, what more could be done; what more could you do in terms of democratic process, in terms of dealing on a short-term basis with a long-term problem - and the whole problem of education financing will be the subject of task force review over the next year. And we're going to have to deal with the very difficult problems of diminishing enrolments and bilingual programs and all those things which really are impacting the school system in a very dramatic and sometimes devastating way.

So, if I'm forced day after day to sit here while I hear members going on and on about inordinate high increases in the mill rate, I'm finding it to be rather unproductive, I'm finding that to be a completely purposeless exercise. If they wish to be constructive they can deal with the real issues. They can deal with the inequities of their program, they can deal with the real problems caused by declining enrolment which, by the way, was on the table in 1978. People are presumed not to have memories. In 1978, there was a report given to that government on the problems that were being caused by declining enrolment and part of the problem was identified as being a financial one. There was talk about the impact of declining enrolment in terms of per pupil costs and ratios. Now, where are we? In 1980 they brought in the new financing program. They didn't address that; they didn't deal with it. We were somewhat critical of that. We raised it, I don't think we attempted to over embellish the point, we didn't try and exploit it but it was mentioned in the course of debate; it wasn't dealt with.

Now, members have the audacity and the gall to come back some two years later and raise it as if this government was unattendant of the needs of school divisions in this situation. Pure unadulterated hogwash, Mr. Deputy Speaker. They were the ones in 1980 who failed to address the problem and fortuitously, now that they're in Opposition - and I say fortuitously from the point of view of the taxpayer and the citizens of this province - fortuitously they're now able to argue in a rather opportunistic and very political fashion that this problem has somehow been caused by us. It's simply not true.

It would have been better, Mr. Deputy Speaker, if they came here with clean hands and they made constructive suggestions in this respect. And I've heard, in the course of the debates in Private Members' Hour, I've heard virtually nothing constructive suggested

with respect to the general question of education financing, nothing. Whining and complaining about an increase that was nowhere as extraordinary or dramatic as several of the increases that they perpetrated when in office; but nothing constructive as to how to deal with it.

So, they can't have it all ways, Mr. Speaker. What would they have us do? Would they have had us provide more than 65 percent proportionately? We did, in the sense that we did an equalization grant, but would they have changed their formula because if they would have, Mr. Speaker, they didn't tell us about it. I didn't hear about it during any of the debates or questions or any exchange in this House on that subject, so we don't know whether they would have done that. Would they have maintained the inequities? Don't know. Would they have imposed conditions on funding; would they have imposed conditions on the universities or school divisions? Would they have said to the school divisions that had low per pupil expenditures that they could only spend the money on x, y, and z? Would they have done that? Their constituencies, Mr. Deputy Speaker, would they have done that? I ask members opposite to be candid and join the debate. If you want to debate, let's find out where you stand. It's easy to be self-servingly critical but very difficult to be constructively critical.

Mr. Speaker, if we're to hear much more of this I would suggest that members opposite direct themselves to the real problems which are consequent as a result of their legislative revision of the education funding program of this province.

Mr. Speaker, I'm not going to further belabour the House with this particular subject. I look to members opposite to constructively participate in this debate if it's to proceed any further. I thank you for the time of the House.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. MERCIER: Just for the record, Mr. Speaker, the Member for Fort Garry indicated, and I think the Speaker agreed that debate could stand in his name and it was left open to anyone who speaks, so if there are no more speakers, as I understand it, it would stand in his name.

SECOND READING - GOVERNMENT BILLS

BILL NO. 6 - THE EQUALITY OF STATUS ACT

MR. PENNER presented Bill No. 6, An Act to Abolish Certain Actions Concerning the Status of Individuals. Loi abolissant certaines actions relatives aux droits de l'individu for second reading.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

MR. PENNER: Yes, Mr. Speaker. This bill is a short bill but an important bill. It's a bill proposing an act to abolish certain very archaic common law and statutory actions relating to the relationships between

husband and wife, parent and child, and master and servant. The intention of this bill is perhaps best expressed in the Act's short title which is The Equality of Status Act.

What the bill does, Sir, is abolish the rights that a spouse had at common law to bring certain actions for monetary damages where there had been an intentional interference with the relationship between a husband and wife. The causes of action to be abolished are commonly grouped together under the heading of "actions for alienation of affections" and consist of the following:

One, is an act for damages for what is called "criminal conversation," an archaic term in itself. This action can be brought at common law by a husband against a person who commits adultery with his wife, but this action is not available to a married woman.

Secondly, an action for damages for enticement can be brought against any person who has induced a wife to leave her husband with the intention of interfering with the relationship between the spouses. One Ontario case in 1946 permitted a married woman to bring this action and, aside from that instance, there does not appear to be any reported cases where women have exercised that right.

Thirdly, included in this group, an action for damages for harbouring can be brought by a husband against a person who gives shelter to his wife where she would not otherwise have left him. Again, a married woman has no right to bring this action. So, Sir, we can begin to see that these all relate to the notion of women or persons as property.

Fourthly, included in this general group sometimes referred to as alienation of affection, an action for loss of consortium, another archaic term, can be brought by a husband as head of his household where the actions of another party have deprived him of his rights to have his wife's services and companionship. Once more, a married woman cannot sue for loss of consortium.

Now, this bill, in addition to proposing to abolish the above actions, will also abolish the right to bring an action for damages arising from adultery or an action for what is called restitution of conjugal rights. This latter action is an application to a court for an order requiring a spouse who has left the matrimonial home to return. Here again we can see that it's virtually not only a question of the woman being property but virtually a chattel slave. As can be clearly seen these actions are based on an outmoded view of the marriage relationship, a view which confers proprietary rights on one person in another person.

Furthermore, most of these actions can be brought by a husband only, which is a blatant contravention of the principle that all persons are to be equal before the law. The bill, Sir, also proposes to abolish the common-law right of a parent to bring an action for damages for the enticement or harboring of a child, for the seduction of a child, or for the loss of the services of a child. This provision also abolishes the common-law right of a master or employer, to use the more common term or the more modern term, to bring an action for damages for the seduction or loss of services of an employee. Once again these actions, which are archaic, common-law actions are based on the assumed proprietary right of a parent in his or her

child, that is, not a question here of a status relationship but as if the parent owned the child; or the proprietary right of an employer in his or her employee which harkens back to the days of chattel slavery. Such a concept is a complete anachronism in this day and age. The bill repeals, consequently, The Seduction Act of Manitoba, a Statute originally enacted in the 1890's.

Mr. Speaker, an informal study by the Manitoba Law Reform Commission completed on October 22, 1979, indicates that from 1890 there were only three reported cases in Manitoba brought under this Act; the last being 20 years ago in 1962. The Act would further permit a father or mother, where the father is dead, of an unmarried female — that is not the bill being proposed but the old Seduction Act — to bring an action for damages where the unmarried female has been seduced. Clearly, as I pointed out with respect to the other provisions, the Seduction Act is based on a paternalistic and sexist view of unmarried women and has no place in the 20th Century.

A further provision of Bill 6 simply amends The Queen's Bench Act, or proposes to amend the Queen's Bench Act, to remove any reference to the actions of criminal conversation or seduction. The overall intent of this legislation is to eliminate certain discriminatory and outmoded concepts which still exist in Manitoba, and to further the efforts to provide equality of status before the law of all Manitobans. No provision of this Bill, let me make it clear, unless there's some undue concern, affects federal legislation such as The Divorce Act or affects The Juvenile Delinquents Act. So that, let me be clear and let members of the House be clear, it would still be possible to charge someone under Section 33, for example, of The Juvenile Delinquent Act for doing an act contributing to the delinquency of a child. That's still obviously untouched by this piece of provincial legislation, so that those statutes which do exist for child protection, such as our Provincial Child Welfare Act, such as The Juvenile Delinquents Act, remain untouched by the proposed Bill.

I, therefore, recommend that this bill be enacted as written and in due course, when I re-type these notes, we'll send the notes across to my friend opposite.

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

MR. MERCIER: Mr. Speaker, I have a question for the Honourable Attorney-General. I wonder if he could indicate, Mr. Speaker, whether he has developed the practise, as I did with respect to a bill like this and all other bills, of arranging for immediate distribution of them, upon being tabled in the Legislature to the Bar Association, in order that their appropriate committees of the Bar Association can review them and, on the basis of that review, may make submissions to Law Amendments Committee.

MR. PENNER: Mr. Speaker, I can't speak with respect to this particular bill, other than to note that it arises from a recommendation of the Law Reform Commission which consulted with the Law Society and with the Family Law section of the Manitoba Bar. I have had correspondence from various women's groups

supporting the notion of this bill. They have seen the Law Reform Commission Report and the Saskatchewan Law Reform Commission Report, both of which raised the same issues. But I thank the Honourable Member for St. Norbert for his suggestion. I have, in terms of the Family Law bills which are in preparation, or have been introduced, members of my department are members of the various committees of the Law Society and, particularly, of The Manitoba Bar Association and have made it a practise to discuss this legislation with those members.

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

MOTION presented and carried.

BILL NO. 12 - THE FAMILY MAINTENANCE ACT

MR. PENNER presented Bill No. 12, an Act to Amend the Family Maintenance Act for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney General.

MR. PENNER: I may explain that - and here I do have a copy of my speaking notes for the Honourable Member for St. Norbert. Mr. Speaker, Bill No. 12 is a draft act intended to amend certain provisions of The Family Maintenance Act. The bill attempts to respond, and I hope it does so successfully, to the decision of the Supreme Court of Canada in the matter of the reference re section 6, of The Family Relations Act of British Columbia, the so-called Polglaze decision, which had the affect of depriving, and indeed has the affect of depriving, our provincial courts of jurisdiction in family matters in a couple of specific instances. In this decision the Supreme Court held that a province cannot give a provincially appointed judge the jurisdiction to make an order dealing with the occupancy of a family residence; the use of the contents of the family residence; or an order prohibiting a person from entering premises which are occupied by a spouse or a child. These have been removed from the jurisdiction of provincially-appointed judges.

In the light of the decision it is necessary to repeal and amend The Family Maintenance Act to specify that these remedies can only be obtained in the Court of Queen's Bench or the Country Court, that is the Federal Courts, and not in the Provincial Judge's Court. The other amendments proposed relate to the enforcement of Orders of Maintenance.

As the legislation presently stands, that is as The Family Maintenance Act presently stands, the enforcement procedures, that is once an order has been given how do you enforce it, these procedures, which can be taken by designated officers - and that term is used in the Act - are limited to procedures set out in certain specific sections of the present Act. The additional remedies which are set out in a further part of the present Act are not available to designated officers and, in addition, only apply to Orders of Maintenance made under The Family Maintenance Act itself, so

that there is a problem of a limited reach of the authority of designated officers. So that where an order - just to illustrate the point - is made under The Child Welfare Act, the reciprocal enforcement of Maintenance Orders Act, or is made in a foreign jurisdiction but is being enforced in Manitoba, the full range of enforcement procedures are not presently available.

To remedy this situation a definition section has been added, or it is proposed that it be added, to the beginning of Part IV of the present Family Maintenance Act, which provision would provide that all enforcement procedures in that part can be taken by designated officers and that these procedures apply to Orders of Maintenance made under The Family Maintenance Act, The Child Welfare Act and also to orders registered for enforcement or confirmed under The Reciprocal Enforcement of Maintenance Orders Act.

The limiting words made under this Act, referring to The Family Maintenance Act, where it is presently found in the enforcement provisions would be repealed allowing these enforcement procedures to apply to all orders such as those that I have mentioned: The Child Welfare Act, The Remo Act, and so on.

I am, therefore, Sir, recommending that Bill No. 12, a bill to amend The Family Maintenance Act in the particulars that I have mentioned be enacted as proposed.

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

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Mr. Speaker, I would like to propose that, in view of the time, that we call it 4:30 and, in view of the fact that I believe there's no one prepared to speak on any business in Private Members' Hour that, if I'm not mistaken, the Opposition would agree to a motion of adjournment.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, it's not that we're not prepared to speak but, in view of the hour and in view of the fact that the Minister of Education isn't here, we would be prepared to forego Private Members' Hour today.

MR. PENNER: I said, "not prepared," I meant it in that sense.

MR. SPEAKER: The time then being 4:30, the House is adjourned and will stand adjourned until 2:00 p.m. tomorrow afternoon (Thursday)