

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 24 February, 1988.

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 Agriculture.

HON. L. HARAPIAK: Madam Speaker, yesterday I indicated I would be tabling the listing of the meetings which were slated in different rural communities regarding the feedlot proposal. I have, to be tabled, a copy of the advertisement and the different locations for that.

Madam Speaker, the additional information with respect to the Free Trade Agreement that I referred to yesterday, I indicated I would be tabling that material here as well.

MADAM SPEAKER: The Honourable Minister of Culture, Heritage and Recreation.

HON. J. WASYLYCIA-LEIS: Thank you, Madam Speaker.

I have the pleasure of tabling the Annual Report for the Manitoba Intercultural Council 1986-1987; et aussi, Madame la Présidente, j'ai le plaisir de vous soumettre le rapport annuel du Centre culturel franco-manitobain pour l'année financière du premier avril, 1986, au 31 mars, 1987. Merci.

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

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery, where we have from the Murdock MacKay Collegiate, sixty Grade 9 students under the direction of Mr. Kusmak and Mrs. Rinn. The school is located in the constituency of the Honourable Minister of Health.

On behalf of all the members, we welcome you to the Legislature this afternoon.

ORAL QUESTIONS

MPIC - Silver contract

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister responsible for the Manitoba Public Insurance Corporation.

Nine days ago, the Minister revealed that Mr. Robert Silver was leaving the position of president of the Manitoba Public Insurance Corporation, in return for a contract for \$90,000.00.

At that time, the Minister agreed to table the contract that he had entered into with Mr. Silver in order to have him relinquish his position as president of MPIC. Is he now in a position to table that contract?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. B. URUSKI: Madam Speaker, that question was raised yesterday and the answer is still the same today.

MR. G. FILMON: Madam Speaker, it seems to take a long time for a contract that was presumably drafted and signed nine days ago for the Minister to bring it into the House.

MADAM SPEAKER: Does the honourable member have a question?

MDS - Silver - continuation as Chairman

MR. G. FILMON: Madam Speaker, my further question to the Minister responsible is: Does Mr. Silver, as part of that agreement, also relinquish his position as chairman of the Manitoba Data Services Corporation?

HON. B. URUSKI: Madam Speaker, as I indicated yesterday, I am not a lawyer by profession and the contract is being reviewed by legal counsel and, as I said yesterday, again, as soon as I receive it from them it will be tabled in the House and my honourable friend will have all the information he desires.

MR. G. FILMON: Madam Speaker, twice last week the Minister indicated that Mr. Silver would be retained in other capacities by the province in addition to the \$90,000 contract.

Could he just give us the straight answer: Will Mr. Silver remain as chairman of the Manitoba Data Services Corporation as part of that agreement?

HON. B. URUSKI: Madam Speaker, those questions also were answered, but I think the honourable leader should wait for the contract and then he will see whether his questions are answered.

MR. G. FILMON: Madam Speaker, with the greatest of respect, that question has not been asked before, so it could not have been answered by the Minister.

Would he reconsider that and give us the straight answers? I mean people are asking, what is he getting \$90,000 for? What else is in the agreement? Does he remain as chairman of Manitoba Data Services Corporation after he has lost over \$100 million as the CEO of MPIC? Does he get now to also lose millions

of dollars at the Manitoba Data Services Corporation before this Minister takes some action? We want an answer.

MADAM SPEAKER: Order please. It is out of order to insist on an answer.

The Honourable Minister responsible for MPIC.

HON. B. URUSKI: Madam Speaker, I don't think the honourable member is aware of his facts at all, in terms of the Manitoba Data Services.

Madam Speaker, the Honourable Leader of the Opposition is not a lawyer either, and I believe he should know how long lawyers take in these matters.

Madam Speaker, on this issue, the original tact of the Opposition was that we were hiding Robert Silver. Madam Speaker, we made an arrangement that Robert Silver, that we were getting rid of him to hide him and we were covering up. Now that we have an agreement that he will be appearing before committee, the Opposition doesn't like that, Madam Speaker. You can never satisfy them.

MR. G. FILMON: Madam Speaker, I didn't suggest that I was a lawyer, and I don't think I need to be a lawyer to ask this Minister a question. I may need to be a lawyer to interpret his answer because . . .

MADAM SPEAKER: Order please, order.

Does the honourable member have a question?

MR. G. FILMON: I would like to ask the Minister a very simple question. Can he tell us, is Mr. Silver going to remain as the chairman of Manitoba Data Services Corporation, or is he not?

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

HON. L. EVANS: Madam Speaker, as Minister responsible for Manitoba Data Services, I can report to the Legislature that Mr. Robert Silver has done an excellent job as chairperson.

He's very capable; he's been a very capable chairperson of the MDS. He's been on for some time, and he will continue in that capacity and serve the people of Manitoba, indeed, in a very excellent fashion.

MR. G. FILMON: Madam Speaker, my further question then to the very forthright Minister of Employment Services and Economic Security is, what will Mr. Silver be paid in his capacity as chairman of Manitoba Data Services Corporation, and will this be over and above the \$90,000, plus extras, in his agreement?

HON. L. EVANS: As I've indicated, Madam Speaker, Mr. Silver has served in this capacity for some time, and of course he has, — (Interjection) — hang on.

If the Member from Arthur would be please be patient, we'll answer the question.

He has served in that capacity for some time and has not received an honorarium because he was employed in the public sector in another capacity, and this arrangement will continue. He will serve without an honorarium.

MR. G. FILMON: Madam Speaker, my further — (interjection) — No, he's getting what he's worth this time.

Opinion poll results

MR. G. FILMON: Madam Speaker, my further question to the Premier is, in the Premier's absence on Monday, the Deputy Premier took as notice a question which I posed on Criterion Research in some polling that they were doing throughout the province during the past 10 days.

I wonder if the Premier could give me the answer to that question now.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: The Deputy Premier took that question as notice; it remains under notice.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: All right, Madam Speaker, did the Premier say that the question remains on notice?

HON. H. PAWLEY: Under notice, Madam Speaker.

MR. G. FILMON: Is the Premier indicating that he doesn't know whether or not Criterion Research is doing an omnibus poll throughout the province on behalf of his government or any of its departments or agencies or Crown corporations?

HON. H. PAWLEY: The question has been answered, the question has been taken as notice.

MADAM SPEAKER: The Honourable Leader of the Opposition, with a question.

MR. G. FILMON: Madam Speaker, I wonder if the Premier could indicate whether or not his Ministers or their Crown agencies can do polling without his knowing about it. Is this a matter that is done routinely without the Premier's knowledge?

HON. H. PAWLEY: Madam Speaker, again the question was taken by the Deputy Premier and it will be answered in due course.

Plant closure - Brandon

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, my question is directed to the Minister of Industry, Trade and Technology.

The Federal Pioneer Electric Company of Brandon has announced that it will be closing its doors on May 2, laying off 57 workers, in addition to the 11 recently laid off. They were going to be consolidating their operations and moving their manufacturing activity to Brantford.

This is the worst single job loss in Brandon in recent memory, Madam Speaker, and it has an impact on my community, like the impact of losing 1,020 jobs in the City of Winnipeg.

At one point recently the company approached the Minister's department to discuss expansion plans. Can the Minister tell us about that and tell us what assistance was offered to this company to help keep them in my community?

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

My department has been in contact with the company several times in the last few months, and it certainly is a most unfortunate event. As I understand it, there was a purchase of the company that it works roughly at one-third of capacity and that it was losing significant amounts of money and it was therefore closing. We had indicated within the last few weeks that we are prepared to discuss any ways of seeing whether there would be some assistance that was reasonable that could keep them going. I certainly can get back to the member on specifics of them.

MR. J. McCRAE: Madam Speaker, the announcement was made last Friday. The company did have meetings with IT and T last fall, I understand. What has this Minister's department done? He's a full-time Minister I understand, of this department at least. What has this department done to prevent what happened last Friday from happening and what assistance will be offered to keep this plant open? If the plant should close, how could another manufacturing company be attracted by the Grant and Economic Development Board, by the Chamber of Commerce, or the Minister's department, in the face of this government's tax regime and its Workers Compensation Board premiums, labour laws and this government's opposition to the free trade deal?

HON. V. SCHROEDER: Well, at least the member didn't throw in the kitchen sink. He had pretty well everything else.

Now, Madam Speaker, the member should start looking at what's been happening in Western Canada in the last few years since the Pawley administration took office and compare what has been happening with respect to the economy here, with respect to investment here as compared to Tory Saskatchewan and Tory Alberta and Tory British Columbia. Our record is one that we are very proud of compared to other parts of Western Canada. We have done well in terms of protecting employment and opportunities for Manitobans, whether it was through the Jobs Fund, whether it was through other activities not only of the department, but also the private sectors have done well and, yes, there are occasionally failures. But those people opposite, never once talked about the successes. All they do is continually harp and carp about the failures. I have indicated to him, not only last fall, but over the last few weeks and over the last few days, there have been discussions with that company and if there's something we can do, we will

do it. We will not sit back and whine and groan like the Member for Brandon West.

MR. J. McCRAE: The Minister's response today is very cold comfort for those 57 workers who had planned to continue buying homes and were planning their future and families. What has this department done since the announcement and what will it be doing? What will it be doing? What has it done since the announcement by the company to explore possibilities to keep the company operating in Brandon? What has been done?

HON. V. SCHROEDER: There must be a hearing deficiency on the opposite side. I have now twice indicated that right now, in the last few weeks, there have been discussions going on that I do not believe are terminated at the moment. I don't understand why the — (Interjection) — Well, Madam Speaker, this company, I have indicated, was at one-third production level. This company was losing money because it didn't have a market. That's why they're closing in Vancouver. Madam Speaker, that's the point that still is not understood.

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

The honourable member was asked a question. I'm sure the Honourable Member for Brandon West wants to hear the answer.

The Honourable Minister.

HON. V. SCHROEDER: Free trade, Madam Speaker, has absolutely nothing to do with it, but this is the group that is telling us we should support free trade because of what it will do to agricultural implements, not recognizing that we have had free trade for forty years in agricultural implements and that for every agricultural implement we sell to the United States, they sell three of the same value to Canada. That's what's happened with free trade in that particular area, and the suggestion that the member would throw that sort of nonsense into a serious question regarding the lives of individuals and the futures of individuals in Brandon who are being laid off and who are insecure right now is shameful and disgusting. We are working on it. We will continue to work on it. We will not do it only for one group, we will try to do it all over the province to help Manitobans and not to cut back on things like unemployment insurance and protection when people lose their employment in the way that the federal Mulroney Government supported by that group opposite has been doing.

Group homes - report recommendations

MADAM SPEAKER: The Honourable Member for River Heights.

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

Russell Smith died as a result of a bathing accident in a group home for the mentally handicapped on December 19, 1987. It is presumed that he died of drowning; however, no one knows for sure since the autopsy two months past the death is still not available.

Since that time the Minister has issued a series of recommendations which, while important, do not address the major problems of group homes for the mentally handicapped.

Will the Minister tell the House today when will this government institute compulsory training programs for those working in group homes for the mentally handicapped or providing respite care for the mentally handicapped?

MADAM SPEAKER: The Honourable Minister of Community Services and Corrections.

HON. M. HEMPHILL: Thank you, Madam Speaker.

Madam Speaker, I believe that the investigation that was undertaken by my department related to this very tragic accident was very comprehensive and far-reaching. In my discussions with both Winnserv and the Russell's parents, I believe that they also felt the same way, that this was a very comprehensive review and that it highlighted a number of concerns that they had and others had for some time.

Since then, Madam Speaker, we have taken very strong direction in terms of working with not just the Winnserv Group Home but all other group homes by providing the full report on this tragic accident to all of the group home operators, pointing out the major areas of deficiency and problems and communicating the requirements that we had where there would need to be upgrading and improvement. We are continuing to work with Winnserv and other operators. We are dealing with and looking at the issue of training and preparation for workers because, clearly, one of the problems was the high turnover of staff.

Madam Speaker, we are working on all those things. We are working on them cooperatively with the community, with the parents and with the group home operators.

MRS. S. CARSTAIRS: A supplementary question to the same Minister, Madam Speaker.

In other words, there will be no compulsory training programs. When will this government introduce a salary enhancement grant for those working in group homes similar to those offered to day care workers in that the mentally handicapped adult is often more vulnerable than the child?

HON. M. HEMPHILL: Well, Madam Speaker, I think I was indicating that this was a comprehensive report that looked at all of those issues. It looked at procedures, it looked at policies, it looked at programs, it looked at training and it's looking at salaries. We are dealing and looking at all of those issues collectively with the community, with the group home operators, and I think that's the way we should be going.

MRS. S. CARSTAIRS: On a supplementary to the same Minister, Madam Speaker, because Manitobans are getting frustrated with looking and they want action.

Will this government institute more frequent inspections of group homes for the mentally handicapped to ensure appropriate programming and safety of residents at least to the level of inspections that are now conducted on day care?

HON. M. HEMPHILL: Madam Speaker, one of the other areas that was looked at since I indicated this was a very comprehensive examination was the question of monitoring and evaluation and that my department has been instructed to look at those procedures and to look at both the monitoring and the communication that takes place between my department and the group homes.

I also indicated that I was reviewing the procedures that were in place for doing investigations of group homes, and I am pleased to be able to say, Madam Speaker, that I will very shortly be issuing new draft guidelines and procedures for the monitoring and investigation of group homes that will be going out to the residents that are in group homes, to the families and to the group home operators for their reaction so that we do, indeed, have a procedure in place that everybody understands and that everybody will have a copy of and that people have had input into. So, Madam Speaker, we are dealing with all of these issues.

Transfer payments from Fed. Gov't

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. I direct my question to the Minister of Finance.

Madam Speaker, it is obvious to anyone wishing to do even a cursory analysis of provincial finances that this government, primarily as a result of the unconscionable tax grab that it brought forward in last year's Budget, because as a result of that, this government is going to have come in a major inflow of tax revenue in the coming fiscal year. This will be supplemented by an increase in federal cash/tax transfers.

My question to the Minister of Finance: Can he at this time give us the magnitude of the increase of cash transfers that will be coming from Ottawa?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: The member knows that kind of information will be the information that will be contained in the Budget when it's brought down in two days. We will be providing all the information with regard to the fiscal situation in our province. We will be indicating the increases or decreases, as the case may be, in various revenue sources including the one that he asked for.

I would say to him that it would take significant increases in federal transfer payments to make up for the shortfall that Manitoba is experiencing in the support to the share of health and higher education expenses that we are incurring on behalf of the residents of Manitoba. The same is true, as I pointed out in this Chamber just a few days ago, has been stated by provinces like Ontario and New Brunswick.

So the member should be patient and wait for the Budget when it is brought this Friday and we will be able to respond directly to his questions and also to the outlandish suggestions that he made this morning with regard to other fiscal matters.

MR. C. MANNES: Madam Speaker, I'm glad to hear that the Minister tuned in to the conference I had this morning.

Madam Speaker, I have in my hand here a news release from the Treasury Board of Canada, Fact Sheet No. 3, released yesterday by the Federal Minister, February 23, 1988. In that document, Madam Speaker, it shows that total all-cash transfers to the Province of Manitoba in '88-89 will be \$1.275 billion. Madam Speaker, that represents a full 10 1/2 to 11 percent increase over last year.

Again, Madam Speaker, my question to the Minister: Given that that is the number that will be in the Budget on Friday coming, will that money be directed towards deficit reduction?

HON. E. KOSTYRA: My simple answer would be to wait till Friday.

I understand that the member has made the suggestion that the deficit for this upcoming year should be around \$200 million. It's interesting that every time he makes statements, he keeps changing his projections. It was just last April 1 when he issued a press . . .

A MEMBER: April Fool.

HON. E. KOSTYRA: April Fool's Day, yes, when he outlined a number of scenarios for the deficit projections for next year, this coming year, that will be contained in the Budget that will be coming down this Friday. And you know what one of his projections was, Madam Speaker, was a Ronald Reagan approach to fiscal policy issued on April Fool's Day of last year. In that scenario, he was suggesting a deficit level for next year of \$420 million.

Madam Speaker, I would suggest to you and I would suggest to members opposite and to Manitobans that if we were to achieve the kind of deficit figure that he's talking about of \$200 million next year, you would see the kind of hacking and slashing in this province of public services well beyond anything that Sterling Lyon's Government did and well beyond any hacking and slashing that's taken place in Saskatchewan and Alberta to come up with the kind of bottom line that he's talking about. We will not be following that course, Madam Speaker.

Budget - reflect Crown corp'n losses

MR. C. MANNES: Madam Speaker, given the fact that the Minister of Finance has indicated that the government will not be directing towards deficit control the windfall of revenue that they can expect from the Federal Government and also from the major tax grab that they brought forward in this province, will the Budget this year reflect any portion of the Crown corporation losses that have amounted to several hundred million dollars over the last number of years?

Will it reflect any portion of the unfunded liability associated with the government's responsibility in civil servant and teacher pensions?

Will the Budget reflect any aspect of those liabilities to the taxpayers of this province?

HON. E. KOSTYRA: Again, Madam Speaker, the simple answer would be to wait for the Budget.

The member knows that I did respond in Public Accounts with regard to Crown corporation losses and indicated to him that we will be following the Auditor's advice with respect to the Budget this year, so the answer to that question is yes.

In terms of the pension liability, I find it strange the concern that that member has when it was his party in 1961 - and continuing through the years from 1961 all the way through to 1969 and again through the years from 1977 to 1981 - continued the practice of not doing that, and he is expecting this government to change that policy overnight. The answer to that one is "No."

We will be following, as I indicated in Public Accounts, the practice of other provinces which are working through a central committee; and it's all provinces, except the Province of Ontario, that has the same issue with respect to pension liability. In fact, the liabilities in Conservative Saskatchewan and Conservative Alberta are much higher than the liabilities in the Province of Manitoba. But we will work with all governments in Canada to come to grips with that issue with regard to pension liability.

Wife abuse - sentencing of victim

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker. My question is to the Attorney-General.

This week, another battered woman has been jailed for failing to testify in court against her abusive partner.

When will the Attorney-General put a permanent stop to this intolerable practice of jailing the victim while the batterer goes free?

MADAM SPEAKER: The Honourable Attorney-General.

HON. V. SCHROEDER: Thank you, Madam Speaker.

Yes, it was Judge Frank Allen who imposed that sentence. I have indicated that we're not particularly pleased. In terms of what we know right now about the facts, certainly, it seems somewhat large for the offence.

I should say, Madam Speaker, that several years ago, 1983, the then-Attorney-General changed the policy whereby women in Manitoba used to have to make these prosecutions in a private fashion. They had to go to a lawyer; they had to pursue prosecution. We changed that policy to say that where there was that kind of activity, we would not put the victim to that expense; society would take on that role.

There were problems over the years, as the Member for Kirkfield-Park would acknowledge, that occasionally a spouse, which was usually a woman, would not come to court and then there were contempt charges. And we discussed that with different groups in the province and came up with a policy back in May of 1987 pursuant to which there would not be a prosecution of the victim unless there had been a review of the file by a senior prosecuting attorney as well as the Assistant Deputy Attorney-General on the criminal side.

This particular case came to court in June of 1987. The charges were then laid. It appears, unfortunately,

that although the new policy had been in place for roughly a month, it may well be that that policy was not followed. We are investigating to determine exactly what did happen internally. We are concerned with that.

On the other hand, as I am sure the member is aware, there is also the concern that if it becomes the norm that nothing happens to a person who doesn't come to court to testify, then we will get back into the old system where the abusing spouse can say, "Well, there's no problem; if you don't show up in court, nothing will happen." So we are between two difficult circumstances; we have to run a fine line.

We're not happy with what happened in this particular case. We are investigating it. If the member has any specific items to add to that, we'd be pleased to hear them.

MRS. G. HAMMOND: Madam Speaker, it's all well and good for the Attorney-General to talk about a fine line, but when a battered woman is faced with a position of going to jail or going home to the battering spouse, there has to be something that can be done. I would suggest that this Minister, the Attorney-General, get off his whatever and get that woman out of jail.

MADAM SPEAKER: Does the honourable member have a question?

MRS. G. HAMMOND: My question is to the Attorney-General, Madam Speaker.

What is being done this minute by his department to get that woman out of jail today?

HON. V. SCHROEDER: Madam Speaker, these things about fat whatever's are, I think, a little bit . . .

MRS. G. HAMMOND: Madam Speaker, on a point of order.

MADAM SPEAKER: The Honourable Member for Kirkfield Park, on a point of order.

MRS. G. HAMMOND: I would never have referred to the Minister as having a fat whatever. I would like him to withdraw that remark, please.

HON. V. SCHROEDER: Madam Speaker, if the member says she didn't say that, certainly I'll withdraw it.

Madam Speaker, however, the implication of the . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. V. SCHROEDER: The implication of the question was that the Attorney-General should be running around changing the sentencing that takes place in our criminal courts. That of course is not the function of the Attorney-General.

Nevertheless, there have been discussions with respect to this particular case. I understand that the woman has been freed some time ago. She's not in jail.

If the member would check her facts before she makes these kinds of allegations, she would find out

that her allegations are untrue, that we do have concern on this side and that we do act and that we're not happy with the way this case went. We're not happy at all with the fact that woman got a seven-day sentence, given the other things that had happened to her.

That's one of the reasons, Madam Speaker, that we are looking to, quite frankly, having some new input into the provincial Bench from a female perspective. We've brought three new female judges onto the Bench. We think that those kinds of things have to happen. There has to be a perspective on the way society sees these kinds of things. There has to be a recognition that we don't attack the victim in the courts.

Tourism - fed.-prov. agreement

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

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

It's traditional with this government to continually blast the Federal Government for their lack of support in funds. Madam Speaker, in 1985, the Federal Government signed an agreement with the Provincial Government for a first-class tourism program. Madam Speaker, \$15 million was promised by the Federal Government for a program.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

I'm having trouble hearing the Honourable Member for Portage la Prairie who is asking a question.

MR. E. CONNERY: Madam Speaker, the Federal Minister of Tourism was in Winnipeg yesterday. The information that we get is, why isn't Manitoba spending the money on tourism. Can this Minister tell us? Also, the worry was: Will the money not be spent before the tourism agreement runs out? How much money does Manitoba stand to lose because of this incompetent government?

MADAM SPEAKER: Order please.

The Honourable Minister of Business Development and Tourism.

HON. A. MACKLING: Madam Speaker, I apologize to the Honourable Bernard Valcourt, the Minister responsible for Tourism in the Federal Government, that he was obliged to see me in this building. He had expected me to participate in a conference of Ministers dealing with Tourism, but I had to explain that I couldn't get pairing arrangements to meet him on neutral ground. I appreciated the fact that he was somewhat discomfited in this arrangement, but we met in this building.

I was quite surprised to read afterwards of his comments in the press because quite frankly, Madam Speaker, the funding under that agreement had been held up for over six months by a deliberate freeze action on the part of the Federal Government. There was a backlogging of a series of agreements that had passed all through the process but were held up by that freeze in Ottawa. As a result of that freeze, we lost specific

initiatives in Manitoba. I pointed that out to the Honourable Minister and, when I had explained that, I thought that he appreciated and had backed off but, in his comments to the press, he continued along that line.

Madam Speaker, the investments that we will make in Manitoba are to be good, sound tourist investments. We're not going to throw dollars around to buy votes. We want good tourist development and what we fund will be worthwhile.

MR. E. CONNERY: Madam Speaker, if this is the first time they're not going to throw money around to buy votes, it'll be the first time that this government has done that.

MADAM SPEAKER: Does the honourable member have a question?

MR. E. CONNERY: Yes, Madam Speaker.

One of the problems with the Tourism Agreement is the minimum size of projects that is required in this agreement. Did the Minister discuss - and we've had many many complaints from the tourism people, the lodges and outfitters looking for money but can't fit it in the huge criteria. Did the Minister discuss any changes in the program with the Minister?

HON. A. MACKLING: Madam Speaker, I was able to point out to the Federal Minister that all of the monies under this agreement in each sector would certainly be likely called for. We have allocated specific monies in various regions, in accordance with the agreement, and there's no question but if we had more money we'd probably be able to cash flow that, but not necessarily in the two years remaining.

Madam Speaker, in the area of tourism development, and the honourable member should appreciate this, we are leveraging private sector investment, significant investment, two or three times the amount of the public investment or it's not worthwhile. That's the kind of thing we're doing. When you're trying to get that kind of dedicated private sector investment, there is a lot of work to be done. Those private sector investors have to be convinced that what they're investing in will be a viable project. That takes time. We're prepared to give them the time to ensure we get cut that kind of project, Madam Speaker.

MR. E. CONNERY: Would the Minister table in this House the various amounts of money that have been spent by sector and the amounts of money spent on the private side, and those spent on the public side?

HON. A. MACKLING: Madam Speaker, during the course of my Estimates, I'm sure the honourable member will want to go dollar-for-dollar on every item. I'll be delighted to share that information with him.

Western Grain Stabilization Program - premium increases

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker. My question is to the Minister of Agriculture.

Has he been consulted about the proposed increase in the farmers' share of the Western Grain Stabilization Program?

MADAM SPEAKER: The Honourable Minister of Agriculture.

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

I want to indicate, Madam Speaker, that I as a producer, like many people in this Chamber and many producers in the province, would have had indication from the Federal Minister that there is consideration being given to revamping the Western Grain Stabilization Program. I should point out for members in the House who are not familiar that that, Madam Speaker, is an excellent program. It's a kind of an insurance program, something like Autopac, but it covers a different area. That program, Madam Speaker, is in a deficit position at \$1.5 billion.

In order to address that issue, there is indication, a public statement in the Saturday, February 13 issue of the Brandon Sun, that the Minister responsible is considering a 500-percent increase in the premiums to Manitoba farmers. It would seem, Madam Speaker, that is hardly comparable to the issue that was of such concern to the Member for Ste. Rose - not a 24 percent increase. If a 24-percent increase causes him to lead a rally at the Legislature, a 500-percent increase to the farmers of Manitoba, Madam Speaker, should cause much graver concern on his part.

MR. C. BAKER: Has the Minister got any idea of just what the effect will be on the grain growers and oilseed growers in Western Canada in financial terms?

HON. L. HARAPIAK: I can only address the issue of financial impact on farmers of Manitoba. I want to indicate that, in the last year, the premium contribution from Manitoba farmers was estimated to be \$5 million. It had been at \$8.3 million. Madam Speaker, some 20,000 Manitoba farmers make a contribution to the program. The maximum premium is \$600 at the current rate. If the statement that was indicated in the Brandon Sun comes to be, that premium would then be \$3,000 at the maximum, Madam Speaker.

It poses a very grave concern, Madam Speaker, because there is a legitimate concern about deficits in programs of that sort, as there are in any other insurance programs. But as there were concerns raised about the impact on farmers, this poses a much greater impact than the previous concern.

MADAM SPEAKER: The time for Oral Questions has expired.

Orders of the Day.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: If honourable members would like to continue in chaos, they can go right ahead. I called Orders of the Day.

The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, do I get to ask a question now?

Madam Speaker, I wish to move, seconded by the — (Interjection) — MLA for Morris . . .

MADAM SPEAKER: Order please, order please.

Now seriously, if honourable members want to hold private conversations, they can go out in the hall or elsewhere so we can continue the business of the House.

ORDERS OF THE DAY

ORDER FOR RETURN NO. 1

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, I move, seconded by the MLA for Morris, That an Order of the House do issue for return the following information:

1. The number of staff with communications and public relations responsibilities (a) within each department, (b) within Executive Council, (c) within committees of Cabinet and (d) within other direct government agencies, detailing the classification, benefits costs, other non-salary costs, and salary of each individual.
2. The same information as in (1) above for communications support staff.
3. The departmental appropriations for communication costs within each department, within Executive Council, within the committees of Cabinet and within other direct government agencies.

MOTION presented.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, we are pleased to accept that Order for Return.

Madam Speaker, while I am on my feet may I ask leave of the House to table the Estimates sequence.

MADAM SPEAKER: May I put the motion first?

HON. J. COWAN: Sorry, please do.

QUESTION put, MOTION carried.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Madam Speaker.

Perhaps I could have leave of the House to table the Estimates sequence.

MADAM SPEAKER: Agreed? (Agreed)

HON. J. COWAN: Madam Speaker, as you are aware, through a cooperative process that was agreed to by the Opposition Government two years ago, we have

set out a particular process for ordering the sequence of the consideration of Estimates by the House. Yesterday, the Opposition House Leader and myself sat down and undertook that review and did order the sequence.

So, Madam Speaker, just in quick response to the Member for Emerson's comments across the floor, we think this is an excellent ordering of the Estimates' review and are looking quite forward to the lively debate and exchange that will take place during the course of Estimates' review as it does always and, quite frankly, we couldn't have done it better ourselves had we done it by ourselves alone. So I'd like to thank the Opposition for their cooperation in that regard. It truly was a cooperative process. I think this is the second year that we've tried it and it's working well.

Madam Speaker, therefore, pursuant to the rules of the House sub-rule 65, subsection 6.2, I am tabling for the House the sequence that has been determined for the consideration of the Estimates by the Opposition House Leader and myself.

MADAM SPEAKER: The Honourable Attorney-General.

HON. V. SCHROEDER: Thank you, Madam Speaker.

Before I move to Second Reading of Bill 3, I'm tabling the roll of statutes which is this green pile. By agreement it was not circulated. I'll move it after tabling those documents. I'm just indicating that by agreement they were not circulated to all members, and I thank the Member for St. Norbert and the Member for River Heights for agreeing to that procedure. — (Interjection) — Oh, I was told that it had.

SECOND READING

BILL NO. 3 - THE RE-ENACTED STATUTES OF MANITOBA

HON. V. SCHROEDER presented The Re-enacted Statutes of Manitoba, 1988, Act; Loi sur les Lois réadoptées du Manitoba de 1988, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Attorney-General.

HON. V. SCHROEDER: Madam Speaker, I'll be fairly brief. The re-enactment was the process commenced in 1985 in response to orders of the Supreme Court of Canada which, in effect, required that all laws of Manitoba be re-enacted in English and French and printed and published: first, before December 31, 1988 in the case of CCSM acts, regulations and certain rules of administrative tribunals; then before December 31, 1990 in the case of other laws.

At the last Session of the Legislature, the largest part of the CCSM acts were re-enacted in the dual-column bilingual format. Those acts came into force on February 1, 1988. In this bill, we'll be re-enacting the remainder of the CCSM statutes, except for three acts, which will be subject of separate bills at this Session. At the end of this Session, the CCSM will have been completely re-enacted in the new format. Printing and publishing will therefore take place before the December 31, 1988 deadline.

The form of this bill is the same as the form of The Re-enacted Statutes of Manitoba 1987 Act. The acts to be re-enacted are set out in full in the roll, and the acts to be repealed are listed in the schedule. The honourable members will know that I've tabled in this Assembly the roll containing the texts of the acts to be re-enacted by Bill No. 3. Copies of the roll will also be made available for examination in the Legislative Library. Special arrangements have been made to have re-enacted acts in the hands of CCSM subscribers as soon as possible after they're re-enacted by this Legislature.

I am pleased with the work of officials in the department, who planned and carried out the work necessary to complete this re-enactment, and it's with pleasure that I move Second Reading of Bill No. 3, The Re-enacted Statutes.

MADAM SPEAKER: Order please.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

I move, seconded by the Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

MADAM SPEAKER: The Honourable Attorney-General.

HON. V. SCHROEDER: Thank you, Madam Speaker.

Before moving Second Reading of Bill No. 4, again I'm tabling the schedule referred to in that bill. Those are the documents before Mr. Remnant, before us. It's available on the table with the Clerk, same provisions as in Bill No. 3.

BILL NO. 4 - THE STATUTE RE-ENACTMENT ACT, 1988

HON. V. SCHROEDER presented Bill No. 4, The Statute Re-enactment Act, 1988; Loi de 1988 sur la réadoption de lois, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Attorney-General.

HON. V. SCHROEDER: Thank you, Madam Speaker.

I referred to the re-enactment process, the timing schedule required in the previous bill. I won't go over that again other than to say that the acts in Bill No. 4 are in the second category, not to be included in the CCSM, but they are in The Public General Act of Manitoba.

A schedule containing the text of the acts that are being re-enacted by way of this bill and copies of that schedule will also be available in the Legislative Library. The text is modelled on the text of The Re-enacted Statutes of Manitoba (1988) Act. However, the acts to be re-enacted are included in a schedule rather than a roll to avoid confusion with The Re-enacted Statutes Act.

There will be at least one more bill of this sort to complete the re-enactment of The Unconsolidated

Public Act before December 31, 1990. That's it on this one.

I move Second Reading of Bill 4, The Statute Re-enactment Act, 1988.

MADAM SPEAKER: The Honourable Member for St. Norbert.

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

MOTION presented and carried.

GOVERNMENT RESOLUTIONS

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I beg to move, seconded by the Honourable Minister of Industry, Trade and Technology, that:

WHEREAS many Manitobans support increased trade but continue to have serious reservations about the Canada-United States Trade Agreement signed on January 2 of this year; and

WHEREAS grave concerns have been voiced throughout Canada about the lack of opportunity and information for a full review and discussion of the terms and conditions of this complex and wide-ranging agreement; and

WHEREAS the proposed agreement goes far beyond trade to affect foreign investment, management of energy resources and the future viability of Canadian cultural industries; and

WHEREAS these and other provisions seriously threaten Canadian sovereignty, Canadian jobs and Canadians' ability to make free and independent decisions about our future development; and

WHEREAS Canada already has the highest level of foreign economic control of any industrialized country; and

WHEREAS Canada, under this agreement, will have no powers to review the takeover of companies with less than \$150 million in assets, while the United States not only retains all of its numerous restrictions on foreign investment intact, but is presently revising those restrictions such that they will be much stronger than Canada's; and

WHEREAS this agreement does not provide secure access to the United States market for Canadian and Manitoba goods and services, because Canada remains fully subject to United States countervail, anti-dumping and other provisions, which will therefore continue to be used to discriminate against Canadian exporters; and

WHEREAS the agreement offers the United States increased rights of access to Canadian non-renewable and renewable energy resources, but does not prevent the United States from launching countervail, anti-dumping and other actions against exports of Manitoba's hydro-electricity; and

WHEREAS a great many Manitoba farmers stand to lose income as a result of increased imports of United States farm products; and

WHEREAS this deal will not prevent the United States Government from continuing to provide huge subsidies

to United States grain farmers, a practice which has caused a loss of income for Manitoba farmers by giving an unfair advantage to the United States in Canada's traditional agricultural markets; and

WHEREAS this agreement fails completely to anticipate complex labour market adjustment needs of the very large number of Canadian and Manitoba workers who will lose jobs due to the agreement; and

WHEREAS this agreement inhibits our flexibility to implement government programs to address environmental, occupational, safety and health and employment standards; and

WHEREAS this agreement seriously endangers the Federal Government's power to pursue regional development programs, both short- and long-term, that provide for some measure of balance and fairness in this country; and

WHEREAS this agreement seriously endangers the Federal Government's power to pursue regional development programs, both short and long-term, that provide for some measure of balance and fairness in this country; and

WHEREAS the Federal Government has entered into a massive new bilateral trade agreement without first undertaking concrete steps to remove a range of inter-provincial trade barriers which have inhibited fair trade within Canada; and

WHEREAS the successful multilateral approach to trade negotiations and the gradual elimination of trade barriers such as those achieved through the General Agreement on Trade and Tariffs, are the best long-term solutions for Canada and Manitoba in gaining improved trading relations; and

WHEREAS the Manitoba Government will be referring this resolution to a committee of this Legislature to ensure that all members have an opportunity for thorough study and debate; and

WHEREAS the Manitoba Government has already committed not to bind itself to implement those aspects of the proposed agreement falling under provincial control, and to take appropriate measures to protect Manitoba from the negative impact of the agreement.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Parliament of Canada to reject legislation to implement this unacceptable agreement; and

BE IT FURTHER RESOLVED that this Legislature affirm its support for a range of bilateral and multilateral trade agreements within a framework of a fair and international economic system, leading to the gradual elimination of tariffs and the reduction of certain non-tariff barriers; and

BE IT FURTHER RESOLVED that this Legislature call upon the Federal Government to strengthen its regional development efforts through comprehensive national economic strategy, providing a more equitable sharing of resources.

MOTION presented.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'm pleased to have the opportunity to introduce this resolution that is now placed before the Chamber. There is no question,

Madam Speaker, that this resolution in fact deals with a subject presently being debated in Canada, which, I can say without hesitation, is probably the most important issue that has confronted Manitobans and Canadians for decades.

It is, I think, the most important measure that we will be dealing with during this Session. It is fair to say that the implications of this deal will have a serious, far-reaching and profound impact upon this country, and that impact will have consequences for years to come.

This resolution deals with the specific deficiencies of this deal. Madam Speaker, this resolution does not deal with the issue as presented to us by the Federal Government, but this resolution attempts to deal with the issue as is, and not as the issue is being spoon fed to us in Ottawa.

This resolution recommends preferred strategies to the deal that we are now dealing with as Canadians. This resolution deals with proposals in order for us to enhance international trade relationships in order to increase growth. This resolution will provide, I'm sure, during the process of the discussion, the opportunity for full and vigorous debate by all members in this Chamber.

The magnitude of this deal, the fundamental importance of this deal demands in this Chamber full, complete and honest discussion.

Manitobans deserve the chance, Madam Speaker, to see for themselves exactly where their elected representatives stand on this issue and to have the opportunity to test the position of their elected representatives in the Province of Manitoba on this particular issue of so much importance to Canadians and Manitobans everywhere.

Madam Speaker, let me first emphasize, so that there need be no misunderstanding within this Chamber, that this government supports whole-heartedly, freer trade, fair trade. Madam Speaker, let there be no doubt that this government supports the reduction of tariffs. In fact, 80 percent of our exports now are covered by way of free trade. Only approximately 5 percent of our exports now involve tariffs of 15 percent or over. So in the past number of years, Madam Speaker, there's been a gradual reduction of tariffs within the Canadian-U.S. trade situation.

Madam Speaker, let us also be very clear. We supported the negotiations that took place. We attempted, during the process of those negotiations, to make positive and constructive suggestions to the Prime Minister and to Canada's Trade Commissioner, Mr. Reisman.

By last October, however, it had become very clear that Manitoba would be left with no alternative but to oppose this particular deal.

Madam Speaker, I'll be delighted to deal with all particulars as we go along because there has been a great deal of misinformation, misstatement of fact and misrepresentation that has been spouted in this province by Members of the Conservative Party. It becomes clear that the Mulroney Government has bargained away far too much in order to achieve very little by way of return under this deal.

Madam Speaker, during the course of this discussion, I hope that I will be able to persuade honourable members - at least some honourable members across

the way - that it indeed is the fact that in the process of bargaining, Canada gave away its bargaining chips and received very little in return. In other words, Madam Speaker, we got a bad deal. We negotiated a bad deal, insofar as Canadians were concerned.

Just before I proceed, I notice in the United States that there is now pressure for some further concessions, Madam Speaker.

Madam Speaker, let me tell the Honourable Leader of the Opposition, based upon our experience with the government in Ottawa vis-a-vis this particular trade deal, I'm afraid they're going to give away some more in order to silence any critics in the United States. That would be true to past performance on the part of the Ottawa Conservative Government.

This deal goes far beyond trade matters. This is not just a deal involving tariffs, in the reduction of tariffs. This deal, Madam Speaker, goes to the very heart of Canada and the vision that most Canadians share insofar as the future direction of this country. This deal includes provisions, Madam Speaker, which directly limits Canada's ability to limit foreign takeovers investment, the opportunity for Canadians to manage their energy and resources. Madam Speaker, not only did we not achieve results which were promised but we gave away far more than was ever anticipated in non-trade areas.

Madam Speaker, the reason for this resolution summarizes our basic reasons for concern and the concern that has been expressed to us by Manitobans over the past few months. Madam Speaker, Manitobans expressed clearly to us and to some of the honourable members across the way, very much to their displeasure, that attended the meetings that were held in various parts of this province. Manitobans expressed their displeasure with this meeting, this agreement, Madam Speaker.

A MEMBER: Their displeasure with the meeting.

HON. H. PAWLEY: Madam Speaker, let me just tell the honourable member that obviously the Leader of the Opposition and his colleagues did not listen to the words of Manitobans at those meetings. They prefer to misinterpret. They prefer to distort the voice of Manitobans, because the Conservative Party has never been known as one that listens to ordinary people in the Province of Manitoba.

Manitobans have expressed to us exactly what their real concerns are in relationship to this deal. These concerns, Madam Speaker, not only were expressed to us at the six meetings in question, but they have been expressed to us by hundreds of letters and phone calls, in fact thousands of communications to this government, the concerns of Manitobans as to this deal that's been worked out in Ottawa by the Mulroney government.

Manitobans have told us particularly that they are not happy with the indecent rush towards this deal. Manitobans have told us that they want more information in respect to this deal, and Manitobans have told us very clearly that they object to our moving along to the American track record, the American agenda, the American process, in working out an agreement of this framework. Madam Speaker, they

are unhappy that we were left with but only a few weeks in order to review this deal before the signatures were imprinted on this deal by the President of the United States and the Prime Minister of Canada.

Madam Speaker, I want to just say so there is no misunderstanding, I have commended the Prime Minister for the series of meetings that took place involving all Premiers. There were some eight or nine of those meetings. Madam Speaker, there was opportunity to exchange information and position at those meetings.

What I do object to, Madam Speaker, that finally, months after the draft agreement had been promised, we were left with but a few weeks, I believe two to three weeks before the final signing of the agreement by the President of the United States and the Prime Minister of Canada, without opportunity for input by Canadians prior to the signatures being imprinted upon the deal.

Madam Speaker, they're unhappy; we are concerned. Manitobans are concerned that they have been railroaded into this deal in order to meet not a Canadian deadline, not a deadline that is established by way of Canadians, but to meet a deadline imposed by the United States of America and one that Manitobans and Canadians object to, Madam Speaker.

They expressed their unhappiness at those meetings that this most massive and important economic treaty in our history was entered into without first giving them an opportunity, as Canadians, to review the deal and to have real input into the deal. — (Interjection) — Well, Madam Speaker, the honourable members opposite - the Honourable Leader of the Opposition in fact says they were elected to govern but the Prime Minister of this country, before the election in 1984, said that free trade would be negative to the interests of Canada. When he campaigned in 1984, he said it was negative to the interests of Canada.

A MEMBER: What did you say when you campaigned in . . .

HON. H. PAWLEY: Let me tell the Leader of the Opposition, I never campaigned, unlike the Prime Minister, for free trade in this country.

A MEMBER: You got off an airplane and had a press conference saying you're all for it. That's what you did.

HON. H. PAWLEY: Well, the Member for Sturgeon Creek often lives in his figment of imagination, because that's all it is, Madam Speaker. We've heard many figments of the imagination from the Honourable Member for Sturgeon Creek, who prefers to hear what he wants to hear rather than what in reality was said.

Madam Speaker, Manitobans, when they purchase a car or a house want to know exactly what they are buying. Canadians, Madam Speaker, should not be expected to buy a car or a house or something as fundamental as this trade deal sight unseen. We don't buy products in that way. We do not, as Canadians, buy a deal that ties the hands of future generations. Madam Speaker, if the present Federal Government wants to tie their own hands, fine and dandy, but what Canadians reject, and properly reject, is a deal that

imposes a mandate that is a Conservative mandate vis-a-vis this deal upon future governments and upon future generations.

Madam Speaker, of course unfortunately, that is what we can expect so often from across the way because there is a party in this province, regrettably too frequently across Canada, that feels that they always know what is best for everybody else, that there's no need to listen, there's no need to consult, that there is not another point of view. Madam Speaker, That party is the Conservative Party of the Province of Manitoba. The result, as I have indicated, has literally been the request for thousands of pieces of information.

Speaking to this resolution, I'm going to outline some of the basic reasons why this New Democratic Party Government stands in opposition and why we believe, Madam Speaker, that political leadership is essential on this fundamental issue in Canada and in the Province of Manitoba.

Our support for the trade negotiations had always been based upon certain basic conditions - basic conditions that we outlined in this Chamber over the last two years that were very clearly expressed to Manitobans; conditions which unfortunately have not been met - and now, Madam Speaker, I'm going to deal with specifics for the honourable members across the way.

Madam Speaker, first, we were told that we were going to have a dispute settlement mechanism - a dispute settlement mechanism, we were told, that would provide secure access to the American market; a dispute settlement mechanism, we were told, that would provide us with protection against countervailing duties; a dispute settlement mechanism that would ensure that we would gain protection from the omnibus trade bill that is now before the American Congress.

Madam Speaker, firstly, this deal does not provide us with the secure access we were guaranteed by the Ottawa Conservative Government; secondly, this deal does not provide us with protection from U.S. countervailing duties; and, thirdly, this game is fixed in the United States' favour.

Madam Speaker, the dispute settlement mechanism is not going to resolve future trade disputes in an effective manner.

MADAM SPEAKER: The Honourable Member for Arthur, on a point of order.

MR. J. DOWNEY: Madam Speaker, I hope it wasn't on the record, the comments of the Member for Dauphin who indicated that the Governor of the State of North Dakota is ignorant . . .

MADAM SPEAKER: Order please.

MR. J. DOWNEY: Madam Speaker, I would hope that that would want to be struck from the record.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, what we gave away, in order to obtain this toothless and ineffective dispute mechanism was major concessions by way of investment, by way of energy and by way of numerous

other policies. This issue of investment should never have been on the negotiation table. The issue of investment should never have been part of this deal.

Madam Speaker, let me tell you, months before December of this year, I advised the Prime Minister that there was no way that the Province of Manitoba could ever support any deal by which we gave away the authority of future governments and future generations to control investment direction in Canada.

Madam Speaker, it effectively gives up our right to review American takeovers of Canadian companies. In fact, under the provisions which state that there is a threshold of \$150 million by which there is no subject to review after the next three or four years, there are only six companies in the Province of Manitoba that are immune from takeovers without review by the Canadian authorities. Madam Speaker, there is nothing in this deal to stop United States companies from buying Manitoba companies and closing down those companies and moving the jobs south to the United States - nothing whatsoever. The deal is too one-sided.

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

Canadians are denied the access, the right of access in many U.S. areas. As a nation, Mr. Deputy Speaker, I'm in a view that there is no way that we should surrender our economic control over foreign investment. If we lose economic control - I say to the honourable members across the way - we eventually lose political control in Canada. Mr. Deputy Speaker, I, for one, am not prepared to see that happen or work towards that happening insofar as future generations of Canadians are concerned.

Mr. Deputy Speaker, the investment provisions of this deal provide no job protection for Canadians or for Manitoba workers. The Federal Government has been totally inconsistent with respect to whether there will be training and job adjustment programs for displaced workers. There seems to be no commitment to ensure that displaced workers will be provided with the jobs or training they will need in order to survive.

Despite all the bold and exaggerated statements and predictions that have been made of tremendous job gains, these predictions that have been made by the proponents of this deal, the reality is that the overall change insofar as the number of jobs will be very, very small. This deal will not be the panacea, as honourable members across the way are wont to do, for future jobs and for prosperity as has been indicated by so many that have supported this deal.

Another area I'd like to deal with is energy. I was surprised that the Honourable Minister of Health, when I first expressed my disagreement with this, said, "Oh, how can the Premier of Manitoba ever oppose this deal because it's good?" said he . . .

HON. W. PARASIUK: Federal Minister.

HON. H. PAWLEY: The Federal Minister, yes. My apologies to the provincial Minister of Health. He said, "How can the Premier of Manitoba ever oppose this deal? It's so good for Manitoba Hydro and the exports of Manitoba Hydro." Mr. Deputy Speaker, he clearly did that without even examining the agreement, or he would know that this agreement doesn't do anything

insofar as improving the lot of Manitoba Hydro in respect to its multimillion dollar export sales.

Mr. Deputy Speaker, this is a continental energy policy that provides clear infinite energy resources even in times of shortage. Future Canadians, in fact, will be required to prioritize their own energy needs so that further south, U.S. users will be able to consume and will have the right to consume Canadian energy regardless of the circumstances at that time. A Canadian energy policy, Mr. Deputy Speaker, must be established in Canada by Canadians and not in the provincial capitals of this country or in Washington, D.C.

First, by way of specifics, it is very interesting that the Federal Government, and I would like the honourable members across the way to deal with some of these specifics that insofar as the deal is concerned - oil and gas - there is protection insofar as countervailing duties being imposed insofar as exploration or development. In fact, it appears that the oil and the gas lobby in Alberta and elsewhere was able to obtain its way insofar as obtaining protection against countervailing duty. But, Mr. Deputy Speaker, there is no such protection insofar as hydro is concerned. It means, Mr. Deputy Speaker, that future public works provided for the Province of Manitoba insofar as hydro construction such as transmission lines into the United States, which in the past have been financed to some extent by federal contribution, can be subject to countervailing duty.

Now, I ask you, Mr. Deputy Speaker, and I ask the Leader of the Opposition: Why is oil and gas traded in one way and hydro-electricity in an entirely different way? And I ask, Mr. Deputy Speaker, how can the Federal Minister of Health suggest that some way or other, by waving his wand, this is a tremendous deal for Manitoba Hydro? I ask the Leader of the Opposition how he can suggest to Manitobans that we should support this because this is a good deal for Manitoba Hydro?

Furthermore, Mr. Deputy Speaker, there have been very serious concerns that have been expressed recently that will have to be addressed and can't be fudged over by honourable members across the way or by their cousins in Ottawa that this particular deal, insofar as energy is concerned, has serious implications for energy provisions for the pricing of our exports of hydro-electric power.

While the text of the agreement is unclear on this point, a prominent U.S. trade lawyer has stated, and I quote - and the Leader of the Opposition ought to listen very closely to this rather than just mouth the words of his Prime Minister and his national leader in Ottawa, and I would suggest that the Leader of the Opposition for once start standing up on behalf of Manitobans rather than parodying the line of the Prime Minister, his national leader in Ottawa.

Mr. Deputy Speaker, as I've indicated, a prominent U.S. trade lawyer has stated . . .

MR. G. FILMON: We can see the strings being pulled by Ed Broadbent right now, Howie.

HON. H. PAWLEY: To the Leader of the Opposition, I acknowledge and I make no secret of it, Ed Broadbent

has much more influence on me than Brian Mulroney insofar as making policy suggestions. I make no apology whatsoever to the Leader of the Opposition.

Mr. Deputy Speaker, as I indicated before the polite interruptions by honourable members across the way in their usual courteous manner, a U.S. trade lawyer has stated that the intention is clear; there are to be no higher prices for exports to the United States. Lawyers can argue all they want about technicalities but the U.S. would say very firmly the intent of this agreement is clear: no export prices higher than prices in Canada.

Mr. Deputy Speaker, very serious questions, but in their undue haste in order to complete this agreement, the Leader of the Opposition probably thinks he has the answer. He will automatically parrot no such thing. And yet some of the most skillful trade lawyers in the United States indicate very clearly that is the case according to the trade deal that we have before us. Mr. Deputy Speaker, as I indicated just a few moments ago, you don't buy a used car, you don't buy a house on the basis of not knowing what is in the engine or what's inside the house. You check it out first, and certainly you check out what it means insofar as future energy and resource policy for Canada as a whole.

Hydro-electricity, as I have indicated, and I want to again state this because the Leader of the Opposition, the Member for Arthur and his federal counterpart, the good friend of the Leader of the Opposition, the Member for Provencher, the federal Minister of Health, state that there will be some assistance to Manitoba Hydro exports. Let me make it very clear that there is no assistance whatsoever.

MR. J. DOWNEY: Leave the sleaze up to your Attorney-General.

HON. H. PAWLEY: The Member for Arthur says, leave the sleaze behind. I said the federal Minister of Health was a good friend of the Leader of the Opposition. I don't know what's sleazy about that. If there's something in the Member for Arthur's mind, then let him get up and express it. I thought I was being unduly polite, Mr. Deputy Speaker.

This agreement will virtually be of no assistance in Manitoba in order to ensure our export of hydro. We did not need this deal in order to secure the American markets. Indeed, as I've explained, this deal may in fact hurt the opportunity and the capacity and the potential of the Province of Manitoba to export renewable energy to the United States.

Mr. Deputy Speaker, I'd like to now deal with agriculture. Many farmers will be seriously affected by this deal. It's been suggested that this deal is going to be beneficial to - and I've indicated this deal may have some benefits, though it can work both ways insofar as our beef producers are concerned. Mr. Deputy Speaker, insofar as our hog producers, they will still be subject to American countervailing duties and the anti-dumping legislation. There's no getting away from that, Mr. Deputy Speaker.

In fact, during the course of the debate, I hope to be able to explain to honourable members how, in fact, hog producers have been dealt with separately from other farm products, not even included under the

definition of meat. Pork is not included under the definition of meat. Mr. Deputy Speaker, if I were a pork producer in the Province of Manitoba today, I would be asking some very direct and very straight questions about this deal.

Mr. Deputy Speaker, fruit and vegetable growers are going to experience increased and tough competition from the larger fruit and vegetable operations from California and Florida under this deal.

Our poultry producers are going to lose money. Some U.S. poultry products will be imported from the United States, displacing some of our poultry production in this country.

The United States will continue to give huge subsidies to its grain farmers, making it easier for them to go after all our traditional farm grain markets.

Mr. Deputy Speaker, let me just comment on the tremendous good will that exists between Ronald Reagan and the Prime Minister of this country, wonderful good will. But the President of the United States, the great arch-commonist (sic), the great defender of freedom and democracy, doesn't hesitate one moment to subsidize American grain to the Soviet Union, even if it means the undercutting of the Canadian farmer. That's the extent of the commitment that exists between the President of United States and the Prime Minister of Canada.

Mr. Deputy Speaker, there was an article, which I hope to read to honourable members, dealing with the canola producers, and the president of the canola producers indicating very, very clearly yesterday in the Winnipeg Free Press, if I dare mention the name of the newspaper, that canola producers in Western Canada stand to lose millions of dollars because of this deal. I wish the Honourable Member for Birtle-Russell was here. Maybe he could explain to the canola producers in his constituency.

MR. G. FILMON: They're going to make a hell of a lot more in sales.

HON. H. PAWLEY: Well the Leader of the Opposition says they're going to make a hell of a lot more in sales. That's not what the president of the Canola Association states. Maybe he should meet with the president of the Canola Association and justify his remarks to the president of the Canola Association before he makes statements about something he knows nothing about.

In fact, I wish I had that clipping here, Mr. Deputy Speaker. I was looking forward to reading it to honourable members. Here we are, here we are - good.

Just so that the Leader of the Opposition knows that - you can take this under advisement. "Pact costly to canola industry. The Canada U.S. free-trade agreement will cost the western Canadian canola industry at least \$44 million over its first 10 years, the chief executive director of CSP Foods Limited said yesterday.

"The agreement calls for the elimination of the rail subsidy provided under the Western Grain Transportation Act for canola oil and meal shipped to Vancouver for export to the northwestern United States.

"We've developed quite a market in the northwest," Al Huffman said. "We will lose that market," says Mr. Huffman." The document is February 24.

Well, I'll read the entire document to honourable members. "But the treaty will also mark the end of the

U.S. tariff on canola oil and meal, and Huffman said that could mean an extra \$22 million for the Canadian industry.

"CSP Foods will record its second consecutive annual profit this year." Yes sir, they're enjoying a \$22 million profit this year. "The Winnipeg-based oilseed crushing company will earn about \$6 million in the year ending March 31, he said.

"Last year, the company made \$788,000. In 1986, it lost \$7 million.

"The market for vegetable oil and high-protein meal has improved in the last several months," Huffman said in explaining the turnaround.

"He said India's peanut crop was damaged by drought and storms hurt Malaysia's palm oil, leaving both nations seeking alternatives."

MR. G. FILMON: Mr. Deputy Speaker, I wondered if I could ask the Premier to table that document, please?

HON. H. PAWLEY: I've got lots of documents that I would like to table. I'm glad the Leader of the Opposition is expressing such an interest. Maybe he'll learn something about this deal before we're finished.

MR. G. FILMON: No, I'm going to learn about your stupidity.

HON. H. PAWLEY: Mr. Deputy Speaker, I sense that there's quite the thin skin on the part of honourable members across the way. I sense quite an insecurity on the part of honourable members across the way. I think that insecurity is there because they know this is a bad deal and they know they are going to have to defend a bad deal that's proposed by their national Leader in Ottawa.

Our food processing industries will lose jobs. They will be forced to buy cheaper American products. Even large Canadian giants like McCain Foods of New Brunswick have indicated - and Portage La Prairie have expressed their disagreement, their concern about the impact of this deal upon the food processing industry. The former Minister of Industry and Trade in the Lyon administration surely must be concerned about the direct impact of this deal upon the food processing industry in Manitoba, which is one of the fastest growing industries in the Province of Manitoba, Mr. Deputy Speaker.

Manitobans have grave concerns about how this deal will affect our family farmers. I think, Mr. Deputy Speaker, they have concerns for very good reason.

Culture - despite the fact that culture is supposedly exempted from the agreement, the deal will allow the United States to take action against any Canadian export in response to any trade-related Canadian effort to safeguard their cultural industries. The potential for retaliation will seriously discourage Canadian governments from adopting or improving policies designed to assist cultural industries. Therefore, although the threat to Canadian culture may be very indirect, it is very real.

Further, I want to talk about disadvantaged regions and disadvantaged groups. I believe that the trade deal's reliance on the free market forces - and I admit there are two different visions - will place limits on the

ability of future Canadian governments to implement special development programs for the benefit of some of our disadvantaged groups in our society, such as Canadian Natives.

The same threat also exists with respect to programs to assist women to take their place in the work force. It also appears likely that women will be some of the primary targets for job losses. That's why women's groups from one end of this country to the other have been speaking out forcibly about their concerns in respect to potential job loss among the women in the labour force in Canada.

This deal will also seriously endanger future attempts by future Provincial and Federal Governments to pursue regional development programs to assist the poorer regions of this country. The same restrictions would also affect our flexibility to implement a range of environmental, occupational, safety, health and social programs, and employment standards.

The deal will force Canadian business and industry to make profound changes in order to remain competitive with many American industries and states which have lower wage scales, poorer labour laws, lower work-package benefits for the workers. In other words, Mr. Deputy Speaker, what this deal will do is reduce the Canadian standard to the lowest denominator.

I say, Mr. Deputy Speaker, that's not good enough for Canadians. Freer trade with United States has brought neither jobs, industry nor prosperity to states like Mississippi, West Virginia or Arkansas.

If it was indeed true, as the federal Conservative Government suggests, that this deal would ensure greater prosperity, greater wealth, greater opportunity and greater job development, more equitable regional development in Canada, then why is it that cities like Grand Forks or Fargo are not more prosperous than cities here in the Province of Manitoba? That question has been posed. It has never been answered by the proponents of the Canada-U.S. trade deal.

As our resolution states, the key to regional inequities requires the strengthening of regional development programs, the development of a comprehensive national economic strategy that will ensure a more equitable sharing of resources. The trade deal should not be used, Mr. Deputy Speaker, as a poor excuse for the lack of an effective comprehensive policy in order to ensure regional economic development in all parts of this country.

I have outlined the major concerns which the Manitoba Government and the people of Manitoba have in respect to this deal. The deal requires full debate, critical analysis, not the pledging of total blind unthinking acceptance of every article of the Mulroney-Reagan trade deal.

In fact, let me just state, Mr. Deputy Speaker, that unlike honourable members across the way, we have acknowledged some benefits in the deal. In fact, in our pamphlet, "The Canada-U.S. Trade Deal," . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Please, the Honourable Minister has the floor.

HON. H. PAWLEY: I hope the honourable member has as much to say when he's standing as he has constantly

from his seat, Mr. Deputy Speaker. I hope it makes a lot more sense than what he says from his seat.

We have indicated, as a Manitoba Government, that we believe that there are some concrete benefits within the agreement. We have indicated the gradual reduction of tariffs, except those of processed food products, should be of net benefit for both Manitoba's industry and for Manitoba consumers. We've indicated that the agreement to work towards compatible technical standards and improved provisions for temporary access of businesspeople will also be some benefit to Manitobans.

We've also indicated Manitoba's position is not that there are no benefits in the agreement, but that Canadians have given up far too much for very modest advantages as a consequence of the deal. So let it be very, very clear insofar as that point is concerned.

I've outlined the concerns that the government has, concerns that are based on the actual wording of the agreement and, I believe, the concerns that Manitobans have in respect to this particular deal. This deal requires full and critical debate and discussion and not the pledging, as is the case by the Conservatives in this Chamber, of blind and unthinking acceptance of every article of the Mulroney-Reagan trade deal.

I think this whole discussion up to this point has been a sorry and sad spectacle as far as the members of the Opposition are concerned in this Chamber and outside this Chamber.

What is it, Official Opposition? I want to exclude the Member for River Heights from that, although I'm not sure where the Member for River Heights first stood in respect to this deal. What is it that members opposite owe their colleagues in Ottawa that has led them to total and unquestionable support of a deal which clearly has tremendous faults, faults that can impact negatively upon the people of the Province of Manitoba?

I say to you, Mr. Deputy Speaker, it's not too late for honourable members to rise in their places and to take a stand on behalf of the interests of the people of the Province of Manitoba and to reverse their position, which has not reflected the public interests of the people of this province.

I urge, as well, the leader of the Liberal Party to give her full and unqualified support to this resolution before this House. I want her to deal with the confusion that exists now within the Liberal Party on this particular deal, confusion that is witnessed elsewhere in Canada by Liberals in respect to this deal. We don't often know where Liberals stand in respect to this. We have Premier Peterson, Premier Ghiz, who in my view have taken strong principled positions in respect to this deal.

On the other hand, we've had Premier Bourassa, who has been echoing the line of the Prime Minister of Canada in respect to this. At least I'll say Premier Bourassa's not going to deny that he's been echoing the position of the Prime Minister on the free trade. If the Leader of the Opposition thinks there's something different about that, he's sadly mistaken.

Quite different positions, and I think there's a responsibility on the part of the leader of the Liberal Party in this province to clear up the position of the Liberal Party in respect to this issue.

I would ask the leader of the Liberal Party not to permit the conservative elements within her party and the power brokers within her party to inhibit her from

speaking out against this deal. I implore all members opposite to support this resolution so that this Legislature can send a clear and unequivocal message to Parliament before the legislation is introduced in Ottawa itself.

There are other alternatives, and I would like to deal with some of the other alternatives. This resolution also deals with the positive side, the constructive alternatives that can be pursued in order to increase trade, obtain fair trade with other countries. We continue to support the concept of lowering tariff walls, trade barriers, but we do not need this deal in order to achieve those objectives. All legislators should be demanding that all the provinces first reduce existing interprovincial trade barriers that inhibit fair trade within Canada, and I want the honourable members to know that when we met this last time in December in Ottawa - and without breaching any confidence - I couldn't help but note that those Premiers who were the greatest proponents of this deal, the most enthusiastic supporters of free trade, were the most reluctant to support the free exchange of goods and services from province to province.

Mr. Deputy Speaker, I suggest that we first put our own house in order, and I would challenge honourable members, I would challenge their colleagues in other provinces to ensure that we bring about free trade within Canada from province to province, and the removal of barriers of goods and services from province to province. They will find they have the wholehearted support of this Provincial Government, if we can obtain that kind of support throughout Canada. We should be moving and more, as I say, to expanding our trade in particular with countries of the Pacific Rim. Those are the future growth areas.

I would like to refer honourable members to this week's Newsweek magazine called the "Pacific Century." The Pacific Century deals with the fact that, as the year 2000 approaches, Japan and other trading partners of Asia are moving into positions to dominate the world economy. For Americans, adapting to the loss of U.S. pre-eminence will pose unprecedented challenges.

Mr. Deputy Speaker, what is happening, and the article goes on to explain the rapid increase in growth in the economies of the Pacific Rim. This article goes on to describe the increased volume of trade that is now taking place in the Pacific Rim countries. In fact, Mr. Deputy Speaker, when we were in Japan, the Minister of Industry, Trade and Technology was with me. We were impressed by the desire on the part of the Japanese to increase investment and trade with Canada. Mr. Deputy Speaker, the Japanese are very fine people to do business with and to deal with. One of the things that struck me as very interesting and might be of interest to honourable members across the way, we discussed auto parts when we were in Japan. The Japanese said, sometime in the future, we would have had an auto parts plant built by the Japanese in Western Canada. This deal forecloses that kind of opportunity on the part of the Japanese.

Mr. Deputy Speaker, what we've got to be working towards is increased trade with the world community, and particularly those economies that are growing at a fast rate. As this article describes, the growth rate in the United States is slowing down. This deal is out

of date. If honourable members wanted to introduce a deal of this nature, it should have been done 20, 25, 30 years ago. The world has changed. The world is changing and it's leaving the Conservative Party behind, Mr. Deputy Speaker.

It was on that basis, in fact, that we signed seven Memorandums of Understanding with Japanese banks and trading companies that were interested in pursuing investment in the Province of Manitoba. Since then, there have been a number of teams from Japan that have been here investigating investment opportunities in Manitoba. It has been those trading companies and banks that have been distributing information to their customers, advising them that Manitoba is a good place to invest in and encouraging their customers to look favourably to the Province of Manitoba. That's the kind of trade, that's the kind of investment that we ought to be encouraging, Mr. Deputy Speaker.

We should not be placing all our hopes, all our efforts, all our energies on an economic union with the United States, an economy which is in clear decline when compared to the Asian, an economy which is clearly in decline when compared to the growth of the economies in Europe and in the Pacific Rim. Mr. Deputy Speaker, I thought that the President of the United States was very forthright. I notice he didn't repeat the statement a second time, but I believe in the latter part of December, when he was speaking to the New Jersey Chamber of Commerce, when he proudly announced to the New Jersey Chamber of Commerce that this economic union, as he described it, was the most important constitutional development since 1776 - a constitutional union, an economic union between the United States and Canada.

Mr. Deputy Speaker, I notice he hasn't repeated that statement, because it dealt considerable embarrassment to the Prime Minister of this country and the line was straightened out, but I believe that the President of the United States hit the nail on the head when he acknowledged that indeed this was an important document leading towards economic union.

We should be working on trade agreements with a larger world economic community, not just in this trade agreement, and I'm for enhanced and increased trade to the United States or any other part of the world, but we should be doing it with all countries of the world, and encourage and enhance trade and the removal of tariffs through GATT with all the nations of the world. Let us not fall into the tragic trap of establishing a new economic Constitution with the United States that will inhibit and damage Canada's long-term global interests.

Once this deal becomes law — (Interjection) —

MR. DEPUTY SPEAKER: Order please.
The Honourable First Minister.

HON. H. PAWLEY: Once this deal becomes law, to try to undo it will be virtually impossible. It would be like attempting to undo an omelette. The fundamental changes will have already taken place in the economy, in our industries, in our business. This will indeed ensure that future governments and future generations will be tied in their ability to develop their own destinies, their own direction and their own approach.

MR. F. JOHNSTON: . . . because they're free, not governed by a bunch of Socialists.

HON. H. PAWLEY: Well now there's an interesting comment I'm going to put on the record. The Member for Sturgeon Creek cheers that because he doesn't want future generations to have that kind of freedom, because he doesn't want them to be governed by "a bunch of Socialists." That's the attitude to democracy that so many Conservatives across the way have.

MR. F. JOHNSTON: Mr. Deputy Speaker, I don't mind what anybody says, but if anybody lies about what I said in this House, I take it as an insult to myself. I did not say that, what he said, and I make it very clear on the record. I said, "I want future generations to be free, not ruled by a bunch of Socialists."

If that First Minister wants to tell lies about what I said, it's only because that's his nature and that's the way he's been all his life.

MR. DEPUTY SPEAKER: A disagreement about the subject matter is not a point of order.

HON. J. COWAN: On a point of order, Mr. Deputy Speaker. I believe it would be the honourable thing for the Member for Sturgeon Creek to withdraw any imputation or any suggestion he made about any honourable member of this House having lied in this House. He knows the rules full well.

He knows that is unparliamentary, Mr. Deputy Speaker, and I would hope that he would have the courage to stand up and withdraw those sorts of comments which are unparliamentary, unnecessary and lack any accuracy.

MR. F. JOHNSTON: Mr. Deputy Speaker, on the point of order. I believe that I have a very clear voice and what I said in this House the Premier heard very clearly, and he deliberately presented to this House a completely wrong impression of it which I believed was downright lying.

MR. DEPUTY SPEAKER: 40. (1) No member shall speak disrespectfully, or use offensive words against the House, or against any member thereof.

HON. J. COWAN: On the point of order . . .

MR. DEPUTY SPEAKER: The Government House Leader, on the point of order.

HON. J. COWAN: I'm sorry, because of some of the chirping from members opposite, I believe I missed the latter part of your statement. Were you suggesting that the Member for Sturgeon Creek, by way of clarification, does not have anything to withdraw or are you suggesting that he indeed has used unparliamentary language and should withdraw?

MR. DEPUTY SPEAKER: The committee rules that no member of the House shall speak disrespectfully against any member of the House.

MADAM SPEAKER: Order please.

I heard part of the exchange and I will take the matter under advisement and would hope if unparliamentary language has been used that there will not be any

difficulty in members settling that to the satisfaction of the member against whom the language has been used.

The Honourable First Minister.

HON. H. PAWLEY: Thank you, Madam Speaker.

I must acknowledge to you that I think your ruling is quite fair to take it under advisement and report back. Clearly, Madam Speaker, the honourable members across the way are demonstrating tremendous insecurity about their position in respect to this.

The Member for Sturgeon Creek and other honourable members across the way obviously prefer to interject and to shout from their seats, rather than to participate in reasoned debate and I believe this matter requires reasoned debate and, as I said, not blind allegiance simply because your Leader in Ottawa has told you the position that you should take.

Madam Speaker, as I have indicated, once this deal is consummated, it cannot be undone after an initial period of time upon the ratification of the deal. Again, I hope the honourable member doesn't think I'm misrepresenting him. The Member for La Verendrye said that's the good part of the deal. Madam Speaker, let me tell you that's what concerns me about this deal. What concerns me about this deal is freedom and the freedom of future governments and future generations to mark their course of action.

I thank the Member for La Verendrye for clearly indicating in this Chamber, in fact, what the position of the Conservatives is. They do want to tie the hands of future generations and future governments. That's exactly what I suspected was the position of honourable members across the way.

What is important, Madam Speaker, is that we cannot enter this deal on some sort of trial basis. If we do, we'll simply end up having to accept the deal that we really don't want as Canadians. The future of our country is all too important for us to permit this to happen.

The Prime Minister, I say to you, did not have a mandate from Canadians for him to sign such an initiative as this. He does not have a national consensus in this country for him to enter into such an agreement. I suggest he must work with Manitobans and for other Canadians. We must work in order to reject that particular vision of Canada, and I admit there are two different visions of Canada.

There is a vision that honourable members across the way share, a vision of the marketplace, the vision of the survival of the fittest, the vision that if you're strong and you're mighty. The importance is to increase the productivity at all costs, even if there are others that fall by the side. They don't require assistance and help is not a vision of a caring kind of society, is not a vision of a society that places emphasis upon social programs, upon the need of society collectively to help those who are in need, those who are disabled, those who are in need of proper and decent comprehensive health care.

Madam Speaker, Canada has become a major economic power. We've become a prosperous country. We have survived for 120 years without this kind . . .

MADAM SPEAKER: Order please.

All members will — (Interjection) — Would the Honourable Member for Sturgeon Creek also come to order? All members will have an opportunity to participate in the debate on this resolution. The Honourable First Minister has the floor.

HON. H. PAWLEY: Honourable members should clear this up in this Chamber. Are they suggesting that there's a better Medicare system in the United States than in Canada? I wish that they would get to their feet. If that's what they're implying or suggesting, I wish they would say it in this Chamber so that Manitobans would know where they stand in respect to a comprehensive Medicare system.

MR. A. DRIEDGER: Madam Speaker, it was my understanding that . . .

MADAM SPEAKER: Order please.

The Honourable Member for Emerson, on a point of order.

MR. A. DRIEDGER: Madam Speaker, I understood the Premier to ask if there were any conditions we wanted to put on the record about the health services in Manitoba versus the United States.

MADAM SPEAKER: Order please.

The honourable member does not have a point of order.

The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, we are a vast country, a country that has been linked together by way of a common transportation system, a common communication system, a country, because of our vastness in size and our thinness of population, has had dominant within its policy-making in the past 120 years an emphasis upon regional economic development.

Madam Speaker, I am concerned about the future of regional economic development programs in this country under this particular deal. Madam Speaker, what we are being told is, well wait - and it says so right in the agreement itself - wait for the next five to seven years, and we're going to have commonly agreed rules between United States and Canada as to what is a subsidy and what is not a subsidy.

Madam Speaker, that is what concerns me, because we've given away the bargaining chips even before we've sat down at the table to discuss regional economic development. In fact, I say to you, Madam Speaker, that it may very well be that it will be the wealthier and larger areas of this country that, in the long run, will enjoy greater benefit from this kind of trade deal than the poorer and smaller regions of this country.

Madam Speaker, I believe that Canadians have confidence. This deal was born out of fear. It was born out of fear because of the softwood lumber and the shakes and shingle and the potash and the fish decisions. So we were told why we had to enter into a new trade deal, in order to protect ourselves from the United States and what they might do to us insofar as trade policy was concerned.

Madam Speaker, I believe that Canadians are not driven by fear. Canadians are not driven by insecurity. I believe that Canadians are confident people. Canadians are people who have a future because they have the resources, they have the talents and the energies.

MADAM SPEAKER: Order please, order please.

I requested yesterday that exhibit be removed from the House. Would one of the members please remove that exhibit from the desk?

The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, let me tell you that members on this side understand the tremendous nervousness across the way, because honourable members are so clearly afraid to debate this issue. They don't want to listen to the arguments that are presented against this trade deal.

Madam Speaker, Canadians are confident, Canadians have the creativity. We can go forth into this world and we can build our trading opportunities, increase our trade because we've got the resources, we've got the energy and we've got the humankind that we can increase our trade opportunities and not be driven to do so out of fear, out of insecurity.

Madam Speaker, on behalf of the people we represent and, we feel, the future generations of Manitobans who will be forced to inherit what is a misguided, misplaced policy, let us show our collective Opposition in this Chamber what is a very, very bad deal that could impact negatively on Canadians now and in the future.

Madam Speaker, I urge and I hope there are some members across the way that will demonstrate the strength of conviction and character to stand up with members on this side against this deal, who can express themselves in opposition to this trade deal, who will join with us in passing this resolution, so we can forward this resolution to Ottawa to let our Canadian Parliament know where the Province of Manitoba stands vis-a-vis this Canada-U.S. trade deal.

MADAM SPEAKER: The Honourable Leader of the Opposition.

A MEMBER: Where's the rest of your troops, Gary?

MR. G. FILMON: Where's the rest of your troops? Where's Walding? Where's Walding? - that's the most important question.

Madam Speaker, it gives me a great deal of pleasure to stand and respond to the resolution that's been put forward by the Premier on free trade. Let me begin by stating unequivocally right from the beginning that I and my colleagues are totally opposed to this resolution - absolutely and totally opposed to this resolution.

Madam Speaker, I believe that the topic of free trade with the United States is probably the biggest single issue to face Canada since the Second World War.

Madam Speaker, Canada is at a crossroads in which the choices it faces are firstly, on the one hand, being a confident forward-looking country, a country with resources, a country with opportunity, a country looking forward to the opportunity of seizing a market, seizing

expansion, attracting investment and creating job opportunities for the future. That's the one hand. That's the hand of those who support free trade.

And on the other hand, we have the weak-kneed, faint-hearted approach of the Premier who says that we must continue to be afraid of those people who are larger than we are in population, afraid of those people who want to be bring protectionist measures against us. We are going to cower from them; we are going to let them attack us sector by sector, area by area, industry by industry, and we are going to collapse into ourselves and protect ourselves from all of those people outside and let our economy stagnate. And our young people have to move away to other countries to get the opportunities that they deserve and that they seek. Well, Madam Speaker, we want none of that fearful attitude. We want none of that faint-hearted approach from this Premier and his government.

Madam Speaker, I believe that this Free Trade Agreement has the potential to place us on a course of prosperity, growth and opportunity that will be the greatest opportunity that any of us will see in our lifetimes in this province.

Madam Speaker, the Premier spoke about vision, and I agree that vision is the key to this debate. We have a vision. We on this side of the House and the federal Conservative Government have a vision of strong, self-sufficient people, a growing economy, prospering businesses, job-creating opportunities for the future of our province. That's the vision that we have and I'm sorry that this Premier doesn't share that vision.

Madam Speaker, my only regret is that this crucial debate, this resolution, has been introduced by this Premier and this government merely as a means of diverting the attention of the people of Manitoba because this government would rather talk about anything than its record. It doesn't want the people of Manitoba today to talk about the huge increases in taxes, the 2 percent tax on net income, the overall increase of 20 percent in our tax load that we placed upon the backs of the people of Manitoba this past year. He doesn't want to talk about outrageous Autopac increases. He doesn't want to talk about the waste and the mismanagement of our Crown corporations. He doesn't want to talk about their priorities that are seeing Manitobans having to go to North Dakota for CAT scans, having to wait in line or being on stretchers waiting for beds in hospitals that he's closed down. Madam Speaker, that's what he doesn't want to talk about and so, as a consequence, he puts forward a resolution on free trade.

Madam Speaker, I wanted to say, in relation to free trade - and the Premier is getting sensitive as soon as I begin because he says, "Why don't you talk about free trade?" - he doesn't want to talk about the hospital beds he's closed. He doesn't want to talk about the people who have gone to North Dakota for CAT scans. He doesn't want to talk about over \$100 million lost in MPIC during the past two years. He doesn't want to talk about the losses of \$48 million in the Telephone System in two years. He doesn't want to talk about \$200 million in losses at Workers Compensation. He's very sensitive and I can understand why, but, Madam Speaker, these are things that I am concerned about with respect to this government's attitude.

When you look at the fear mongering that has been put forward by this Premier and all of his Ministers and the way in which they discuss the deal, it's all political. It's all been a calculated, planned approach to try and gain some cheap political support for Ed Broadbent and, hopefully, to try and do the same kind of thing that the Premier of Ontario did in making it an election issue that will carry him to victory. Well, it won't work, Madam Speaker. It won't work. No matter how much they plan, no matter how much they strategize, they will not make people forget or be diverted in their attention.

I want to tell you, Madam Speaker, if you listen to the things that are being said by this Premier, you can tell how far they've gone to try and manipulate the public mind, to try and touch the right buzzers, to try and make people respond emotionally to what they're saying. You'll notice that this Premier and his Ministers don't refer to this as a Free Trade Agreement - they refer to it as a deal - but it's further than that, Madam Speaker. They don't refer to it as an agreement between two governments; they refer to it as a Mulroney-Reagan deal.

Madam Speaker, you can tell that they have done polling, that they have probably done focus groups in which they find out that people don't trust the Prime Minister and the President. They feel that they can discredit this Free Trade Agreement by trying to instead focus attention on people's relationships with the Prime Minister and the President of the United States. He talks about their close relationship. He talks about some sort of arrangements that are almost clandestine, that people should mistrust. He puts all of those fears and concerns in people's minds rather than talk about it as being an agreement to liberalize trade between two countries, because that's what it is, and when people understand it, then people will support it. He doesn't want that to happen, Madam Speaker.

Madam Speaker, his approach is insidious; it's almost subliminal. It certainly is rooted in the psychology of trying to discredit individuals as opposed to dealing with an agreement between two countries.

Madam Speaker, the first time that I realized what this Premier was doing was on a Friday morning when he was called long distance in, I believe it was either Tokyo or Hong Kong . . .

HON. H. PAWLEY: Yes, 2:30 in the morning.

MR. G. FILMON: . . . by Peter Warren. You may recall this, Madam Speaker. The Premier is reminding me it was 2:30 in the morning; I was going to acknowledge that. I can't understand what sort of staff he must have that would allow you to be interrupted at 2:30 in the morning to take a call from Peter Warren in Winnipeg. I would have a great deal of criticism for the staff that would allow that to happen. I must admit that I felt terribly for the Premier because he was awakened from a sleep, and Peter Warren called him to ask him to respond to some things that were being said by Premier Grant Devine on Peter Warren's program.

The Premier talked about it - and I admit that he did sound a little fuzzy and a little bit confused at the time - but he was talking away about the Free Trade Agreement and about whether or not he would debate

with Grant Devine, and he said, no, he wouldn't speak to Grant Devine, and, no, he wouldn't debate with Grant Devine about the Free Trade Agreement. And all of a sudden mid-sentence he stopped and he said, "Well, really, it isn't a Free Trade Agreement; it's a Mulroney-Reagan deal," and the program had kicked in! The program that Michael Balagus and Garth Kramer had written for him had clicked in! It took him about three minutes before it actually took hold of him and he realized that he had been talking about the Free Trade Agreement and he shouldn't.

From that point forward, I have listened to every speech that he has made, I've listened to the nonsense put forward by the Minister of Energy and all of the Cabinet Ministers who've gone out throughout the province, and they talk about it as the Mulroney-Reagan deal.

Madam Speaker, that should be a concern to people - it is to me - that these members opposite are so dishonest as to not want to give this agreement the status and the attention that it deserves. Instead, they want to put it on to a political plane in which they can attack the individuals involved who are represented by the agreement and try and discredit the agreement by discrediting them. Absolute nonsense!

Madam Speaker, there's the further bit of nonsense that this Premier raised again today and his colleagues raise every time. They say, "You know, we really are in favour of free trade, but it's this deal that we don't like." Madam Speaker, these are people who began by saying that they were in favour of free trade. This Premier said he was in favour of free trade many, many times. These are people who set forth conditions under which they would support the Free Trade Agreement and they set forward those conditions back in 1985.

Madam Speaker, let's talk about where this Premier stands on free trade because this is what he said May 14, 1985, and I quote: "Premier Howard Pawley defended his support for a common market with the United States. 'I wouldn't have supported it if it hampered Manitoba jobs,' Pawley said." That's No. 1; that's May 14, 1985.

Then on May 31, 1986, here's the headline: "Premier vows to be own man in trade debate." Headline, Swan River: "Premier Howard Pawley said yesterday he will steer his own course on freer trade with the United States. He said he won't allow the federal NDP, labour or interest groups to direct his views on the issue. 'My first consideration must be that of what's best for Manitobans,' Pawley said. 'I can't be influenced by the position of necessarily the federal party or any interest group.'" Madam Speaker, that's what he said then.

And at that time, he said, "I will support this Free Trade Agreement if it takes care of my concerns." And he said, "My concerns are that I do not want health care, social programs, regional development programs or any of those Federal Government supports to be able to be included in the agreement." Well, Madam Speaker, they were not included in the agreement.

Then he said, "I am concerned that the brewing industry should not be adversely affected by the agreement." Madam Speaker, the brewing industry was taken out.

Then he said, "I am concerned for the trucking industry." The trucking industry was removed from the agreement.

Madam Speaker, he said, "I am concerned about the Marketing Board controlled commodities, that they should not be adversely affected by the agreement." They were taken out, Madam Speaker.

Every one of his arguments and concerns was taken care of in the agreement. So what did he do? He went to a whole new set of concerns. Then, Madam Speaker — (Interjection) — We'll look at those other concerns later on. But I'm just saying to you, Madam Speaker, to begin with, that this Premier has no credibility on this issue, that he is acting totally politically on this issue, and that he is dancing to the tune of Ed Broadbent, Bob White and Shirley Carr.

Madam Speaker . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Madam Speaker, I seem to have touched a sensitive chord, but I'll tell you this, that at least I say the same things publicly as I say to his face privately, unlike the things he just said earlier about the Member for Provencher. He tells me one thing privately to my face and then publicly he goes on with a big deal about the Member for Provencher - Ho, ho, ho! I say the same thing privately to you as I say publicly to you.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: We know where you stand. We know what this Premier said privately in the meetings that he had on free trade with the other First Ministers and then what he had to say publicly when Ed Broadbent kicked his butt around the block and said "You'd better get in line."

SOME HONOURABLE MEMBERS: Oh, oh!

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

The Honourable First Minister.

HON. H. PAWLEY: What the Leader of the Opposition said is a complete falsehood.

MR. G. FILMON: Madam Speaker, this Premier and his members, none of whom have had any business experience, none of whom have had any negotiating experience, they are trying to tell Manitobans and the public that it's the little flaws in the agreement that they don't like, that they feel that Canada should have gotten everything and the Americans nothing. Well, Madam Speaker, that isn't possible under any circumstances, and you can talk to the best negotiator that Canada has ever had on its behalf, Simon Reisman. Madam Speaker, he negotiated the Autopac which has made Ontario wealthy, prosperous and expansive, and made Ed Broadbent's constituency the most wealthy constituency in Canada.

Madam Speaker, he knows at no time was he so naive as to suggest that Canada could get everything and the Americans nothing. This is what Simon Reisman said in a talk in Winnipeg a couple of weeks ago - or sorry, a couple of months ago - about that very topic. I quote, he said, "reaching the deal required

compromises." We did not get everything we wanted. The Americans did not get everything they wanted. And then he went on to tell about some of the things that each side got, but what he said was, "in balance, this was an excellent deal for Canadians; this was an excellent deal for Manitobans; this was an excellent deal for Canada as a whole."

Madam Speaker, this group expects people to believe that it's going to be a win/lose situation, that Canada wins everything, the Americans lose everything. But, Madam Speaker, they have never won in any negotiations before. They got their butts kicked in negotiations with their staff, who get a no-cut contract from them so that they can't manage anymore. The management is in the hands of the people who work for them instead of them.

Madam Speaker, they negotiated a real good deal to sell Flyer. They had to pay the Dutch company \$3 million. They had to take all the risks. They make real good deals with everybody. That's why we didn't get Alcan; that's why we didn't get the Western Electric Grid; that's why we didn't get the IMC potash deal, because they don't know anything about negotiations. And then they have the nerve to tell people that it's really just the deal, that they could have made a better deal on behalf of Canada. Well, that's hogwash, Madam Speaker, absolute hogwash.

Madam Speaker, in full recognition of this government's motives on this matter, I would like to take the opportunity to place clearly on the record some of the benefits of trade in general and this agreement in particular. As well, I want to be putting to rest a few of the most blatant misconceptions that this government has been propagating. Historically, trade has been an activity that has built the world's greatest nations. You look throughout history, small nations like Holland were powerful in the early centuries because of trade. They went throughout the world and established empires because of trade. Britain was another small nation with limited resources that went throughout the world and became powerful in an economic sense because of trade. The United States became the most powerful economic force in the early part of this century, mainly because of trade.

Madam Speaker, Japan and West Germany today are coming to prominence in an economic sense worldwide, despite very small countries limited resources because of trade. Madam Speaker, on the other side of the coin, following the stock market collapse in 1929, U.S. and Canada joined all the other developed world nations in raising tariffs, barriers to trade. They thought that was the answer to the stock market collapse.

What happened was a 57 percent increase in tariffs occurred in North America. We suffered the worst economic times in our history. We had the Great Depression, the 10 lost years that everybody knows about, that we heard about growing up in this country. There is one lesson that all of us should have learned, and I think have learned from that national tragedy, and that is our nation's fundamental need to trade. Why leave barriers in place, any barriers in place if there's an opportunity to remove them and open up further trade? How can this Provincial Government fail to see that we need to have trade, and enhanced trade, and expanded trade, in order to survive and to grow as a nation and as a province?

On the other hand, Madam Speaker, the other side of the coin is when we want to hurt and harm countries economically, what do we do to them? We cut off trade with them. We did that in wartime, to countries we wanted to harm immediately in an economic sense, we cut off trade with them.

What has this Premier and his colleagues and many people throughout this country proposed with respect to South Africa, a country whose apartheid policies are abhorrent to all of us? What are the suggestions? We bring in immediate economic sanctions and cut off trade with them. Why? Because we want to harm them in an economic sense, to get their attention and change their political policies.

So we know that expanding trade is good, cutting off trade is bad. This Premier doesn't seem to understand that, Madam Speaker. Why would we deliberately want to hurt ourselves when we have the opportunity right before us today to help ourselves immensely for the future and expand our opportunities for trade? I don't understand it. I don't understand this Premier. I don't understand his colleagues.

Since the Second World War, we've experienced the greatest period of growth and expansion in our country's history, all because we've systematically removed barriers to trade, all because we have systematically expanded our opportunities for trade, principally with the United States, but all throughout the world.

But you know, Madam Speaker, we have seen these arguments before that are being put forth now by this Premier and the opponents to free trade. They talk about us losing our identity. They talk about us being swallowed up in the greater economic union that is going to be formed in this Free Trade Agreement.

The same arguments were being put forward in Great Britain, when people there were fighting going into the EEC, and for 10 years people said that we're going to lose our identity. People said that we're going to give up too much. They said that we don't need that agreement and, in fact, it will be bad for Britain. But as time went on and eventually when Britain was suffering such terrible economic times, they were convinced to go into the EEC. Since they went into the EEC, they have, once again, begun to grow and prosper and things have become better and better, Madam Speaker.

The same arguments were being put forward with respect to New Zealand. In New Zealand, they were afraid of getting into a trade agreement with Australia, because Australia was eight times as big as they were and they said, they're going to roll over and crush us. It wasn't until they entered into an agreement to trade that they were able to correct their circumstances and once again get back on a path to recovery.

Madam Speaker, we're at a crossroads today. We're at a crossroads today. We have a chance to make a historic decision. Sure there are some risks, but I believe that the risks are not nearly as great as the opportunities. Manitoba and the West were built by people with a pioneering spirit, people who were risk takers, people who were confident in their ability to compete, people who were confident in their ability to meet the challenges head on and take advantage of the opportunities despite the risks that they may have faced. They were confident in the future and confident

in themselves. They were risk takers who would stop at nothing to open up this province and to open up this Western Canada of ours. The character of Manitobans hasn't changed much over the past hundred years. We're still a proud people and we're still ready to meet those challenges head on. That's why I believe in free trade and so do my colleagues.

Madam Speaker, let's be honest though. Any time you're faced with the prospect of change, whether it's large or small, it brings with it uncertainties. People say to themselves, how will we adapt? People ask, what will it mean to my future career? The insecurity leads to fear, and the fear can be whipped up by irresponsible people such as members opposite who give you vague and imagined consequences.

That's what the opponents in this Manitoba Government of ours, and that's what the opponents federally, the Liberals and the NDP are doing. They're whipping up these vague and imagined consequences into fears of people losing their jobs, into fears that their entire life will change before their very eyes, that their future careers will go down the drain as a result of this agreement, and it's absolute nonsense, Madam Speaker, absolute nonsense.

Yesterday I was at Grant Park High School with the Minister of Energy and Mines and the Member for River Heights, and I was astounded at the questions that were being asked by students at that high school.

One student came to me and she said, "I've heard from members of the government and members of my union that our company, the company I work for, which is an American company, is going to close down and go out of Canada if we have this Free Trade Agreement."

I said, what company do you work for? She said, Safeway. I said, Safeway - why on earth would Safeway close down and move back to the United States under a free trade agreement? Why on earth would that happen?

Madam Speaker, she's heard the Premier say that Americans would come in here, buy up our companies, close them down and move them to the United States. That's what she's heard.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Madam Speaker, I heard at Daniel McIntyre High School — (Interjection) — Well, Madam Speaker, I was there a week after . . .

HON. H. PAWLEY: I gather you got rather hot treatment there too, Gary. I was told you got pretty hot treatment during the question period. You were on the defensive in the question period.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: The Premier is very excited today.

Mr. Madam Speaker, after Marine Al had been there, these people, these students were whipped up on the fact that we would lose our identity. That's what they said. And that's what the Minister of Crown Investments is saying, we'll lose our identity, the same kinds of arguments that were used in Great Britain.

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

Well, I can tell you, the British are still British under the EEC, and the French are still French and they have

their own qualities and their own culture and all of those things. And the Germans are the same as they always were and the Spaniards are the same as they always were. The only thing is that, economically, they have become stronger. Their economies have grown and things are getting better because of their trading relationship. It has done absolutely nothing to change their identity.

Mr. Deputy Speaker, let's examine just a few facts about the Free Trade Agreement.

Firstly, Canada . . .

HON. G. DOER: For a change.

MR. G. FILMON: The Member for Concordia says, for a change. The Premier spoke for an hour and-a-half and didn't touch the Free Trade Agreement. It was all the fear mongering, all the nonsense that he puts forward, not about the Free Trade Agreement, not about trade between our countries, not about the relationship between Canada and the U.S. in an economic sense. It was all the fear mongering.

So I will talk about our trading relationships and what this agreement will do to our trading relationship.

Firstly, Canada and the United States are the world's largest trading partners; 77 percent of our exports go to the United States; 26 percent of their exports go to Canada; 80 percent of what we trade is already tariff free, 80 percent of it. So we're just taking a little step forward.

But in addition to taking that little step forward to further remove tariffs and barriers to trade, the most important thing is, by this agreement, we are securing the trade that we already have. One thing is certain, without an agreement, nothing will remain the same; absolutely nothing will remain the same. The U.S. is becoming very protectionist; we see it every day on television. We hear about it on the radio and we read it in the newspapers.

A year ago, more than 300 bills were presented in Congress that in one way or another were designed to limit trade opportunities with foreign countries. Canada was included in many of those bills, would have been included.

The shakes and shingles, the protectionist measures that were brought forward within the last couple of years are unprecedented against shakes and shingles, against softwood lumber, and against potash, fresh fish, wine. Sector by sector, they've been attempting to attack our ability to export.

The appeal of Richard Gephardt, one of the presidential candidates, one of the presidential candidates who's getting a lot of support these days, his message is very appealing to a great sector of the American public.

Without a Free Trade Agreement, we stand to lose the share of trade that we currently have. That's an important consideration that these people never talk about. They want you to believe, Mr. Deputy Speaker, that everything will remain as is - status quo - and we never have to worry about that. They want to close their eyes and their ears to all of those protectionist measures that are building across the border in the United States.

Members opposite say this Free Trade Agreement wouldn't stop those countervail and anti-dumping

measures. Mr. Deputy Speaker, countervail and anti-dumping laws are essentially the same under GATT, in most GATT countries. They are virtually the same in principle. The difference is the interpretation and the rulings that are brought forward. In a number of these major incidents in which countervail actions have been successfully brought against Canada, under current situations where they're interpreting U.S. law on similar charges in the past, they have been defeated. All of a sudden within the last couple of years, because of the politics, the political overtones are there, these countervail measures, these protectionist measures taken against Canadian products and industries, are succeeding. Why? Because the tribunals now are operating under different political overtones.

So it's the political interpretation of the laws that has changed in recent years, it's not the laws that have changed. It's not the laws that are so dissimilar to Canadian trade laws, it's the interpretation that's being placed on them by the American tribunals.

What'll we do today under this Free Trade Agreement? We have a binational panel, a binational panel in which there's equal representation from both countries that will ensure that those political overtones and political interpretations don't take place. Those actions that ordinarily shouldn't have happened in the past won't happen in the future because we have in place a binational panel that can bring forward binding decisions as a result of our input onto those binational panels. They say of course that's not worth anything. The Minister of Trade says that's not worth anything. Mr. Deputy Speaker, he doesn't understand that it's a major step forward and that many critics who have looked at it agree with that. I'll tell him more about that later.

So, if we don't have the agreement, we don't have the status quo either. When we ask the members opposite or even the Liberals what would you do instead? Well, they either say nothing, or they say let's try and expand multilateral trade opportunities.

Well I remind you, Mr. Deputy Speaker, that was what the Trudeau Liberal administration said they were doing for 20 years. For 20 years they said we want to expand multilateral trade opportunities world wide.

During that period of time, the proportion of our trade with the United States increased from about 55 percent to about 75 percent. While they said that their major thrust was multilateral trade increase, they were in fact becoming more and more dependent on trade with the United States. Why? Because it's our logical trading partner. it's right within 50 miles of us.

If we can't trade with the Americans, we sure aren't going to be able to trade in the Far East where they're half the world away, and you've got difficulties in communication and in transportation. You have added costs. You have all those things to deal with. We aren't going to be able to expand our trade opportunities half the world away if we can't trade with the Americans right across our border 50 or 60 miles away.

That's the reality of it. And they say well, what about the European economic community? Well, the European economic community of course, as a group, is designed to promote trade with themselves and to keep out trade from others. We aren't going to be able to trade with the European economic community if we can't trade with the Americans. They are our greatest opportunity.

They're our greatest opportunity for expansion, growth and investment here in Canada.

You ask them what's their alternative for the jobs that will be created by free trade? What's their alternative for the lower prices it will bring? Because, Mr. Deputy Speaker, everywhere you look the evidence is there, that there will be jobs created, that there will be lower prices to consumers. Quite frankly, I think that's a good thing for Manitobans. I think the consumers want to save money.

You know, what did this Premier and his colleagues say? Well, they scoffed at the lower prices. They said well, it's only about \$200 per person per year. So, that's only about \$600 or \$700 per family in Manitoba.

Well it seems to me, Mr. Deputy Speaker, that is a saving that every Manitoban and every Manitoban family would love to have - \$650 a family right now. It would sure go a long way to help for their Autopac increases.

What are the other arguments they put forward? You've heard it from the Minister of Industry, Trade and Technology. He says we aren't going to be able to compete with the Americans. They are 10 times as large as we are. They'll just roll over and crush us.

Well, I ask you, Mr. Deputy Speaker, have you ever heard of Steinbach, Manitoba? Steinbach is a community represented by my colleague from La Verendrye. Every day we hear advertising in the news media. We hear it on radio, we see it on television, "It's worth the trip! Come to the automobile city!" Now, who do you think that they're advertising to? Do you think that they're advertising to the 8,000 people in Steinbach or surrounding areas? Do you think that they've got 10 major automobile dealerships in Steinbach to service the 8,000 people in Steinbach? Not on your life. Not on your life, Mr. Deputy Speaker. They're advertising to the people of Winnipeg. They're competing head on with all of the dealerships in Winnipeg that outnumber them, that are far larger than they are, and every day they beat those dealerships for business. They beat them because they offer a quality product, good service and a good price. They come into Winnipeg with their advertising and they eat the lunch of all of the auto dealers in Winnipeg every day of the week.

Mr. Deputy Speaker . . .

A MEMBER: They do not. You know that. That's pure garbage. Do a comparison of volume sales.

MR. G. FILMON: Well, where are they getting volume from? Is it from Steinbach? Is that why you have everyone from the city . . .

HON. V. SCHROEDER: Workers in Steinbach can't afford to buy a new car. They're on minimum wage.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Mr. Deputy Speaker, the Minister of Industry, Trade and Technology says that workers in Steinbach can't afford to buy a car because they're all on minimum wage. That's exactly what he said, and I think that that's a shocking thing for the Minister of Industry, Trade and Technology to say about a community that has created a great deal of investment,

jobs, a growing progressive economy. I think that's a shocking thing for him to say, and I think it just tells you what a partisan position his mind is in, where his mentality is today.

I just pointed out — (Interjection) — Mr. Deputy Speaker, that Steinbach . . .

MR. DEPUTY SPEAKER: Order.

A MEMBER: Mr. Deputy Speaker, why don't you earn your wage and keep this clown quiet? Quiet him down.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition has the floor.

MR. G. FILMON: Mr. Deputy Speaker, Steinbach is one-sixtieth the size of Winnipeg, but its car dealers are able to attract customers from Winnipeg every day of the week. Every day of the week they sell automobiles and they've grown and prospered, despite the fact that in size Winnipeg has a huge advantage. Size means absolutely nothing. It doesn't automatically mean that if you've got a good product to sell, you've got a quality product at a good price. You're going to compete for the market successfully, and you see it every day of the week.

Mr. Deputy Speaker, any company that can survive under the burden of this government can survive a free trade agreement. We have seen this government do any number of things that are harmful to the people of Manitoba and their businesses. But you know what really concerns this government, and particularly the Minister of Industry, Trade and Technology, is that he knows under a free trade agreement his government comes under a microscope, and all of those huge tax increases, the ones that have made us the second highest overall taxed province in the country, they're going to provide an unfair burden to Manitoba producers and to Manitoba businesses. The exorbitant increases in Workers Compensation rates, the payroll tax, the two percent tax on net income, all of these will make it more difficult for our businesses to compete with other businesses across the country, under a free trade agreement.

But Manitobans have a competitive nature. Our producers and our manufacturers are prepared to tackle new frontiers. Manitoba exported \$1.4 billion worth of goods to the United States last year alone. Sure free trade means that the inefficient and uncompetitive will have to mend their ways or pay the price, and I don't think we'd have it any other way, because Manitoba will only be strong if it encourages the best, not protects the worst.

Mr. Deputy Speaker, this government is acting in a shocking and shameful manner. It tells Manitobans that they're not good enough, that they can't compete with the Americans, that they'll fail if they try and, Mr. Deputy Speaker, this government is not only dead wrong, it's scared stiff. They're afraid, and they know that it's their policies that'll come under review and their inadequate government responses to all the problems and challenges that we face that will be the problem.

You know, just talking about free trade to a certain extent, because the Premier talked about it when he mentioned agriculture - in 1985, the Premier travelled

to four mid-western United States to visit governors about the chloramphenicol ban. At that time, he was begging them to remove this ban so that our hogs could continue to go into those U.S. states.

(Madam Speaker in the Chair.)

Seven out of ten of our hogs produced here are exported. Six out of ten go to the United States. Madam Speaker, what has changed is that can be appealed to the binational panel, and they could not bring a political decision. They could not bring a political decision against us. You wouldn't have to go cap-in-hand on bended knee to the governors. You'd have a mechanism in place to resolve that.

Madam Speaker, the Free Trade Agreement will right a historical wrong. We in Western Canada were sent for decades. Through this Free Trade Agreement, we have an opportunity to right a historical wrong. In Western Canada, we have always sold our commodities worldwide on an open free market basis, but we've had to buy our consumer goods from Ontario on a protected market basis. We want to change that, and we have the opportunity to do that in this Free Trade Agreement.

Free trade will mean more jobs, more jobs, Madam Speaker. Federal Government estimates say 120,000 new net jobs in the first five years. Informetrica, an independent economic forecasting outfit, says 200,000 net new jobs as a result of this Free Trade Agreement. The Economic Council of Canada says 350,000 net new jobs, 15,000 of them in Manitoba alone. Madam Speaker, I think that those jobs are needed and wanted by Manitobans.

A MEMBER: 15,000.

MR. G. FILMON: 15,000 jobs, jobs!

Madam Speaker, the Minister of Health says that he's not impressed with 15,000 net new jobs for Manitobans. He says that it's not worth creating 15,000 net new jobs in Manitoba. I think that Manitobans will want to know that, Madam Speaker.

The members opposite say there will be no real protection in this. Firstly, I cite Article 1902-2. It ensures that new U.S. anti-dumping and countervail laws will only apply to Canada if Canada is specifically included in the new legislation. Second, Article 1102 guarantees the application of emergency safeguards such as quotas and surcharges when imports are causing serious injury. It will only apply if Canada is contributing importantly to this serious injury. Third, in either case, if these trade remedy laws do apply to Canada, they can still be appealed to the Dispute Resolution Panel. These panels will judge legislative changes on the basis of their consistency with GATT and whether the change has the affect of overturning a prior panel decision. If the panel recommends modifications to the changes, the action will trigger a 90-day compulsory consultation process. In the event that no remedial legislation is introduced within 90 days and no other agreement is reached, Article 1903(b) allows the complainant to take comparable legislative or executive action or terminate the agreement on 60 days' notice.

Madam Speaker, there are many elements of protection. I could go on and on and on, but the

members opposite are not interested in the elements of protection in the agreement. They're only interested in the fear and smear that they put forward day after day as they try and fight an agreement that will be good for Manitobans. They don't want to talk about the details; they want to talk about their perceived problems. They want to put all these imagined concerns out there for people to become worried.

There will be many industries that will be opened up for trade with the Americans as a result of this Free Trade Agreement, many areas that today are concerned about the changes that have come forward, are concerned about protectionist measures; specific sectoral agreements such as architecture and tourism, computer services, telecommunication, network-based enhanced services. All of these areas of our economy will have new opportunities under this Free Trade Agreement.

Let's just talk about a few of the other criticisms that have been brought forward. The Premier sent a letter around, Madam Speaker, just last fall. He sent a letter to many Manitobans. It was one of those "Dear Friend" letters that he sends to all of his lists, these computerized lists that he has, the same kind that he sent about Autopac just a couple of weeks ago. He gave the reasons why he was opposed to free trade. Why was he opposed to free trade? Now this is the new set of reasons I might add, Madam Speaker, because the old set of reasons were the ones that were all taken care of in the Free Trade Agreement.

Here's the new set of reasons that he gave. He said that he would prefer to have greater control over foreign investment. I thought he wanted to encourage foreign investment. I thought that's why he and his colleagues travelled to Hong Kong and Japan, spent \$50,000 worth of taxpayers' money so that we could increase foreign investment in Manitoba and Canada. But now he's saying, no, that's not what he wants, he wants to control foreign investment. It doesn't matter to him, of course, that Ed Broadbent has prospered from foreign investment - \$4.2 billion worth of foreign investment by General Motors, an American multinational in Oshawa since 1980, bred 10,000 or more jobs. They say of course that's good for Ed Broadbent, but it's bad for Manitoba to have foreign investment. We want to control that foreign investment. Howard Pawley is concerned about it.

Next he said he wants to control our energy resources. Well this is a matter for the Minister of Energy and Mines, because he dwelt a great deal on it yesterday when he was speaking to the students at Grant Park High School. He says that he wants to control our energy resources. Aren't these the people who are specifically building a new plant on the Nelson River, Limestone, so that they can sell almost half of that energy to the Americans? They're desperately trying to sell more and more and more energy every day of the week to the Americans. Aren't these the people who are trying to do that? I thought the idea was they wanted to sell more of our electrical energy, not control it.

Then, of course, they come up with the facetious suggestion, Madam Speaker, that in fact this Free Trade Agreement is going to stop them from selling electrical energy to the Americans. This Free Trade Agreement will only stop them from selling electrical energy to the Americans if they are selling it, found to be selling it

at less than the cost of production. That's dumping or something that will be countervailable. If they are selling it at a fair price, at a price that is over the cost of production, they will not be stopped from selling it to the Americans, Madam Speaker. But what this Minister of Energy said yesterday at Grant Park High School was he was concerned that, under this agreement, we would not be able to subsidize our electrical energy sale. That's what he said.

Now, why I ask you, why would we want to subsidize our electrical energy sales to the Americans? The fact of the matter is, we don't want to subsidize our electrical energy sales. We want to get our money back for that. We don't want to give it to the Americans at a price below cost, at a price that's subsidized by Manitoba users. Isn't that what got them in trouble with Flyer Industries? Weren't we subsidizing every bus that we sold to Boston, Chicago and San Francisco by \$90,000 a bus? Isn't that what lost millions of dollars, tens of millions of dollars for us? Absolutely, Madam Speaker. We don't want to have to subsidize our electrical energy sales to the Americans.

HON. J. STORIE: Madam Speaker, on a point of order.

MADAM SPEAKER: The Honourable Minister of Energy and Mines, on a point of order.

HON. J. STORIE: Madam Speaker, I believe the Rules of this House do not allow another member to impute motive to another member.

Madam Speaker, the Leader of the Opposition is clearly suggesting that I have made remarks, which I have not made, suggesting that I believe things which I do not believe.

Madam Speaker, the Leader of the Opposition is not being truthful.

MADAM SPEAKER: The honourable member has a point of order on his first remarks, but he also cannot accuse another member of being untruthful.

A difference of opinion is one thing, accusing another member of not telling the truth is said many times.

HON. J. STORIE: I recognize that was a breach of the Rules. I will withdraw those remarks, Madam Speaker.

MADAM SPEAKER: Thank you.

HON. J. STORIE: Madam Speaker, he clearly spoke out of ignorance.

MADAM SPEAKER: The Honourable Leader of the Opposition, on imputations.

MR. G. FILMON: Madam Speaker, prior this . . .

MADAM SPEAKER: On imputations.

MR. G. FILMON: I imputed no motive whatsoever, Madam Speaker, no motive whatsoever.

A MEMBER: Just that you were stupid.

MR. G. FILMON: Madam Speaker, prior to this Free Trade Agreement having been entered into, the biggest

concern that this government had was that the U.S. coal producers would intervene and block our ability to sell hydro- electric energy to the Americans.

Here's a story, headlined on April 10, 1987, in the Winnipeg Free Press, that says, energy agency targets \$60,000 for hydro fight. It goes on to tell that the Manitoba Energy Authority had hired a lobbyist in Washington for \$60,000 to fight against the U.S. coal lobby to ensure that we could still sell electricity to the Americans. They were so frightened that the Americans would close off the border to us that they hired a lobbyist at \$60,000 to keep the borders opened. Now they're saying, we don't need a Free Trade Agreement. We have no concerns about our hydro-electric sales.

Absolute nonsense, Madam Speaker. This is what we get from this Minister of Energy and Mines.

They tell us that somehow we're obliged to sell electricity. We can be forced, they say, to sell electricity to the Americans under this agreement. Madam Speaker, we cannot be forced to sell anything that we haven't already contracted to do.

A MEMBER: Why do you say that?

MR. G. FILMON: Because you've said that; you said it to the kids yesterday. You said to the kids yesterday that the Americans can demand our energy. They cannot demand any more energy than what you've contracted to sell, and the cards are in your hands. If you don't want to sell electricity to the Americans, you don't have to sign a contract.

Madam Speaker, what do they say over and over again? They say that this deal is not good for farmers. Madam Speaker, the Keystone Agricultural Producers, the largest group of farmers in this province, passed a resolution at its annual meeting supporting the Free Trade Agreement. Every commodity group represented in the Keystone Agricultural Producers represents this Free Trade Agreement, every single one.

Every analysis of the deal says that our markets will be secured and expanded for beef, pork, oil seeds, grains; and poultry, dairy and vegetable producers are protected by the agreement. Madam Speaker, all of this, they don't speak on behalf of farmers.

Even today, Madam Speaker, I was shocked at the Premier taking this article out of the Free Press, trying to suggest that the Free Trade Agreement was a bad deal for canola producers. He began by saying that the head of the Western Canada Canola Growers Association said it was a bad deal - then he said the head of the Canola Growers Association. Then he changed it when he finally read that in fact it was the Chief Executive Officer of CSP Foods, which is a crushing company who is being quoted, not the canola growers. He wasn't speaking for the farmers, Madam Speaker, because I'll tell you, the producers, the canola council, and the canola growers have said over and over that this Free Trade Agreement is an opportunity of a lifetime for them.

Take a look at what's happened to the expansion of our canola sales to the Americans since 1984 alone, because the Americans have given it status, so that it's now able to be sold as an oil, as a vegetable oil in the United States. What has happened? Canola oil sales have expanded from 4 million a year in 1984 to

over 50 million projected for this year; and canola meal has expanded from 22 million in 1984 to over 32 million in 1988.

Madam Speaker, the canola growers believe that this could be a billion dollar industry for them, that they could expand their sales to the Americans to the billion dollar range. They currently only have a small fraction of the oil sales, the vegetable oil sales in the United States. They believe that this agreement will give them the kind of access to expand their production.

Time and time and time again this government speaks against the best interests of farmers. Farmers today are suffering some of the worst economic times in their history, and they don't do anything to help them. The Free Trade Agreement has the opportunity to make them self-sufficient, to give them the opportunity to be free of government subsidies and government support programs and stand on their own two feet, have a prosperous future, and these people say no, they don't want a Free Trade Agreement.

Surely the NDP don't want to forever condemn Manitoba farmers to the harsh times that they face today. I can't understand that and I can't understand how they could continue to oppose this Free Trade Agreement.

Madam Speaker, the only reason this government is opposed to free trade is because its own economic studies say that Manitoba will be a net benefactor from free trade. Its own studies say that Manitobans will gain in terms of their reduced cost of living; that Manitoba will gain in terms of jobs created; that Manitoba's economy will benefit from free trade. Why are they opposed to free trade? They're opposed to free trade because Ed Broadbent says they ought to be opposed to free trade.

Madam Speaker, I had hoped to have a little time to read from some of the editorial comments that have been made on this agreement, but some of my colleagues will be able to go further on this issue in the next little while. I recommend to you to read, for instance, one editorial from the Free Press that was entitled, "Stand up for Manitoba." It went on to point out that, from the time that the Premier first talked about free trade and laid his concerns on the table until the Free Trade Agreement was actually signed, every single one of his arguments was taken care of.

So what did he do? What did he do? He then went on to a new set of arguments that he put forward at the First Ministers' Conference. The editorial on November 28 talked about that, and it said: "A parade of contradictions." There was nothing in the comments he made at the First Ministers' Conference that made any sense, and they went on to point that out.

They then went through, question by question, all of the concerns that were being raised by the farm mongers on the opposite side of the House, by the NDP Government and the Liberals who support them. They were all saying, all these questions, won't the agreement cost Canadians hundreds of thousands of jobs? Absolutely not. Every economic study says that we will gain jobs as a result. Will Canadians just get all the low-paid jobs, while the Americans will get the best jobs? Absolutely not. According to any empirical economic projection, no. Will the agreement benefit one section of the country at the expense of the others? No. All areas stand to gain, but Western Canada stands to gain more than most areas of the country.

Madam Speaker, will the agreement mean that the Americans can take all of our energy? No, absolutely not. Does the agreement give us guaranteed access to the American market? There are no guarantees, of course not, but it enhances our opportunity and it secures what we have, Madam Speaker.

Could Canadian business demand the dismantling of social programs because it makes it hard to compete with U.S. firms? That's an allegation that the Minister of Energy and Mines made yesterday at Grant Park High School. The answer is that it won't happen. It hasn't happened as we removed tariffs over the past 40 years. Our companies have been happy to support the social safety net, the Medicare, and all of the things we've had in Canada, because they support our way of life in Canada.

Here's another one. Won't the agreement permit U.S. companies to buy up Canadian companies and put them out of business? That's Howard Pawley's argument, and it's an absolutely fatuous argument, Madam Speaker. The fact of the matter is no company is going to buy up a manufacturing plant here just so it can shut it down, when all it needs to do is expand its own production in the United States if that's all it wants to do. The fact of the matter is, it doesn't happen and it won't happen. If they come here, they'll come because we have a reasonably priced workforce, we have a productive workforce, we have a good standard of living here, and they know we produce a quality product at a reasonable price. That's why they'll invest in Canada. They won't come here to buy a plant just to shut it down, Madam Speaker. That's absolute nonsense.

And then of course, Madam Speaker, we have the editorial that was written the day after the Throne Speech, and it called the arguments in the Throne Speech preposterous arguments because that's precisely what they were, preposterous arguments, and it hits every one of them right on the head.

Madam Speaker, I just want to talk in closing about both parties in this House and the Opposition parties in Ottawa who oppose free trade, and I'm talking about the Liberals as well as the New Democrats.

I want to begin by pointing out that the Liberals for decades supported free trade. It was their policy. The original impetus for this agreement came out of the Donald MacDonald Commission. The former Liberal Finance Minister and his Royal Commission going across the country came up with a recommendation for free trade that was supported by the Federal Government, and expanded on and entered into eventually after consultation and after negotiation - Donald MacDonald.

What did the Member for River Heights say yesterday about that when I raised that issue at Grant Park High School? She said, "Well, Donald MacDonald had three conditions. He had three conditions, and these were the conditions," and she implied that those conditions weren't taken care of in the Free Trade Agreement. What she didn't say was that Donald MacDonald has examined this agreement and he supports this agreement, and he's going around the country telling people that it's good for Canada. So many Liberals still support the Free Trade Agreement and, in fact, that's why the Liberal Party of Canada can't raise any money any more, because the business communities

support the Free Trade Agreement and they say the Liberals are on the wrong track.

Madam Speaker, I quoted you earlier — (Interjection) — I think it's significant because members opposite are going to say, the Prime Minister Brian Mulroney wasn't a proponent of free trade before. Well, I'll tell you this, Madam Speaker, the one thing that he did do was he listened to the people in this country. He listened to the people who he has to count upon to make investments, to create jobs, to create economic development and stimulation. Every business, every major business group, every employer group, every industrial group is in favour of free trade. They're the people we have to turn to to make the investments. They're the people we have to turn to to create the jobs for the workers of this country, and all of them are saying this Free Trade Agreement is good - absolutely, Madam Speaker.

I say this one thing further. What's so shameful is that this Premier himself has done a total reversal on this. In 1985 and 1986, he said he supported free trade and, today, he's opposed to it.

Madam Speaker, finally, you ask them what would they put in its place? You can't have the status quo. Things can't remain the same with all the protectionism. All they say is, of course, well we're going to get trade with other nations. When has it happened? Where are the prospects? Who are those unknown other nations? They're not there. We've been trying for years. We have 77 percent of our trade with the Americans, and our greatest opportunity is to go across the border 50 or 60 miles away and increase that trade.

The reality of it, Madam Speaker, is we cannot allow this opportunity to pass us by. It's the opportunity of a lifetime, and this government's crass political agenda is not going to stop our country from expanding and growing and creating the jobs that will make us economically prosperous in future.

Free trade is not for the faint of heart. It's not for companies or governments who are wasteful, inefficient, or mismanaged. It is not for the cowardly and, since this NDP Government is all of those things, it's quite easy to understand why they oppose free trade. Fortunately, Madam Speaker, most of our citizens are not so short-sighted. They are not afraid of opportunity. They are not afraid of challenges. They are not afraid of competing with the best anywhere in the world, especially in the United States. That's why we will take advantage of it. We will prosper and grow.

Madam Speaker, we are totally opposed to the resolution of the Premier and totally in support of free trade.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: I move, seconded by the Minister of Health, that debate be adjourned.

A MEMBER: What? You don't want to speak on it?

HON. V. SCHROEDER: I'd love to speak on it, but it's five o'clock.

MOTION presented and carried.

MADAM SPEAKER: The hour being 5:00 p.m., it is now time for Private Members' Hour.

PRIVATE MEMBERS' BUSINESS

**RES. NO. 1 - WORKERS COMPENSATION
BOARD PUBLIC HEARING**

MADAM SPEAKER: The Honourable Member for Springfield on the proposed Resolution No. 1

MR. G. ROCH: Thank you, Madam Speaker.

I move, seconded by the Member for Portage la Prairie,

WHEREAS injured workers have not been treated fairly by the Workers Compensation Board; and

WHEREAS the Government of Manitoba has interfered in the operations of the Workers Compensation Board contrary to the Workers Compensation Act; and

WHEREAS the aforementioned political interference and mismanagement by the government's political appointees have caused a substantial deficit to appear in the operations of the Workers Compensation Board contrary to the Workers Compensation Act; and

WHEREAS the monies paid to the Workers Compensation Board are essentially a trust fund set up for injured workers by the business community; and

WHEREAS the primary purpose of this trust fund is to protect and compensate injured workers; and

WHEREAS these monies have been misappropriated by the Government of Manitoba and the Workers Compensation Board due to political interference and mismanagement.

THEREFORE BE IT RESOLVED that the Government of Manitoba immediately call public Legislative hearings into the operations of the Workers Compensation Board.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker.

It's becoming it's becoming increasingly obvious by the increasing number of complaints from injured workers that while employers are paying more, a lot more, for Workers Compensation Board premiums that the employees, the injured workers, are not getting what's coming due to them.

Madam Speaker, it's a known fact that premiums have gone up by no less than 20 percent over the past three years and, this year, it's been forecast at another 20 percent.

Madam Speaker, the newly appointed chairman, or the recently appointed chairman, of the Workers Compensation Board, Mr. King, said recently that a 30 percent increase would stop any rise in deficit. Madam Speaker, this means that we're caught here with a double-edged sword. Without high increases in the Workers Compensation Board premiums, we continue to have an illegal deficit brought on by this government. Yet unduly high increases put an additional burden on business in Manitoba over and above the high taxes that they already pay, including the payroll taxes, plus the numerous laws and regulations which hinder business in Manitoba.

Madam Speaker, this never should have been the case, because it's also been estimated that it would

take a 220 percent increase to wipe out the deficit. And why did this deficit come about in the first place? That's a question which has to be answered.

The whole purpose of this resolution, Madam Speaker, is to try and bring about some form of public hearings, some form of legislative hearings, so that we can try and delve into the reasons why this deficit occurred.

Madam Speaker, the Minister, when questioned about reports, says they are internal reports of the Workers Compensation Board. He says that if they want to make it public let them do it. The fact is, Madam Speaker, the Minister is responsible for the Workers Compensation Board. It's up to him to decide whether or not these reports are made public.

Trying to say that it's up to the board to decide whether or not these reports are made public is just passing the buck. He's ducking the issue.

Madam Speaker, if in fact he or - and this is more to the point - former Ministers have never interfered in the operation of the Workers Compensation Board, then what are they afraid of? Why are they hiding some reports, especially the Cormack report? Why are they not calling public inquiries into the operation of the Workers Compensation Board?

If there's nothing to hide, then let us clear the air. We cannot continue to accept the word of the Minister. Possibly this Minister has never interfered. I believe this Minister to be an honourable man. I believe all members to be honourable. Maybe unintentionally some haven't differed in the past, maybe intentionally. We don't know.

For his sake, for the sake of former Ministers, going back to 1982 when this deficit first started being incurred, I think that is the reason why we need these public hearings or public inquiry of some form.

Madam Speaker, the reason I brought forward this resolution is because prior to the Session I made certain requests of the Minister which she refused.

Madam Speaker, it's interesting to note that to quote the Free Press of January 27, 1988, in one article there it says that the rehabilitation chief at the Workers Compensation Board says he is leaving his \$50,000 a year job because he is frustrated with the policies and ideological bent of the new board members.

Two days later it was reported that the three-member Workers Compensation Board demanded and obtained a resignation of its rehabilitation chief yesterday - two days after he said he had philosophical differences with two of them.

Madam Speaker, why did that happen? Is it because the board members are not being professional, existing board members and previous board members? Is that a possibility?

The facts are there are two formal levels at which claims can be appealed and one informal. At first there is the claims officer. If a claim is rejected at that level, it then goes to the first formal level, which are the councillors. It then goes to the senior claims officers. All these people, Madam Speaker, are professionals in the field of insurance, and it's come to my attention that in the 1986 figures over 75 percent - or at least 75 percent, but I think it's over 75 percent - of the appeals that were rejected at the two levels were overturned by the appointees to the Workers Compensation Board.

Madam Speaker, I have to repeat the questions which I asked the Minister very recently. I want to know if these figures are correct. The Minister replied that these were incorrect from 1987. Madam Speaker, I haven't got the 1987 figures yet, therefore I'll accept the Minister's word. But according to the 1986 figures, over 75 percent of the claims and decisions by the professionals at the Workers Compensation Board had been overturned by the Workers Compensation Board appointees, none of whom, I might add, had any experience in the insurance adjusting field.

The second question I asked the Minister was how much did these claimants cost the Workers Compensation Board? Is that part of the reason? And that's just for 1986. We had to look back into previous years too to find out if the percentages of such decisions were similar.

The third question, and this is a very important one, was there any direct or indirect ministerial interference which led to the reinstatement of funds against the advice of the professional claims officers? That's a question which has come up several times in the Legislature, out in the public areas. Was there or wasn't there?

We all know that if there was it would be contrary to Section 51, subsection 1 of The Workers' Compensation Act because that act specifically precludes any intervention by the Minister. But there are doubts in peoples' minds.

Again, I reiterate, that is one of the main reasons why we must have hearings. I don't want the Minister in his remarks later on to accuse me or anyone on this side of going on a witch hunt, because a witch hunt is not what we want. We simply want the right to know what is happening with the money.

Madam Speaker, the fact that this money is a trust fund would tell me that if there are cases which can properly be dealt with in other areas of government, such as the Department of Health, I would say that possibly, if that is the case, it's unfair to employers and injured workers requiring that money to pass the costs of our health care system, which is rapidly deteriorating - I realize that - onto Workers Compensation, because the reason for those monies being set aside was specifically for people being injured in the workplace and because of that injury, being able to collect some form of income for the time they are injured. Madam Speaker, it is not fair to use that fund to help out people just because they have friends in government. That is not the purpose of that fund. Businesspeople in Manitoba have the legitimate right to ask: "What happened to that money?" They have the legitimate right to ask: "Where are the Cormack-Dewar Reports? Where are the reports of the University of Manitoba? Why are they being kept hidden from public view?"

Madam Speaker, I again say, if the Minister has nothing to hide, if the department has nothing to hide, if the government has nothing to hide, let us have those reports. I cannot be more straightforward. I cannot be more simple in my requests. Let us have the inquiry. Let us have the hearing. Let us take the time that is needed. Let business, let legislators, let employees, let anyone who has a concern in the Workers Compensation Board or about the Workers Compensation Board be allowed to make presentations, to ask—(Interjection) — Yes! I might point out, as the Member for Emerson said, and receive answers.

That is the key to having this whole inquiry because unfortunately, as we see time after time in question period, Madam Speaker, when we ask questions of the Minister, he simply does not answer them. He has a Program One or a Program Two, and possibly that is why - and I realize that at times he's been put in an unfair situation by having the Workers Compensation Board dumped on to him with a lot of problems which possibly he had nothing to do with. There's no doubt he was not a Minister going back to 1982.

But, Madam Speaker, he accepted the responsibility for the Workers Compensation Board when it was offered to him. We all know, in that responsibility, he has to be accountable for previous decisions by previous board members and previous Ministers in his government, Cabinet colleagues whom he sat with. So, therefore, it cannot just be simply brushed off.

Madam Speaker, I see that my light is flashing. Therefore, I'll conclude my comments by simply asking the Minister to please take this requests seriously. I will listen to his comments and treat them seriously, and I would hope that he does call those public hearings, he does have the inquiry because, if there is nothing to hide, he should not worry about the inquiry. If there is nothing to hide, he should not restrict the report from being made public. If there is nothing to hide, we will not go on any witch hunt. Madam Speaker, the public has a right to these hearings. Please, let us have them as soon as possible.

Thank you.

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Madam Speaker, I am pleased to rise and speak on the resolution, which I will not be supporting, a resolution calling for a public inquiry into Workers Compensation.

Initially, it was not my intention, Madam Speaker, to cast political stones in this already controversial issue of the Workers Compensation system. Workingmen and women in our province should not be made an issue of the political volatility that's surrounding the issue of Workers Compensation. However, Madam Speaker, the members opposite leave us no choice but to respond in kind when they demand another inquiry into Workers Compensation, and raise the type of questions that they raise day after day in this Legislature.

Members opposite must have a short memory, because there have been five inquiries into the Workers Compensation system over the last eight years. They called for one in 1979 and, after releasing it in early December of 1981, they did absolutely nothing with the results of that inquiry.

The Lampe Report — (Interjection) — In the fall of 1981, but you had the whole year to do something about the report and you dealt with two of the items. You put a computer system in and you put a telephone into northern Manitoba where the people could call in. The Lampe Report had many more recommendations than that, which you did not deal with at all.

The Lampe Report clearly showed that workers in our province were being terminated very quickly from benefits while they were still disabled and could not return to their jobs. It was not until November of 1981,

when the current government took office and expedited the second inquiry - which, by the way, was initially called for by the Tories, the report on the rehabilitating of workers. — (Interjection) — Report 100, yes, which deals with the rehabilitation. If you want a copy of it, I can get you a copy of it as well.

We are not saying that all of our initiatives have been perfect, Madam Speaker. Indeed, some of the current rehabilitation programs that are now taking place need reshaping. We are in the process at this time of reshaping those programs which are dealing with rehabilitation. The money that has been spent on rehabilitation has been spent on injured workers, and we believe that it was spent in a very cost-effective way. We do not now refer workers to some other social agency, such as unemployment insurance or welfare, which happened during the Tory years.

The intention of this government, Madam Speaker, is to place the injured workers into meaningful and dignified employment, and we want the workers to come back and be productive persons in our society. Again, we want them to become fully participating members of our community. I think this government is committed to working towards rehabilitating workingmen and women in this province.

A MEMBER: But how did they get so screwed up?

HON. H. HARAPIAK: Madam Speaker, the member asks how the finances got so out of place. I won't use his words. But the reason they are so far out of whack, Madam Speaker, is because of the fact that, in the late Seventies when they were in power, when the rest of the country had rates which were set in the area of over \$2 per hundred, Manitoba workers were paying 80 cents per hundred.

We, at that time, were the laughingstock of all Workers Compensation systems across Canada. Not only were there very low assessment rates - that seems to be their bottom line is the low assessment rate - but the injured workers were not receiving the funding that was required. They were getting much the same treatment as the injured workers in British Columbia working right now. British Columbia turned their workers' complete compensation system around very quickly. They had a deficit of several hundred thousand dollars and they turned it around where — (Interjection) — They've got a deficit of several million dollars, and now they turned it around where they're in the black position for \$7 million, but the injured workers are not receiving any care whatsoever. They're waiting up to two-and-one-half years just to be heard. So I think, if that's the kind of system we want, we too could reduce our deficit or unfunded liability to zero very quickly, but the injured workers would not be receiving the services that they require.

Let there be no mistake, Madam Speaker. The Opposition's call for a public inquiry does not stem out of their concern for working people in our province. Indeed, Madam Speaker, the Tories' call for an inquiry is totally incomprehensible when you take into consideration what their record was when they were in government.

During the past six years however — (Interjection) — that was the beginning of a slide, Madam Speaker.

We must remember that, during the mid-Seventies and the early Eighties, Manitoba's average rate per hundred of gross payroll was 80 cents per \$100 of payroll. That is the big reason that we are in an unfunded liability at this time.

The Manitoba Board was not providing anywhere near the programs and services to workers that were being provided in other provinces. Members opposite must remember that the report we referred to earlier, the Cooper Report, made the second inquiry into Workers Compensation. It was actually seconded by the previous Tory administration to carry out the work during the Lyon administration.

The report that was brought forward by Cooper very early in our administration pointed out very clearly that it was management by intimidation. That's one of the areas that they said very clearly. They were intimidating endangered workers from putting in a claim and, when they were having difficulty putting in a claim, then they were discouraged and were not given any assistance as to how they should go about doing it. Decisions on claims were being overruled because of outside pressure, and they talk about us and political interference. I can just assure you that there has been no political interference on this side into any of the claims that have come forward, but the Cooper Report pointed out very clearly that there was political interference prior to that report taking place.

The Cooper report also showed very clearly that the rejection letters did not explain the appeal process. They just told the people, no, your claim is turned down, and they gave them no information whatsoever on how the claim could be appealed in any way. The board was taking advantage of poorly educated and immigrant workers. I guess, the Member from Portage La Prairie would understand why the immigrant workers would have difficulty in submitting a claim, because they quite often have a language problem. The Workers Compensation Board at that time was taking advantage of the people who didn't have a good control of the English language.

They also showed that preferred companies were given lower assessment rates. Another area they showed is the employees were instructed not to tell workers how to appeal their claims. The onus was being shifted onto workers to assist themselves by obtaining information, rather than having the board staff obtain the information for them. It also showed that workers were not being given proper permanent partial disability ratings.

Another point made in the Cooper's Report were workers were simply given a cash settlement and passed onto some other social agencies instead of being rehabilitated. Of course, they didn't believe in rehabilitation. They still don't, so I guess it's no wonder they gave the instructions at that time. They talk about political interference. That was a direction that was coming from your political masters at that time. The injured workers were not being retrained or assisted back into the employment field.

This was a devastating report, Madam Speaker, which very clearly showed that workingmen and women in the Province of Manitoba were being treated as second-class citizens by the government under the Lyon administration. Now, this is changed, Madam Speaker, and it has cost the Workers Compensation system

money in order to rehabilitate the workers and give the services that any injured worker requires.

It is quite ironic, Madam Speaker, to hear the Tories repeatedly criticize the board day after day on a regular basis since the assessment rates have been increased when they actually are the ones who are responsible for our having to increase the rates that we have. Their main concern is the management of the board and the bottom line, but when they were in government, where were their concerns for the mismanagement of workers' lives? Where were the criticisms, Madam Speaker, when Manitoba rates were 50 percent lower than any other rates in Canada? And because injured workers were not being treated fairly? Where were your concerns when widows and dependant children were not being treated fairly? Where were your concerns when the handicapped and disabled were not receiving the required services at that time?

On June 10 of '82, Madam Speaker, when my colleague, the Member for Churchill, introduced the Worker Advisory Program to help rectify the injustices that were taking place in the workers compensation system at that time, the only concern raised by the members of the Opposition at that time was how much will it cost? Again, the only concern was the bottom line. Madam Speaker, that is where the Tories' priorities lie. It is very clearly and unequivocally their ideology: dollars over the disabled, the mighty over the mutilated, the wealthy over the widows, and the haves over the have nots.

Madam Speaker, very clearly, that is not the ideology or the philosophy of this government. We have the concern of the injured workers and their dependants. Madam Speaker, I see no reason for calling for a public inquiry at this time. We have had the Legislative Review Committee which was represented by a person from Thompson by the name of Tom Farrell, who I think has more credibility in the whole area of the workers' compensation system than any other member on that side of the House, and he happens to be a member of their political party. I have great confidence in the work that Mr. Farrell carried out during the Legislative Review Committee.

The Legislative Review Committee came out with 174 recommendations, and it wasn't a whitewash inquiry - it was very critical - 174 of them were unanimously approved. There were four that were not — (Interjection) — That's correct, but they came forward with the report, and at the time that we were given the report, we were faced with the issue of the workers' compensation system at that time if we should let the present Board of Directors deal with that report or if we should be making some changes.

One of the recommendations of the report was that we should make the system more open. So what do we do, Madam Speaker? We went out and we consulted with the employers' groups and found out if they felt there should be change in the present Board of Commissioners, and they felt that although they had the confidence in the previous board, they felt that with this new direction that the workers' compensation system was going in, it was time to have some changes. So after consulting with both the employers' groups and the employees' groups, we went out and made those changes, and I think that the changes we have made have been well-received in both the labour

community, in the representative they put forward, and also amongst employers' groups. Also, the person we have put forward as the chairperson was recommended by both sides, the employers' and the employees' groups, and they are extremely pleased with the work that is going on at this time.

Madam Speaker, we recognize that there is a lot of work to be carried on in bringing about changes in the workers compensation system, but we are committed to bringing about those changes. The implementation team is in place now to come forward with a cost because there was criticism that we didn't have a cost analysis of the recommendations that were brought forward. The implementation team is in place at this time and the legislation is being drafted as well to bring forward the changes in the workers compensation system.

Madam Speaker, we are committed to improving the system to make it the best Workers Compensation Board in Canada and we are committed to doing that.

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

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

It's a pleasure to be able to speak on workers compensation because, Madam Speaker, it's a very crucial issue that's before the Legislature right now.

Madam Speaker, I think, initially, we need to try to determine what are we talking about in workers compensation. Is it an insurance system to protect workers when they get injured on the job, or to protect their families and their dependants if they're injured on the job, or is it, as this government is making it, a safety net for all of the injuries and all of the ills of the people of Manitoba, Madam Speaker? They're trying to take the cost of the medical system out of their expense from the general levy onto the backs of the employers, Madam Speaker, and I don't believe this is the way we should be going.

If this government wants to increase the safety net for workers and for all people in fact - it shouldn't be just for workers - then you should bring in another system, another program, if that's what you want for us to debate here. But the Workers Compensation Board is an insurance system to make sure that the workers who are injured on the job are properly looked after, that their families are looked after, and that they are properly rehabilitated.

Madam Speaker, this system is paid for exclusively by the employers of Manitoba. There is no government money put into here. The only thing the government does with the money is waste an awful lot of it - not to the injured worker, as the Minister likes to say, but a lot of wasted money in administration.

Madam Speaker, they talk about when they came into government and when they started, when they took over the government in 1981, in the fall. Well, it started with the Member for Churchill who was the Minister at that point. He started the decline of the whole workers compensation, the mess that it's in today.

Madam Speaker, the Workers Compensation Board was politicized. It was a method of getting votes for this party, which they continue to do in any program that they have. It's the votes that count; the individuals

are secondary. They don't care about the individual, but they try to portray that image. But, Madam Speaker, the people of Manitoba are catching on to it.

Madam Speaker, what did they do? They hired a chairman right out of the operating room. They hired a lady right out of the operating room with no administrative experience, with no insurance experience, no understanding of how to run a corporation, and this government puts that person in charge of a multimillion dollar corporation to look after the injured workers, Madam Speaker.

And, Madam Speaker, it didn't work until this year when she was fired. Oh, they don't call it fired; they say they moved her over into the Health Department at \$64,000 a year. A person that has cost this province probably in the area of \$200 million, they reward her by moving her over.

Madam Speaker, this Minister talks about a judicial inquiry. We're calling for a judicial inquiry, but they should look back into Estimates and into the recordings of this Legislature. They will see where they called for an inquiry with less credence than in what we're calling for one now. The reasons for calling one now is twice or three times more critical than when they asked for it. And what does Sterling Lyon do? He put in a judicial inquiry, he put it in. When they got elected, Madam Speaker, what did they do? They cancelled the judicial inquiry because they didn't want to have recommendations for one and they've got the Coopers Report. They got the Coopers Report with no recommendations; then they went about doing their own recommendations in their own political way that they felt that would be in the best interest of the NDP party.

Madam Speaker, the King Report which they talk about and this Minister says 174 recommendations. I don't know where he did his additions or subtractions but I think he needs to go back through it - was very, very critical of the Workers Compensation Board. The board that they talked so glowingly of - and the Member for Radisson who was the Minister for the largest part of that time and I guess can take the credit for the biggest part of the mess; they said that that Workers Compensation Board was a mess, that it was not sensitive to the needs of the workers. We've read them out many times, Madam Speaker, and we don't have time today to read out all of the concerns of the workers. But they talk about the delays, they talk about the delays in going through review and this board just tells you what this government has done for five years, and at the way they're going in their political appointment, are going to continue to go for another five years, Madam Speaker.

But how can you expect anybody on that side of the House to understand anything about Workers Compensation? I would like anybody on that side of the House to put up their hand who has paid Workers Compensation for anybody. I would like to see. We got one - two - okay three - how much? How much have you got? How much have you paid? How many - it figures? An auctioneer - so he hires one person or two people, and he's paying Workers Compensation on that. Well, wing-a-ding-ding but you haven't haven't had the large amounts to pay the workers.

So, Madam Speaker, the experience on that side of the House is not indicative of a party that knows when

they put something in that's wrong because they don't care; it's not going to hurt them but it does make it look good for the union bosses that they are bootlicking to so that they can get their funds, because there is no question that they are funded by the union leaders.

But, Madam Speaker, part of the problem of Workers Compensation and I've had dozens and dozens of calls from injured workers who have pleaded with me to take their case to the board, to see if they can't get some sort of fair appeal process. Madam Speaker, I've gone to that board. In one case it took 18 months to get that board to give that injured worker some decent sort of compensation which they finally did but it took 18 months. That was almost a year after he had been on his own, Madam Speaker.

This is from a government that is caring and sharing. No, Madam Speaker, this is not a government that's caring and sharing. But, Madam Speaker, the most critical part of Workers Compensation outside of paying for their time off during injuries or to payments to widows and dependants of somebody who is injured permanently or has a fatal injury on the job, the most important part is rehabilitation. Madam Speaker, that's where a little bit of compassion has to come in and that's where we have not had compassion.

Madam Speaker, this Minister talks about all of the things that he likes but there are some 1500 people in the Rehab right now but there should be a lot more people in the Rehab. Madam Speaker, the evidence is that from the time an injured worker is put on to go into Rehab it can take from 12 to 18 months before that injured worker goes into Rehab.

Madam Speaker, all of the time that that person is waiting to go to Rehab they are being paid by the government, but at the same time it shows that of people who have been off work for 10 to 12 or 18 months, anytime over a year, that less than 10 percent of them ever get back to work again. They've become so set in their ways of staying at home and their minds set of not going back to work we lose those people permanently.

Madam Speaker, this is from a government that is caring and sharing. But, Madam Speaker, this Minister said in the House that you couldn't have effective rehabilitation and savings; then he walked out into the hall and told a reporter that if we had a good rehabilitation - if we had a good rehabilitation, admitting that it is no good - that if we had one there'd be cost effectiveness.

Madam Speaker, I'd like to quote from Hansard of last year, of this Minister, and it is quite interesting how this Minister comes up with something when we talk about the problems of an injured worker, if they don't get back to work soon. You would almost have to take each case individually and analyze it in that way. An injured worker does not start out with a psychological problem, it usually starts out with an injury that takes place, then they lose confidence and it develops into a psychological problem. Madam Speaker, this Minister knows, he knows what the problem is, but he is not prepared to do something about it. So if this is a caring and sharing government why aren't they doing something about it?

Madam Speaker, rehabilitation is so important that this government had two reviews done of it. We have the Cormack Report, Cormack and Doer apparently -

and I am only told about it because this Minister will not give a report to us - and this report I'm told, just kicks the heck out of what they're doing at Rehab.

Madam Speaker, another one that was conducted for them, for the University of Manitoba by Greg Mason and you know the political affiliation of Greg Mason. So, obviously, he's a very strong supporter of the NDP Party. - (Interjection)- Oh, I think he is. Anyway, Madam Speaker, these two reports are very damning to the Rehabilitation Department at the Workers Compensation. But this government because of their fear of the facts coming out will not release that to us.

Madam Speaker, on page 3218, we talk about this and he says, the Minister says in the Estimates of 1987: "There is study after study which shows that there's a rehabilitation system in place that is working effectively and is cost effective".

Now, Madam Speaker, this Minister is just so full of contradiction. He should read the day after what he has said so that he will say the same thing the next day. Madam Speaker, he said that he had never read the Cormack Report and after badgering and pushing from our leader he finally said, well it was only the preliminary report. Madam Speaker, what kind of nonsense is that; he read the report but he tried to alibi that he didn't.

Madam Speaker, if we're so concerned at the Rehab why have the two assistant directors of Rehab quit, and the director of Rehab has gone, and this government has not seen fit to replace them. Madam Speaker, in fact, there are seven top administrators at the Rehab who have left and their positions are only being filled by acting people in whatever capacity. Madam Speaker, that is not sufficient to run a program effectively and I don't know how long it is going to take this Minister to recoup and get adequate people. The people that left were very caring but were so frustrated with the system, because they couldn't get people into the Rehab effectively. They were being overruled by the political appointees that, Madam Speaker, they just quit in disgust.

But, Madam Speaker, what is the net result of this mismanagement of the Workers Compensation by this government? Madam Speaker, it's hurting business. The business community is just fed up with this government. I had a call one day from an employer who said his Workers Compensation bill was \$69,000; add on that another \$34,000 for payroll tax. He said, Madam Speaker, that is before I make a penny of profit; and he said they want to raise the Workers Compensation by another 31 percent. Madam Speaker, these people are so mad that some of them are closing shop; they're not going to be reinvesting in additional premises or additional facilities, and other people will not come here.

Madam Speaker, as the time is closing, we should discuss the legalities of section 66. Madam Speaker, we've continually talked about the illegality of having an annual deficit at the Workers Compensation. When you analyze 66 a little further down, Madam Speaker, it says that there cannot be an unfunded liability that unduly places a burden on future employers. Madam Speaker, I can see some employer coming into this province - and maybe the one that they just funded a lot of money to which we were very glad to have - saying I'm not going to pay for the deficit of Workers

Compensation, and take them to court. If he wins that case, Madam Speaker, we're going to have this government being forced to carry a huge burden which will be in the area of \$200 million.

Madam Speaker, why are they wanting to bring in additional white-collared workers who are currently covered under a private system that is better than what is under the Workers Compensation? A lot of the white-collared workers are being covered at the expense of 15 cents a hundred. We know the recommendation in the King Report is that the minimum rate should be 50 cents. Madam Speaker, why are we making people pay something that they're not getting value for? It should be actuarially sound, and each particular category should be paying their own way.

Madam Speaker, the number of people who are calling up and saying, why are we being assessed. We haven't had any large claims but we're being put in with other groups, and now we're having to pay a huge increase: Abitibi, MANFOR - MANFOR that's owned by the government, very concerned over the increased cost of Workers Compensation. Madam Speaker — (Interjection) — I got quite a few calls, that's right. They're very, very upset.

Madam Speaker, we're also very concerned with the statements this Minister has made when it comes to where the break-even point is going to be. He gave us a plan, Madam Speaker, last year that contradicted his predecessor in Workers Comp., that contradicted what he had said about when it would break even. Now, he's got another one. Madam Speaker, Mr. Brian King said that it would not work out, and there are going to be a lot higher increases than that. So I wouldn't . . .

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

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

MADAM SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: Thank you, Madam Speaker.

I had thought I would begin with an analysis of the proposed resolutions as in front of us, realizing that if I had two hours I probably could use them to educate the members across on this issue. But I haven't, Madam Speaker.

All I can say about this resolution, Madam Speaker, it's not a resolution which is prompted by compassion and concern for injured workers in Manitoba. It's a resolution, Madam Speaker, that's prompted only as a result of one concern, concern for their friends out there in big business. That's the only reason. They keep talking about how much it costs, and they forget what the whole system was put in place to do in the first place.

Madam Speaker, if they were so concerned, if indeed they were really concerned about the efficiency of this system and making sure that it operates for the purpose that it was established for, they surely would not have operated the way they did when they were in government. They surely wouldn't have allowed the system to deteriorate the way they did when they were in government, Madam Speaker.

Look, they forget that the last year they were in government, there was a deficit in the operation of the Compensation Board. They forget, Madam Speaker, that in the last year when they were in government, the cost in Manitoba for the average rate in Manitoba was 89 cents. In 1982, it was 82 cents, it went down. Madam Speaker, they forget that, at that same time, the rates were two, three and four times more than that in other jurisdictions to provide services that were not being provided here in Manitoba.

Indeed, it was this government, Madam Speaker, that took the 129 recommendations from the Lampe Report and started to implement them. It was this government, Madam Speaker, who - indeed they had asked Justice Nitikman to conduct a judicial inquiry, knowing of course that it would take years and years. He, in turn, had hired Inspector Cooper to conduct the investigation. We dismissed that and said, yes, proceed with your investigation, produce a report, and indeed he did, Madam Speaker, and found that the accusations that were being levied - not only by the injured workers in Manitoba but by the employees of the Compensation Board. They found that these were indeed valid allegations, that the workers were being intimidated. In fact, even the workers inside the system were being intimidated, that the cases were being rejected, that decisions on claims were being overruled because of pressure, rather than on the merits of the case.

All of these things were part of Inspector Cooper's report. Workers were not being told, for instance, that they could appeal decisions. They were not being told. It was this government, Madam Speaker, who opened the claims or provided access to the records for injured workers. It was this government who instituted the Workers Advisory Office, so they could indeed have assistance, Madam Speaker, to have their claims dealt with properly. For what reasons? As a result of concern that there would be a proper and equitable balance in the system.

Let's not forget how the system came about at the beginning of the century. It was struck because it was the best way that the employers could think of, the cheapest way they could have the injured workers dealt with. Otherwise, they were open for liability suits; they could be sued. So it was a compromise where labour would give up the right to sue and industry would give up the right to plead no-fault as a defence.

It was supposed to be an expeditious system which would provide injured workers with fair treatment. Of course, it was skewed in favour of the employer for all of these reasons that we — (Interjection) — Skewed yes, for all of those reasons that we know because there was no assistance provided. They were not told that they could appeal. Very often, Madam Speaker, they were not even allowed to put in their claims because it requires the signature of the employer - no claims. It must be remembered, no claim can be dealt with at the compensation system unless the employer has signed a form, whereby he recognizes that the worker was injured in the workplace. He has to send in that form.

So we should remember how it came in place and we should try, Madam Speaker, to make that system the most efficient, the most cost-effective, but most important of all, we should address the root problems and that is the injuries. That can only be dealt with,

Madam Speaker, as a result of trying to prevent them from occurring in the first place, preventing those injuries from occurring in the workplace. Those 50,000 injuries that occur annually in Manitoba; those 60-odd deaths that occur annually which cost a lot of money to the system; we have to prevent them.

There is, Madam Speaker, in the system a rehabilitation system - one that hasn't existed all the time, one that wasn't there when they were in government, one that's there now as another measure that we implemented, one that is not perfect as no system is perfect when you try to establish a system - but, by gosh, it's certainly better than not having any at all which is what was in place when they were in government.

We know, Madam Speaker, that the fewer injuries there will be, the better it will be for everybody - for government, for society as a whole - because the economic loss as a result of injuries is also to be counted in large sums of money that go way beyond the amounts that are paid out in compensation to workers, because for every dollar that's paid out in compensation, there is between \$5 and \$10 of additional cost that's being lost to the economy.

Madam Speaker, the resolution, I said, is so sick the way it's drafted because . . .

A MEMBER: All I was asking for is hearings . . .

HON. G. LECUYER: Hearings? The member says deal with the resolution; I'm only asking for a hearing. We're the ones, Madam Speaker, that commissioned a review of the compensation system. They didn't do it. They promised it for years; they never did it.

The Minister in the previous government, when they were in government, said for two or three years in a row that there was going to be a review of The Workers' Compensation Act. He didn't do it. We commissioned a review of the act. We are going to deal with the recommendations just like we dealt with the Lampe recommendations, Madam Speaker, when they didn't do anything about them. We dealt with them just like we're going to deal with this review now.

But to suggest there should be a review now is like as if ignoring what happened in the last couple of years not being there. We commissioned the review; we're going to act on it. We're the ones, Madam Speaker, that initiated the practice of having the Compensation Board come in front of a legislative committee of the House where they could be held accountable, where they could be questioned.

That wasn't being done before. We did that, Madam Speaker. You can question them now. — (Interjection) — Madam Speaker, it's funny. The members opposite say there's political interference. Well, I hope that nobody interferes with the operation of the Compensation Board for political reasons. It's there for too important a reason to play political football with it. I can only ask questions whether they interfered with the system when they were in government. I will not try to answer it but I raise questions.

Madam Speaker, I heard some members across many times say, "Oh, Lecuyer interfered with the system." Madam Speaker, I have here a whole pile of letters that came from members of the Opposition. All of these.

Yes, the Member for St. Norbert's got about three or four letters in here, the Member for Emerson's got some, the Member for Niakwa, the Leader of the Opposition - there's two on top here - the Member for Riel - all letters that were sent to me, Madam Speaker, when I was responsible for the Compensation Board, asking me to intervene.

April 10, 1986, Leader of the Opposition: "I would ask that you personally investigate the matter and report to me." Again, July 9, 1986: "I would request that you give so and so's - I won't say the names - file your immediate attention to ensure that it's dealt with. Again, Madam Speaker, the Member for Emerson in 1986 on January 22; the Member for Roblin-Russell, the previous member, etc. All of these letters, Madam Speaker - there's about 50 of them here. I don't blame them for writing these letters to the Minister responsible for the Compensation Board. These are matters that were raised to their attention by injured workers, and they acted as they should have. But now to say that, because they raised these to my attention as Minister responsible when I was, then I would say, Madam Speaker, in reply as I always did, that I wasn't there to adjudicate. The board was there to do that. I wasn't there, Madam Speaker, to pressure, to have the decisions reversed.

I had then to put them, Madam Speaker, that we had provided a system whereby they could have access

to their files. We had instituted the Workers Advisory Bureau, which I was reminding them about so that they would advise the worker. I was telling them, Madam Speaker, first of all, if they didn't have a release signed by the injured worker, they themselves couldn't have access to the file.

I was reminding them for instance, Madam Speaker, as I did every time, because I replied to all of these letters - I'm sure they have copies of them. If they used those letters, Madam Speaker, and I wish they did - table them all if you want, and you will find out, Madam Speaker, that this member never interfered with the Workers Compensation for political reason.

I indeed met, Madam Speaker, with the members of the Compensation Board many times to ensure that they did everything possible to ensure that system operated as efficiently, as fairly as possible for injured workers in Manitoba, because that's the primary concern of this government.

MADAM SPEAKER: The hour now being 6:00 p.m., the honourable member will have two minutes remaining when this matter is again before the House.

The hour being 6:00 p.m., the House is now adjourned and stands adjourned till 1:30 p.m. tomorrow. (Thursday)