

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 13 July, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Business Development and Tourism.

HON. M. HEMPHILL: Thank you, Madam Speaker.
It's my pleasure to present the Annual Report '85-86 of the Manitoba Housing and Renewal Corporation.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I'd like to table the Annual Report of the Manitoba Health Services Commission for the year '86-87.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.
I wish to table the Provincial Tax Comparison document, and also the Preliminary Financial Report for the year ended March 31, 1987.

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

MR. S. ASHTON: Madam Speaker, I was wondering if I might have leave to revert to presenting reports from standing and special committees.

MADAM SPEAKER: Does the honourable member have leave? (Agreed)

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, I'd like to present the Third Report of the Committee on Municipal Affairs.

MR. CLERK, W. Remnant: Your committee met on Tuesday, July 7, and Thursday, July 9, 1987 in Room 254 of the Legislative Building to consider bills referred.

Your committee heard representations on bills as follows:

Bill No. 26 - The Environment Act; Loi sur l'environnement

Mr. Joe Eadie, The City of Winnipeg
Mr. Brian Pannell, Manitoba Environmentalists Inc.

Mr. Alan Scarth, Private Citizen
Mr. Bud Oliver, The Town of Selkirk
Mr. Gordon Collis, The Canadian Manufacturers Association

Mr. Jack Penner, The Keystone Agricultural Producers Inc.

Ms. Anna-Lee Yassi, Manitoba Medical Association

Mr. Rob Hilliard, Manitoba Federation of Labour

Mr. Dennis Muldrew, The Naturalists Society

Mr. Bill Jarand, Manitoba Heavy Construction Association

Mr. Grant Wichenko, Private Citizen

Mr. Kenneth Emberley, Crossroads Resource Group and Manitoba Environment Council

Mr. Ian Rollo, Manitoba Environmental Council

Bill No. 39 - An Act to amend The City of Winnipeg Act (2); Loi modifiant la Loi sur la Ville de Winnipeg (2)

Ms. Susan Thompson, Downtown Business Improvement Zone Task Force

Mr. Reeh Taylor, The Downtown Winnipeg Association

Bill No. 67 - The Off-Road Vehicles Act; Loi sur les véhicules à caractère non routier

Mr. Al Delaine, Sno-Man of Manitoba Inc.

Dr. Ken MacKenzie, Manitoba Medical Association

Your committee has also considered:

Bill No. 26 - The Environment Act; Loi sur l'environnement

Bill No. 39 - An Act to amend The City of Winnipeg Act (2); Loi modifiant la Loi sur la Ville de Winnipeg (2)

Bill No. 67 - The Off-Road Vehicles Act; Loi sur les véhicules à caractère non routier

And has agreed to report the same with certain amendments.

All of which is respectfully submitted.

MR. S. ASHTON: Madam Speaker, I move, seconded by the Honourable Member for Inskster, that the report of the committee be received.

MOTION presented and carried.

ORAL QUESTIONS

Inter-City Gas - release of public opinion poll

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Premier.

Last Monday, the Premier revealed that the government had done extensive public opinion polling prior to making its decision to take over the Inter-City Gas Company in Manitoba for the natural gas distribution throughout the province. At that time, the Premier indicated that he was prepared to make that public opinion polling public and I wonder if he's prepared to table that polling now.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I said in due course, and certainly we're not going to be releasing any information that is sensitive during the process of completing the negotiations.

MR. G. FILMON: Madam Speaker, the point of sensitivity is an interesting one. On Friday, the government tabled a third-party opinion of value that was conducted by Wood Gundy, one of Canada's national major brokerage firms, that essentially tells the people of Manitoba what the government believes the value of ICG is and tells their negotiating opposition what they believe it's worth. Nothing could be more sensitive than that.

MADAM SPEAKER: What is the honourable member's question?

MR. G. FILMON: What in the public opinion polling is more sensitive than telling the other side what you believe the value of the company is and giving them your third-party opinion as to that value?

HON. H. PAWLEY: Madam Speaker, I dealt with the question last Monday and I don't intend to continue to debate the answer that I gave. The information will eventually be provided.

MR. G. FILMON: So then, the Premier's admitting that there isn't anything sensitive in that. He just wants to keep it from the public.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: The Premier has indicated that the Public Utilities Board advocated that this government buy Inter-City Gas, and I'll quote from the report of the Public Utilities Board: "The Province of Manitoba should continue their discussions . . ."

MADAM SPEAKER: Order please.
The Honourable First Minister on a point of order.

HON. H. PAWLEY: On a point of order.
The Leader of the Opposition is attributing words to me which I've never uttered. I never suggested the Public Utilities Board had recommended that we buy Inter-City Gas.

MADAM SPEAKER: A dispute over the facts is not a point of order.

MR. G. FILMON: I'm glad that the Premier has now clarified that the Public Utilities Board decision didn't

tell the government it ought to buy Inter-City Gas, contrary to the allusions he was making in the past, Madam Speaker.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: Madam Speaker, the Public Utilities Board says: "The Province of Manitoba should continue their discussions and negotiations with the Government of Alberta, federal agencies and other relevant bodies to remove the constraints identified in this report so that all consumers of natural gas in Manitoba can benefit from a competitive market for gas as a result of deregulation."

Madam Speaker, as I indicated on Friday, that's where the government's efforts ought to be put, not in the takeover of the gas distribution of Manitoba.

MADAM SPEAKER: Order please.

May I remind the Honourable Leader of the Opposition that question period is a time to seek information, not to supply it, and question period is not the time for debate?

Does the honourable member have a question?

Inter-City Gas - government to cancel plans for takeover

MR. G. FILMON: I appreciate that, Madam Speaker.
Will the Premier now set aside his ideological bias and, given the admonition and the recommendation of the Public Utilities Board, set his government's efforts where they belong to restructuring the Western Accord to dealing on a government-to-government basis and to ensuring that Manitobans get the benefits of deregulation, to get the benefits of lower natural gas prices at the wholesale level at the Alberta border, and set aside the ideological drive to take over Inter-City Gas and give the people of Manitoba the benefits they deserve without public ownership of the gas company?

HON. H. PAWLEY: Madam Speaker, first, I believe there are a number of misconceptions I would like to correct.

The only ideological hangup is on the part of the Leader of the Opposition. The Leader of the Opposition said that for a year and a half, while we were attempting to do precisely what he's now suggesting we do, and that is for the past year and a half we have attempted by way of discussions with the Government of Alberta, the Federal Government, the industry, to bring about a resolution of this area of conflict. There has been an inability to come to a resolution.

Now what we have, Madam Speaker, is the Leader of the Opposition who has got the ideological hangup which, if the pioneers of this province had adopted the attitude of the Leader of the Opposition, we wouldn't have a publicly owned Telephone System, a publicly owned Hydro system and, of course, I can recall back in 1970 when the Conservative Party opposed a publicly owned automobile insurance system in the province.

Madam Speaker, the ideological hangup is across the way, not a question in a year and a half about lower natural gas prices until their friends in Alberta had their toes stepped upon, until they are pressed by their

friends to oppose a government that is attempting to ensure lower prices for the consumers of the Province of Manitoba.

MR. G. FILMON: Madam Speaker, I quote from a letter that was published by one Herbert Schulz, the brother-in-law of former . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: . . . the brother-in-law of former Premier Schreyer, well-known, I'm sure, to the Premier, an individual who has expressed the views, I think, of the vast majority of Manitobans when he decries the \$27 million lost at MTX, the \$58 million lost at MPIC, the \$100 million that vanished in Flyer Bus, the \$160 million that vanished in Manfor as a result of this government's efforts . . .

MADAM SPEAKER: Order please, order please.

Is the Honourable Leader of the Opposition directly quoting from a letter?

MR. G. FILMON: No. Those figures are on the public record, Madam Speaker. All of them are losses attributable to the stewardship of this NDP Government under this Premier.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: Yes. My question is: Given that this government has so fouled up the operation of all of these Crown corporations, will he now save the taxpayers of Manitoba from having one more major multimillion Crown corporation under his administration and set aside his endeavour to buy the gas company and let the people of Manitoba continue to benefit from private ownership of the gas distribution and get involved where he should be, at the wholesale gas level so that the benefits can go to the people of Manitoba without blowing more money in a Crown corporation?

HON. H. PAWLEY: Madam Speaker, I know that Ed Schreyer would not particularly want to be associated with the views just expressed now by the Leader of the Opposition. In fact, I think he would be somewhat embarrassed by the diatribe we've just heard from the Leader of the Opposition in which he quotes apparently a letter from Herb Schulz as his authority on this issue - as his ultimate authority.

There is no other authority but a letter that he reads in the Sunday column of the readers to the Editor of the Winnipeg Free Press. That's the extent of the authority that the Leader of the Opposition depends upon for his opinions expressed in this House, Madam Speaker.

I am proud, my government is proud, I know the vast majority of Manitobans, except for those who are ideologically hung up, are proud with the record of the Manitoba Telephone System, amongst the lowest rates anywhere in North America, with the record of the Manitoba Public Insurance Corporation, amongst the lowest rates of any automobile insurance corporation to be found anywhere in Canada and, Madam Speaker,

certainly with the record of Manitoba Hydro, which for years and years has provided the people of the Province of Manitoba the lowest rates in Canada for hydro service in Manitoba.

Madam Speaker, the Leader of the Opposition and Herb Schulz may, if they wish, dump upon these public corporations in the Province of Manitoba. They may wish privatization, but not the New Democratic Party Government of the Province of Manitoba.

Bill No. 47 - free vote in caucus re sexual orientation

MR. G. FILMON: Madam Speaker, given the Premier's concern about the views of ordinary Manitobans during the past week, dozens of Manitobans and dozens of groups representing thousands of Manitobans have appeared before the committee on Bill No. 47 with respect to their concerns, their opposition to the inclusion of sexual orientation in The Human Rights Act. Will the Premier listen to those people who have appeared before the committee and indeed allow his members a free vote, so that they can vote with their conscience and their religious and moral beliefs of their constituents and remove sexual orientation from The Human Rights Act?

HON. H. PAWLEY: Madam Speaker, unlike honourable members across the way who carry with them blinkers that are adjusted and they only look in one particular direction, and not a very pragmatic bunch across the way, a group that is easily prone to whatever pressures come from day to day, they wave in the wind.

Madam Speaker, this particular government listens to all Manitobans, the views of all Manitobans. As a consequence of listening to the views of all Manitobans, we make our decisions based upon reason, on wisdom and an analysis of what the real legal issues are that are involved, and not on the basis of some myths.

Manitoba Committee on Wife Abuse - funding of

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Community Services.

Can the Minister explain why the department is funding the Manitoba Committee on Wife Abuse when she is not consulting with them about any decisions made affecting wife abuse in the province?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, there are many, upwards of 700 or 800, agencies and groups in the community that the department funds. With regard to the Manitoba Committee on Wife Abuse, they have been funded for specific functions. They have done a great deal to educate the public about wife abuse. There are many meetings held with them and dialogue occurs. But they, as with any others, don't have any particular

right or in fact responsibility for being consulted in terms of government planning. I've personally been present at many meetings where the underlying assumptions, the general directions the government is going have been fully discussed with that committee.

Manitoba Committee on Wife Abuse - additional funding

MRS. S. CARSTAIRS: With a supplementary question to the same Minister.

Will the Minister tell the House why the Committee on Wife Abuse did not receive any additional funding this year or indeed for the last five years, and if that is going to be the pattern in the future?

HON. M. SMITH: Madam Speaker, the Manitoba Committee has performed a marvelous contribution in Manitoba in not only building public awareness of wife abuse and the programs needed, but has persuaded government very, very rapidly to move into a mode of providing the services across the province - the preventive services, the crisis services, and the treatment services. Madam Speaker, I think the committee sometimes has forgotten how successful it's been in persuading a public funding authority to deliver the very services that they've advocated for.

With regard to their level of funding, Madam Speaker, we have undertaken an evaluation of what role they will play or what role the government is prepared to pay because, as we've taken over some of their functions, it would be foolish of us to duplicate the funding by raising their particular grant.

Manitoba Committee on Wife Abuse - attendance of Minister at Board meeting

MRS. S. CARSTAIRS: With a final supplementary question to the same Minister.

Will the Minister attend the provincial board meeting on July 25 of the committee, as they have requested?

HON. M. SMITH: Madam Speaker, I received that invitation last week. I had undertaken a holiday trip with my family, and I told them that I'd be prepared to meet with them before or after, but that I had that particular day reserved.

Careerstart - funding to Gay/Lesbian Youth Organization

MADAM SPEAKER: The Honourable Member for Turtle Mountain.

MR. D. ROCAN: Thank you, Madam Speaker. My question is to the Minister responsible for the Careerstart Program.

Given that this government has turned down countless applications under the Careerstart Program, applications asking the government for support for short-time help in support of community organizations, including Senior Citizens homes, arts councils, museums, recreations, tourist booths, can this Minister explain why the Careerstart Program saw fit to grant

funds to one Stefan Fedorowich to act as Winnipeg coordinator of the Gay-Lesbian Youth Organization?

MADAM SPEAKER: The Honourable Minister of Employment Services and Economic Security.

HON. L. EVANS: Madam Speaker, as I've said on many occasions, I am very proud of the fact that the Careerstart multimillion dollar job creation program has put thousands and thousands of young Manitobans to work giving them jobs that they wouldn't have had otherwise.

Madam Speaker, the department receives thousands of applications and processes them in due course. If they meet the requirements of the program, if it's a job that is seen to be in the -(Interjection)- Madam Speaker, I don't know whether I can hear my own answer because of the interruptions on the other side. Madam Speaker, this . . .

MADAM SPEAKER: Order please.

I presume that the Honourable Member for Turtle Mountain wants to hear the answer.

The Honourable Minister of Economic Security.

HON. L. EVANS: The point I'm making, Madam Speaker, is the department receives thousands of applications and approves thousands of applications in a routine matter, providing they fulfill the guidelines of the program. This would have been handled in a routine matter. I am not aware of this particular instance, but I'll take the honourable member's word if we did approve that particular application. As I said, Madam Speaker, the intent of the program is to create jobs for thousands of young Manitobans, and indeed it's been very successful.

Careerstart - criteria in funding re Stefan Fedorowich

MR. D. ROCAN: A supplementary question, Madam Speaker, to the same Minister.

I wonder if this Minister could tell us what criteria was used that allowed one Stefan Fedorowich to be hired under the Careerstart Program.

HON. L. EVANS: Madam Speaker, I would imagine the same criteria was used for all the positions, for all the applications that we received.

Careerstart - number of positions to people advocating homosexual lifestyles

MR. D. ROCAN: A final supplementary, Madam Speaker.

How many other positions under Careerstart are being funded that involve support to people advocating homosexual lifestyles?

HON. L. EVANS: Madam Speaker, obviously as Minister I don't have the details of the thousands of applications that we've approved.

But I can tell you, Madam Speaker, that the member refers to senior citizens' groups. Dozens of senior

citizens' groups are helped under this program by young people working for them. Dozens of non-profit organizations have been assisted in this province, dozens of community groups, and indeed hundreds and hundreds of business organizations have been able to hire young people that they might not have been able to hire otherwise.

So, Madam Speaker, we're very proud of this program. It's been a positive program. It's given jobs to hundreds, in fact thousands, of young Manitobans who wouldn't be working otherwise.

Bill No. 47 - Big Brothers to inquire if person is homosexual

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker, my question is for the Attorney-General.

During the hearing process on Bill 47, the Big Brothers Association of Manitoba expressed deep concern that this inclusion of sexual orientation in The Human Rights Act would prevent them from screening homosexuals as potential Big Brothers.

In response to that very legitimate concern by the Big Brothers, the Attorney-General has indicated that the parents have the right to refuse a homosexual as a Big Brother for their child.

Given that this is the Minister's response to a very legitimate concern by both parents and the Big Brothers Association, could the Minister indicate whether government policy, with the passage of Bill 47, will allow the Big Brothers Association, in screening applicants as Big Brothers, to ask the direct question, are you a homosexual?

MADAM SPEAKER: The Honourable, the Attorney-General.

HON. R. PENNER: Madam Speaker, I met about two weeks ago with the Big Brothers Association and had a very thorough review of the legislation with them and had with me counsel from the department, and was able to assure them that in fact the essential function of the Big Brothers would not in any way be interfered with by the legislation. The basic requirements of allowing the parent to match, according to what the parent wanted, was not in any way interfered with by the legislation. If a parent decided, for example, they wanted someone who was of the same religion that they could do so and not offend the provisions of the act with respect to religion. If they wanted someone of a particular belief, let's say a political belief, that the legislation would not interfere with the right to do that.

I was also able to assure them that the provision of the act which dealt with services, which would be the critical section of the act, because Big Brothers is not a form of employment and it is not a form of accommodation, so one must look at what the act covers - and the only remaining one is services - the provision of services is to the parent and that the person volunteering to be a Big Brother is not someone to whom the service is provided. It accordingly follows

that someone who applied to be a Big Brother and was turned down for whatever reason has no recourse under The Human Rights Act.

So my opinion given to them that indeed there's nothing in The Human Rights Act that impairs the functioning of the Big Brothers organization.

MR. D. ORCHARD: Madam Speaker, it's obvious from the Attorney-General's answer that he did not hear the question.

If a parent has the right to refuse a homosexual Big Brother for their child, that presumes that they have knowledge that Big Brother is a homosexual.

My question directly to the Attorney-General is: Will it be government policy to allow the Big Brothers Association of Manitoba to ask potential Big Brothers, are you homosexual? Will that be allowed so that the association can then communicate that a Big Brother is a homosexual to the parent to allow them to make the decision? Will that basic question be allowed to be posed by Big Brothers?

HON. R. PENNER: Madam Speaker, first of all, government does not dictate -(Interjection)- I will answer the question, if you will be polite enough to allow me to do so.- (Interjection)- He may wait a little longer now.

Madam Speaker, government does not dictate policy. The act has to be applied according to its terms, No. 1.

No. 2, in light of the answer which I just gave, policy that would be set presumably by a Human Rights adjudicator and ultimately the courts would not it seems to me, interfere with the basic function of the Big Brothers by ruling that such a question, if asked, was discriminatory.

MR. D. ORCHARD: Madam Speaker, I'm not sure that the Attorney-General's answer is proper and, in fact, addresses the basic issue that's before him this afternoon.

Can I ask a very simple question of the Attorney-General? Would the question posed by the Big Brothers Association of Manitoba to a potential Big Brother, are you a homosexual, contravene (a) government policy, or (b) any other law of the Province of Manitoba? Secondly, would the communication of the knowledge that a Big Brother is a homosexual to a parent contravene any act or law of this province, or government policy?

HON. R. PENNER: Not in my view, Madam Speaker.

First of all, government policy in this area is contained in the legislation. That's the point that I was trying to make, not to skirt the answer. I'm answering it very directly.

In the act is where you will find government policy and it's clear to me that, in fact, government policy is such that the kinds of ways in which the Big Brothers organization functions are not interfered with by the act.

But in saying that - and I want to be absolutely honest - as an Attorney-General, I refrain from giving legal opinions. I cannot be the ultimate -(Interjection)- but I'm giving a legal opinion. I'm stating very carefully what I know to be in the act, and indeed this kind of

question has been litigated in Canada and I am reasonably assured, not only of what is in the act which reflects government policy, but how the courts will decide it.

I'm simply saying to you that how the courts might decide, with respect to any bill we pass, lies only ultimately in the minds of the court. That's true of any bill that we pass. But I am assured, both in terms of my own understanding of the bill and in terms of advice I've had from senior people in the department, that there is no problem for the functioning of Big Brothers.

MR. D. ORCHARD: Madam Speaker, just one last question, hopefully, to clarify the government's position as stated today by the Attorney-General.

With the passage of Bill 47, presumably, with its inclusion of sexual orientation, can the Big Brothers' Association of Manitoba ask the question of Big Brothers who are applying to become Big Brothers and part of the association, can they pose the question: "Are you a homosexual"?

And having an affirmative answer to that question, can they then communicate that individual "A" is a homosexual and tell the parent that is the fact?

Thirdly, can they, if they so desire, refuse to have that individual as a Big Brother if he is an admitted homosexual?

HON. R. PENNER: For the reasons I have given in the previous three answers, the answer to that question is yes, the Big Brothers can - I think they're bound to by their national constitution - ask that question; and (b), it follows, from what their constitution says, if someone says, "Yes, I am," can refuse to accept that person as a Big Brother; and it would then follow that the third question doesn't arise because if, in fact, having asked that question and refusing, then there's no information of that kind to pass on to the prospective parent. So that answers all three questions.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please.

I would appreciate . . .

A MEMBER: We go according to our law in our jurisdiction as interpreted by our courts . . .

MADAM SPEAKER: Order please.

I would appreciate if Ministers only answered the questions that were posed by persons who have been recognized.

Homosexuality - assurance no inclusion in school curriculum

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker. My question this afternoon is to the Premier.

During committee hearings on Bill 47, groups supporting the gay lobby in several instances have made reference to the fact that homosexuality should be made

a lifestyle that is equal to the heterosexual lifestyle. Now, in several instances, Madam Speaker, reference was made to the fact that homosexuality should be taught in our public school system.

My question to the Premier is: Would he assure this House and Manitobans that his government will not sanction the teaching of homosexuality in the public school system of this province?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Madam Speaker, the Premier was not at committee hearings and he is asked to accept a premise which is incorrect, and that's why I am rising.

A MEMBER: Why wasn't he at both committee hearings?

HON. R. PENNER: Well, why wasn't your leader at the committee hearings?

Madam Speaker, I have been at the committee hearings from the beginning.

A MEMBER: No, you haven't.

HON. R. PENNER: Yes, I have.-(Interjection)- Well, not - that's true - I missed the first few hours, but I have listened to every brief, and I have listened to every brief with respect, incidentally. There has been, at the most, five minutes when, for obvious reasons, I've been away from the committee, and it is simply not true that those kinds of representations have been made.

Even if it were the case that X or Y or Z came and said that, in his or her opinion, the act meant this or that, it doesn't mean that the act means this or that. I can say, for example, as a matter of already decided law in the Province of Manitoba, to deal with some assertions that have been made, that there is absolutely no substance to the notion that homosexuals can get married in the Province of Manitoba. That is the law now, and it is not changed by the proposed code, and it will be the law after the proposed code is changed. There is simply no doubt about that whatsoever.

All that has been said is that in the course of Family Life Education, if someone asks a question about homosexuality, then I suppose that there are two responses -(Interjection)- The Member for Lakeside should not preach morality in this House or anywhere else.

A MEMBER: Neither should you.

A MEMBER: You're trying to preach morality.

HON. R. PENNER: No, I'm not preaching morality. I'm trying to tell you what the law is. And the law is clear, Madam Speaker, that in such circumstances, if someone asks a question, presumably the teacher has some discussion as to whether or not to answer the question, but one should not forget that we deliberately put into The Human Rights Act, clause 1411, which prohibits using a position of that kind to promote a belief. Don't forget that.

MR. L. DERKACH: Madam Speaker, unfortunately, the Attorney-General stood up and baffle-gabbed but did not answer the question.

Monday, 13 July, 1987

My question directly to the Premier is: Will his government assure Manitobans that they will not sanction the teaching of homosexuality in the public school system of this province?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: There is nothing in this legislation that allows for anything that would suggest the promotion of homosexuality in the schools of this province. The honourable member knows that.

Headingley Correctional Institution - security at

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Madam Speaker. My question is to the Minister of Community Services and Corrections.

During the past weekend, serious charges have been laid by guards against dangerous conditions and lack of security at Headingley. Absolutely ridiculous situations arise because of lack of maintenance of facilities at Headingley.

Can this Minister tell this Assembly whether the security mesh through which a prisoner escaped on May 16 and two more prisoners escaped on June 27 has been repaired?

MADAM SPEAKER: The Honourable Minister of Community Services?

HON. M. SMITH: Madam Speaker, I presume the member is asking as a result of a newspaper article that indicated a great many problems. Now, we've gone through each of those in detail and many of them are referring to situations that existed several years ago. Again, rather than taking up the time of the House, I'm prepared to sit with the critic and go through the individual issues.

There was a difficulty with the particular repair of bars. There was a welding job that was done by a replacement person. It was not up to standards and that has been remedied. But, again, I think the allegation that things were in a mess is quite unfair. The people at Headingley are doing a very difficult job under difficult circumstances, and there is a very intense communication between the guards and the management staff to ensure that their concerns are dealt with.

Again, as I say, I prefer to talk about all the specifics with the critic and then, if there are any unresolved issues, perhaps he could raise the question again.

MR. A. BROWN: My question is to the same Minister.

When will the Minister reinforce the bars at Headingley, bars which are so soft that within a matter of minutes they can be cut through with a guitar string. When will this Minister strengthen security at Headingley?

HON. M. SMITH: Madam Speaker, that is an allegation. I, too, was rather fascinated with all the details put in

about how to escape through the bars at Headingley. Quite frankly, the building is an old building, but it is also a medium- and minimum-security institution. It's our belief that it is much better to develop security of observation at this particular prison rather than to go for heavy security and reliance on bars. We do agree that when we are dealing with remand prisoners that we do require very heavy security there.

Correctional Institutes - numbers versus names as identification of guards

MR. A. BROWN: Accusations are made by guards that they are harassed and receive threatening phone calls against themselves and their families by prisoners because their names appear on their uniforms.

When will this Minister allow guards to have numbers only for identification? If inmates want to register complaints, they can do this by a number as well as by name. This will give the guards the protection that is absolutely necessary.

HON. M. SMITH: Madam Speaker, the issue of whether to use numbers or names on the tags is one that is under ongoing discussion with the Workplace Safety and Health Committee. A majority has persistently gone for - they preferred the name tag. It's an issue that's under ongoing review and, should the strong majority opinion shift to the other direction, we'd be prepared to go to the number. But at this point in time, for that particular type of provision, I think it's appropriate to go with the majority opinion of the guards.

Headingley Correctional Institution - segregation to resolve racial tension

MR. A. BROWN: A final supplementary, Madam Speaker.

Racial tension between white and Native inmates at Headingley will certainly lead to a riot if attention is not paid to this situation.

When will the Minister order the segregation of these inmates so that a real and dangerous problem may be avoided? I understand that near-riot, bat-swinging conditions have occurred during ball games and on other occasions.

HON. M. SMITH: Madam Speaker, there are tensions between Native and white inmates, and they tend to go up and down, depending on the particular mix of inmates and very much depending on the particular feuds that seem to be current on the street at the time. Staff are very sensitive to this particular issue and work very hard, when they're placing and programming, to take it into full account.

Again, I think they're doing everything that is possible and will continue to work at resolving racial tensions when they occur, but a correctional institution cannot live detached from what is going on in the general community. So I think, there again, all the efforts that we can take to build a more cooperative and understanding set of relationships among the groups in the community can only help at the correctional institution.

**Manitoba Labour Education Centre -
criminal charges and amount of loss**

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Thank you, Madam Speaker. The other day, the Honourable Member for Brandon West asked me questions in respect to the confirmation as to the extent of the amount involved in a theft at the Labour Education Centre.

I have the amount. The amount that was involved in the charge, the criminal action, was \$3,563.30. It was the value of a computer that was later returned to the centre. The Public Insurance Corporation, the insurer, was reimbursed, and that was the only item that apparently was involved in the theft.

**Farmers - illegal
interest rates charged**

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker. My question is to the Attorney-General about interest overcharges.

Madam Speaker, at the beginning of this Session, I asked the Minister if the Allen Wilfred case in Ontario set a precedent for farmers in Manitoba but, more specifically I asked the Minister of Agriculture and the Attorney-General if any farmers in Manitoba had been unjustly charged high interest rates prior to 1982.

Madam Speaker, at that time, the Attorney-General said that his department was doing an investigation into this matter. I'd like to ask him if he has completed that investigation and what information he has obtained from it.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, Madam Speaker, in fact the office of the Minister of Consumer and Corporate Affairs did some analysis of material that was submitted to them and subsequently turned it over to me, and that has been analyzed carefully and it appears likely that there are cases where, at least on the surface, there appears to be considerable interest overcharge.

But these are clearly very complex matters and a decision cannot be made, indeed ought not to be made within a department of government as to whether or not, in fact, there was an interest overcharge. If there were interest overcharges, these would be primarily a matter of a civil action by the person against the particular bank. We have cautiously perhaps, but I think necessarily, adopted the view that we cannot assume, on the basis of just some of the documentation received, that there was an unlawful interest charge. Certainly we cannot assume that, if there was an unlawful interest charged, it was criminal and therefore within the purview of the Department of the Attorney-General.

So, the advice we have been given is, yes, there may be something to the problems you encountered over a period of time - and remember some of these problems did cover a large period of time with monthly transactions and a shifting interest rate, but that you will have to get your own legal counsel to advise you further as to whether actions should be taken. That's the point that we've arrived at.

MADAM SPEAKER: The time for Oral Questions has expired.

**ORDERS OF THE DAY
COMMITTEE CHANGES**

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Madam Speaker, I have some committee changes.

Economic Development: Blake for Enns.

Public Utilities and Natural Resources: Orchard for Birt; Filmon for Derkach.

Privileges and Elections: McCrae for Johnston.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: I move, seconded by the Member for Ellice, that the composition of the Standing Committee on Economic Development be amended as follows: the Hon. L. Evans for the Hon. H. Harapiak; the Hon. A. Mackling for the Hon. V. Schroeder; the Hon. G. Lecuyer for the Hon. J. Storie; the Hon. L. Harapiak for J. Maloway.

I further move, seconded by the Member for Ellice, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Hon. John Bucklaschuk for M. Dolin; the Hon. H. Harapiak for J. Maloway; S. Ashton for C. Santos.

I further move, seconded by the Member for Ellice, that the composition of the Standing Committee on Privileges and Elections be amended as follows: The Hon. J. Storie for the Hon. J. Cowan.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I was wondering, Madam Speaker, if I might have leave to make a non-political statement.

MADAM SPEAKER: Does the honourable member have leave? (Agreed)

NON-POLITICAL STATEMENT

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

This past weekend, Thompson held its annual National King Miner Contest as part of our annual Nickel Days Festival. The annual event, which is sponsored by the Steelworkers Local Number 6166, drew more than 30 contestants from as far away as Yellowknife in the Northwest Territories.

I'm sure I speak for all members of this House in congratulating this year's winner, Ed Chukrey, of Thompson; and runner-up, Al Meston, of Thompson.

I'm also sure I speak for all members in congratulating the Honourary King Miner, Steve Harapiak, and Honourary Driller, Bonnie Kane, who were also recognized during the Nickel Days Festival.

Finally, I would like to congratulate the organizers of both the King Miner contest and Nickel Days itself for

Monday, 13 July, 1987

what I thought was a fitting tribute to the continuing importance of the mining industry and, in particular, the continuing importance of the contribution of individual miners, and wish them all the best in the future.

Thank you, Madam Speaker.

HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, on a matter of House business, I'd like to indicate that there seems to be agreement that we will forego Private Members' Hour this afternoon, by leave.

MADAM SPEAKER: Is that agreed? (Agreed)

HON. J. COWAN: I also want to remind members, Madam Speaker, that the Committee on Privileges and Elections will be meeting at 2:30 p.m. to 6:00 p.m., and then, if required, from 7:00 p.m. on through until we, hopefully, complete clause by clause of the bill this evening after hearing the representations.

Madam Speaker, would you please call debate on Second Readings in the following order: Bills No. 52, 65, 70, 59, 66, and 58?

ADJOURNED DEBATE ON SECOND READING

BILL NO. 52 - THE ENERGY RATE STABILIZATION ACT

MADAM SPEAKER: Debate on Second Reading on the proposed motion of the Honourable Minister of Finance, Bill No. 52, standing in the name of the Honourable Member for Morris.

The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, perhaps I could make a few remarks on the bill.

MADAM SPEAKER: And leave it standing in the name of the Honourable Member for Morris. (Agreed)

The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, this particular bill and its repeal conjures up a considerable bit of history with respect to energy pricing, energy costs, in the Province of Manitoba. I, of course, have the - you know, the pleasant thoughts about the bill were - and many Manitobans will of course remember - that for a period of four years consumers could rest easy that in one important area of services, namely, their hydro bill, it would remain constant. It would not be going up like everything else. That seems to be the case, particularly in the high inflation years. But for that period of time, from '78, indeed, to '82, that, by the way, was the last time that Manitobans were blessed with a responsible government, the Progressive Conservative Government, that happy event took place.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: If honourable members want to have private conversations, could they do so elsewhere so we could conduct the business of the House properly?

The Honourable Member for Lakeside.

MR. H. ENNS: I thank you, Madam Speaker, for that reminder to my colleagues who, on occasions, can be somewhat unruly.

Madam Speaker, Manitobans will remember those good years. They remember those years, Madam Speaker, where hospital beds were built. New hospitals were being built, not closed down, as they are today. They will remember, Madam Speaker, that the taxes went down. Personal income taxes went down, and no hidden 2 percent taxes were hoisted onto Manitobans, on their net pay.

A. MEMBER: More services, less taxes, those were the . . .

MR. H. ENNS: In essence, my colleague from Brandon says it all - more services and less taxes. Madam Speaker, that has to be said every once in awhile. That has to be said once in awhile simply to remind people of that. It's very easy to forget that. Particularly, when you have a very clever Attorney-General who had taught and who was raised on the art of manipulation and the art of deceiving public opinion on so many issues, we have to remind Manitobans every once in awhile about what in fact took place during those years.

And of course one of them, Madam Speaker, was the Energy Stabilization Bill which was put in place simply because of the heavy inordinate amount of borrowing that had preceded it during the Schreyer years. Madam Speaker, a very thorough judicial report, the Tritschler Inquiry into Hydro, clearly says that during that period of time there had been substantial, significant overbuilding, accelerating of building on hydro projects, because it was good politics, but it had put Manitoba Hydro into a very serious borrowing situation.

The government of that day recognized that and introduced a stabilization bill that was at least an acknowledgement of the kind of mismanagement that took place in the mid-Seventies of Manitoba Hydro. Madam Speaker, that is not just an Opposition politician saying that. Chief Justice Tritschler, in a lengthy report, at great cost, I might add, to the public, but it was necessary to determine the millions of dollars that were squandered during that period of time, and the fact that Manitobans had their hydro rates increased by 140 percent in a short space of seven years, from '71 to '78 - 140 percent. Madam Speaker, we are still paying that 140 percent increase because it's never been rolled back.

All they had was a brief respite of four years where rates did not increase at all, where they were frozen. Then regrettably the people of Manitoba saw fit to reelect these bandits, these gangsters, as somebody else calls them from time to time, and up go our rates. Our rates have gone up 6 percent, 5 percent, 5 percent, 9 percent every year that you've been in power again. We have now added up another 40 percent to 50 percent of hydro rates - 40 percent to 50 percent, Madam Speaker.

Madam Speaker, that measure that we are now dealing with was put in for good reason, and I certainly have never, will never apologize for it. It was done because political decisions were forced on an otherwise sound Crown corporation, Manitoba Hydro, to overbuild. When they overbuilt, they had to overborrow, and they had to go to New York, they had to go to Tokyo, they had to go to Japan or wherever, and Europe - a lot of European dollars, a lot of Swiss francs were borrowed - to pay for the overbuilding that took place in the Seventies. Madam Speaker, it was not fair to saddle those costs, those currency exchange fluctuations onto Manitoba Hydro, and the Government of the Day saw fit to introduce the legislation that we are now repealing.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

Well, Mr. Deputy Speaker, I simply want to say that in repealing of this legislation, Manitoba Hydro consumers ought to be preparing themselves for a rate shock which could very likely come. Regrettably, it will likely also come with the full costs of the latest venture, the Limestone venture, coming on line as well. I hope that the two don't coincide. I appreciate, of course, that this government, they're good at one thing; they're good at borrowing money. They're very good at borrowing money. They can borrow it in bigger piles and bigger sackfuls than any other government in the history of Manitoba.

Mr. Deputy Speaker, do you realize that this government, this Premier, these Cabinet Ministers have borrowed more money in their five years, six years of office than all other governments, all other Premiers put together? And that is the truth. When you consider right from the time this province was formed, 1870, those 30 years, Mr. Deputy Speaker, into the year 1900; when you consider the years that we had building booms going on here in the Twenties; when you consider the 10 years of Duff Roblin when he was building \$64 million ditches around the city to protect them from flooding; when he was building our schools, our universities, our hospitals; when you consider even the eight years of Mr. Premier, Premier Ed Schreyer and his New Democrats, lump all those together and they have not borrowed anywhere near as much money as this Premier and this particular group of Cabinet Ministers has. Mr. Deputy Speaker, that ought to frighten, that ought to concern Manitobans.

Mr. Deputy Speaker, what we are doing today - because unfortunately our voices are seldom heard from the Opposition. There is nobody from the media here to report, you know, these kinds of statements. We say them because it's our job. We have to do that. We're elected for that reason.

But the action that we're doing today will show up on the hydro bills somewhere in the future.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Member for Morris.

MR. C. MANNES: Thank you very much, Mr. Deputy Speaker.

The Member for Lakeside, in sitting down, said to me on the side that I probably ruined your speech, meaning my speech. I can assure him he did not

because, quite frankly, Mr. Deputy Speaker, he provided a wonderful starting point on how to argue this bill, a very strong arguing point because there is some history to be brought to the debate. There has to be some history brought into this debate, so that members opposite and people within the public will fully understand what has happened here.

Mr. Deputy Speaker, this act, in my view, provides a most curious stance, a curious decision by the NDP Government. The 1987 Budget forewarned all, but the wording, Mr. Deputy Speaker, of that Budget disclosure revelation whereby the Minister of Finance that night indicated that this act was going to be repealed, it in itself seemed a little strange.

It said this, and I quote: "In 1979, the former Conservative Government imposed a rate freeze on Manitoba Hydro and it approved The Energy Rate Stabilization Act, which provided that provincial taxpayers, rather than electricity users, would assume all foreign currency translation risks, gains or losses associated with foreign borrowing for Manitoba Hydro."

A MEMBER: That's right.

MR. C. MANNES: It went on to say: "This policy has had some very negative financial consequences." And it ended up by saying, ". . . the Energy Rate Stabilization program has also resulted in considerable cost. Since its implementation, the net cash cost to the government has amounted to some \$203 million."

Mr. Deputy Speaker, those words in the Budget would have Manitobans believe that the Conservatives passed an act in 1979, called The Energy Rate Stabilization Act, that was unfair to the taxpayers of the province and therefore had to be acted upon with great dispatch by the members opposite. It had to be acted upon.

Mr. Deputy Speaker, we're not at the beginning of the first term of the Pawley Government. We are into the sixth year, Mr. Deputy Speaker, but that act passed in 1979, which was such a cost to the taxpayers of this province, stayed on the statutory books for almost six years.

Mr. Deputy Speaker, members opposite, through the debate associated with Bill 52, are going to have to stand in their place and answer the question, why? Why in 1987 is this Bill repealed and why didn't it occur in 1982? Fully five years after they came the government, Mr. Deputy Speaker, the government decides to act on an act that today they said cost the taxpayers of this province considerably.

Mr. Deputy Speaker, the government at least, in writing the Budget document, did one thing honourable. They did not confuse the hydro rate freeze with the act; because as I will point out, when they debated this in 1979, they criticized the act because it did not have written into it the hydro rate freeze.

Mr. Deputy Speaker, that was a matter of policy, policy by the Cabinet in power. It was a promise to Manitobans; it was a promise that was kept. Indeed, that very promise which was broken by the NDP government once they came to government in 1983, did not require any change in an act - it was just the change in policy.

But Mr. Deputy Speaker, what they're saying when the Minister of Finance indicated to Manitobans what he was going to change in the act, he didn't have the

Monday, 13 July, 1987

courtesy or the candour to spell out to Manitobans that this act has been in place five years during the Pawley administration term. And I guess it makes me, as one who's reviewed some of the history associated with this entire act, ask the question, why?

These questions beg answers, Mr. Deputy Speaker. In my view, some of the answers as to why the government has taken so long to act on this are found in the debates in 1979. And I don't often do this, Mr. Deputy Speaker, review old debates, but I did in this case. And what they demonstrated was incredible - there's no better word for it - because I will take the liberty to spend some time in reviewing some of the comments offered by members opposite when they were addressing this bill brought forward by my former colleague, Mr. Craik, in 1979.

Mr. Deputy Speaker, what were things like then? Well, as my colleague, the Member for Lakeside said, hydro rates had increased 15 percent, 20 percent, 18 percent, and so on over a series of two or three years. At that time, my colleague, the Member for Lakeside said this - and I never thought that I would quote the Member for Lakeside, something that he said eight years ago, but I think it bears repeating. He said this, and I quote: "But here in Manitoba we are saying firstly to all our citizens, to all our farmers, but also to those who need the energy to run our factories, to encourage those high-intensive energy users into the province, that you can at least, in a sea of uncertainty, be assured of a stable energy cost."

Mr. Deputy Speaker, that was the reason that The Energy Rate Stabilization Act came into place. After years of massive increases at a time when world oil prices had jumped significantly, some provinces as a matter of policy were saying to people that were going to come here to create employment, were saying, let's have some stability.

Well, Mr. Deputy Speaker, we were very much aware of the impending losses associated with foreign exchange. We're aware of them today. At that time they were \$370 million, and growing; that was eight years ago. Today, in committee, I'm going to ask the Minister of Finance - or when we go into Committee of the Whole on this bill, I'm going to ask specifically what the losses are today, associated with Manitoba Hydro.

I would have to think that they are in the area of \$600 million, associated with foreign exchange loss.

Action was required to protect the ratepayer because the government of the time was totally captive to the NDP speculation on foreign currency. The NDP had a dilemma at the time, Mr. Deputy Speaker. They believed in a hydro rate freeze. - (Interjection) - Well, the member says, no.

Well, I'll quote Mr. Green. Mr. Green, whom I believe was the spokesperson for their party on a whole host of issues, said on June 14, 1979, and I quote: "But, Mr. Speaker, what we are saying and what my honourable friends should be aware of, is that we do not object to freezing hydro rates. As a matter of fact, we object to the government unfreezing hydro rate; we froze them for eight years. We did it out of consolidated revenue."

And he went on to chastise us for being doctrinaire socialists at the time. He went on further and said, "I can accept this subsidization of the ratepayer by the taxpayer," an official critic at that time of the NDP Party.

(Mr. Acting Speaker, C. Baker, in the Chair.)

MR. C. MANNES: So, what does one believe? The NDP were not critical because the bill did not specifically mention the freezing of rates. They were critical because it dealt with only one item and that was foreign exchange.

And as I said earlier, the freezing of rates was a government policy, not enacted, something I dare say that was not put into statute - something like our bilingual policy under that day, too, which was not put into statute, Mr. Acting Speaker. It was a matter of policy.

Well, what else did the NDP say? I know members will find this interesting. Mr. Green, in moving a reasoned amendment - something that I haven't had the experience of listening to since I've been in this House, Mr. Acting Speaker, he moved a reasoned amendment. And he called it, on page 536, a "hoax" - as a matter of fact, that was part of the reasoned amendment. He called the fact that we've brought in, in 1979, this act, a "hoax."

Mr. Doern, page 5416, at that time, when he spoke on the bill, said, and I quote, "So I say, Mr. Speaker, this is really a speculator's act." We were accused at that time of speculating, and yet it was documented that the foreign exchange losses in 1979 were of the order of \$370 million.

Mr. Uruski, at that time, the present MLA for Interlake, he called it "Tory bookkeeping." He said that there were going to be major windfalls associated with the government stepping in, in support of Manitoba Hydro. He was inferring that the value of the Canadian dollar was going to increase. So he said it was "Tory bookkeeping" at work, that the government was going to be the big benefactor of all this money coming in because the Canadian dollar was going to appreciate. Furthermore, he said and I quote, "It is a sham, Mr. Speaker, it is a total sham." And yet, Sir, the NDP Government have kept it in place for almost six years.

Well, what did the Premier, today's Premier, then - I don't know what he was a critic of then, but he had been the leader of the NDP then or thereabouts in 1979 - what did he say about this? Well, he called it, Mr. Acting Speaker, he said on page 5420 and I quote, "People, they are not easily fooled by gimmickry," and he went on to further call it, "a hoax perpetrated on the people of Manitoba." That's this bill that the NDP have kept in place for six years since they've been in government.

Well, then we move to one of the real major heavyweights of the time, Mr. Cherniack, and I'm sure members opposite would be happy to hear what he said about this bill. This is what he said, and he got it right, Mr. Acting Speaker. He said, and I quote, "What it does, Mr. Speaker, is take out of Hydro that portion of its speculative life and almost everything in Hydro is speculative, but takes away from Hydro that aspect which affects the foreign exchange rate fluctuation up or down, Mr. Speaker." That's right; that's what it did. Nothing more, nothing less, and he understood it.

But his concerns, and the reason that he went against it was this, and I'll use his words and I quote, "And I hope I'm correct in saying that the Member for Inkster," he was talking about Mr. Green, "said from his seat

that he too would do so and I think between the two of us . . . "Oh, he's talking about, and I interrupt myself, he was talking about including into the act, the freeze; he wanted that in the act. And he said, "I hope I'm correct in saying that the Member for Inkster said from his seat that he too would do so, and I think between the two of us we might persuade other members of this House to give some substantial support to the government, that they could say that the people of the Legislature of Manitoba, representing all of the people of Manitoba, are prepared to guarantee that there will not be a rate increase."

Mr. Acting Speaker, he was saying at that time that had the Provincial Government, under the leadership of Mr. Lyon, this bill brought forward by Mr. Craik, had included in that act, in that bill, a commitment to freeze the hydro rates, that the NDP party of that day would have supported it.

Mr. Acting Speaker, yet it was the NDP Government in the Pawley term that removed the freeze and yet kept in place this act for six years. Again I ask the question: Why? Well, just about to the end, Mr. Acting Speaker, Mr. Miller, a stalwart of that party, looked up to by many of them, this is what he said about the bill. He said, "I wonder what huckster dreamed this one up, because it certainly is a masterful, political ploy." Hucksterism, we were accused of then, and yet the Pawley Government keeps that hucksterism in place for six years.

Mr. Acting Speaker, the NDP at that time thought the Canadian dollar had stabilized. At that time it was 85 cents as compared to the American dollar. In all their economic analysis, whatever they had at that time, and being naturally bullish, as they are, they thought that the Canadian dollar was once again going to rise. So they thought we were playing political games with the foreign exchange losses of Manitoba Hydro.

Because, indeed, Mr. Miller said, and again I quote, "I say to you that in my opinion the Canadian dollar has bottomed out; it hasn't changed appreciably in the last few months. It's going to pretty well remain, if not improve, and they'll be in the foreign market, and they'll be paying interest rates in the foreign market which are preferable and better preferred rates than the Canadian market or the American market." Mr. Acting Speaker, that was the collective wisdom at that time.

But there's one other person I have to quote. Like I say, I don't do this often - go back into the journals - but the man we call the fixer, Mr. Acting Speaker, he spoke on this bill. I suppose that doesn't surprise many people, but this is what he had to say about this bill. He said this, "This is political gimmickry." He said, "I have more faith in the people generally than to think, because I stand in my place and vote against this hope, that I am voting against my own political future." Because at the time, I think we accused the NDP, if they voted against this, they were voting against the people of Manitoba.

Anyway, this is what he said - this is interesting. If my House Leader will give me a few minutes, I want to read this. He said, and I quote, "You know, I consider myself a bit of an amateur card magician. You know, I do a few tricks here and there, pick a card, and when you do that, you talk a lot - it's called the con; it's called the sham; it's called the pattern. You develop a pattern. Go ahead, pick a card, any card. You know

what that's for. That's to distract the attention of the person that you're playing a trick on. That's the purpose of that pattern." From there he went on to say, "that's really what we were doing."

Mr. Acting Speaker, but he had more, and he said, "You know, this is a hognosed snake bill. I don't know if you're aware of a hognosed snake, but what a hognosed snake does when confronted with a danger, it puffs up to look like a cobra. It puffs up to look like a cobra and it spits. It does its own little pattern, has its own little routine and doing a card trick on you. It's doing a card trick on you. But if that fails, if that doesn't scare away the intruder or the enemy, then do you know what the hognosed snake does next? It rolls over and plays dead; it rolls over and plays dead."

And he went on to complete - he said, Mr. Acting Speaker, in referring to the bill, "I think it's chicanery, trickery, con, hustle, hype, all of that and more." And yet, Mr. Acting Speaker, the members in their place continued this bill for six years. They have had the chance on five other occasions to do away with this act, Mr. Acting Speaker, and they haven't. And I asked them why. Well, Mr. Acting Speaker, you know why? Because in spite of their greatest wisdoms and to looking into the future, the Canadian dollar didn't go up from the level of 85 cents at which time it was. No, it dropped to 70 cents - 70 cents - in a very short time.

So what does this act save the ratepayers of Manitoba Hydro? Well, the Minister said, in introducing it, he said it saved them \$203 million over its life - saved the ratepayers.

Mr. Acting Speaker, I don't know how much it saved Manitoba Hydro last year, fiscal year '86-87, but I've gone into the annual report and I know what it saved them in '85-86 because in the notes appended thereto, one comes across Note No. 1(b), Long-Term Debt, and it says this, "The Province of Manitoba also confirmed that the net cash outlay relating to the debt sustained by the province in the current year amounted to \$80.7 million." Mr. Acting Speaker, that is what was saved to the ratepayers of this province.

Mr. Acting Speaker, had that act not been in place - (Interjection) - Well, maybe I confused the words; I meant ratepayers. Mr. Acting Speaker, what that meant, when one looks at the revenues that are brought forward from domestic users in this province, had this act not been in place, hydro rates in that year would have been up by approximately 20 percent just to cover that one year's loss.

Mr. Acting Speaker, what this bill is doing is talking about billions of dollars, much of it at risk. I don't have the detailed breakup of all the loans that Manitoba Hydro has. I've got the breakout for what they themselves have. I do not have the breakout for what the government now has taken out on behalf of the government and now is advancing to Manitoba Hydro.

Mr. Acting Speaker, this act and its removal has potentially great impact upon the ratepayers within the province. As we go through, we are going to want to push the Minister of Finance or the Minister in charge of Manitoba Hydro to tell us what it means in rates in the year coming up and the year that we're in alone, because I have to think that the \$80 million loss experienced in '86-87 is going to continue again. I found one loan - not a large one - where the loss to Manitoba Hydro in itself was \$35 million, which had to be met, more or less, at that point in time.

Mr. Acting Speaker, I think it's important that the Minister tell us, in closing debate, the impact that this bill is going to have upon the ratepayer of Manitoba Hydro.

Mr. Acting Speaker, we gambled and we lost. We went into the foreign currency market and, in spite of everything else, the Minister of Finance and his Deputy will try and tell us we lost big by going into those markets. I think that it's important that the Minister document for us all the specific loans that are outstanding today and take us through the exercise of showing how it is, when those loans come due in the next number of years, that the ratepayers of the province are going to be expected to pay up the foreign exchange losses associated with those loans.

Mr. Acting Speaker, Manitoba Telephones last year - and this has been reported not by way of audited annual report - lost \$2 million, thereabouts. They had \$17 million profit before they had to refinance a loan - loan Tan Jay. On that issue, Mr. Acting Speaker, they lost \$19 million. When taken to the financial standing over the fiscal year of Manitoba Telephone System, it represented either a breakeven point or loss. I'm not talking about MTX, Mr. Acting Speaker. Just one loan wiped out because it became due, and the losses associated therewith wiped out all of Manitoba Telephones, all of their profits, in one year.

Mr. Acting Speaker, I'm having a hard time determining from the Public Accounts which loans are still outstanding. It seems to me most of them are in American terms. I can't see where a lot of the Hydro issues that are attributable directly to Hydro are in foreign currencies other than American dollars. Yet that portion of the Hydro debt load that has been advanced to them by the government, obviously there is a significant portion that has been borrowed in other currencies. I would ask, and I have requested of the Minister's office, to be provided with that detail and hopefully he'll be able to do so before we have an opportunity to finish debate on this bill.

Mr. Acting Speaker, we lost. The NDP took us into these heavy markets and we lost. I dare say, Mr. Acting Speaker, we lost damn big. We've lost an awful lot of money in that area. All of it, or virtually all of it, is now going to be thrown back to the ratepayer. I want to know, from the Ministers opposite, how it is that it's going to impact the rates of Manitoba Hydro, and can it be segregated, separated, from the big shocks that are going to hit us associated with Limestone?

Mr. Acting Speaker, Bill 52 should be called, "Let's Make the Deficit Look Better," or it should be called, "Manitoba Hydro - you are on your own now that we have taken all our political measures." That's what they're saying to the hydro-rate users: We've used you, and we've used you for five years. Mr. Acting Speaker, after 1979, we said it was an abominable thing to do. We have said, "Members opposite want to know where we stand on this."

In principle, Mr. Acting Speaker, our party has indicated on several occasions that the time has come when the foreign exchange losses not be reflected in the budgetary deficit of the province. But, Mr. Acting Speaker, in saying that, that's in principle. Before we make the final commitment to this bill, we are going to want to see the impact on the ratepayer. I am doing a very, very rough analysis. I believe that the impact

to the ratepayer could be as high as a 50-percent increase in the rates alone. I'm having trouble narrowing in and defining the time period. But, Mr. Acting Speaker, until I am provided with that information by the Minister of Finance, I believe some of the figures that we've come to are correct because the losses are so horrendous.

Mr. Acting Speaker, what we will not allow this government to forget is that because they have taken the political measure associated with the building of our hydro plants, and they've taken so much political credit for it, we will not let members opposite forget that they also put at risk not only the dollar borrowings but our hydro rates. They like to boast gleefully that they're amongst the lowest in the nation and, Mr. Acting Speaker, in some respects they are, but the point is for how long? Because I dare say what Bill 52 will do - and I can only qualitatively make this statement at this time - is that it will have a most serious impact upon the ratepayers of this province. It seems to me that the members opposite also have to explain why it's taken five years to remove something that they considered to be a sham, to be a con, to be a hype, to be a hog-nosed snake when it came in in 1979. Five to six years to remove this terrible action.

Mr. Acting Speaker, I imagine there may be others on this side who will want to address this bill. I would hope, though, that the Minister of Finance, on being able to develop that information that I request, and being able to develop within his department, will see fit to speak to it during his wrapping up of the debate on this bill.

Thank you.

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

HON. W. PARASIUK: Mr. Acting Speaker, if there are no other people on the Opposition side who want to speak on this, I would, on behalf of the Minister of Finance, propose to wrap up, and then the intention would be to get the material for the committee stage, if that's agreed.- (Interjection)- Okay.

I wanted to speak on this to move it into committee stage, and I thank the Minister of Finance for, in a sense, giving me this position in that I was sitting in the House between 1977 and 1981 and I thought it would be appropriate to comment on it because I think we've had a lot of revisionist history put forward over the last 40 minutes.

We had the Member for Lakeside talk about the period 1977-1981 as if that was the golden age of Manitoba when, in fact, it was the dark ages of Manitoba. The people of Manitoba recognize that for what it was, and for the first time in our history they kicked the Lyon administration out after only one term in office, the first time in history that that's ever happened.

If the Conservatives on the other side want to reflect upon that as being the height of their period in government, their golden age, the time when in their eighties and nineties they will nostalgically look back and say, yes, I was part of the government that froze health care spending, cut back on hospitals, cut back all over.

The term "cutback" is synonymous with the Lyon administration and, in fact, what you had in the last election was a process whereby the opposition leadership, not necessarily all the members, but the leadership of the Conservatives wanted to somehow deflect public attention away from the possibility that if the Conservatives were elected in 1985, they would go back to the Lyon cutback style. So they then tried to "out-Devine" Devine in Saskatchewan by coming up with promises worth \$300 million, which they didn't have the courage to announce during the course of the campaign in a straightforward manner but, in a sense, they wanted to announce this to show that they were Progressive Conservatives - Red Tories - but they didn't want to be attacked by backlash elements within their own party, so they announced these major expenditure increases on Sunday afternoons.

Can you think of a worse time to try and announce your thrust to the public apart from a Sunday afternoon during a campaign? But it showed how divided they were and how embarrassed they were during their regime in office from 1977 to 1981 and they did not want the public to reflect back on that period of government because it hurt Manitobans so badly.

We went from a position of being No. 1 or No. 2 in terms of economic indicators to being No. 9 or No. 10. We're now back to No. 1 and No. 2 in terms of the economic indicators. So that's the general context of what took place between '77 and '81.

I didn't speak on this particular bill when I was sitting in the Legislature at that time, and I listened to the comments of the Member for Lakeside, the Member for Morris, when they indicated that the NDP at that time thought this was a crass political action, and in fact it was.

They talked about outside political interference on the operations of Hydro. The most major outside interference was when you had a Conservative Government come along and say that they will impose a hydro rate freeze. That was not something that came up from Hydro. It was something that was dictated as policy by the Conservative Government - the most major intervention in Hydro policy in its history.

A MEMBER: What about 140-percent rate increase in five short years by your incompetent government?

HON. W. PARASIUK: That wasn't good business sense as it turned out. It turned out that was not good business sense. What it did, you put a freeze, you had a drought, and you had losses incurred by that corporation. That was going to be the business ethic of the Conservative Government.

They keep saying that the New Democrats couldn't run a peanut stand. Mr. Acting Speaker, their problem is they equate all business with running a peanut stand, and business is a bit more difficult than that. Their business ventures haven't been anything to write home to mother about, both inside the government and outside the government.

Their former leader went off to sit on the board of the Canadian Commercial Bank - bankruptcy. Billions of dollars put into that; not a word said about that.

SOME HONOURABLE MEMBERS: What a low blow.

HON. W. PARASIUK: It's not a low blow. You people have sat here consistently and talked about the lack of business expertise on this side, whereas your business expertise goes haywire. They say that is a low blow when it is a historical fact. I'm astonished. They like to throw the stones but they can't live with getting the rebuttals - they can't live with the counterpunching. The height of their aspirations with respect to business and Crown corporations is putting it in the category of the peanut stand.

I just heard the Member for Minnedosa say he was just put on the board. What he fails to take account of is that board with that member on the board passed major increases in directors' salaries, major increases in dividends and major increases in corporate officers' salaries while the thing was going bankrupt, and he then wants to say, oh, yes, but he had nothing to do with that.

Now what we had, we had a hydro rate freeze imposed, as if somehow this was going to be a good business practice. In retrospect, it was a bad business practice. In retrospect, did it help our Manitoba economy? No. Our Manitoba economy in that period of time had the worst record of performance it's ever had on a comparative basis.

Did we have any new business locate to Manitoba because of a temporary rate freeze? I checked with the Department of Industry and Commerce when I became a Minister. I asked them if they could document any instances of businesses being established in Manitoba because of our hydro rate freeze and they couldn't give one example where that took place. So it had no beneficial impact. It did in fact put some extra power in the hands of the consumer with frozen rates, but it made vulnerable the corporation to drought, to change circumstances and it didn't give the corporation the flexibility required in terms of dealing with changed circumstances. We did lose as a corporation some \$203 million.

The Member for Morris asked, well, why didn't we change this sooner? It's easy to put a freeze on in a political sense; it's easy to put a subsidy on from a political sense. It's difficult to remove the freeze; it's difficult to remove the subsidy. We did our homework. We removed the freeze. We've done our homework. We're moving this subsidy and, Mr. Acting Speaker, we will be able to handle this in the future, one major reason being that we, in fact, have contracted for long-term firm power sales where the payments will be in American dollars. We are talking about debt which is primarily American.

So there will be a way of handling that in the future in terms of dealing with the uncertainty of exchange rate fluctuations and dealing in foreign currency is difficult and hindsight is a lot better than foresight. I think that from a position of hindsight, I don't know, we've done the calculations or technical people have done the calculations which have said that we're still ahead by having borrowed in foreign currencies and getting it at lower interest rates. That's a technical determination done by the technical people who do our foreign borrowing and have done it, by the way, for both New Democrat and Conservative Governments.

The thing that the Member for Morris tries to put across, which I think is unfair, and I was hoping that I would have the chance to address this to him directly,

is that foreign borrowings have been pursued by both New Democrats and Conservative Governments. The interesting thing is that the foreign borrowings were done on the basis of the technical advice provided by the professionals in the Department of Finance, apart from the instance when the Conservatives came to office and they said, no, you can't borrow offshore, you must borrow in the United States.

That was a political decision taken by the government that in retrospect turned out to be terribly wrong. Our exchange rate turned dramatically over a period of years vis-a-vis the United States. For a number of years we were doing very well vis-a-vis the rest of the world because our exchange rate is tied to the American exchange rate. Over the last six or nine months, we have not done well on a relative basis vis-a-vis offshore borrowing, but we have done better in the past, and the political decision was taken by the Conservative Government. It was not a decision taken by the technical staff. They wanted to spread that risk out because there is risk in borrowing in markets outside the Canadian market.

It was the Conservative Government that dictated you have to do it in the American market. That was a major political interference that has never been done by the government on this side, and the Member for Morris keeps saying yes, but you people borrow a lot more money than we do. What he forgets to tell the people of Manitoba is that we have gone through a very deep recession, we have gone through a situation where revenues have not kept pace with expenditures right across this country; and if you compare the record of the New Democratic Party government against the record of the Conservative Government in Saskatchewan with respect to how their borrowings have increased over the last five or six years and you compare that with the Albertan government, which is Conservative, and compare it with the record of the government in B.C., which is in all but name a Conservative Government, they have borrowed, on a proportional basis, far more than Manitoba has borrowed because that is the economic situation that we live in.

But it is this government that is getting a handle on its long-term deficit. It is this government that is bringing about a reduction in our deficit. We have said that is part of our long-term policy of controlling the deficit and it's part of our policy of ensuring that, over the long run, hydro is provided with sufficient flexibility without artificial hydro rate freezes in order to carry out the business of providing Manitobans with the best service in North America at the lowest prices on a rate structure basis for this country and for the entire continent, because when all is said and done, we have had hydro rate increases. But those hydro rate increases have been less, on a relative basis, than have been the electricity rate increases in Saskatchewan, in Alberta, in British Columbia, in Ontario and in Quebec.

They act as if somehow Manitoba exists in a universe where time stands still and expenses never change and everything should stay according to 1980 prices. But the world around us lives in a universe where time changes, where expenses go up and you do have these types of increases.

So if one looks at it on a relative, comparative basis, we in this province have done exceedingly well in terms

of our hydro rate increases. We still have the lowest hydro rate structure in North America. It is the most competitive rate structure. We have businesses coming here telling us that they can make projections over the next 5, 10, 15, 20 years. That gives them a comfort level. They admit that there are some instances where other provinces artificially, with subsidies, are offering very deep discounts for hydro, but they know that they can't have those hydro rates guaranteed beyond three or five years and they know that their investments will last far longer than three or five years. They're looking at investments that will last 20, 25, 30 years.

So in terms of our relations with the business community, and entrepreneurs thinking of investing in Manitoba, we feel confident that we have a very, very competitive product in terms of our hydro system. When we look at how we are going to manage our long-term debt, we are much more confident than any Conservative Government in this country as to how we will handle our long-term debt. We have had a better performance in terms of dealing with our deficit than has the Federal Conservative Government and so, if one establishes those objective criteria, one can realize that this government has done an exceedingly good job.

Now with respect to this act, I am pleased that the Conservatives on the other side have said that, in principle, they recognize that we have come to that time where we should remove those subsidies. We have made that similar type of decision ourselves. A matter of timing is one that is made after one considers circumstances, thinking that circumstances might change on a year-to-year basis, but we think that this is the appropriate time.

We welcome the support of members on the other side of the House in passing this bill, and we look forward to a speedy ultimate passage.

QUESTION put, MOTION carried.

BILL NO. 65 - THE SURFACE RIGHTS ACT

MR. ACTING SPEAKER: On the proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 65, standing in the name of the Honourable Member for Virden.

The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Mr. Acting Speaker.

I can just barely hear you, but I got the message. Mr. Acting Speaker, I want to rise and, in a few minutes, put a few comments on the record about Bill 65, a bill brought forward by the Minister for Municipal Affairs.

Mr. Acting Speaker, the southern end of my constituency has oil wells on it. In the last two to three years, as I became interested in politics and started looking at running and then during the election and certainly after the election, I have had a lot of input given to me by people who were on the Surface Rights Association and farmers at large about their concerns with the way surface rights are handled in the Province of Manitoba.

Mr. Acting Speaker, when you look at the bill called Surface Rights Act, you naturally have to suspect that the intent of the act is to look after the land at the

surface, the land through which the oil company drills. The interest, Mr. Acting Speaker, you being a farmer, myself being a farmer, you would think that the interest is protecting the land now from irreversible damage and protecting the land for the future. When we're talking about future, we're talking about future generations, Mr. Acting Speaker, and that may well be many years down the road.

But, Mr. Acting Speaker, as I talked to farmers, it became apparent to me that maybe these objectives weren't being met because I was told many times that whenever an oil company decides they're going to drill at a specific point on a specific farmer's property, the farmer cannot say no. The oil company is going to come in there and drill and that's that. And the old Surface Rights Act, as I read it, I could see that most of the objectives of the act and the way the various sections were set up were to guarantee that shall be so, that the oil will be drilled for. There were laudable statements in the "Purposes" section which would make you think that the landowner was protected. But, Mr. Acting Speaker, they're basically the same in this act that's presently before us, and I'd like to read them into the record.

The purposes of the act - and I'm going to give you brief statements of them - (a) to provide a comprehensive procedure for acquiring and utilizing surface rights; (b) to provide for payment of just and equitable compensation; - and that's certainly one area that is not being fulfilled - (c) to provide for the maintenance, preservation and restoration of the surface of land acquired; (d) to provide for the resolution of disputes.

Mr. Acting Speaker, the Surface Rights Association, on numerous occasions, has made representations to this Minister and previous Ministers who have been responsible before him about the way various parts of those purposes are not being adequately fulfilled.

Mr. Acting Speaker, I will move on. I'll come back to some of those comments a little later. But I'd like to move on to Part III, the "Right of Entry and Compensation." On 16(1) it says: "no operator has a right to enter upon, use, occupy or take the surface of any land, until the operator has obtained a lease of the rights specified therein granted by the owner." As I said, Mr. Acting Speaker, the owner of the land sounds like he's protected there but, in actual fact, he cannot refuse entry at no time.

Mr. Acting Speaker, just to give you further ideas as to how the operator - this is the oil company - has the upper hand, I will read to you different sections here - 20(1) - which says: "The board may by order, subject to the payment of compensation as hereinafter provided, grant to the operator any one or more rights with respect to adjacent or other land" - in other words, not only the land on which they drill, but adjacent or other land; it may be that owned by another person - "as in the opinion of the board is necessary to permit operations to be carried on and to give the operator access to and egress from his operations." Mr. Acting Speaker, again further power for a company to apply for and obtain access or use of lands, again with the operator having really no opportunity to refuse the company's request.

Further on, there are other articles that show that the operator has the upper hand and the farmer doesn't

have a lot of say in preventing actions that he doesn't agree with: 27(1) "Notwithstanding anything in this Act," the board may grant an interim order for surface rights use; 27(2) "Upon receiving an application . . . the board shall notify the owner or occupant, if any, and the owner or occupant, if any, may file an objection with the board provided the objection is filed within seven days." Mr. Acting Speaker, what if the farmer is away? Farmers can have holidays too. But he's only got seven days to respond to the board if he has any objection to what is going on.

27(3), I'll just read the last part of it, ". . . the presiding member for that purpose, has jurisdiction to conduct a hearing and make a decision." In other words, one member of the board can make a decision on an application that is going to affect the farmer most directly.

Mr. Acting Speaker, as I've talked with surface rights people, association members and farmers, what is said to me most often is the old act wasn't all that bad. I'm sure the association is going to come forward and say the way the present act is written is not all that bad, provided it's carried out according to the way it's written.

Mr. Acting Speaker, I have been told so many times I can almost - the words are ringing in my ears - there is a lack of regulations, there is a lack of guidelines. I would like the Minister to hear that one more time. He certainly heard it when he was talking with the board at their meeting last fall. The executive director, in his day-to-day operations, seems to be able to make decisions that are not necessarily in the farmer's best interest. The farmers, by and large, feel that they're in the oil companies best interest.

There have been numerous times when the various farmers have been very upset with the make-up of the board in terms of the members on the board. They don't believe there are enough people who are competent to make decisions from a landowner's point of view. There are two lawyers, a mayor and a housewife on there, and I believe one more. But as a farmer myself, and certainly the farmers in the area would like to see a much stronger representation of farm people, people who understand the impact on surface when oil drilling occurs, salt water spills can occur and so on.

I would just remind you, Mr. Acting Speaker, that the Minister responsible for this one had taken action to remove three members from the board, three members who were very responsible knowledgeable people in the area about surface rights and how oil companies operate and how the oil business has functioned in the Virden area. They were all removed, they believe, because they came forward and asked for regulations and guidelines and, in fact, had drawn them up. The government did not seem to want that to happen, so those three people were removed from the board.

Mr. Acting Speaker, I will just read into the record the letter that Surface Rights Association has sent. The Member for Arthur has read various other parts of this presentation earlier, but I will read a couple of areas that he didn't touch on when he addressed this bill in Second Reading.

Mr. Acting Speaker, to use their words, "The areas of greatest concern which still cause problems in the matters of surface rights are as follows: the annual compensation rates for well sites were developed prior

Monday, 13 July, 1987

to the coming into force of The Surface Rights Act, in most cases, do not equal compensation paid for similar sites developed subsequent to The Surface Rights Act."

Mr. Acting Speaker, I will just use as an example a letter that was sent to the Minister on May 28 of this year by a constituent of mine, and he was sending in a copy of the lease form that the company had sent to him and asked him to sign or else. I will just read his comment to the Minister: "I object to them sending this," - "them" meaning the oil company - "I object to them sending a form letter to me informing me that they have set a price for annual surface compensation. I own the land. I should be setting the price. Not only this; they only gave me 30 days to accept this or else."

Mr. Acting Speaker, the Minister replied to him and asked him if he was prepared to bring his comments forward to the Surface Rights Board and his reply back to the Minister on June 27, 1987: "Why should I be paid as little as \$1,080 for this well site, when normal compensation for new wells in the area is around \$2,000.00."

Mr. Acting Speaker, I just commented earlier that their first concern is that old wells are getting \$1,000 or less, new wells are getting \$2,000 or more as a general average. This constituent carries on and says: "Because the Surface Rights Board has been biased in their judgments, I will not" - and he underlines "will not" - "bring any matter before the board. The board was intended to bring harmony between the oil industry and the farmers, and they have failed." And that sums up in a nutshell, Mr. Acting Speaker, what a lot of farmers feel about the way the board has operated.

Other concerns that the association is going to mention when they come to the committee hearings, some companies consistently offer compensations at levels far below what is generally accepted as reasonable levels of compensation; and (3), hearings are too long, too complicated, too intimidating and too expensive for landowners.

Mr. Acting Speaker, the Minister does not have it in the bill that he tabled, but in his comments at Second Reading he did address the cost side of it and said that an amendment will be brought forward so that there will be something in the bill to allow farmers to be compensated for costs when they appear before the board. That is certainly a help, and I'm sure the association will be happy with it.

The fourth thing that they bring to my attention is that awards are generally inconsistent and, as I said earlier, far below negotiated settlements. Mr. Acting Speaker, again in the Minister's comments in Second Reading, he says that the board will be able to now use comparables paid by operators and, in freely negotiated leases, to help to arrive at decisions in disputes brought before them.

Again, the use of comparables is something that the Surface Rights Association and farmers who have had experience with the board want to see brought into place. For that again, I congratulate the Minister and thank him for addressing those two areas. But it's strange, Mr. Acting Speaker, that they weren't addressed when the Minister had the bill drafted, and it seems a belated attempt, on his part, to try and appease the Surface Rights Association in two very basic areas.

Another area I want to talk on, very briefly, Mr. Acting Speaker, and I'm certainly using all the time that I had

allotted to me, is abandonment. Again, it's another area that hasn't been of a tremendous concern up to this point in time, but landowners are starting to become aware that once that well is drilled, it doesn't produce forever and a day, and battery sites and so on can eventually be terminated and the company can leave. It certainly will be a problem if companies are allowed to leave areas in a state of affairs where the land cannot be productive for agriculture.

Mr. Acting Speaker, last year, during the first Session of this government, I brought to the Ministers of Agriculture's and Environment's attention that there were areas out there that farmers weren't happy with the way the companies were trying to bring them back into production. The Minister of Agriculture and the Minister of the Environment both assured me that they were working cooperatively with Municipal Affairs and with the Minister of Energy and Mines to try and have procedures that would be acceptable and workable. Certainly, I think both Agriculture and Environment need to be a little more involved to assure that the kind of reclamation procedures used by the oil companies are acceptable and workable.

I know, when I went to the hearing last August, the Oil and Natural Gas Board - I believe that's the right board - had a hearing on 20-acre spacings, and somebody from the Agriculture Department who had been out that day and the day before, looking at some of the areas where there had been spills or where there had been abandoned sites, he said, "I didn't realize that things were in this state. Why weren't we here 20 years ago to get a better handle on the state of land when the oil companies leave?"

So, certainly, there is an understanding in the Agriculture Department by some of the scientists there that some sort of work on their behalf is needed and I wish the Minister of Agriculture would act in that direction.

Mr. Acting Speaker, in this bill, the company that wants to abandon the site, for whatever reason, has to apply for a certificate under The Mines Act. That means that The Surface Rights Act doesn't have first responsibility for establishing the conditions for abandonment. The Mines Act has vested interest in the oil company coming and drilling, and then if they want to leave, I don't think that The Mines Act is the right area to determine what the conditions for abandonment should be.

The way it's set up is that if the farmer is not satisfied with what the company does in terms of cleaning up and reclaiming the area, the onus falls on the farmer to appeal to the Surface Rights Board to act. I think that's the onus in the wrong direction. It was the oil company that came and whoever owned the rights profited from that drilling, and it should be the company's responsibility to clean that area up, and the landowner shouldn't have to appeal and to go legal costs to assure that his land is cleaned up. It wasn't him that caused the problem in the first place.

The other question that comes up: What if the company that is in the process of abandonment goes broke or maybe is abandoning because they do go broke? Who's going to pay for the clean-up? If the oil company is gone, is it then going to fall on the shoulders of the landowner? We believe there should be some degree of performance bond or something in that area

Monday, 13 July, 1987

to protect the landowner from companies that will go broke, because that does happen.

I will admit that the oil companies are a little more responsible now than they were 10 and 15 years ago and their reclamation procedures in use are somewhat better, but there's still that concern amongst the landowners that The Surface Rights Act does not give them sufficient protection to assure that the oil companies will in fact follow through and do the kind of reclamation that is good for the land in the near future and the far future.

Mr. Acting Speaker, one other statement from the Surface Rights Association I would like to put on the record is that they had five resolutions at their meeting last fall. The Minister was present at the meeting and had considerable spirited debate with various members of the association. The five they asked for were:

- (1) Comparable settlements to be used as primary evidence in determining just and equitable levels of compensation.

That, the Minister is prepared to act on by amendment.

- (2) Costs to be awarded to landowners.

Again, the Minister has said he'll act on it by amendment.

- (3) Fines to be assessed on operators who fail to report spills.

There is no action by the Minister on that.

- (4) The return of the board office to the Southwestern Manitoba area. Mr. Acting Speaker, it used to be located in Virden, and the Minister before this one removed it from Virden and brought it to Winnipeg, and the landowners would like to have the office back in Virden or some other part of Southwestern Manitoba where there's a much better access for them than what Winnipeg is. Again, the Minister has not acted on that one.

They also want an investigation of surface rights matters. Again, it's because they believe that the Surface Rights Board and the staff act in the interests of the oil company rather than in the interests of the farmer in their general operation.

Mr. Acting Speaker, just to conclude my comments, I would like to remind the Minister that the act, as set up, is basically not all that bad. The old act wasn't all that bad either. The problem comes from the make-up of the board, the attitude of the staff, and the guidelines that the board uses are not in place. There is inconsistency, the farmers feel, in the way matters are addressed by the board. As a constituent said in his letter, he will not go before the board because of their biased attitude and because of the cost and time it takes, and they know what the results are going to be before they go. They know that the oil company will be well looked after.

Mr. Acting Speaker, most of all, it's the attitude of the board toward landowners that's got to be changed if this act and that board is to serve the purpose for which it was set up and intended.

With that, Mr. Acting Speaker, I conclude my comments and I believe the will is to let this bill go to committee.

MR. ACTING SPEAKER: The Honourable Minister of Municipal Affairs.

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

I have perhaps a few comments before we move on to other business. Admittedly, the new act is not that much different from the old act but it certainly has been restructured to make the act a little more easy to understand. I certainly think that is one of the problems that many of the surface rights owners have been experiencing.

The question has been raised by both the Members for Arthur and Virden as to a lack of regulations at the present time . . . - (inaudible)- be my hope that regulations will be established in time, but there was little purpose in establishing regulations when we knew that the act was on the verge of being revised during the past year. Once the act has been proclaimed, in use for some time, then regulations will certainly follow, but I think it would be beneficial to see what regulations specifically are required. I'm not so sure that we all want to see pages and pages and pages of regulations, but . . .

MR. J. DOWNEY: One would be enough probably.

HON. J. BUCKLASCHUK: How many?

MR. J. DOWNEY: Probably one or two.

HON. J. BUCKLASCHUK: One or two. Well, they will be there in time.

With respect to the comments about the consistency or lack of consistency with the board, I should let the members know that I read through every board decision I think there was in 1985 and 1986, and the one thing that surprised me was the consistency in the compensation of awards. As a matter of fact, one could almost - (Interjection)- They were consistent in that the board - and I've spoken to board members - I think, tried to stretch the criteria as much as possible.

The problem was within section 26 where the criteria were clearly enunciated or laid out and the board had to follow them and nothing else. I know that the surface rights owners have been asking the board to consider the compensation that's been achieved through freely negotiated agreements. The board was precluded from doing so by virtue of section 26(1). There was no reference to comparables as being a criterion and therefore they were unable to use that. I would hope, with the new legislation, that the levels of compensation for those matters that go before the board will approach those that are freely negotiated.

I know the Member for Arthur made some remark, and I don't think he meant that. He commented upon the level of compensation. The fact is about 90 percent of the agreements in Manitoba are freely negotiated, and while they may be lower than Alberta or Saskatchewan, one has to keep in mind that these are freely negotiated.

I do share the member's concern about abandonment of wells. I have a fear that within a decade or two we will see Southwestern Manitoba with a very serious problem with well abandonment, and that's certainly something that has to be dealt with, but it is really with another department as well as mine. I know that Agriculture, Environment, Municipal Affairs and Mines

Monday, 13 July, 1987

and Energy will be continuing to review that situation with a view to finding some sort of resolution that will be satisfactory to the . . .

MR. A. DRIEDGER: It will take a few years and then you won't have to worry about it then.

HON. J. BUCKLASCHUK: What's that?

MR. A. DRIEDGER: It takes a few years, and you won't have to worry about that.

HON. J. BUCKLASCHUK: Oh sure. A few decades, we'll continue worrying.

So we have in the new bill addressed a number of concerns. The comparables issue, I think, is being addressed. Costs, while it may not be entirely satisfactory to all concerned, I want to assure the members that the industry itself is most unhappy with the proposal that operators be awarded costs on the basis of some sort of formula. They would prefer that it would apply equally to the industry.

The one question about relocation of the branch, as members are aware, there were some considerable problems some two years ago. At that time, my predecessor made a decision to move the branch to Winnipeg where the staff could have some experience in learning how other boards of this type handle issues.

I would hope that once we have the act working better than it has been in the past, once staff have had more experience with dealing with appeals to the Surface Rights Board, once regulations are in place, guidelines and so on, and the thing is operating more smoothly, that favourable consideration could be given to relocating the branch back somewhere in Southwestern Manitoba.

(Madam Speaker in the Chair.)

I certainly am very supportive of branches being in the area of the farmers or landowners that we service. We are with Municipal Affairs. Municipal Affairs is probably the most decentralized department in government. It makes sense for Municipal Affairs to decentralize. I would think that in time we would want to give some positive consideration to the branch being relocated in Southwestern Manitoba, closer to the oil wells.

With those remarks, I would like to then move that this go to committee. I'll answer specific questions at that level.

QUESTION put, MOTION carried.

BILL NO. 70 - THE PUBLIC SCHOOLS ACT

MADAM SPEAKER: On the proposed motion of the Honourable Minister of Education, Bill No. 70, standing in the name of the Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker.

I've had an opportunity to review the bill, and as the Minister indicated in his opening comments, this is to deal with the conflict of interest issue that arose last

spring and over the past number of years with people providing service in the school division, yet those who work within, and what is and what is not a conflict of interest. I believe there was a court case last spring revolving around a particular issue.

The particular amendments are almost direct lists from the code that was put in for the municipal councillors. It has been in place for approximately three years. The only surprising thing to me is when the government was talking about conflict of interest several years ago, why they chose to put it in The Municipal Act and into The Legislative Assembly Act; yet they ignored the whole area of the school boards and education. I believe the mass people have been calling for some sort of legislation to try and clarify this rather sensitive issue for a number of years, and more recently, as I indicated, there was the court matter last spring that sort of forced this matter to a head and introduced these requirements.

I know that the Minister has had some discussions with the Manitoba Teachers' Society on this, and they would like a further clarification to make it absolutely certain that a spouse of a person who is involved in the school division is not in a conflict-of-interest position.

I would just caution the Minister about introducing any suggested amendments. I would say, if this code of conduct is good for the Legislature and the municipal government level, it should be acceptable to the education level. I'm not saying that I'm opposed to any suggested amendment; I would just say that I think there is sufficient protection in here without having to go to the nth or ultimate degree that one might be concerned about.

I think if a problem does surface, and I find it difficult, given the type of wording that is here, that one could get into that type of a situation, but I am not a judge, nor am I sitting in judgment interpreting these particular sections. Of course, there is always the risk that one may get an unfavourable decision, but you would have thought that the legislation that's been in existence now, that this is copied from, would have produced such a concern. It hasn't. So, therefore, before we get into meddling with something that we haven't even really tested, I would suggest that we give this a chance.

Therefore, with those comments, Madam Speaker, I would recommend that this move on to committee.

QUESTION put, MOTION carried.

BILL NO. 59 - THE MENTAL HEALTH ACT

MADAM SPEAKER: On the proposed motion of the Honourable Minister of Health, Bill No. 59, standing in the name of the Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker.

I'd like to just briefly add my comments to the proposed amendments to The Mental Health Act, Bill 59, and indicate that the legislation that's before us right now just appears to be a long overdue housekeeping bill to comply with the Charter of Rights.

It really has done absolutely nothing to address the issue here in Manitoba or the problem in our mental health system in Manitoba.

Community and home support services are a vital addition to the institutional care that is provided in Manitoba now, and I must say that the basic mental health care is institutional care. This bill does nothing at all to enhance community mental health or support services in the home for our mentally ill people in Manitoba.

I guess it was in 1984 when the Pascoe Report on Mental Health was done. It was a fairly extensive study and that report at the time recommended closing both Brandon and Selkirk Mental Hospitals by 1990. Obviously, this is another one of the reports that's been done and been shelved by the Minister of Health and his Department, because there's really been nothing done since 1984, and here it is almost 1990.

You know, the Minister at that time endorsed in principle the recommendations of the Pascoe Report, so obviously the Minister of Health agreed with the Pascoe Report because he endorsed it. But he's done absolutely nothing, Madam Speaker, in the way of implementing any of the recommendations that were proposed at that time. He did say that there might be a change in scope and there would be some addition of community services. But I certainly haven't seen any addition in community services.

There have been some mental health beds closed. There really hasn't been the support in the community, or the increased services in the community to allow for any closure of any mental health beds. So this Minister has not acted on that report, just as he hasn't done much acting on the Pascoe Report on health care in the Province of Manitoba.

He's had another quite lengthy and fairly costly report done on just the health care system in Manitoba, and to date he hasn't really implemented anything. He says, oh sure, we have to get away from the institutional health care and out into the community-based services, but he hasn't provided any money in health care and he hasn't provided any money in mental health care to implement services in the community so mental health beds could be closed.

So, obviously, the Minister of Health has no desire or no will to change. He gives a lot of lip service to the recommendations but does nothing. It's fine to study things, Madam Speaker, and to have recommendations made and agree in principle to those recommendations, but when the money can't be provided - well, in 1984 they proposed that additional money had to be provided to provide for the transition between institutional services and community services in the mental health field. To date, the Minister has put no extra money into mental health care; and now he's saying that we have to implement, in our general health care system, we have to provide extra funding to make the transition between institutional care and community care. To this point, he hasn't provided any additional monies to do that.

So, Madam Speaker, I believe the Minister does not have the concerns of the mentally ill in Manitoba as a No. 1 priority, and it's distressing, particularly when I asked questions here in the House last week on how many psychiatrists are going to be leaving Manitoba, and the Minister of Health says quite flippantly, "Well, when they let me know, I'll tell you." Madam Speaker, he's the Minister of Health.

Why do I know, Madam Speaker, that five of the top psychiatrists in the province are leaving the Province

of Manitoba? The head of the University Psychiatric Department is leaving; he's also head of the Health Sciences Centre. Madam Speaker, the head of the department at St. Boniface Hospital is leaving Manitoba and he's going off to Alberta, to the University of Calgary. Obviously, Madam Speaker, he's found a better opportunity in Alberta than he has right here in Manitoba.

The head of the University of Manitoba and the Health Sciences Centre is going down to the States. He's found better employment down there. We have a doctor from forensic psychiatry who is leaving and going to B.C.; we have a doctor of child psychiatry from St. Boniface Hospital who is leaving and going to Toronto; we have a doctor who's interested in geriatric psychiatry who is leaving and going to B.C. So, Madam Speaker, obviously, things aren't terribly great here in Manitoba for all of these top psychiatrists to be leaving and going to other jurisdictions. There must be something lacking here in this province in the way of mental health care that these people would want to leave and go elsewhere.

Madam Speaker, we've had a great exodus just in the last little while of many other psychiatrists who have left for better opportunities. We graduate psychiatric students and they go on for further training to the United States. And do you know what happens, Madam Speaker? They don't come back; they don't come back to Manitoba. We graduate other psychiatrists who decide that Manitoba isn't the place for them to be and they go to other jurisdictions. We've had some recently that have just graduated, a husband and wife team, I understand, and have left to go to B.C.

So, Madam Speaker, the Minister, obviously, when he says - the questions that are asked - and he flippantly replies that he doesn't know why they're leaving and, we're looking at it, and he isn't aware of those psychiatrists who are leaving, I believe he doesn't have the best interests of mental health at heart because I would think that the Minister would want to know or would be aware, when it's common public knowledge, that these people are leaving, and he would want to do something constructively to address the situation here in Manitoba.

Madam Speaker, the majority of psychiatrists here in Manitoba right now are not accepting new patients. They've got enough patients in their workload, Madam Speaker, that they will not even accept appointments from new patients. So, Madam Speaker, what is to happen to those who are in need of psychiatric services and can't get it, and have to be put on long waiting lists?

There's a psychiatrist who I know of who has just gone into private practice here in the Province of Manitoba, Madam Speaker, just within the last month or two. He's already got patients booked until the end of August, and he can't accept new patients before that. So, Madam Speaker, when I indicate that there are problems, there are definitely problems within our mental health system here in Manitoba.

I would like to see the Minister address those issues and those problems, rather than just providing sort of housekeeping amendments to The Mental Health Act, and not really addressing the issues of what services are needed and what services are required here in the Province of Manitoba.

Madam Speaker, the problems that we have here in Manitoba, if we could develop some community

services, would be somewhat alleviated. Just comparing, Madam Speaker, the Parklands Region here in Manitoba with a population of about 60,000, we have two half-day psychiatrists on consultation to serve that 60,000 population in Manitoba. Madam Speaker, in Yorkton, an area that's about one-and-a-half times the size, 90,000 population, they have five full-time psychiatrists to service the needs of those in the rural areas of Saskatchewan.

Madam Speaker, I ask the Minister quite frankly: What is he doing to address mental health in the Province of Manitoba? What steps forward is he going to take to assure Manitobans, especially in the rural areas, that they're going to have adequate services and they're going to have services that are provided in their communities, so they don't have to travel away from their families and be subjected to institutionalization rather than being provided for in their own communities?

Madam Speaker, there are a few portions of the legislation that some experts in the psychiatric field have commented on and have questioned. I hope the Minister will be addressing those comments and seeing if he can't amend the bill in some way to address the issues. The one portion of the legislation on involuntary admission does not really deal with the question of whether the individual is competent or not to make his own treatment decisions.

I would ask the Minister to look at that portion of the legislation. Those who have some expertise are concerned, because they don't feel that it's acceptable that people who are not guilty of any crime and can make their own decisions for treatment should not be allowed to do that. So I hope the Minister will look at that, and maybe propose some amendment or some additions or some rewording there in that portion of the legislation.

Another area that they're very concerned about, and those are the medical officers who are in charge of providing psychiatric services, that they're going to be overburdened, Madam Speaker, with additional responsibilities. With the number of decreasing psychiatrists in the Province of Manitoba, the additional responsibilities that they're going to have are going to either cut down on the amount of time that they're going to be able to spend with their psychiatric patients, or the hospitals are going to have to budget for more services and will have to provide more funding for professional time required to provide the extra energy and the extra paperwork that's going to be involved as a result of some of the amendments to the legislation.

So I hope the Minister will have a look at that and see whether he can provide or at least consult with and study the mental health situation in the Province of Manitoba, and make some concrete progressive decisions on what should be done and what direction we're heading in this province, because it seems to me we've gone nowhere since the study was done in 1984. The recommendations were made, and this government hasn't acted in any way to address the problems that we are presented with here in Manitoba.

A MEMBER: It's in an NDP riding, that's why.

MRS. B. MITCHELSON: It seems that, yes, there is a lack of political will on the part of this NDP Government

to close any institutions, to cut down on the institutional care and provide services in the community for those who should have it and have need of care.

So, in closing, Madam Speaker, I'd just like to say that I don't believe that this legislation, in any way, addresses the needs of the people of Manitoba. I would hope that it would just be an interim piece of legislation to comply with the Charter of Rights, and that this Minister and this government, in the very near future, will take a very close look at the direction they're heading in mental health and provide for more community-based services and come out with new legislation, constructive legislation, Madam Speaker, that will look after the people of Manitoba the way they should be looked after, and the way this government says that they are looking after them.

The health needs of Manitobans are our No. 1 priority, Madam Speaker, but in my opinion, a Minister who's done nothing, has not acted on the recommendations that were presented, and recommendations that he agreed with in principle to, is not looking after the better interests of Manitobans. I would urge him, in the near future, to clean up The Mental Health Act and clean up his own act, Madam Speaker, in regard to legislation.

Thank you.

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

I just want to put a few comments on the record. I have a high degree of interest in this act, and it really disturbs me when listening to the previous speaker of the number of psychiatrists who are leaving Manitoba because indeed there is a shortage of psychiatrists in this province, and there is a backlog of people waiting for attention.

Madam Speaker, I have a very close concern with this bill because some 17 years ago, 1969, I had a heart attack and, following that, I had a real strong nervous condition because of that heart attack. Being 36 at the time, I lost confidence in myself and spent one of the most horrible winters that a person could ever experience and finally signed myself into the Grace psychiatric ward for two weeks. So when I speak on this bill, I speak with some feeling and some emotion.

I think mental illness, unless you have experienced it - and before I had the misfortune to experience mine, I always thought anybody who had a nerve problem or had some sort of mental stress was just a weak-livered person and just no backbone, and I had no compassion for them - but, Madam Speaker, mental illness of that kind - and of course there are various kinds of mental illness - is a very distressing sort of illness. Having had open heart surgery this winter, I would take open heart surgery any weekend compared to having mental illness. It's not a very fun thing to have. It's very stressful on the family. It puts a lot of pressure on. So I think we want to be very concerned in this area that it is a very, very tragic illness.

While I was in that particular hospital, Madam Speaker - as I said, mental illness strikes anywhere - we had a priest in there, we had the wife of a very prominent person, we had abandoned mothers with families. We had just a whole range of people it struck

not only at one economic level or one level of education or whatever, but it covers the whole waterfront of society, and so it really is very tragic.

But, Madam Speaker, this is not a mental health act. This is a detention, a committal and administration act. It doesn't deal with the needs of the mentally ill. It only deals with how you're going to place them and how you're going to make sure that they have some rights while they're in there, but it doesn't mention what kind of treatment they should have, in fact, that they are really obligated to get treatment, that this government is obligated to give it to them.

So I took a fair bit of time this weekend to read this bill. I read it all through, and I also read the comments of this Canadian Mental Health Association. I think they condemn this bill fairly severely for many of the comments of the previous speaker and from what I see in the bill. I concur with most of their observations. There's the odd one that I don't quite fully concur with, but by and large, I do agree with comments made by the Canadian Mental Health Association.

I would like to read into the record just a few of them as I go through my few comments. And on page 4, it says: "A large proportion of mental health services in Manitoba are delivered in institutions. Community mental health services available to Manitoba citizens are extremely limited relative to the need for these services." So we have the mental health situation where they are in institutions.

On page 11, Madam Speaker - and this really distresses me when I read things like this - they say the Minister of Health struck a committee that worked essentially in secret to draft The Mental Health Act. Now when you're dealing with a mental health act, you have your own experts, but wouldn't you deal with an association - I don't know if that association is funded by the government, but I would think there is public funding for that association - and then they don't get input into the act while it's being drafted. So we see an act that, in their opinion, is very poorly drafted, leaving a lot of concerns for the well-being of the mentally ill. But this is typical of this government to act in secrecy and then to spring it on people and not leave an opportunity for those really involved to make adequate comment.

It says on page 12 of their brief, "our comments were largely ignored." They do make some explanation. They say, "we understand that the committee regarded our proposals, suggestions, and recommendations as being beyond their mandate."

Madam Speaker, I took the opportunity to watch the film that 24 Hours produced, and it was a comparison of the mental health program in Saskatchewan and the mental health program in Manitoba. In comparing it, and from a cost-wise position, I think their costs were \$49 million and Manitoba's \$103 million, according to this program. Whether those are exact figures, I'm sure they're fairly close.

But what they are doing there is they are treating the mentally ill in their own communities. I think, if I remember, it was something like 72 different mental health hospitals or associated with hospitals across Saskatchewan, and I think we have four here in Winnipeg, and then Brandon, Selkirk and one in the southern area. I think it's Winkler or Morden.

Madam Speaker, when people are mentally ill, and it depends of course what type of mental illness you

have, but most people can be cured - not all people, but most people can be cured of mental illness. But because of the trauma you're going through while you're mentally ill, it's not helpful to be a long ways away from your family and your community; and if you were beyond the distance that relatives and your spouse or children can drive to to visit, then of course the trauma is greater and it's more difficult to be cured.

So having it in the community, closer to many small towns in this province, I think it would help a lot of people get over their mental illness a lot sooner, and it would be cheaper for those relatives who would either have to commute back and forth every day, which my wife did when we had a small family. It wasn't easy, but it was only for a short period of time, so this was feasible. But if the treatment is of the nature of several months, then of course that becomes impossible and the patient takes a lot longer time to recover.

Madam Speaker, it's odd that this government would deal differently with two different departments. We see the mentally handicapped being forced into the community against the wishes of mothers and relatives who don't want them moved out of the institution into the community, into the community when they don't have the programs in place that they need. And on the other hand, we see the mental health group wanting programs delivered in various parts of the community, and this government, this Minister refusing to do it.

On that 24 Hours program the Minister of Health said, "I will not put helpless people out into the streets." Then why isn't he talking to the Minister of Community Services to stop her from doing the very same thing? Because she is putting people out of the institution, on to the streets, because they're not properly programmed; they don't have the staff in place and the support programs for these people when they leave the Manitoba Developmental Centre.

So I believe very strongly that we need to diversify our approach to mental health treatment and diversify it into the community. But, Madam Speaker, why is Brandon and Selkirk being maintained and why is the Minister reluctant to start to chip away at the two large facilities? We think there was some fairly significant construction at Selkirk not too long ago, or was planned - I'm not sure - but there was construction to be performed there. Why couldn't that have been performed in one of the other communities?

We could see mental health places along with the hospitals in all the small communities at a reasonable number. But it's quite obvious that the First Minister comes from Selkirk and the Member for Brandon East has the Brandon institution in his riding, and so they're reluctant to do anything there because it would affect jobs. But at the MDC in Portage, they're quite happy to do that. In fact, they closed down the School of Psychiatric Nursing, one of the best schools of psychiatric nursing in North America. They close it down to put them in Brandon and Selkirk, which are NDP-held ridings, and that's why those institutions are there and being expanded, while in one that's not held by them, they are doing their best to tear it apart.

Madam Speaker, I believe that there is too much power in the hands of doctors to detain patients, especially if they have agreed voluntarily to treatment.

On pages 21 and 22, Madam Speaker, the Canadian Mental Health Association says that there is provision

Monday, 13 July, 1987

elsewhere in the act for an appeal to a board of review, but the act provides for substantial delay before any appeal can be heard and, in the meantime, the patient may be subjected to involuntary treatment. A criminal is automatically entitled to a bail hearing within 24 hours after arrest, but an innocent sick person is entitled to equal consideration before the law. A citizen should have the right to challenge or appeal the judgment of the committing psychiatrist to an independent tribunal or court within the shortest time possible.

And once again, at the bottom of the page, they say committal does not guarantee that the patient will get appropriate care or any care. And that is what this act does not do, is that they will get care.

On page 22 of their report, "The best guarantee of proper care is a good mental health care system. A law for the easy detention of mentally ill persons is a disgrace in a civilized society. Detention should be regarded as a last resort to prevent harm. We consider Bill 59, like the present act, facilitates the detention of mentally ill persons who do not need to be detained and who should not be detained. We consider that it does not deal with the care and treatment. It is not a great improvement on the present act."

So, Madam Speaker, this is really what we're saying, that it doesn't deal with the mentally ill; it just deals with their committal and with their detention. And we think the Minister needs to take a look and start to provide the health care, rather than just detention, in an institution.

On page 27, the CMHA says that the Canadian Mental Health Association's most serious concern in this area is that Bill 59 proposes to give the board of review power, by section 25, to order a patient to undergo treatment, even though that patient understands the treatment and has the capacity to provide consent. This provision does not reflect any compassion towards the mentally ill or any respect for the fundamental legal rights of the mentally ill.

Madam Speaker, while I was in the Grace Hospital for that two-week period of time, when you see some of the treatment that is being received - and although I think now at this point, electric shock treatment has been reduced, it is still being used - and watching people recovering from having shock treatment was something that is very dismaying and something that I don't think many of us would want to experience. They are very disoriented and I have some real regard.

So if we're dealing with people being committed, what can this board do to an individual against their wishes? It raises some real concerns. And I think there is a little too much power in the hands of the psychiatrist and the doctors. And it shows where the review can have a second opinion, but it doesn't say where the patient can demand a second opinion. When we're dealing with psychiatric treatment, I think the patient should have the right to demand and get a second opinion before treatment is performed, and especially if it's in the area of shock treatment or various serious extreme source of treatments.

Madam Speaker, also the power that is invested in the public trustee to make decisions on treatment, I think, is a little bit heavy-handed. I would be concerned as to that amount of power.

So, Madam Speaker, those are the few comments I wanted to put on the record about my concerns about

The Mental Health Act. It's not a Mental Health Act. Committal, detention is what it deals with and I think the Minister should take a hard look at the treatment of the mentally ill and not be as concerned - maybe we have to change the bill because of the Canadian laws, but I think the treatment of the individual in a more humane way is what this government needs to look at.

Thank you.

MADAM SPEAKER: The Honourable Minister of Health to close debate.

HON. L. DESJARDINS: Thank you, Madam Speaker.

I would like to thank the members of the House who offered suggestions and recommendations during the debate of this bill. I want to say right from the onset that some of the members who mentioned that are absolutely right. This bill, this legislation is not going to be the end-all and the answer to everything. We know that. I've recognized that from Day One. With the new legislation that has been committed, that should come next year, that is - I don't know exactly the name - protection of the frail and the elderly, we would need amendments to this. The intent at the time was not to bring any legislation at this time, this year. But, according to the courts, it was the thing to do at least to make sure that we had a right to take people in for treatment. So I want to make that very clear.

I think there were some good suggestions and I might say from the onset that I'm never adverse to bring in suggestions or amendments. If need be, we probably will bring some. I'm meeting again with our people tomorrow to review the different reports again that we've received, and also the comments - those that are worthwhile - here. We might bring in some amendments and certainly we will look at everything that was said when we prepare the legislation next year.

Now, there was also, you must admit, some very irresponsible statements made. It practically makes you envious of a member of the Opposition who could say anything at any time or something one day and the opposite the next day. I've heard everything. My honourable favourite friend has been saying that she's anxious for us to close the beds. Oh, yes. Let me repeat that my honourable friend is anxious to get people out of mental institutions.

MRS. B. MITCHELSON: A point of order.

MADAM SPEAKER: Order please, order please.

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

MRS. B. MITCHELSON: Madam Speaker, on a point of order.

I at no time indicated that I was anxious for the closing of beds. The only time that I would be anxious for the closing of beds would be when this Minister would take some action and provide facilities . . .

MADAM SPEAKER: Order please, order please.

What is the honourable member's point of order?

MRS. B. MITCHELSON: Yes, a point of order.

The Minister of Health is imputing motives that I was not concerned about health care and I was anxious to have beds closed. I'd like him to withdraw those statements.

MADAM SPEAKER: Order please.
On the point of order?

HON. L. DESJARDINS: No, I don't think they have a point of order.

MADAM SPEAKER: I haven't determined that yet.

HON. L. DESJARDINS: Did you rule that she had a point of order?

MADAM SPEAKER: No, I haven't ruled one way or the other. I wondered if you were speaking on the point of order.

A dispute over the facts is not a point of order.

HON. L. DESJARDINS: Madam Speaker, far from me to imply motives. I will repeat what I said, which is factual.

My honourable friend has talked about mental patients and said that we should deinstitutionalize and bring programs into the community; in other words, convert from deinstitutionalizing to community health - exactly what I said if my honourable friend would have been a little patient and let me finish the statement. That's what she said.

The point I was making is the same concept. We agree that we should deinstitutionalize and provide community service as much as possible, dealing with all sick people. My honourable friend, though, nearly everyday is trying to misrepresent to the public what we're trying to do in other general hospitals and is so anxious -(Interjection)- Oh, yes, Madam Speaker. They're so anxious to have us close beds so they can say look. In fact, that's mentioned every day that this government is closing beds - well, we haven't closed any yet, but we are looking at it.

As I say, anybody who knows anything about health is advocating exactly that, to move towards the community health in mental health, yes. We are on record as saying that. The Pascoe Report was preparing to say that the Canadian Mental Health Association and other groups had nothing to do with it - it's a falsehood; it is not true. They worked with us on a task force that we worked altogether. We've got everybody who we felt had anything to offer in this field, and the Pascoe Report was brought in, was tabled with Cabinet and was approved in principle, yes.

Now I don't mind people playing politics when they debate, but what I resent very much is any member saying that I'm not interested or don't give a darn about mentally ill patients. I think that's not fair. If anybody should withdraw anything, it would be the people who mentioned those things. I think that's most unfair. And to say that we haven't done anything yet to follow the Pascoe Report is absolutely wrong. During the Estimates, I read two or three pages full of things that we've done. You've got to start somewhere.

Now we've also said we feel that one of the best - probably the best - method in Canada is the

Saskatchewan model. We have developed a paper that is in front of planning and priority of committee right now; that is, the department is advocating certain things, is making certain recommendations. We've done that. We're also saying, though, that you have to be careful. Don't think that there was no problem in Saskatchewan. Saskatchewan started 20 years ago and then I wonder what these people would say today, if we had the same problem in Saskatchewan when there are people who are mentally ill walking around the street without proper care. This is what happened and it's still now. This is what you'll see in every large city in the United States, people who are mentally ill and have nowhere to go. Many of these bagmen and bagladies you see in New York and any of these large cities are mentally ill people. Many of these people who commit crime and murder and hurt themselves and their fellowman are also people that are mentally ill, who are walking the street, and that is dangerous.

I also said, yes, we had recommendations awhile back that we should deinstitutionalize and we started. We started like many other jurisdictions, without the proper - I admitted that. I stated that we're not ready with the proper services, or the staff was not prepared to give their services in a community setting and also that the community was not ready to accept these people and that's not that long ago. We've worked with that to try to change it. It's going to take awhile, but we're doing it. To say that we're not doing anything - I would love to have the money to do everything, like today or yesterday, but the same people who are talking about the large deficit, the increase in taxes, should remember that you can't do it all. Maybe you should give us your list of priorities instead of picking one thing, one by one, and saying you've got to do it all, it's got to be perfect. You know, God Almighty is not perfect. There are sick people all over the place, but we're supposed to correct that. Anybody who's sick, it's the Minister of Health or the Department of Health or the NDP Government's fault.

A MEMBER: That's right.

HON. L. DESJARDINS: That's right. That's exactly what I thought. They want us to play God all of a sudden.-(Interjection)- Yes, I'll put that on the record anytime because it will show the arrogance of some of you people.-(Interjection)- Well, well, Charlotte is at it again.

Madam Speaker, the situation is not that easy. The main thing of this bill is, yes, to look at how to treat the people. I knew that before we started. No matter what is decided, that's going to be very difficult, because you'll have criticism. You will have criticism. Some people who feel that you are letting too many people out; that they should be treated. Then you'll have other people who say well, alright, they should have more freedom. And it's going to be very difficult.

We've done the best that we can. My honourable friend said he went through a nervous breakdown, and I can sympathize with anybody who goes through that. I know it's not easy. But I can tell you also that I had a loved one who was practically forced to take a treatment and then said to me, Larry, don't ever let this happen to me again.

That stays with you for a long time when you have that, because these people are begging, saying, don't

force me to have it, don't let this thing happen again. So that's going to be very difficult. We have to take our responsibility. We can look at the suggestion.

I see my honourable friend from Brandon has come in. I thought his speech was a very good speech. It's a speech I would have liked to have given in Opposition. I think it was a good suggestion. It shows obviously that he did his homework and we're taking his suggestion very seriously.

To say that there hasn't been any discussion also is absolutely false. As I say, the Pascoe Report is the policy of the government. You can fault us for not having done everything all at once. That's true. We must accept the responsibility for that. I don't know of any government that can go that fast, that can have those things done that soon.

This is not something new. My honourable friend is talking about the lack of psychiatrists. This has always been the case in Manitoba. In the time that I was Minister of Health under Schreyer, in the time that Mr. Sherman was Minister of Health, and now we've done everything; the Conservatives when in power did everything. It's a fairly new science. It's a science that's not accepted by all members of the medical profession.-(Interjection)- Oh, yes, you can shake your head. Then you ask them. You ask them in a quiet moment when they can talk to you freely and they'll tell you. This is something that they've had a tough time being recognized by everybody. Now there is no doubt that it is much easier, much more profitable for a psychiatrist to have a few private patients. I know of a couple of psychiatrists in Manitoba, they're gone now, but a few years ago, they were each getting over three - (Interjection)- wait a minute. They - both of them - were each getting in excess of \$300,000 from the commission to treat about 15 patients - the same patients.

That's not what we want. Are you ready to back us, for instance, if we say all right, you can only - and that's certainly not a government policy - but we'll have to look at some of those things and say you can only get up to a certain amount from billing the Commission; the rest would be on generous sessional fees. There is no doubt that it's a lot easier, as I say, to have a few patients and so on than to look after the need of some of the people who need it the most and some of the children also.

Now again, I want to talk about Saskatchewan, because we are on record as saying we favour that, but to think that it was all easy and that they did it in two or three years or five years is wrong. What is as absolutely wrong also is to say that they are doing it. I know that there were comments and a T.V. presentation that showed that they were doing it at half the costs that we did, and that is absolutely wrong. That was not correct. In fact, it's costing them more money - not much more - but more money than in Manitoba. So that is absolutely wrong also.

Yes, I think I covered the question of the committee working in secret because that wasn't the case. They worked on the Pascoe Report. That is the program or the report dealing with the work and what we want to do. We are going in that direction.

My honourable friend from Portage, did you hear what he said? He talked about mentally retarded and he says well, those people then should stay in the institution but get the others out. He accused us of

wanting to keep people in institutions in Brandon and Selkirk because we had members there. He forgot to say he probably wants to keep them in Portage because he's there. He's resisted any closing and any service in the community with the mentally retarded people.

You can't have it both ways. You can't tell us that we're trying to play politics in certain areas when you're doing the same thing. I certainly deny categorically that this has anything to do with it, the facilities were there in those three places; the facilities are there.

What are we doing in Brandon and Selkirk? We are saying we're going to get the people first of all that we can take out of the institution and we are building psychogeriatric institutions. So as soon as possible, we can close those facilities or most of it in - I'm talking about the mental health institution there. The psychogeriatric hospitals in both places will be away from the mental health institution. Then, if there are other facilities like that needed in the north and so on, so be it. This is where we'll go.

So, Madam Speaker, I've got a couple of people here, my bodyguards, who are getting restless, who are giving me the sign, so we will say that we will look at the . . .

A MEMBER: We're listening intently.

HON. L. DESJARDINS: If I believe that.

So, Madam Speaker, I will close, we'll go to Second Reading and we will look at some of the suggestions that were made. We will discuss it again tomorrow with staff to see where we can make some changes and we hope, realizing that this is only the first part of the act, and then the act, dealing more with the service and so on, will be introduced next year.

Thank you.

QUESTION put, MOTION carried.

BILL NO. 66 - THE ELECTORAL DIVISIONS ACT (2)

MADAM SPEAKER: On the proposed motion of the Honourable First Minister, Bill No. 66, standing in the name of the Honourable Member for Lakeside.

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I wonder if I might be permitted to speak on the bill and leave the bill in the name of the Honourable Member for Lakeside.

MADAM SPEAKER: Is that agreed? (Agreed)

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, Bill 66, An Act to amend The Electoral Divisions Act, although it is not a very large bill in terms of clauses - there's half a dozen areas that it covers - is nevertheless an important bill in the sense that it governs the way in which our representation is set out throughout the province for selecting people to serve in this Legislature and, as such, there are important principles that are embodied in the legislation.

The Act to amend The Electoral Divisions Act brings forward a number of changes and I would like to place on the record my thoughts about some of these

changes. I might begin by saying that the Opposition House Leader and myself were called to a meeting with the Premier and the Government House Leader to be informed of the contents of the bill and we do appreciate the courtesy in having been informed of the contents of the bill prior to its being introduced in the House.

At that time, we did express a number of reservations and the Premier indicated, of course, that this did represent the government's thinking and that their position was embodied in the bill.

I might begin on one small matter that I believe is to be brought forward at committee stage for amendment and that is, Madam Speaker, the bill indicates that population will be determined by the census of population taken by Statistics Canada in the year 1981. It was our understanding that it was the year 1986. Verbally, the Premier has conveyed that to me, so I believe it is the intention of the government to have that amendment made at committee that it's just a matter of changing that from 1981 to 1986. Obviously, I believe all of us would agree that the basis upon which the boundaries are drawn should be the most recent valid census that we have at our disposal and I believe, in fact, the information from that '86 census is already available for most of the province.

Madam Speaker, the second area indicates that with respect to a somewhat thorny problem of estimating population on Indian reserves, given that quite a number of our reserves chose not to be involved in the census and, therefore, the population figures for those reserves are not available directly through the Federal Government census. It has been suggested, in fact, it is contained within the bill, that the population estimates ought to be provided by the Manitoba Bureau of Statistics.

Madam Speaker, it's my position and the position of my caucus colleagues that we ought to leave to the Chief Electoral Officer the opportunity, perhaps, to choose what he believes is the most valid estimate of population, the most valid assessment of population. Oftentimes, when we're dealing for instance with federal-provincial funding, we are told that population statistics for Indian reserves are either overstated or understated, since, from time to time, some of the funding is based on per capita count at the reserves and that there are some members who are listed as band members, who are not resident on the reserves and so on.

It seems to me that the Chief Electoral Officer ought to be given the latitude to develop what are the most accurate statistics that reflect the population of those reserves. If he has a more accurate count from another source, other than the Manitoba Bureau of Statistics, that he ought to be allowed to utilize the most accurate count. I'm not certain on what basis MBS comes to their conclusions or their estimates, but it would seem to me that what we want is to have the most accurate figures, and that latitude ought to be given under the legislation as opposed to tying it down to the Manitoba Bureau of Statistics, who might not be doing any census or counting from time to time that would be the most accurate reflection of the numbers on these reserves.

Another area, Madam Speaker, that I want to just touch on briefly, and that is the latitude that is given within the act with respect to the size of divisions, the size of our constituencies in a provincial sense. Briefly,

those constituencies situated wholly south of the 53rd Parallel will be allowed a differential of 10 percent more or less than the average electoral population for the province, whereas those north of the 53rd Parallel will be allowed a latitude of 25 percent more or less.

Madam Speaker, the principle upon which our parliamentary democracy, this Legislature, and indeed the Federal Government, arrives at its representation is one person/one vote, that old tried and true principle in which we have founded our basic philosophies with respect to parliamentary democracy. We have said that a person's vote in any area should be equal, regardless of circumstances, as much as that is possible.

I recognize that there are certain circumstances in which we have, for instance, in the selection of Senators, which is not done by a vote of the population but rather on an appointment basis. That is constitutionally set at particular numbers.

But where we are attempting to elect on a broad basis by virtue of representation by population, then it would seem to me that what we are attempting to do is to keep the limitation of variance as minimal as possible. I recognize, Madam Speaker, that under the old act, the variance was up to 25 percent, and this is indeed somewhat of an improvement, although it is in keeping with past practice. Indeed, this is the way in which our boundaries were selected in the last redistribution provincially.

I believe, Madam Speaker, that we should be attempting to keep to an absolute minimum the variance that we allow because presumably, if you allow for the maximum variation, you could find that, in one case, the votes of 75 people in the north represent as much electoral strength as the votes of 110 people in the south. That is a very, very major variation if you took the extremes of the variances that are allowed under this proposal. It certainly is a rather large variance from the principle of one person/one vote that our democracy is based upon, and indeed our representation in this house, presumably, is based upon.

Madam Speaker, it seems to me that allowing variances of up to 25 percent could even be challenged as being too great a variance from the principle of one person/one vote, and allows for too much of a leeway in proportional representation on a voting basis. Madam Speaker, I understand that this sort of thing has been challenged in the United States where they have attempted to put in place these kinds of variances for the election of representation in various levels of government, and have been successfully challenged because the principle is one of *de minimis*, as I understand; that is, the minimum reasonable level of variance is the one that should be put in the legislation.

In their particular case, as I understand it, they looked at a matter of a few percentage points being reasonable. I think that, when we are allowing for variances of 25 percent, we are probably straying too much from the principle of one person/one vote.

I recognize and I'm sure that the Premier, in response to that, will say that in Saskatchewan they have a certain number of northern seats guaranteed in legislation. In Newfoundland, I believe it is, they have a certain number of Labrador seats guaranteed in legislation, regardless of population.

I believe, Madam Speaker, that we ought to be looking to make sure that the vote of each person in the

province is as nearly equal as it is in any other area of the province and minimize the variances. We have a concern about that, Madam Speaker. My colleagues on our side of the House have a concern. We'd like to see that tightened up, and indeed we'll have an opportunity, I'm sure, to consider public representation to further consider this at the committee stage.

Thank you.

MR. ACTING SPEAKER, S. Ashton: The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Acting Speaker.

Just in support of my leader and of the position of our party on two main points, the first being the determination of the population on Indian reserves by the Manitoba Bureau of Statistics, the Manitoba Bureau of Statistics reports to the Minister of Employment Services and Security. Certainly, in my view, that is not the type of independent organization that should be used in order to make this important determination. We can support, in principle, the need for it.

I would like to know as of what date that would be, because the rest of the population is to be determined with the amendment as of 1981 or as of 1986. Will this be a determination as of 1986 or of 1987 or 1988? Certainly, in order to be fair and equitable, it should be done as of 1986, and even there - I want to say and put on record another concern that I have as an urban member in a suburban area of the city, because there is such a tremendous growth in population that takes place in suburban areas of the City of Winnipeg, whether it be Kildonan or River East, Charleswood, Fort Garry, St. Vital, that these 1986 statistics, by the time they come into effect during the next election in 1990 or subsequent elections in 1994 or 1998, will be tremendously out of date.

I believe frankly, Mr. Acting Speaker, that what should be done in terms of the guidelines that go to the commission is there should be some consideration given to the anticipated growth of an area, because we have seen this occur so often in the past. I know there's large development taking place in my constituency, in Charleswood, in the north end of the city, say, even in Selkirk, in St. Vital, in the northeast section of this city. What we find is, if the determination is to be as of 1986, I can assure him that by 1990, by the time of the next election, the comparable statistics are going to be way out of whack, and suburban members of the Legislature from all sectors of the city are going to be representing vastly larger numbers than other urban areas.

All we have to do is look, Mr. Acting Speaker, at the registered voters in the 1986 election where we had - and this is important, I think, for the concerns I want to make with respect to the northern seats - but side by side, we had Churchill with 6,500 voters, just about; Charleswood 16,665 voters - 10,100 voters more than in Churchill. In Flin Flon, we had 8,400 registered voters; just below in the constituency of Fort Garry, 16,072 voters - nearly double; in fact it is double; Kildonan - the Member for Kildonan - 18,957 voters; Niakwa, 18,985 voters; River East, 18,408. Then we had, in Rupertsland, 9,172; and in The Pas, 8,700; and in Thompson - in your seat, Mr. Acting Speaker - 8,100;

in my own seat, 16,589. So we have a tremendous discrepancy.- (Interjection)- The Member for Virden wants to know how many in his seat. There were 11,800.

But, Mr. Acting Speaker, the point I'm trying to make on this is that, if we allow a 25 percent variation for northern seats as of supposedly 1986 and we don't take into consideration the growth areas of our urban areas, then the 25 percent variation tends to allow for what came up in 1986, which is really 100 percent variation. We had some urban seats in the city, represented by both the New Democratic Party and the Progressive Conservative Party, which are double and, in many cases, more than double the number of registered voters of five northern seats. Now that simply is not fair.

Our Leader has referred to litigation that has gone on in the United States, where the principle of one person/one vote is being upheld. These kinds of situations are subject to challenge in the courts but, more than that, I don't want to ever rely on courts to solve these problems. Surely, common sense dictates and everybody accepts the principle of one person/one vote, and I'm sure the Premier does. We should be working towards that end, and we should be working to eliminate a 25 percent variation.

In this day of modern communications that we have, transportation that we have, and I know we have a Legislature that's certainly willing to give greater accommodation to northern members of this Legislature in terms of expenses that may be required in order to serve a wide territorial area, certainly we have the resources to justify the principle of one person/one vote and not give a 25 percent variation, and to have a system that has some common sense and recognizes the developments that are taking place in suburban areas, and takes that into account in the determination so that, in 1990, when I suspect the next election will be, that principle will be represented in the number of registered voters per constituency - one person/one vote.

Surely, that's the objective that we should be working to, and this legislation does not recognize that principle. It doesn't recognize the growth that takes place, based on the pure determination of the 1986 statistics, and the 25 percent variation for northern seats does not recognize the principle of one person/per vote. I say we can recognize that with our transportation and communication that's available to us in this day and age.

So, Mr. Acting Speaker, I really ask the Premier in addressing this legislation, I ask him: (1) Will he amend the principle of the bill that allows a government department to determine the number of residents on Indian reserves, when frankly they're under the direction of a political animal, a member of Cabinet? I don't believe that's satisfactory. It's not fair, nor does it seem to be fair. It may work out well, but it certainly does not seem to be a fair approach. And as of what date is that determined, the Indian population on reserves?

Secondly, would he consider an amendment to the legislation that would allow the Electoral Boundaries Commission to take into consideration, information that is readily available from, for example, the City of Winnipeg Planning Department, who will tell you where the growth is taking place, so that we will not have this great discrepancy arise in suburban areas of the city in the future.

MR. G. FILMON: As soon as the act is adopted.

MR. G. MERCIER: That's right. As my leader says, "as soon as the act is adopted."

So we have a situation where suburban areas are more than 100 percent larger than many other seats. Would he not, given the transportation resources we have available, the communication resources, and I think a willingness on the part of this Legislature to provide greater money for expense to northern MLA's to represent their seats properly, will he not consider reducing the variation that is allowed for northern seats so that we can recognize the principle of one person/one vote that is not recognized in this bill and the bill that it amends?

Thank you, Mr. Acting Speaker.

MR. ACTING SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Do you want to leave it sit?

MR. H. ENNS: I'm sorry. I didn't realize, Mr. Acting Speaker, the bill was standing in my name. I was waiting for another bill that was coming on.

I had adjourned it for my leader and for the Member for St. Norbert, and I have no other comments to make.

MR. ACTING SPEAKER: The Honourable First Minister to close debate.

HON. H. PAWLEY: Yes, Mr. Acting Speaker.

I would like to just first put on the record, I think, the support that our independent Electoral Boundaries Commission and the legislation has insofar as all members of this Chamber and all political parties. I think we can be justifiably proud that we have now, I believe, through three decades, kept the redistribution in as independent a basis as possible.

I believe, I can be corrected, but there have been very few changes, if any, ever made to the boundaries when they are finally submitted by the commission. I can recall last time, I believe both the then government, the Lyon Government and ourselves, being not particularly happy with one or two of the boundary changes, but we realized that once you made one change, then you would have to make another change and then it has a ripple effect throughout.

So, if I recall correctly, there were no changes last time. That doesn't prevent us, of course, from looking at it. I think it's got to be looked at on a very close and careful basis before there would be any changes and any recommendations that could come forward.

I appreciate the comments by both the Leader of the Opposition, the Attorney-General, by others that have addressed this bill. I'd like to deal with a number of the particular suggestions. First, it certainly would be our intent to introduce an amendment at committee stage to change the words from "Census 1981" to "Census 1986," so we have the benefit of the latest valid census return and we would be moving that amendment in committee.

Insofar as the Indian reservations, the Leader of the Opposition and the Opposition House Leader did raise this point with me at an earlier meeting and I did indicate to them at that time that we would look very seriously

at an amendment in respect to this. I think there's considerable validity in the position that has been expressed that the discretion could be left to the chief electoral officer to undertake an objective analysis to ascertain the population.

I don't necessarily believe that we should restrict it to the Bureau of Statistics. That would seem to be the most available means of arriving at the population figures but if there are other means that can assist, then I concur, we should be prepared to look at that. That seems to me to be a very reasonable suggestion on the part of the Opposition and, certainly, we'll give that very serious consideration for the committee.

The question of the boundaries and the variation is one that gave us a great deal of agony and concern. I must indicate to honourable members that we had thought at one point that what we should do is guarantee the number of northern ridings as the Leader of the Opposition has indicated does occur in some other provinces. We decided against that.

At the same time, we were concerned about reducing the variable to 10 percent because I believe a close analysis indicates that there probably will be one less northern seat as a result of the 1986 census than there would have been as a consequence of the '76. So we may find, as it is now, four rather than five northern seats after the next redistribution.

Some of that might be handled by way of expansion of existing northern seats a little further south. I can see the potential of Rupertsland being brought a little further south to take in Fort Alex and the Pine Falls area, Swan River being pushed a little further south, but basically there will be four rather than five northern seats.

I guess the concern that I have, even though we've improved the services to northern members, there's no question of the difficulty of representing a northern constituency, a constituency that the Honourable Member for Rupertsland represents, from Oxford House way up in the north end down to the south end Manigotagan and over there at Bissett, a vast area of the province.

I believe our Member for Churchill, and I don't know how he manages to do it, neither he nor the Member for Rupertsland, but certainly they cover geographically probably 60 percent of the geographic area of the Province of Manitoba.

(Madam Speaker in the Chair.)

And it's very difficult to argue with the proposition put forth by the former Attorney-General, the House Leader and the Leader of the Opposition about one vote/one person. We all share that, except in a practical sense it is difficult to justify it when you have vast areas the size of either Churchill or Rupertsland and, to a lesser extent, The Pas. Certainly, the Honourable Member for Thompson has a small area and maybe we could deal with his problems separate from the others.

We could find some way of dealing with that. But I expect after the next election, because of the changes by way of population, that even the Thompson seat will be much larger than the existing and probably will be more comparable to the way it was prior to 1977, when we remember the Thompson seat then had Cross

Monday, 13 July, 1987

Lake and Wabowden and I think Nelson House in it at that time.

So our final conclusion is leave the variable at 25 percent, recognizing the lack of density in the vast areas that had to be covered, sometimes communities of 25, 30, but have a variable of 25 percent, as had been the case previously anyway. In practice only for the northern seats had there been a recognition of the 25 percent variable with one small exception and that was in the Swan River constituency, when I believe there was a 600 vote smaller total than was required to make up the 10 percent differential.

I have a problem insofar as frankly making any amendments that would reflect potential growth, because I'm not totally or absolutely sure that you can, with scientific perfection, forecast exactly what the growth is going to be. Will the growth continue to be as it has been extensively in Eastern Manitoba, outside the City of Winnipeg? If so, then we should add another seat to Eastern Manitoba, from some other part of the province beyond the '86 census.

I think if we follow the argument from the Member for St. Norbert we would be adding one more seat to Eastern Manitoba in addition to the number of seats that would be accepted under the '86 census. If so, on the basis of the speculation, we would have to take it from somewhere else, projecting ahead and I suppose the same problem we would be faced with around the City of Winnipeg. Are we convinced that the growth patterns north of River East or north of Kildonan or south of Fort Garry will, in all instances, be comparable or will the city growth be greater at one corner than in another corner?

Obviously, in the constituency of Selkirk, there's tremendous growth because the people of Winnipeg and Manitoba recognize the virtues of that part of the Province of Manitoba, so I have some sympathy for the suggestion on the part of the Honourable Member for St. Norbert, but I have to live with it, I think, Madam Speaker. Even though I know many of your constituents from Wolseley are moving out into the St. Andrews Municipality and West St. Paul area, I will just have to, I fear, accept that.

Just one point that I missed that was raised by the Member for St. Norbert, and that was in respect to the date for the calculation of the Indian reserve population, and I concur, it should be 1986 and I think that should be reflected within the legislation.

So with those comments, Madam Speaker, I would suggest the bill proceed to committee, that we examine it further and certainly look at some of the amendments that have been suggested and we concur with.

MADAM SPEAKER: Do I understand that the Member for Lakeside gave up his opportunity? (Agreed)

QUESTION put, MOTION carried.

**BILL NO. 58 - AN ACT RESPECTING
THE ACCOUNTABILITY OF
CROWN CORPORATIONS AND
TO AMEND OTHER ACTS
IN CONSEQUENCE THEREOF**

MADAM SPEAKER: On the proposed motion of the Honourable Minister responsible for Crown

corporations, Bill No. 58, standing in the name of the Honourable Member for La Verendrye.

The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, I would beg leave of the House to speak and leave the bill stand in the name of the Member for La Verendrye.

MADAM SPEAKER: Is that agreed? (Agreed)
The Honourable Member for Pembina then.

MR. D. ORCHARD: Thank you, Madam Speaker.

Madam Speaker, Bill 58 represents a rather interesting new legislative concept in the House and I'm not sure that it will end up, despite the grandiose predictions of the - we've lovingly dubbed him as the super Minister who introduced the bill. We don't know whether his grandiose predictions are in fact the reality of what will come out of this bill. Madam Speaker, it might be of interest to know from members opposite whether all of them have indeed read the bill and understand the kind of powers that are put into this bill.

Madam Speaker, when you read through Bill 58, a number of things become very evident. It is deemed to be, according to the introductory remarks of the Minister, a bill which is going to bring more accountability to the Crown corporations in Manitoba, so that Manitobans can be better served by their Crown corporations. Now the obvious question is: Better served than what? I will provide an answer to the Minister in terms of "better served than what," but I'm not so certain that this bill will end up giving us that kind of better service that he has promised us.

Better served than what means presumably that, under this new bill, with this new Public Investments Corporation being set up which will have responsibility for a number of our major Crown corporations, we will somehow avoid the fiascos of the Manitoba Telephone System, the fiascos of the Manitoba Public Insurance Corporation, the fiascos in the Manitoba Development Corporation in terms of some of the very questionable loans that they put out to individuals clearly with NDP party connections.

Now, Madam Speaker, that's sort of the improved reporting that the Minister promises, and he says this creation of the new Crown Investments Corporation will help to resolve some of those problems. But, Madam Speaker, each and every one of those problems in the Telephone System with MTX, in the Public Insurance Corporation with the Minister's cover-up of the massive losses in 1984, the problems in other Crown corporations, the sale of Flyer, etc., etc., were all political problems of this NDP administration. They were not problems that the NDP administration wanted to become public prior to the last election.

So this government undertook, in some ways very deliberately, to conceal those losses, to cover them up as the case is so readily proven in the Provincial Auditor's Report. In the Manitoba Public Insurance Corporation, the current Minister, aided and abetted by the then Finance Minister, the Member for Rossmere, knew of those losses and made sure that the people of Manitoba did not know them.

Now those are some of the problems that this Minister, the super Minister of Crown Investments, says are going

to be resolved with his new holding company. Madam Speaker, those political problems will not be resolved by this new Crown corporation because resolution of them means that the people of Manitoba find out about the problems in a timely fashion so that they can demand through members of the Opposition, through demands by the public at large, that the horrendous losses in Saudi Arabia be stopped, that the cover-up of losses in MPIC be stopped. The people of Manitoba, having knowledge of that, will make sure they're stopped by defeating the government that allowed them to happen.

That's why the political problem of Crown corporations will be resolved ultimately by the people of Manitoba. But, Madam Speaker, the people of Manitoba can only resolve those problems by getting rid of an incompetent government at election time, if they know the facts and the truth about the Crown corporations.

The question has to be posed logically: Does Bill 58 and the creation of the new Crown corporation, the new Public Investments Corporation, with its bureaucracy in tow, is that designed to provide the people of Manitoba with more information or to cover up more information?

I suggest to you, Madam Speaker, that because the problems of the Crown corporations are political problems given to us by an incompetent group in the NDP, the Minister who shakes his head the most right now - the Member for The Pas - is covering up a whole group of problems in the Workers Compensation Board - \$184 million worth of covered up problems there.

Now, Madam Speaker, we're asked to accept this bill and this creation of the new public Crown corporation as a resolution to a political problem wherein this NDP, as government, hid the true facts of the terrible shape of Crown corporations' boards and agencies from the people, prior to the last election.

How can anybody, anybody who thinks on the purpose of this bill, come to the conclusion it's going to resolve problems in the Crown corporations? It simply will not. That is why I make the position to the House and to this Minister sponsoring this bill that your new Public Investments Corporation which is going to have a Board of Directors of at least three Cabinet Ministers, which is then going to then turn around and appoint a chief executive officer, directors and staff are going to ensure, through this new Public Investments Corporation, that no whiff of scandal or wrongdoing in a corporation ever reaches the public prior to an election.

This is the ultimate expression and outcome of the efforts at political damage control that were developed last year during the whole MTX affair, where the government worked day and night with their political aides and advisers to devise schemes as to how to get their political skins out of the hot water they had self-created over four years of maladministration of the Telephone System.

As a result, we now have a bill setting up yet another Crown corporation, yet another layer of bureaucracy, which will do - I submit and maintain - nothing more than protect the political future of an NDP Cabinet Minister who incompetently administers an agency or a Crown corporation. That's the purpose of this bill in a nutshell, Madam Speaker, and nothing but proof over a few years will demonstrate it.

But, unfortunately, whoever drafted the bill did it with some skill. I simply want to refer to one area of the bill at this time, because you might recall that during the course of MPIC we attempted on a number of occasions to determine exactly when the Minister knew and when his colleague, the Minister of Finance, knew about the massive losses in the reinsurance division. It turns out that they knew in 1984.

The Minister asked the chief executive officer and the chairman of the board of MPIC to come back to him with methods of reporting the losses so that they would be vastly understated and not made aware to the people of Manitoba. That is what the Provincial Auditor learned. That is what we knew and the Provincial Auditor confirmed in his report.

Now, Madam Speaker, No. 1, we have the Minister responsible for MPIC actively covering up the losses as early as 1984, actively covering them up again in 1985, all prior to the election. But all of that, under this bill, is not even necessary, because again we have reaffirmed in this legislation the necessity that the Crown corporations shall report their annual reports within four months of the year-end and must table the report within 15 days in the House thereafter.

But the problem is if the House isn't sitting, they don't have to table those annual reports four months after. They can hide them from the people of Manitoba, as they did in the Telephone System in 1985, documented, clearly evident that the Member for St. James withheld the MTS Annual Report from the people of Manitoba prior to the election, as simple as that. Madam Speaker, what they have done is they have perpetuated and assured that during an election year no annual reports of Crown corporations, damaging to the political re-election of the government, will ever see the light of day. That's guaranteed in this legislation.

And furthermore, Madam Speaker, what is even more interesting is on page 28 of the bill. You see, this Crown corporation itself has to table an annual report. I'll get into some of the massive powers that this new Crown corporation has in terms of borrowing and where they can go out and borrow on both short and long term, sell debentures, bonds. They can even go into the foreign currency market, this new Crown corporation. Oh, yes, the Minister over there shakes his head. If he shakes his head that this bill does not allow his new Public Investments Corporation to go offshore to borrow money, then he has not read the bill he's brought before this House, because he has. It's in this bill, the authority is in this bill to do that.- (Interjection)-

Madam Speaker, the Minister, from his seat, to try to get himself into a more knowledgeable position of the bill, he says, oh yeah, but with the Minister of Finance giving the authority. Well that can be the same Minister of Finance who participated in the cover-up of the MPIC losses in 1984 and 1985. What confidence do the people of Manitoba have in an NDP Minister of Finance providing factual information which may be damaging during an election time? So, Madam Speaker, the protection that the super Minister offers from his seat is no protection at all.

Madam Speaker, this new Crown corporation, the Public Investments Corporation, must also file an annual report. Presumably, in that annual report, you will have a listing of the current borrowings they've undertaken, any of the financial activity of that corporation, whether

Monday, 13 July, 1987

they've amassed losses, whether indeed they have pillaged the Crown corporations with a fee structure that enables them to pay into the general revenues excess funds, because that's also part of this bill too. We won't know that because, in the case of this new super Crown corporation, we don't have the rules that apply as in a normal Crown corporation, no.

Manitoba Hydro, Manitoba Telephones, they must report. They must deliver their annual report within four months. This new Crown corporation, in charge of all of them, has five months, and its year-end is December 31.

I submit to you, Madam Speaker, that this new Crown corporation and the five-month reporting is designed clearly to take it beyond any spring election window, because you take five months - May 31 is when the annual report has to be produced by - but if an election is called, the House won't be sitting and it will not be tabled and the people of Manitoba can go into an election not knowing what the Manitoba Public Investments Corporation financial picture is, because this legislation allows it to be withheld and kept from the people of Manitoba prior to an election.

This legislation is cover-up legislation. This is not legislation designed to help Manitobans understand what their Crown corporations are doing. This is legislation designed to keep Manitobans and the Opposition in the dark, because we've not only established a new holding company as a Crown corporation, we've also staffed it with bureaucrats, with a new group of bureaucrats. Now where will they come from? Will they be the likes of the Mr. Silver's who have taken over as chief executive officer at MPIC, the man with the tight lips who is not allowing any answers at the behest of his Minister in the government who will not answer any questions, allow staff to answer any questions, they all have to be laundered through the lips of Mr. Silver? Is that the kind of person that we're going to now have staffing this new bureaucracy of the Crown corporations? Because if it is, welcome from Saskatchewan, welcome from B.C., welcome from Ed Broadbent's office in Ottawa, because this will become a home for another gang of hacks and flacks of the New Democratic Party. And if you think that those people, those hacks and flacks who can be employed by those three Ministers as the Board of Directors of this new Crown corporation are going to be anything but card-carrying dedicated socialists, dedicated to the New Democratic Party, you're wrong, Madam Speaker. That's who they will be.

Madam Speaker, I ask you simply: Would you expect those card-carrying New Democrats, those political refugees from B.C., Saskatchewan, and Ed Broadbent's office in Ottawa, do you expect those people to tell the truth to the people of Manitoba and embarrass an NDP Government, who's been handling Crown corporations badly, and losing money? Of course, Madam Speaker, those card-carrying political appointees, will do no such thing. That is why I say this bill is designed to keep facts and information away from the people of Manitoba, not give them more. Madam Speaker, all we have to do is go through the bill and find out the kind of powers that this bill confers.

First of all, Madam Speaker, in general terms, each Crown corporation now is going to have a board - which they've always had - and the power of the board

is rather interesting. One of the questions that the new super Minister is going to have to answer either in closing debate or in committee is that it's my understanding from this bill that one of the duties of the board is that they shall establish an audit committee. Now, these are the boards of the individual Crown corporations, so that the Manitoba Telephone System presumably will establish an audit committee.-(Interjection)- Yes, the Minister says an internal audit committee. Well, what else would it be? I mean, they're not going to audit any other corporation. One would assume from this bill that it would be an internal audit of the corporation of the board they're sitting on.

But, Madam Speaker, one thing that is missing from this legislation is whether the Public Utilities and Natural Resources Committee will have access to those audits or will they be withheld, as the Minister of Health is withholding the internal audit and examination at the Manitoba Cancer Foundation? Are they going to be withheld from the public because they're damaging to the government? -(Interjection)- That's right, you've got it my friend. You've got it.

Madam Speaker, is there going to be a requirement that these internal audits, which now the government feels are valuable enough to the administration of Crown corporations, that the boards of those Crown corporations must establish an internal audit committee, and that internal audit committee shall do the internal audit and make sure that the corporation is running in an efficient way. Now if the government considers it important enough for the boards to set up those committees, why would they hesitate to allow the Public Utilities and Natural Resources Committee of the Legislature to have access to those internal audits, so that we, the people of Manitoba, the owners, the stakeholders in those corporations, would know the truth about the internal financings of those Crown corps?

Had we had access to the internal audits - prior to the election in 1986 - of the Manitoba Telephone System, Madam Speaker, these people would not be in government because the internal audits, as early as February 1985, showed that there were tremendous losses, that those losses were not being taken care of, but those internal audits were hidden from us.

So I ask the Minister, will you make them available, because if as you say, what you want is greater Crown corporation accountability to the people of Manitoba, why would you deny the people access to those internal audits? Why would you want to hide them, what would you be afraid of? But I'll tell you right now what the answer is going to be. The answer from the super Minister is going to be the same one we got from the Minister of Health the other day on the Cancer Foundation.

No, those are internal and therefore we can't have them. So the next question I want him to answer is, will they be available under The Freedom of Information Act? And you know what? Again, I'll speculate on an answer. They will somehow gerrymander The Freedom of Information Act so those internal audits won't be available through that vehicle either. In other words, this is a bill designed to hide information from the people of Manitoba.

Now, Madam Speaker, one of the duties of the directors and officers of the corporation, it says in this act, is to act honestly. My goodness, why do we have

to put into legislation that people hired to look after the finances of Crown corporations have to be legislated to act honestly?

I realize that the Crown corporation's senior officers in the Telephone System, in the views of this government, did not act honestly. I don't believe that currently in the Manitoba Public Insurance Corporation that a number of senior officers in that corporation today are acting honestly, but you know what is more inexcusable than that, is that the government is letting them act dishonestly before the Public Utilities Committee, and yet they legislate in here that they must act honestly.

Madam Speaker, I do not know of any law which will compel dishonest people to act honestly. That should be a given, but this NDP Government has to put it in law, that people have to act honestly in carrying out the duties they are being paid to do. I find that somewhat offensive, but I do find it most necessary after the five-year record of an NDP Government running Crown corporations. That kind of honesty is certainly needed but it isn't needed only by directors, it should be included in that clause, that Ministers responsible act honestly as well. That would be a proper amendment to this bill. We would even catch the Member for St. James in that kind of a requirement to act honestly.

Madam Speaker, in terms of conflict of interest, the Premier should read this bill because I think he would find it enlightening. But, Madam Speaker, in the conflict of interest, a person must disclose his conflict of interest, but yet you know there is only a requirement that he request it to have entered in the board minutes, his conflict of interest. I maintain that that should be a requirement, that his conflict of interest be automatically entered in the minutes of the corporation, so that when we have access to them, as we currently do in Opposition, that we know which members of the board have a conflict of interest with Telephones, with Hydro, with other Crown corporations, so that we as well can scrutinize whether they are living by the tenet that they should act honestly, as provided by this law.

Madam Speaker, there is an interesting problem with this whole conflict of interest on the board members. You can have a circumstance according to this act where a person, and let's say we've got a seven-person board - four people show up, that's a quorum. The board can then go ahead and make a decision on a contract. One of those four members on the board has a conflict of interest; he absents himself from that vote. So you can have major contracts undertaken with this legislation without a quorum of the board being there to vote.

I definitely think that needs to be changed. The Minister indicates from his seat, "no." Well, I wouldn't think that he might recognize the problem that is inherent in having a quorum established by a member with a conflict of interest and then having that member absent himself so that the board then votes without a quorum being there. He doesn't see that as a problem. Manitobans would see that as a problem, and I believe in their Crown corporations they would want that changed.

Madam Speaker, going on in various sections of the act, we have a requirement of this service committee, and a service committee is presumably set up so that on the four major Crown corporations they tour the province, presumably, to hear complaints from the public, presumably.

Now, Madam Speaker, it's very interesting that the Minister would decide to put this in here and it applies to MTS, telephones, MPIC, and the Liquor Commission. What is missing from this legislation is whether an individual who identifies a problem with a Crown corporation, which this service committee deems to be sufficiently serious that they investigate it, there's no requirement in this legislation that the service committee inform the complainer, the complaineé or whatever the legalistic term is. But the Manitoban who's lodged the complaint to the service committee, something they're designed to go out and do and listen to Manitobans for, there's no requirement for them to ever report back.

So I simply give you an example. If in one's home town one believes that the senior management in, for instance, the Telephone System have been hiring next of kin for jobs within the system in the region and have been hiring those next of kin and excluding equally qualified or more qualified people - in other words, nepotism in the corporation - if that complaint is made to the service committee, I believe it is incumbent on the service committee to report back to that individual to say, yes, it happened and, no, we're not doing anything about it; because then that would become an issue that that individual could then take the next step and come to members of the Opposition to have them raise the issue in the form of the House.

So your service committee does nothing unless you respond to the complaints raised by Manitobans about their Crown corporations. I don't see that requirement in this legislation, but yet I see a requirement that the directors act honestly. What more honesty could you get than to report back the findings of complaints by the public on the operations of your Crown corporations? So I suggest to the Minister that he consider seriously an amendment which would require that.

We've got a joint council set up. The joint council will be set up in those four Crown corporations. It's a six-member joint council. Three of them are appointed by the trade unions. The chairman is either the Minister or the chief executive officer. So at all times during that joint council, the trade union movement has control of the committee. The Minister applauds because, no doubt, being an old trade unionist himself, he believes that's the way Crown corporations should be run, that the trade union movement should have control over the joint councils on these four major Crown corporations. Well, I'm not so sure that that's an issue that Manitobans would agree with, but that's provided for in this legislation.

Now, Madam Speaker -(Interjection)- well, the Minister, you know, the Minister when he speaks can bring all these points out, all these great points that he has, when he sits on the seat of his pants. Like during the debate on The Mental Health Act, he said he didn't agree with the Pascoe Report, but you'll never hear him say it publicly; that's too politically damaging.

Madam Speaker, we move into the establishment of the Public Investments Corporation itself, as the Crown corporation which has under its control the Crown corporations that are listed in the schedule at the end of the bill.

Now again, you see, we have the Board of Directors of this new Manitoba Public Investments Corporation being at least three Cabinet Ministers.

Madam Speaker, the duties of this Crown corporation is, presumably, if I read the act and find the various things, I think that they're to monitor the results of Crown corporations and any other board, commission, agency or like body to which this part of the act applies. I would assume, that that Board of Directors of three Ministers and an NDP Government would probably have the responsibility to report to their Cabinet colleagues on the activities of the Crown corporations under the control of the Public Investments Corporation. That's what I would assume. This time the Minister doesn't have anything to say - which surprises me - because probably he'll be one of the Ministers on this new Board of Directors.

But I would assume that they're to keep their government informed, their Cabinet colleagues informed as to what's happening in the Crown corporations, and they go through and have an enormous amount of power. They have the ability to borrow money; they have the ability to manage properties; acquire property; to acquire land; to acquire assets; to acquire personal properties. They have enormous powers, this group of three or more Cabinet Ministers.

Ordinarily, one might say that might be a reasonable group where the buck should stop. So that any bad decisions made in the Crown corporations could be laid on those three Ministers, and we'd get some resignations from the Premier, something that he refuses to do.

Instead, he creates a category of walking dead in his Cabinet - the Member for St. James being the first and most prominent member, the Member for Gimli being the next most prominent member. And there's others, as the walking dead in the NDP Cabinet, in the Cabinet of the Premier from Selkirk.

But, Madam Speaker, one would assume that this new Board of Directors of Cabinet Ministers would basically report problems, and that would be good in informing the Cabinet. But the history of this does not prove that to be the case because we know that for the last number of years, prior to the election of this Minister who introduced this bill, we had the ERIC committee of Cabinet. Then we had offshoots of ERIC committee of Cabinet being the - I forget all the terminology, but basically it was the Crown Agreements Approval Committee. There was a separate committee in there as well.

Then we had the Premier last fall announcing all sorts of super Cabinet committees which are going to deal with Crown corporations. But basically, I simply lay out for you, Madam Speaker, the fact that we have always had Crown corporations under substantial Cabinet Minister scrutiny. The ERIC committee of Cabinet, at such time that it had - I wished I was in committee because I know them much better by name rather than by constituency - but we had all of the heavyweights from the last government - all the heavyweights from the Cabinet on the ERIC committee of Cabinet. Those heavyweights approved, and it included the Minister of Finance, the Government House Leader of the Day, the Industry, Trade and Technology Minister, the Energy Minister, the heavyweights.

What did they approve back in 1985 for MTX? Well, they approved a number of things; first of all, capitalization of an additional \$8.5 million. When the

financial statement said they were in trouble in Saudi Arabia, that group of super Ministers - presumably three of them could be on this new corporation - said we don't want to look at financial information. What do we care? We're only giving \$8.5 million away. We don't need financial reports to look at them to tell us that this investment will be wasted in Saudi Arabia, as it was.

But also this group of heavyweights of the NDP Cabinet approved an investment with Cezar Industries in the United States, and the Cabinet Paper that came to them from that bastion of business intelligence, the Member for St. James, said that for an investment of 80 percent of the money, we were going to get 20 percent of the shares and he said that's a good deal. Because this bastion of business experience, the walking-dead Cabinet Minister from St. James, took this to the heavyweights in Cabinet, they approved it. They rubber-stamped it.

Well, what does the new super Minister of Crown Investments say about that? I'll quote to you from page 139 in Hansard of MTS, Madam Speaker. He said, ". . . and some of those deals are obviously poorly negotiated in the initial stages, horrendously negotiated, where you have a situation where there's 50 percent money and 20 percent return, I mean . . ." - and this is the super Minister of Crown Investments talking - ". . . even the most novice of negotiators can understand that's a bad deal." Well, let me tell you my friend, there were five novice Cabinet Ministers who approved that very same deal that you're now calling a deal that any novice negotiator would be able to tell was a bad deal.

Madam Speaker, I know that was a slip of truth that this Minister will regret saying forever, because he called five of his Cabinet colleagues financial bozos. Madam Speaker, he's correct. They are and they were financial bozos, because they put in 80 percent of the money for 20 percent of the return, and that money is lost to the people of Manitoba as well.

Yet he introduces this bill and tells us that this new Crown corporation with the board of directors of three Cabinet Ministers is going to solve all of the problems. Well, is he going to have one of the five financial bozo Cabinet Ministers on the board with him, or two of them, or maybe three or four as the act permits? Are you going to have the walking-dead Minister from St. James there to advise you on investments, when you called him a financial bozo in the committee dealing with the MTS report?

I mean, where is all of a sudden this new-found intelligence in the Cabinet going to come from to run this new super Crown corporation, the one that has control over such Crown corporations - and I'll read them for the Minister: McKenzie Seeds; Channel Area Loggers; Communities Economic Development Fund - that's where all of the NDP friends go for their loans, Mr. Gunn, etc. - Manfor, where we're down \$160 million; Manitoba Data Services; Manitoba Development Corporation, where they guarantee a loan to the Saudi Arabian operation that we subsequently lost; the Manitoba Energy Authority; the Manitoba Hazardous Waste Management Corporation; Manitoba Hydro; Liquor Control Commission; Manitoba Mineral Resources where, according to the Member for Transcona, we gave away this tremendous investment in Trout Lake that's never turned a dollar; Manitoba

Oil and Gas Corporation, which was going to bail out every failing farmer in Manitoba; Manitoba Public Insurance Corporation; Manitoba Telephone System; Moose Lake Loggers; and Venture Manitoba Tours. Those are the Crown corps that this group is going to have control over.- (Interjection)-

Madam Speaker, my colleague, the Member for Gladstone, says, what about the gas company? Well, they can add them, you see. They can add and delete, Cabinet can add and delete on this list.

But, Madam Speaker, where in the current NDP Cabinet are you going to get the business expertise that you didn't have before with the same people to run the super Crown corporation better than you've already run the rest of them?

What are the losses in the Crown corps now? Are they up to 150 million now if we tally them up? - (Interjection)- Low? Oh, it's too low. It's probably \$250 million by the time you toss in Flyer, Manfor, McKenzie. Maybe it's even \$300 million.

Now, where is the expertise in an NDP Government going to come from to provide this overview of financial stability to the Crown corporations? Bearing in mind, again, I remind the Minister that he called his Cabinet colleagues "novice negotiators" on past things that they gave approval to. Have all of a sudden these novice negotiators matured?

MR. G. FILMON: No, but Gary thinks he will be handling it, and he will be able to do it.

MR. D. ORCHARD: Oh, is this the key? The Member for Concordia is going to be the shining brilliance in business acumen. The man who ran the MGEA is going to have the business acumen to run billions of dollars worth of Crown corporations.

MR. G. FILMON: Yes. All by himself.

MR. D. ORCHARD: That's going to be interesting. Well, Madam Speaker, one of the things that we want to have answered by the Minister, which he didn't answer, is how will your new Crown corporation establish its levies to those very corporations I've just listed that are under its control? Because I'm somewhat concerned.

They are going to set up a bureaucracy. These three NDP Cabinet Ministers - minimum three - are going to set up the bureaucracy of the new Public Investments Corporation, and that can include hiring all of the disenfranchised New Democrats from Saskatchewan, from B.C. and from Broadbent's office, as I've mentioned.

But these people are going to be paid by a levy on the Crown corporations. They're not going to be paid for in the Estimates process where we have to come in here and vote on the money and determine how the money's being spent.

Oh, no - no, no. This new Crown corporation is going to operate outside of the Legislature. It's going to go to the Telephone System and it's going to say, we need a million dollars. It's going to go to Hydro, we need two million dollars. It's going to go to the Public Insurance Corporation saying, we need \$700,000 and with that money they can hire every hack and flack the

NDP party can turn out in Saskatchewan, B.C., and Broadbent's office.

This is the new Jobs Fund for card-carrying NDP's. All the disenfranchised from across Canada can come here and there won't be one single vote required in this Legislature to approve their salaries. I find that objectionable. If and when they have levied enough money from the Crown corps to pay all of the hacks' and flacks' salaries, if they have a surplus they have to turn that over to the Minister of Finance to be placed in the General Fund.

Now, Madam Speaker, do you know what that means? That means that this new Crown corporation, Manitoba Investments Corporation can now turn into a new taxing agent beyond the scrutiny of the Legislature again. Because they can levy a fee on the Crown corporation with no control on how that fee shall be levied - it just shall be levied.

And if they have an excess of money, it becomes part of the General Revenues. So this is the way, if they wished, that they could pillage the Crown corporations and in doing so, pillage the people of Manitoba who use telephones, who use hydro, who buy auto insurance compulsory, who deal with Manitoba Data Services, etc.

In other words, the ratepayers, the stakeholders of Manitoba, can be indirectly taxed through this piece of legislation. Now, is this what we're here to do, is pass a new method of raising taxes beyond the scrutiny of this House? Because that's what's provided in this bill. Whether you recognize it or not, it's there. I suggest the members opposite had better start reading this act respecting the accountability of Crown corporations because that's part of it, Madam Speaker.

Some of the duties that this corporation has - and let's get back to basics and understand who this new corporation is - the Manitoba Public Investments Corporation is essentially NDP Cabinet Ministers, that's who it is - nothing else, no more, no less. That's all it is, is NDP Cabinet Ministers going out and hiring their political friends to staff the new Crown corporation.

What powers do they have? Well, they have the power to receive from the Minister of Finance all monies, the Crown corporation. They can assume liability for loans and advances that are made by the Crown to a Crown corporation. Do you realize what we're talking about? What's the capital expenditure in Manitoba Hydro right now? It's over \$1 billion. That could be funnelled through this Crown corporation, through three Cabinet Ministers, beyond the scrutiny of the Legislature.

Yes, they can receive from a Crown corporation any funds advanced. They can make loans or advances to a Crown corporation. They can do the levying and recovering from the boards, the commissions, the Crown corps, sufficient funds to operate. They can ". . . give directions respecting the auditing of accounts and the accounting principles to be applied by any Crown corporation, board, commission, agency or like body to which this part applies." Now, isn't that an interesting one, Madam Speaker?

This group of three Cabinet Ministers can change the accounting practices in a Crown corporation just like the former Minister of Finance, the Member for Rossmere, and the now Minister of MPIC did in reporting the reinsurance losses in 1984. They changed the accounting procedures so they hid them from the

public. They covered them up, and now we're enshrining that in legislation that they can do that.

MADAM SPEAKER: Order please.

The honourable member's time has expired.

MR. D. ORCHARD: That's a pity. I wonder if the honourable friends opposite might grant me leave. I don't hear nay, Madam Speaker.

A MEMBER: Nay.

MR. D. ORCHARD: Oh, a pity! The \$2-billion bozo wouldn't give me leave.

MADAM SPEAKER: Order please.

The Honourable Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Madam Speaker.

I also chose to speak on this bill. It is unfortunate that . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Member for La Verendrye has the floor.

MR. H. PANKRATZ: Madam Speaker, it's unfortunate that this bill is such a thick bill that 40 minutes wasn't actually adequate for the Member for Pembina, and that members opposite weren't prepared to give the member leave so that he could actually go through the total bill.

But, Madam Speaker, my few comments - I believe the Member for Pembina basically covered everything that I would have liked to say, but I think the Member for Lakeside, he mentioned that people's perception was a big portion of whatever was taking place in a situation of this nature, and I think this is exactly what the Government of the Day is trying to do. They are trying to now create a super Crown corporation, a Crown Investment corporation to take place of the original Crown corporation, and that shall now alleviate all the problems that we have seen happen in the past.

Madam Speaker, the Member for St. James, I saw him wearing sandals just a little while ago. I think he's going to go over to Saudi Arabia and check out our losses, our \$28 million losses, how deep down in the sand they are buried. So he's got the sandals already. All he needs now is the camel, I guess, so that's going to be next. Madam Speaker, I had to give him that little dig before, because I mentioned to him that I would, so I couldn't let that go by.

Madam Speaker, we see in Workers Compensation the losses that Workers Compensation has. Madam Speaker, they have no mandate to have this loss, and still this loss is being incurred. Madam Speaker, there is no accountability to this House. There is nobody coming to this House and giving us a statement of what the actual losses will be or how it will be recovered or anything of that nature.

Madam Speaker, I come from a municipality, the Town of Steinbach, and we have to abide under The Municipal Act that this Legislature has put in place. Madam

Speaker, that does not allow us to go overbudget on any items within the town's budget. Madam Speaker, if we did go over, if we would have gone over by anything to the extent of one mill then, according to The Municipal Act, we would have to budget for it the following year as a loss which had incurred the previous year.

Madam Speaker, we see a runaway train, basically, as far as our finances are concerned. Last year, we were over by something like \$60 million or \$70 million over budget, \$60 million or \$70 million, and actually, there's nobody who has to be held accountable for it. The Finance Minister can just go ahead, well, the expenditures were just a little bit higher and so that's what it cost, and our losses are so much greater, and that's no accountability.

Madam Speaker, we see our hydro rates going up by 9.7 percent this year. This government before the election indicated we had sales. My colleagues have asked numerous times in this House, posed the question, are these sales now firm. These three sales, before the election they were firm; now it's a year and a half after the election and, Madam Speaker, we see \$50 million of sales to date, whereas I thought there should be in the neighborhood of \$300 million before the election.

Madam Speaker, we have our foreign debt losses. The Finance critic, the Member for Morris, has at numerous times indicated where are these losses, how will we recover them, and what is the five-year plan of this nature. Madam Speaker, there is no accountability on any of these issues.

I think it's a tragedy to see how we on a municipal level have to be accountable, and the general public sees the municipalities, because they're all accountable and watching out for a dollar - the Member from Lac du Bonnet, he knows good and well what I'm talking about. He comes from the same basic municipality structure that I was working under, even though his was a municipality and ours was a town but basically the act, The Municipal Act, was the same where you have to give accountability for everything. I know he watched out very much in his municipality how he was operating financially. Here we see a runaway train as far as money is concerned. Madam Speaker, I'm not going to belabour that very much, because I think some of my colleagues have made a very good job of it.

But, you know, we can see when Alcan was going to come to the Province of Manitoba. In 1981, negotiations were going on with Alcan. Madam Speaker, the minute this government took power, Alcan withdrew. There were basically no more negotiations with Alcan. Madam Speaker, Alcan would have built half of that power plant. Now we are borrowing money to build the power that we don't have basically use for at the present time.

Madam Speaker, I think that has to be put on the record that we can see what is happening with the government and with the big business that would have liked to locate in this province and, for reasons now, they have just pulled back and they're just going to wait awhile. Well, we all know why they're going to wait awhile. If the government is going to change, possibly negotiations can be taking place again.

I want to make just a few remarks in respect to accountability now of this super Minister. He is in power

Monday, 13 July, 1987

now already for about three months and, Madam Speaker, I would think that his mandate would be that now, under Workers Compensation, he would give us a report as to what's going on or what the long-range future is supposed to be, or when will it ever be surfaced? Madam Speaker, my question to him is - and I wish that he would, somewhere down the line, be able to tell me - MPIC, when will he give us a report as to where we stand financially and how we will recover from it?

I believe this Minister now has the authority and the power and I think that's in his jurisdiction and we, as Opposition members, should be entitled to that information, and I think it's being withheld from us. Like my colleague already indicated, act honestly like it states in the act. Well, I would think this would be an act of honesty if he would now not just state that, in regard to MTX, there have been bad mistakes made in trying to cover up just so that it shall be covered up. No, he should now grab a handle of the situation and where we're at and come clean with it and show the Opposition and show the public exactly where we stand and how we're going to get out of this dilemma, but I realize basically that there is no such a thing that he has. On paper, it shall seem as if he has the power but, in reality, it's no different than what it was before, and it'll be running the same way as it has before.

ManOil, for instance, in Southwestern Manitoba, last year when we were going over the Estimates, \$10 million has been borrowed to ManOil. Then when we talked of the losses on ManOil and the interest on the \$10 million, well then the Minister of Industry and Technology indicated those losses weren't calculated. We don't do such a thing as calculate those losses out of the interest on that money. Well, that's the problem that we have, Madam Speaker. We have a problem of accountability, we have a problem of runaway money. The train is going down the track, and it seems to me there's no holding back. Our economy is on a false economy.

But, Madam Speaker, I wish this super Minister well. I think he is the sacrificial lamb now to the public to cover up for the losses just so that the public shall hope and feel now that there's a new young fellow there. He's really full of everything, and he's going to correct all these different Crown corporations, all the shortfalls and the pitfalls of it.

And my problem that I have with it - and I read through the act and it stated there in one place of the act - that nowhere are any of the members of the board or anyone held responsible. Just a minute ago, I wanted to mention it and I couldn't find it in the act, but it was in there when I read through it. That struck me, that the accountability of any financial losses or anything of that nature, that they were not held responsible. That bothers me because, Madam Speaker, the people of the Province of Manitoba, I think they cannot handle very much more. I think they have been burdened with enough. They have been saddled with enough. And, Madam Speaker, with those few comments, I would wish the super Minister well.

Thank you.

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you Madam Speaker.

I am pleased to get up today to make a few remarks on Bill 58, An Act respecting the Accountability of Crown Corporations and to Amend other Acts in consequence thereof.

Madam Speaker, I find it hard to believe that, after having had a Department of Crown Investments, this government is now bringing in a new, a different type, literally, of bureaucracy to try - and I say to try - and manage the Crown corporations. It's an acknowledgement by this government that the Crown corporations have been mismanaged, that they're out of control.

What do they do? They throw more gasoline on the fire. They create another Crown corporation, a super Crown corporation. It's going to cost us money, Madam Speaker. Section 24, subsection 11 of the proposed act says it gives us the authority to borrow up to \$5 million. In the hands of this government, Madam Speaker, they will borrow that money. Once that is not enough, they will amend the act so they can borrow more money. Of that, there is no doubt.

We have seen them being financially irresponsible in every single segment of government, in every single Crown corporation. This act, this bill, will not only give the government the power to duplicate the existing Crown Investments, but it will indeed make a new corporation even that much more inefficient.

What is the purpose of this act, Madam Speaker? I think my colleague from Pembina stated it quite well a while ago. The purpose is to cover up. There's no doubt about it, especially in an election year. How convenient, Madam Speaker, how convenient. Call an election for the spring and the act comes in. It says, well, you don't have to report until after May. How convenient, the losses are all covered up.

A letter of my colleague's said this is kind of a kitty litter act. Why? Because you know what kitties do in a litter box; they cover up. There'll be a lot of that stuff to cover up once this act is in force.

Why do they want to cover up? Well, there are many reasons. Take MTS - a loss of almost 30 million to date. MPIC - almost \$60 million. Workers Compensation which does encompass many a Minister - \$184, almost \$185 million. McKenzie Seeds, we pumped in almost 12 million. By we, I mean the taxpayers, Madam Speaker. And Workers Compensation, they didn't even have the authority to spend that kind of money, they didn't even have the authority to run up a deficit. They're going to have to call it something else.

Hecla Island, and I visited Gull Harbour, beautiful resort, and indeed it should be, it's costing us enough as taxpayers, around \$2 million to date and no doubt more to come, maybe more. The super Minister is trying to get his feet wet, so maybe there's more money to come, maybe he'll grant them more money. If things aren't running right, throw money at the problem. He's learning fast from his colleagues, the financial bozos as my colleague from Pembina states. What about Flyer Industries? Over \$100 million to date; Manfor \$160 million to date. Are you going to get that under control? Of course not. Hydro - there's billions there, yet to be known how many. That's why we had two hikes this year, one as consumers, one as taxpayers.

Madam Speaker, so they create a super Minister, a crown prince, so to speak. It's kind of funny to watch the government, by a government with three First Ministers.

Monday, 13 July, 1987

We have the token figurehead, the First Minister from Selkirk, with no real clout in Cabinet. Then they create another token figurehead from Concordia who will assume the crown pretty soon. We all know the real First Minister is the Member for Churchill. Nobody out there makes a move without his say-so. That will include this new member, this new Minister. When it comes to damage control, we know who the real First Minister in this government is, the one person who single-handedly runs this whole province.

Madam Speaker, this will not bring anything into control. We know who the real First Minister in this government is, the one person who single-handedly runs this whole province. Madam Speaker, this will not bring anything under control. This government has proven itself unable to manage the departments, never mind Crown corporations. This government has shown itself unable to appoint competent people.

Now they will write into the act, they will now legislate, make sure that they are not able to appoint competent people, even if those people are available. And should they be available, they will make sure there is a minimum amount of numbers so that they cannot manage efficiently.

They talk about meaningful control. What kind of control? Why are they so concerned about the mismanagement of the Crown corps all of a sudden? Why, Madam Speaker? Because there has been an effective Opposition that brought the losses up to public scrutiny.- (Interjection)- The Member for Churchill agrees, and I'm glad to hear that, because it's a fact that had it not been for the members on our committee -(Interjection)- I hear some noises across. Well, I guess it doesn't matter if we understand them or not; they're probably meaningless. They're probably acting as they would be around the table of the new Crown corporation.

The fact is what kind of meaningful control will there be? As has been pointed out before, we're going to get every hack and flack from across Canada, every unemployed socialist and New Democrat in Canada who cannot find a meaningful job anywhere else, will find a niche in this province, will find a niche somewhere in a Crown corporation, will find a niche possibly in this super Crown corporation. The problem, as my colleague from Pembina has pointed out earlier and presently, is that there will be no accountability for this Legislature. The money will come from levies on the Crown corporations.

How convenient. How convenient for their political friends! How convenient for the political ideologues. Madam Speaker, what more can the taxpayers of Manitoba expect? What more? They have seen their dollars squandered away in these different Crown corporations. They have seen their dollars squandered away by Ministers who are not responsible and now they will see more dollars squandered away by board members who won't be responsible.

What incentive is there for those board members to make sure that the Crown corporations are effective? What kind of incentives are there to make sure that these Crown corporations do indeed bring forth a profit, or at least, do not lose money. There is none; no incentive whatsoever.

Unfortunately, Madam Speaker, there is just an extension of ideology. This government, as the token First Minister said in many an election campaign, intends to use Crown corporations as an instrument of public policy.

What does that mean, translated? That means that the Minister says, here, here! That means that this government wants to use this type of legislation, this type of bill, to further pursue the political objectives to give jobs to their political friends who are unable to find them anywhere else. That is the real purpose of this.

Madam Speaker, most people in Manitoba - yes, the vast majority - even members, even people who vote for that political party, I don't think they want to see any more Crown corporations. I think they've had enough. We see them now introduce a bill by the junior Minister of Energy to bring in the gas company as a public utility.

Will it also fall under this act? We presume that it will. But, Madam Speaker, nothing will change. The fact remains that this government cannot manage, cannot control, is totally irresponsible fiscally anyway and otherwise.

Madam Speaker, I, as a representative of the people of this province, cannot in good conscience support this bill. I was pleased to be able to voice my objections, and I would encourage members of the government to take a second look at this bill and possibly reconsider everything. If not withdraw it, well then, I would be forced to oppose it.

Thank you, Madam Speaker.

HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, before calling it six o'clock, perhaps on a matter of House Business, I can indicate that the Opposition House Leader and myself have agreed to call the Standing Committee on Statutory Regulations and Orders for 8:00 p.m. tomorrow evening, July 14; and to call the Standing Committee on Municipal Affairs for 8:00 p.m. on Wednesday evening, July 15, to deal with bills referred to it.

MADAM SPEAKER: The hour being 6:00 p.m., I am leaving the Chair and the House will reconvene at 8:00 p.m.