



Second Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIB
ASHTON, Steve	Thompson	ND
BARRETT, Becky	Wellington	ND
CARR, James	Crescentwood	LIB
CARSTAIRS, Sharon	River Heights	LIB
CERILLI, Marianne	Radisson	ND
CHEEMA, Gulzar	The Maples	LIB
CHOMIAK, Dave	Kildonan	ND
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	ND
DOER, Gary	Concordia	ND
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIB
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	ND
EVANS, Leonard S.	Brandon East	ND
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	ND
GAUDRY, Neil	St. Boniface	LIB
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	ND
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	ND
LAMOUREUX, Kevin	Inkster	LIB
LATHLIN, Oscar	The Pas	ND
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	ND
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	ND
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	ND
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	ND
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	ND
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	ND
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	ND
WOWCHUK, Rosann	Swan River	ND

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 8, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Doug Martindale (Burrows): Mr. Speaker, I beg to present the petition of E. Edwards, M. Cairns, I. Bomphray and numerous others requesting withdrawal of funding and the prevention of construction of The Pines project and to prevent projects similar in nature from destroying the community.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Marcel Laurendeau (Chairman of the Committee on Industrial Relations): Mr. Speaker, I beg to present the First Report of the Committee on Industrial Relations.

Mr. Clerk (William Remnant): Your Standing Committee on Industrial Relations presents the following as its First Report:

Your committee met on Friday, July 5, 1991, at 1 p.m. in Room 255 of the Legislative Assembly to consider bills referred.

Your committee has considered:

Bill 39—The Summary Convictions Amendment Act; Loi modifiant la Loi sur les poursuites sommaires;

Bill 55—The Employment Standards Amendment Act (2); Loi no 2 modifiant la Loi sur les normes d'emploi;

Bill 56—The Payment of Wages Amendment Act; Loi modifiant la Loi sur le paiement des salaires;

and has agreed to report the same without amendment.

All of which is respectfully submitted.

Mr. Laurendeau: Mr. Speaker, I move, seconded by the honourable member for Turtle Mountain (Mr. Rose), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Gerald Ducharme (Minister of Government Services): Mr. Speaker, I have the pleasure of tabling Supplementary Information for 1991-92 Manitoba Government Services.

* (1335)

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the Speaker's Gallery, where we have with us this afternoon His Excellency Dr. Kalman Kulcsar, who is the Ambassador of the Republic of Hungary.

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

ORAL QUESTION PERIOD

Civil Service Appointments Independent Inquiry

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, a number of individuals have been involved in allegations dealing with immigration consultants. A number of individuals have been involved with various other allegations. We, of course, have been calling on the Premier, in light of the fact that all three of the individuals are documented to have been involved in the Premier's leadership, to have an independent inquiry on the hirings, the selections to boards, the handling of their activity in the public services. The Premier, of course, has denied that.

Mr. Speaker, one of the individuals, Amarjeet Warraich, is well known to the Premier. He has been appointed to the Human Rights Commission, appointed without competition to a public service job, was involved in various concerns with the Public Insurance Corporation of Manitoba. An internal report was prepared wherein a retired police officer took a statement, stating that Mr. Warraich brags of his political connections, connections he has with the Department of Immigration, connections he has with the Progressive Conservative Party of Manitoba. He apparently contributed \$1,000 to the

leadership campaign of Conservative Leader, Mr. Gary Filmon.

We have been saying all along, Mr. Speaker, that no one is investigating the political influence allegations that arise from these three individuals.

I would ask the Premier: Who is investigating the allegations of political influence with the Progressive Conservative Party, with the Premier and all the public allegations that have been made to date?

Hon. Gary Filmon (Premier): Mr. Speaker, we have all of the allegations that are being raised publicly being investigated by the RCMP and by the Civil Service Commission. We are dealing with matters that involve—if they are influence peddling, the RCMP will undoubtedly be coming forward with recommended action. Anything that they are dealing with we believe is beyond reproach.

The RCMP investigation will not be influenced by us or by opposition, by news media or anybody else. They will do their job as they ought to, and we will abide by any recommendations and any action that they take.

Mr. Doer: Mr. Speaker, the Premier has continued to use the important but narrow investigative responsibility of the RCMP in terms of criminal matters to negate the other broader public issues. If the Premier's claim of a proper investigation was true, the RCMP would be investigating everything in our public affairs. We have the Hughes inquiry going on now because, of course, the RCMP and other agencies are confined to criminal allegations, whereas other issues should be investigated by broader bodies.

Mr. Speaker, the Premier has promoted, on an acting basis, Mr. Gajadharsingh, a person who again is well known to the Premier through his leadership campaign. He has hired, without competition, Mr. Warraich.

Has the Premier to date met with the Civil Service Commission to give a statement on those hirings in the public service?

* (1340)

Mr. Filmon: Mr. Speaker, I have not promoted those people, and I did not hire those people. They went through a process that involved the normal Civil Service process, and the Civil Service has examined all of the ways in which those people were hired. I have indicated the one instance where there was not a competition hiring, and again, the Civil

Service Commission has very readily identified the reasons and the rationale for the hiring.

Those matters are being looked into, and I might say that the allegations that the member is raising with respect to influence peddling are ones that ought properly to be dealt with by the RCMP because that is an allegation of criminal wrongdoing. They will indeed make a judgment as to whether or not there is any evidence to substantiate that allegation.

Mr. Doer: Mr. Speaker, individuals and citizens of this province are coming to us on a daily basis dealing with three people who have been involved directly with the Premier in terms of his leadership campaign and alleging political influence in terms of the public of Manitoba.

Why is the Premier afraid to have an outside external investigation, an external inquiry, so that the public will be satisfied that not only has an investigation been done in a proper way, but is perceived to be done? Why is he afraid of having an external inquiry? Governments have had them before. He has had them before. Why is he afraid in this case to have an external—

Mr. Speaker: Order, please. The question has been put.

Mr. Filmon: Mr. Speaker, we have indeed an outside investigation. We have the most objective, most rational, most admired people in Canada, the RCMP, doing a complete and thorough investigation of the matter. They are doing it based on any and all allegations.

If the Leader of the Opposition is telling us that he has information that he is not passing along to the RCMP, that he wants to use it for his own political purposes and he is deliberately withholding it from the RCMP, then he is going to have to have something to account for. He is the one who will be investigated next by the RCMP because that is not a matter that we want to see here. We want to see any and all evidence put before the RCMP, any allegations, any innuendo, any anonymous allegations put before them so they can investigate everything thoroughly. They have been called in to investigate this matter thoroughly and completely.

With respect to any appointments to public service jobs, that is being investigated by the Civil Service Commission. I remind the Leader of the Opposition that those are the same senior staff and the same people who were appointed under the

NDP who will do that investigation. They are not political and it would take a two-thirds majority of this House to replace any member of the Civil Service Commission because, Mr. Speaker, they are intended to be arm's length and objective, and they will be as long as we are involved.

Amarjeet Warraich Human Rights Commission Appointment

Mr. Jim Maloway (Elmwood): Mr. Speaker, my question is to the Premier.

The secret internal report by Peter B. Mackid of Target Investigations into the Warraich Autopac claims documents serious allegations about the Premier's political appointment with respect to immigration and Autopac matters.

Amarjeet Warraich was allegedly enlisted to help an individual, a Mr. Bishram, to bring Mr. Bishram's sister over from India. Instead, Amarjeet Warraich brought a different friend's sister over. When this was brought to the court, Amarjeet Warraich went back to Mr. Bishram and on two or three occasions allegedly offered a sum of \$15,000 to Mr. Bishram—

Mr. Speaker: Order, please. The honourable member for Elmwood, kindly put your question now, please.

Mr. Maloway: Mr. Speaker, this was done to protect the woman who was allegedly—

Mr. Speaker: Order, please. The honourable member for Elmwood, put your question, please.

Mr. Maloway: Did the Premier review this evidence from MPIC in 1988 before he reappointed Warraich in 1990?

* (1345)

Hon. Gary Filmon (Premier): Mr. Speaker, of course, you know when it comes to political influence on matters such as obtaining a real estate licence, one would have to ask how it is that the member for Elmwood (Mr. Maloway) received his real estate licence when he was in clear violation of the requirements for a real estate licence. He knows better than anyone in this House how those things are influenced, because he has obviously had a personal hand in them.

Mr. Speaker, with respect to those matters, settlements and decisions made by the MPIC are ones that we in this government have not gotten involved with at all. MPIC is an arm's length Crown corporation, unlike its operations when it was

operated under the NDP, and the minister responsible then, Mr. Bucklaschuck, got involved with setting the rates, got involved with shredding their files, got involved with altering the presentation of their annual financial statements to try and avoid showing a \$30-million liability in terms of assumed reinsurance.

None of those things are done under us, and certainly, personnel matters and individual settlements, such as the kind that were spoken about by the member for Elmwood, are not matters that would ever come to the attention—

Mr. Speaker: Order, please.

Mr. Maloway: My question to the Premier is: Given these continuing allegations, will the Premier now at least suspend his appointee from the Human Rights Commission?

Mr. Filmon: Mr. Speaker, I wonder if the member is suggesting that he has reasons and evidence and proof that the member is not qualified to serve.

MPIC Claims

Mr. Jim Maloway (Elmwood): I have a final question to the Premier: If Autopac suspected fraud, then why did they settle the remaining six accidents out of court, especially since in the Calgary accident, Mr. Warraich had purchased seven insurance policies? Why did they settle them and who settled them?

Hon. Gary Filmon (Premier): Obviously, I would not be aware of that. He would have to ask Autopac why they did.

Civil Service Appointments Independent Inquiry

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, the whole issue of this immigration debate has been going on now for almost a month. Tragically enough, one particular ethnic community seems to be bearing a great deal of the brunt of day-after-day investigation, allegations, comments in the public venue.

If for no other reason, would the Premier today not call a public inquiry so that people can believe that due process is being followed in the province of Manitoba and that one community will not continue to be victimized?

Hon. Gary Filmon (Premier): Mr. Speaker, there are two of the most independent and thorough inquiries that anyone can ever want in this province

currently ongoing into all these allegations and into all of these suggestions of wrongdoing.

The RCMP and the Civil Service Commission will report, and any aspects of their reports that require provincial action, that action will be taken, Mr. Speaker.

Mrs. Carstairs: The Premier knows full well that the RCMP investigates only criminal charges. We do not know to date if there will be further criminal charges laid or not, and everyone is quite prepared to leave those criminal charges in the hands of the RCMP.

What we want to see, however, is an investigation of the way in which appointments are made to the Civil Service which bypassed the Civil Service Commission. By the Premier's own admission, one of these individuals bypassed that process.

Now why will the Premier not today call for the broadest possible independent inquiry, one that will not report by legislation to the Premier himself?

Mr. Filmon: Mr. Speaker, I know that the member opposite has not been in government and is not aware that there are dozens and dozens and dozens of appointments that are made for term positions based on hiring practices that are called for and do not require the Civil Service Commission. I have said publicly the reasons behind the appointment of one individual who was appointed without competition, and that individual was appointed because of Affirmative Action and the fact that he was willing to take a decentralized position outside the city of Winnipeg.

That has been acknowledged; that has been verified. I do not understand what further she wants looked into. The Civil Service Commission is doing a thorough investigation of any and all allegations as to improper appointments. Whatever they come up with will be acted upon by this government.

* (1350)

Affirmative Action Program Political Influence

Mrs. Sharon Carstairs (Leader of the Second Opposition): Given that a number of Affirmative Action employees of the Civil Service were let go in the recent budgetary cuts of this government, will the Premier now tell us if his Affirmative Action candidates also must be card-carrying members of the Tory party?

Hon. Gary Filmon (Premier): Absolutely not, Mr. Speaker.

Child Abuse Reporting Protocol Release

Ms. Becky Barrett (Wellington): Mr. Speaker, in 1988, the child care office, the Child and Family Services directorate and the Manitoba Child Care Association agreed that there was a real need for a child abuse protocol specifically dealing with daycare centres. The Manitoba Child Care Association approved a draft of this protocol in the fall of last year, and they were told in February of this year that the protocol would be released in March.

Can the Minister of Family Services explain why this protocol has still not been released?

Hon. Harold Gillieshammer (Minister of Family Services): I want to assure the member, given allegations that have come forward in recent times, that it is very important that we have a protocol in place for the reporting of child abuse and that we have a consistent protocol that is consistent with the Child and Family Services agencies, the school system and the daycare community that work with children in our society. We are working on this, and we will be coming forward with that in due course.

Ms. Barrett: Mr. Speaker, can the minister explain why his child care office told the Manitoba Child Care Association in February of this year that the protocol was on the way to the printers and would be released in March of this year?

Mr. Gillieshammer: I have indicated our concern with getting a consistent protocol together that will encompass all groups of people in the community who are working with young people in child care in the school system, in the Child and Family Services agencies. We hope to bring some new information forward in the near future.

Ms. Barrett: Can the minister now state that this child abuse protocol, which in its draft formulation did include consultation with the daycare community, the schools and the health care providers in this province, as well as Child and Family Services, will be released immediately so that we can avoid situations such as those that have taken place in the residential care community? Why the delay?

Mr. Gillieshammer: I have indicated in a previous answer that we will be coming forward with that in

due course, and our commitment to having a protocol in place in the near future stands.

Northern Health Care User Fees

Mr. Oscar Lathlin (The Pas): Mr. Speaker, according to a newspaper report, the Tory government's money-saving health policies could be life-threatening to the poor, the MMA is saying. A \$50 transportation user fee for northern residents will cut the poor off from possibly lifesaving procedures, the MMA president said yesterday. It certainly has the potential to be a life-threatening situation. There is no question about it.

Mr. Speaker, like my colleague, the member for Flin Flon (Mr. Storie), I, too, have received numerous inquiries and petitions from constituencies protesting this government's imposition of a \$50 fee.

My question is for the minister. Can the minister table any study, a report he has, which concludes that the \$50 user fee will not be harmful to the health of northern Manitobans?

*(1355)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, for the last two months, I have indicated to my honourable friends, including too my honourable friend from The Pas during the Estimates process, that there will be absolutely free access for Northerners through emergency transportation services, be that through the Northern Patient Transportation Program, which is estimated to spend on behalf of taxpayers for northern Manitobans some \$2.8 million in Northern Transportation Patient warrants for a variety of emergency and all needs.

It is only in the elective procedures that the \$50 contribution will be requested. Any repeat procedures such as dialysis or chemotherapy will not be subject to the charge. Anyone who is on social allowance will not be subject to the charge. Any escort of a child will not be subject to the charge. There are more exemptions than there are applicable circumstances where the \$50 will be asked from the individual.

In addition to that, Mr. Speaker, as I have indicated to my honourable friends, the air ambulance will provide to northern Manitobans jet passage by air ambulance to emergency services in hospitals in Winnipeg, again at entirely no cost to

those residents of northern Manitoba, but at considerable cost to the taxpayers of Manitoba.

Mr. Lathlin: For the same minister: Given that unemployment, the high cost of living and the reliance on social programs are so much higher in the North than in the South, will this minister realize that men in northern Manitoba simply cannot afford the user fee program and cancel it?

Mr. Orchard: Mr. Speaker, my honourable friend points out an excessive amount of social program needs. I would presume my honourable friend means social assistance to northern Manitobans.

Mr. Speaker, where an individual is on social assistance, I have already indicated clearly that they will be exempt from the \$50 contribution, so my honourable friend is creating a fear which he knows full well is not legitimate because he understands that those individuals will not be required to pay the \$50 fee.

Mr. Speaker, my honourable friend cries out for those individuals in northern Manitoba. The same individuals if they live in Swan River pay their entire costs of seeking, not \$50, but the entire cost. I have pointed out on numerous occasions that a Northern Patient Transportation warrant could cost up to \$700 for an air ticket to Winnipeg for an elective process of seeing a physician. The Northerner will only have to pay \$50 of that \$700 cost. All other Manitobans pay the entire cost.

Mr. Lathlin: Mr. Speaker, this government is really punishing the North. This government does not care.

My last question is to the same Minister of Health. Can the minister tell this House if he has any method in place to track the number of people who are going to be foregoing medical treatment because of the user fee and what the consequences of lack of treatment would be?

Mr. Orchard: We cannot track something that is not going to happen because my honourable friend is not laying out an accurate situation if he believes someone is going to be denied medical services. That is simply false.

When my honourable friend talks about this government picking on the North, I have not heard my honourable friend criticize the \$5-million public health building that has gone into Thompson, Manitoba, to serve the residents of northern Manitoba. I have not heard my honourable friend criticize the implementation of kidney dialysis in

Thompson so Northerners do not have to come south as they did during the NDP reign. I have not heard my honourable friend criticize the expansion of a mental health residence in Thompson for the service of the mentally ill in northern Manitoba, something unavailable during the NDP years. I have not heard my honourable friend criticize the Repap agreement, which will provide sustained employment to people in The Pas and northern Manitoba. I have not heard my honourable friend complain about the expansion at Inco, because of the tax regime of this government, providing jobs, investment and wealth in northern Manitoba.

* (1400)

Gasoline Prices Increase Justification

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, during the Gulf War, gasoline prices increased sharply. Consumers were told that the prices rose because war threatened the security of oil supplies. As tensions decreased, the price dropped until last week when gasoline prices increased in a single day by 6 cents to 8 cents with no sign of increased tension in the Persian Gulf or any other explanation from the oil companies.

Mr. Speaker, Winnipeg consumers are paying 6 cents a litre more for gasoline than the rural consumers, and the only explanation available appears to be oil company gouging.

Can the Minister of Co-operative, Consumer and Corporate Affairs explain how the price of doing business went up 6 cents to 8 cents a litre overnight in Winnipeg, while remaining the same outside of the city?

Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, I would like to indicate, for the member's information, and I thank him for the question and appreciate the opportunity to clarify for the House what has happened in the last 12 months with gasoline prices.

The gasoline prices we are currently experiencing are the same as they were last summer at this time. They did go up during the Gulf War crisis; they did fall down to a depressed level after the war was over, so they have stayed the same over the 12-month span. They are at the same level as they were 12 months ago, even though the price of crude today is \$2 or \$3 a barrel more than it was at this time last summer.

We currently have the second lowest prices in Canada. Those provinces which have decided to regulate prices to have government control over prices have found that they are not doing the job for consumers that they had hoped they would be doing. In fact, just last week, one of those provinces decided that they could no longer regulate because prices have not gone the way they had hoped they would.

Prices will fluctuate around the province for a variety of reasons, Mr. Speaker, and I think I have gone through those reasons before. We will be pleased to do so again if the member wishes.

Regulations

Mr. Nell Gaudry (St. Boniface): The former government commissioned Professor Costas Nicolaou to examine gasoline pricing in the province. He recommended against direct regulation of the price of gasoline, but the professor did recommend that the government lease service stations and sell gas as a method of regulating gasoline prices through competition.

Has the minister done a study on the feasibility of this plan to determine its implementation costs and the benefits consumers could expect?

Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs): The member for St. Boniface is quite correct in that the former government, the NDP government, did indeed commission a study from Professor Nicolaou. I think they paid some \$80,000 for it, then set it on the shelf to gather dust and did not implement it.

The member is also quite correct in saying that report recommended against regulation. I have taken the time to meet with Professor Nicolaou to discuss his current theories, very interesting theories. Of course, this government always appreciates emphasis on competition, and Professor Nicolaou is certainly emphasizing that.

One of the things that is happening, of course, right now, Mr. Speaker, is that the federal government is investigating complaints under the Competition Act which they do when specific complaints are brought to their attention to determine if there has been any violation of the Competition Act. Professor Nicolaou's theories, while interesting, do require further study in that they do recommend a raising of gasoline taxes to subsidize the building of these gas bars, and we

currently have amongst the lowest taxes in Canada. Thank you.

Price Fixing Investigation

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, many people saw the instantaneous price adjustment at almost all service stations as a clear demonstration of price fixing within the industry.

Has the government considered filing a complaint, or asked for an investigation by the federal government into price fixing by the major oil companies?

Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs): As I indicated just a moment ago, the federal government can, and does, investigate complaints under the Competition Act, and, in fact, is currently doing that kind of investigation.

If anyone has specific complaints that they would like to have drawn to the competition bureau, my department would be very pleased to pass those complaints on to the federal people.

Government Mailing U.S. Services Policy

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, both the federal and provincial governments are operating under double standards. On one hand, they want to penalize Canadians who engage in cross-border shopping. On the other hand, they are engaging in these practices themselves. The federal government is now shipping mail through the United States. In February, the provincial government shipped mail from Grand Forks. Another example is MPIC and Manitoba Hydro purchasing furniture and equipment in the United States.

My question is to the Minister of Industry, Trade and Tourism. What assurances can the minister give this House that this government will no longer use U.S. post offices and instead protect Manitoba jobs and services and do all mailing in Manitoba? Will they encourage the federal government to mail within Canada?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, more appropriately, that question could be addressed to the Minister of Government Services (Mr. Ducharme).

Certainly within the Department of Tourism, mailings within Canada are generated through the

Canadian postal system. We certainly encourage the use of the Canadian postal system.

On occasion, where there are significant cost differences and savings to the taxpayers of Manitoba, some distributions to the United States might be mailed from the United States. All mailings within Canada through our department are, in fact, being mailed through the Canadian postal system. We certainly encourage utilization of that system.

Ms. Wowchuk: Kleysen Transport Ltd., a Manitoba firm, lost a bid to secure federal government mailing contracts to a company that will reroute Manitoba-bound mail through the U.S., taking revenue out of Manitoba.

Can the minister tell this House what he has done to keep contracts with Manitoba companies, companies that will keep revenue in Manitoba, buy Manitoba goods and support local jobs and provide tax revenue for Manitoba? Has he contacted his federal counterparts on these matters?

Mr. Stefanson: Mr. Speaker, we certainly encourage—and we have said it many times in the House—the development of economic opportunities and businesses right here in our province.

Unlike members of the opposition, we do not believe in placing barriers around our province in terms of if she is suggesting that we create a local preference policy in this province, which I am hoping she is not, because clearly our Premier (Mr. Filmon) and our government has led the way in breaking down the barriers in western Canada with the signing of a western provincial agreement in terms of the purchases of goods, services and so on. He has also led the way in terms of a national agreement which now has the support of eight provincial governments with two more pending.

Certainly, we believe strongly in terms of open trade and activity throughout Canada and believe in Manitoba being very competitive within that environment and hope that the honourable member is not suggesting that we build local preference policies.

An Honourable Member: Defend Mulroney, go ahead.

Ms. Wowchuk: That is right, defend Brian Mulroney.

Resolution 30 Government Support

Ms. Rosann Wowchuk (Swan River): My final question to the same minister, if this government is serious about protecting Manitoba jobs and services, will they support a resolution that is coming up on U.S. mailing and allow it to go to a vote today, so we can send a strong message to the federal government that we are serious about protecting Canada's post offices?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): . . . the resolution at the appropriate time, but I think I have made it perfectly clear in terms of our commitment to jobs in Manitoba and in Canada. I think the announcement of last week with United Parcel Service is a clear indication of the support that the private sector is showing in the transportation and distribution field here in Manitoba, Mr. Speaker.

* (1410)

High School Bursary Program Reinstatement

Mr. Dave Chomlak (Kildonan): Mr. Speaker, my question is for the Minister of Education and Training.

The good news is that the minister has finally answered the letter from the adult students at the Winnipeg Adult Education Centre. The bad news, Mr. Speaker, is the minister has it wrong again. In the letter, he indicates that he has some kind of evidence that indicates the High School Bursary Program did not help these students complete their high school programs, yet many have told us and have told him that without this money, they cannot continue their high school education.

My question for the minister is: What will he do to reinstate at least the adult portion of the High School Bursary Program?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, once again, this is about the third time the member asked this question. I will repeat the answer to him again. I will do it slowly so that it can really sink in.

Mr. Speaker, as I indicated before, the adult bursary program that has been curtailed for this year is a program that we are looking at, but it was a part of the total bursary program for students who were attending high school. It was clear that those students who were not adults who were receiving

bursaries, indeed, the bursary was not doing what it had been intended to do. For that reason, there was some adjustment required.

Mr. Speaker, I have indicated very clearly that the department is analyzing what we can do perhaps to change the approach that we have taken with regard to adult bursary programs in the future.

Mr. Chomlak: Mr. Speaker, registration is six weeks away and while the minister studies, some students will not be able to return because the minister has cut out up to as much as \$1,200 from these students who are on low-income wages.

Will the minister today indicate to this House what he will do specifically for the adult students? I will keep asking the question until the minister actually answers it.

Mr. Derkach: Mr. Speaker, once again, the member for Kildonan has it wrong because there is no such maximum on student loans, or there never was such a maximum of \$1,200 on student loans. The maximum on student loans was \$550, and for those students who were on social assistance, they could receive up to \$900.

Mr. Speaker, indeed, there is an avenue for them to access some money through the social allowances benefits program. I have talked to the Winnipeg School Division No. 1, and they are prepared to talk with staff from the department to ensure that if a bursary or if any kind of support is made available to adult students, that this support go directly toward educational costs so that indeed we do not lose some of the students after they receive their bursaries.

Mr. Chomlak: Mr. Speaker, my final supplementary is to the same minister.

Obviously, the minister still has not talked to the Minister of Family Services, because he cut that same program that the minister is still referring to by \$30 a month.

My final supplementary is: Will the minister at least acknowledge that all of these students pay a tuition fee and that they will at least institute a program to cover the tuition costs for all of these students attending the Winnipeg Adult Education Centre? I already tabled the document indicating that they are paying this fee, Mr. Speaker.

Mr. Derkach: Mr. Speaker, no one has ever denied that they are paying a tuition fee. Adult students who attend high school at the Winnipeg Adult Education Centre do pay a tuition fee.

The tuition fee that is paid by students, the adult students, from the Winnipeg School Division No. 1 catchment area is about \$20 per program. For those from outside of the division, the tuition fee is comparable to any out-of-division fee that is paid for students attending schools outside of their division.

Northern Health Care User Fees

Mr. Jerry Storie (Flin Flon): Mr. Speaker, the Minister of Health continues to mislead the people of Manitoba and mislead members of this Legislature about the nature of health care and access to health care in northern Manitoba.

Will the Minister of Health, first of all, acknowledge that the air ambulance is available to 33 communities in Manitoba, many outside of Manitoba, including Swan River, Dauphin and Brandon? Will he also acknowledge that communities in northern and northeastern Manitoba have no doctors in the communities?

My question is to the Minister of Health: Will the exemptions that he talked about so glowingly earlier now include all remote communities in northern Manitoba where there is no doctor?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, the exemptions that I indicated to my honourable friend do not apply to any particular community. They apply to all communities.

Mr. Storie: Mr. Speaker, the Minister of Health knows as well as anyone that no other person in Manitoba has to pay \$50 to go and see a doctor, minimum. Isolated communities where there is no road access, where they have no alternatives and no doctor in the community are now going to be asked to pay \$50 to see a doctor.

My question is to the Minister of Health: When someone in Sherridon who does not have access to a doctor does not go because it is going to cost him \$50 under this minister's new user fee to go and see a doctor, and he dies because of a heart attack, what is this minister going to do?

Mr. Speaker: Order, please. The honourable member's question is a hypothetical question and therefore out of order. I would ask the honourable member for Flin Flon to kindly rephrase his question, please.

Mr. Storie: Mr. Speaker, I may be dealing with hypotheticals. We are talking about people's lives here. The president of the MMA has said that, yes,

this is going to jeopardize people's lives. Doctors in northern Manitoba have said the same thing.

My question is to the Minister of Health: When someone dies as a result of this policy because they cannot afford to see a doctor, what is this minister going to do?

Mr. Speaker: Order, please. The honourable member's question is hypothetical one more time, and I would ask the honourable member for Flin Flon to kindly rephrase your question, please.

Mr. Storie: Mr. Speaker, my question then is to the minister: Will the minister act now to prevent the needless death of someone in northern Manitoba by eliminating today the \$50 user fee for those people who live in communities where there is no doctor and there is no road access?

Mr. Orchard: Mr. Speaker, where such circumstances exist, they exist not only in northern Manitoba. There are many communities in southern Manitoba that do not have a doctor, and they pay the entire costs of accessing their medical services.

Before my honourable friend gets caught up in his rhetoric and his fearmongering tactics of this program, my honourable friend might consider that the fearmongering that he emulates when he attempts to quote the MMA and its president, I simply remind him that this is the same president who indicated that a deinsuring of the removal of tattoos and asymmetric varicose veins might cause someone to die. That was not accurate then, it is not accurate today, and it is not accurate when my honourable friend talks about it.

Mr. Speaker: Order, please. The time for Oral Questions has expired.

Nonpolitical Statements

Mr. Dave Chomlak (Kildonan): Mr. Speaker, might I have leave to make a nonpolitical statement?

Mr. Speaker: Does the honourable member for Kildonan have leave to make a nonpolitical statement? Leave? Agreed.

Mr. Chomlak: Mr. Speaker, I am sure all members of the House will join with me in congratulating Natalie Kosteckyj, one of our very competent Pages who was recently chosen as valedictorian at Garden City Collegiate at their annual graduation ceremonies. In fact, Natalie just missed out in being chosen as the award winner of the Governor-General's Medal because she only had a

grade point average of 90 percent. She only missed out because her twin sister received the Governor-General's Medal.

I am sure all members of the House will wish Natalie and her sister success in the future, and because of her background, I would just like to say: Mnohaya e Blahaya Leeta (A Long and Blessed Life). Thank you, Mr. Speaker.

* * *

Mr. Speaker: Does the honourable member for St. Vital have leave to make a nonpolitical statement? Leave? Agreed.

Mrs. Shirley Render (St. Vital): Mr. Speaker, I would like to offer my congratulations and thanks to Grades 1 to 6 students at Windsor School and to Terri Roesse, a mother and professional artist. My congratulations go because the students, under the guidance of Terri Roesse and with the support of the school and others in the community, undertook and completed a massive project called Kids Saving the Environment.

For those of you who missed the article in yesterday's paper, the Sunday supplement of the Winnipeg Free Press, I will explain. The wall underneath the St. Vital bridge, where it crosses Kingston Crescent, was covered with graffiti, and instead of just leaving the graffiti there, thus giving the message to the children that they are not responsible for their community and let someone else worry about it, the students at Windsor School, with the very strong support of Terri Roesse, decided to scrub off the graffiti and to paint a mural to forestall any further graffiti.

This was no ordinary mural. Terri, who, as I mentioned, is a professional artist, submitted a sketch to the City of Winnipeg. The theme of her sketch was "Harmony Between the City and Country Social Environment." This was in early June and the city approved both the sketch and the project and a month of hard work then began. You should know that this was no two-foot by two-foot painting. The mural was 90 feet in length and 14 feet high, and let me tell you, it was no small feat for Terri to get the scaffolding in place and to map out the mural so that the students could undertake the actual painting.

Despite difficulties along the way, such as the heavy rainstorm that we had about two weeks ago which washed away about 10 feet of the mural, Terri and the students worked very hard throughout June

and the July long weekend to complete the mural. To protect the paint from the rain and the snow, when it eventually comes, the city will be applying a ceiling.

Again, my thanks to the students and to Terri and those in the community who were involved in a project which made not just the students but those in the area far more conscious of their surroundings and their responsibilities.

I was very privileged to be involved in a very small way from the start, and I have to say I was very impressed with the enthusiasm and the hard work of the students and the very excellent support that they received from the community and from the school. The students of Windsor School showed that, with hard work, they could make a difference in their community. Thank you.

* (1420)

Committee Change

Mr. Edward Helwer (Gimli): Mr. Speaker, I would like to make a change to the committee.

I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Municipal Affairs for the Tuesday, 10 a.m. sitting, be amended as follows: The member for La Verendrye (Mr. Sveinson) for the member for Sturgeon Creek (Mr. McAlpine).

Mr. Speaker: Agreed? Agreed and so ordered.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, would you call Bills 73 and 70?

DEBATE ON SECOND READINGS

Bill 73—The Rural Development Bonds Act

Mr. Speaker: On the proposed motion of the honourable Minister of Rural Development (Mr. Downey), Bill 73, The Rural Development Bonds Act; Loi sur les obligations de développement rural, standing in the name of the honourable member for Swan River (Ms. Wowchuk). Is there leave that this matter remain standing? Leave? Agreed.

Mr. Cliff Evans (Interlake): I would just like to add my comments to Bill 73. The rural bond issue that this government has put across, we here and myself on this side do think, Mr. Speaker, that this bill is a

bill that will benefit rural Manitoba. I know that rural Manitoba and the problems that we are having in rural Manitoba, an idea such as this, what benefit would be of great importance to certain areas to be able to invest within their own communities and for their own communities.

I know that, as past mayor of a small community where finances and such are very difficult to obtain from different governments, we have always looked for, questioned the fact of whether there would be a way that we could invest or a way that we could receive some extra finances to be able to do the things that we in rural Manitoba would like to as well as in other parts of the province. Bonds, such, with the denominations that are going to be available to the people themselves, will make it open so that they can either invest small amounts, large amounts. We will have the opportunity, Mr. Speaker, to go to the government and be able to buy these bonds and such. In turn, your investment will in fact benefit your local community or your local municipality.

The money that will be made available to rural Manitoba will give the opportunity, give the different municipalities and such and governments the opportunity, to be able to have the finances available to better their areas, to better their situations, to be able to improve their infrastructure, to be able to improve on their needs and that, roads, local town roads, local communities, Mr. Speaker, where the community will be able to use the finances and improve themselves to be able to bring investment in, bring businesses in, bring tourism in.

Money is as scarce as it is now for rural Manitoba. We here feel that any kind of a financial break will be of great benefit to the rural Manitoba people, to the communities.

Mr. Speaker, as far as the bonds go, I would like to see, of course, a little assurance of the investment on the bonds themselves, the return. -(interjection)- Well, the minister makes comment on that but, I think, is well aware that, if you want the people to be able to invest in their own communities and invest in bonds as such, I think that they will be looking for a good return on their money so that they will be able to benefit as well as benefitting the rural communities that they are.

I know myself, being a rural member, I find that there are many numerous things that we could use in Manitoba, in rural Manitoba, and we are not able to achieve them. We are not able to achieve them because we do not have the finances for it. We

cannot get the finances for it. An improvement on the sewer or improvement on the road, on the main road, improvement on the building itself, there does not seem to be any money available to these rural villages and towns and such.

We do need something, and if this is one way that we can achieve the financial assurances, that we, a municipality or a village such as my own, can be able to get and have access to the money to be able to improve, as I mentioned earlier, some part of their infrastructure so that for us—especially for tourism, I mean, anything that we can do or development that we want to institute within the community or something that we want to put on to bring tourism in. Tourism, I think, municipalities, the villages and that will also benefit if the towns in rural Manitoba are able to have the access to finances to improve themselves, that are going to improve the tourist business. They are going to bring people into the community. It is going to improve financially the small businesses within the towns themselves, Mr. Speaker.

Again, I do say that I think we could, with this bill, get a better idea of it as far as getting for your investment and, at the same time, being able to help rural Manitoba.

Also the term, there is no guarantee of a term, so certain parts of it, we would like to see perhaps improve or get more clearance on, but in general, I think on my behalf here, I believe that, even though there are improvements that can be made, I believe that the idea is warranted and, with proper assessment or proper control of it, will be able to improve the financial situation for all rural Manitobans and be able to help everyone in turn.

Mr. Speaker, I would just like to close by saying that we here and people from rural Manitoba are always looking for a way to be able to improve the situation in our small communities, invest in our small communities and be able to have what other areas and towns are able to achieve in the city.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

Rural Manitoba is an important part of this province, as in other provinces, and I feel that any way that we can achieve an improvement for rural Manitoba we will support and, as long as it benefits the people of rural Manitoba, I see no reason not to do anything but support it at present. Thank you, very much.

* (1430)

Ms. Rosann Wowchuk (Swan River): Madam Deputy Speaker, I would like to make a few comments on the Rural Development Bonds.

When I heard about the Rural Development Bonds and I heard the minister speak about them, I want to say that I really hope Manitobans will invest in their own communities, because if we can get that to happen, then it will be good for the communities. At this point, I do not see much incentive for the people to invest in these bonds, because for people to take their money out of the banks and invest in bonds where they have no guaranteed interest, I think people will hesitate on it, particularly because when this program was announced, according to a newspaper article that was published shortly after the program was announced in Dauphin, the Premier (Mr. Filmon) had said that the subscriber would be paid a fixed interest rate for a particular period of time. That is what the article said.

We would have to check with the minister if that was the intent of the bonds, to guarantee some interest, because if that is what it was and if that was the promise that was made during the election and now there is no interest guaranteed, I feel that Manitobans were misled during the election period, to think that these Rural Development Bonds would cover some of their interest.

I am referring to an article that came out of the Free Press, and I will share it with the minister later on. It is telling us what the Premier said about the bonds when he was in Dauphin. That is the part I wonder about. If there was a guarantee of interest during the election period, what has happened to the interest now, or was that just someone reading something into the program that might not have been there? I would like clarification of that from the minister.

I have some concern also with the projects. There is no limit on the size of the projects. What will happen to those smaller communities, because \$10 million is not going to go very far if some of the larger communities start to invest and there will not be money left over for the other communities? I hope that this government, if they are serious about this project, they will commit more money to it so that all communities can benefit from the program.

I hope that is not just an empty promise from this government, because when you really look at the program, the government is not putting one cent into the program. They are planning to revitalize rural

Manitoba on the backs of the local people. They expect the local people to put their money in. This government is not prepared to make any commitment, and I find that quite disappointing. If you are committed to the rural community then you, as a government, should be putting some money into it.

An Honourable Member: \$10 million.

Ms. Wowchuk: The minister says, \$10 million. When will that \$10 million be put in? I think if the government is committed to rural Manitoba you have to have a little bit more than lip service, saying to the local people, yes, you have to invest in your local communities. You have to invest to save your communities.

If the government wants those rural communities to survive, they have to put something into it, not continue to put more costs onto them, for example, cutting back the funding on the regional development corporations. Those are the very people who would have helped to implement this program, and instead of supporting the regional development corporations, this government has cut back on their funding. That is speaking out of both sides of your mouth, when on one side you say you want the small communities to thrive and grow, on the other side you are saying, yes, but we are going to take away services, the exact services that will help to implement these programs.

The government also expects an awful lot out of rural Manitobans by offloading all the costs onto them that they have, the costs that have gone to municipalities, the increased taxes that the people are going to have to pay because of this government and then they expect the people to invest in them. As I say, I sincerely hope that this is not an empty promise and that people will invest in their communities.

I hope that it is not an empty promise such as decentralization was. It was a promise that was supposed to save rural Manitoba, Madam Deputy Speaker, a promise that was going to bring all kinds of jobs, and instead, what did we have in this budget? In the last budget we had the very jobs, that were supposed to be decentralized, cut. There is the economy. There are the people who are making some money, who have the extra money who might invest in these bonds, but this government has instead chosen to remove many of those positions that would be of benefit to the rural

communities. I believe they have really let Manitobans down.

They have also cut back on many other services to rural Manitobans that will have an impact to this program. If you are going to have economic growth and industry coming to the smaller towns, you have to have services there to support them, you have to have something that will attract them. If the services are poorer in rural and northern Manitoba than they are in the southern part of the province and in the cities, it becomes more difficult to attract people and industry.

We have seen many signs of that from this government. We have seen user fees being put on northern people. We have had the dental program cut. We have had the removal of audiometrists in rural Manitoba. These are the services that would be an incentive for people to come to rural and northern Manitoba. It will not make a difference closer to Winnipeg, because it is very easy for those services to be accessed, but when you get into the Far North and into the remote communities, it will be difficult. It is going to impact on whether or not people will be attracted.

Even if the local people invest their money in these bonds, which as I said I hope they will, but for them to attract industry you have to have some incentives there. If it is a reduced service that is available to the people through medical services, through educational services, through tourism, if there are not things to attract people, they are not going to want to come and live there. If they are not going to want to live there, how will we attract these industries?

Along with a lack of understanding for the rural people, I think that this government has also shown a lack of understanding for the farming community, which will also impact on rural investment. By privatizing many of the services and reducing services to farmers, the farming economy is going to go down. How can we attract other agricultural industries to the rural community?

As I said, I hope that this will be a successful program. I did not get that impression when I was in the constituency over the last few days. There was hesitance on many people's part, however, they are waiting for more information and, of course, they have waited for almost a year now. This promise was made in August and by the time any money actually gets off the ground or into the communities I am sure it will be into 1992.

As I say, I believe that this government has gotten a lot of mileage out of some of their election promises. I hope that they will fulfill them just as I hope that they would fulfill and come clean on some of the other promises that they have made but not fulfilled, for example, the Interest Rate Relief Program to farmers. They promised \$27 million to farmers and—

Madam Deputy Speaker: Order, please. I would remind all honourable members that debate on second reading of all bills is to be strictly relevant to the bill being debated.

Ms. Wowchuk: The Rural Development Bonds do impact on all of the rural community and they impact on the farming community. As I said, I hope the Rural Development Bonds are not another empty promise, because rural Manitobans have had many empty promises from this government, including the Interest Rate Relief Program which they promised and got a lot of mileage out of \$23 million and actually only spent \$14 million. I hope that this program is successful.

I look forward to debating the bill in committee. I hope that we can actually see some commitment from this government to the rural community. I look forward to debating it further. The idea is a good idea provided that the people will invest. I think that this government will have to have some strong commitment to the rural community, which we have not seen from this government since they got a majority government.

Thank you.

Mr. Edward Connery (Portage la Prairie): Madam Deputy Speaker, it gives me some pleasure to stand and speak on what I consider a very, very important bill, Bill 73, The Rural Development Bonds Act.

I think we want to compliment very sincerely the minister for bringing this bill in and getting it in in this session, because the time for rural development is now—not sometime in the future, but now.

* (1440)

I want to also commend the minister for his thoughtfulness in consulting with people, ensuring that what we are putting together is what will work in rural Manitoba. I had the opportunity to having the first committee that he has sent around to discuss it with rural members in Portage la Prairie.

I must say that the three people he had there, especially Bob Swain, who conducted the

informational meeting was very well briefed on his material. He knew it very well and the people after were very enthused. They asked a lot of questions, they had some suggestions and this is the whole idea of this committee travelling the province. They think they are going to do some 28 or 30 communities to allow for local people to make suggestions as to how the regulations can be drafted to ensure that this Rural Development Bond works the best for all of the communities in Manitoba, not just in southern Manitoba or outside the Perimeter, but, indeed, northern Manitoba, that all communities, all Manitobans can access the opportunity to develop their own communities.

Madam Deputy Speaker, I want to read a quote from the member for Swan River (Ms. Wowchuk). It was in the Portage paper and I must say that Portage people are incensed. When you read the whole article—and I will deal with the Liberals on a later vein.

The Rural Development critic, Rosann Wowchuk, said Tuesday she wonders if the lack of a promised return, unlike the successful HydroBonds, will likely attract any interest among investors. I cannot see why people would take their money out of the bank for it. Then both opposition critics also expressed concern that large projects such as natural gas or water supply service might overshadow money available for smaller projects.

Madam Deputy Speaker, those words, the original words, the return on investment, indicates to me that the member for Swan River has totally missed the intent of these development bonds, totally missed the total intent. The intent of these development bonds is not to ensure that everybody in rural Manitoba maximizes the return on the investment that they would put into these bonds. That is not the intent. The HydroBonds are that intent.

If you are a good investor and you are looking only at your own narrow, selfish pocketbook, then you put them in HydroBonds. If you are looking to develop your community, you take a little opportunity to get involved in those bonds and do not look for the return on your own pocketbook. Get rid of the selfishness for one change and start to look about your community. Get involved in your community.

There are a lot of people in rural Manitoba who are prepared to put up money, and if they get zero return, their only concern is that the capital is

guaranteed. That is what is guaranteed. There is no guarantee on return on that investment. You put it into your community for five years, and with some luck and good committees ensuring, yes, there should be a return. It might not be nine and a quarter or whatever HydroBonds would do, but it will maybe be 5 percent, 6 percent, 7 percent, 8 percent. We hope even higher than HydroBonds, and that is a possibility.

I know that, after our meeting in Portage la Prairie, there were many people who said, I have some extra money that my income is not dependent on. I am prepared to put that money out for the community, because when the community is successful, business people in the community become successful, real estate people become successful, home builders become successful, because that community is now thriving. It is going forward. It is developing. It is building. It is creating jobs. The service industries, the stores all expand, and everybody is much more economically viable than they were before.

This is what the Rural Development Bond is all about. Get away from the selfishness that you have of what is there in it for me. That is typical socialist rhetoric. Socialists take; they do not give. Madam Deputy Speaker, the member for Flin Flon (Mr. Storie) sits there laughing, but what did he take on the constituency allowances? While it was legal, was immoral and unethical, and as the previous Minister of Finance for the NDP said, it is legalized theft. Now that is how they look at it. What is in it for me?

Madam Deputy Speaker: Order, please.

Point of Order

Mr. Daryl Reid (Transcona): Madam Deputy Speaker, I believe that it is important that the member for Portage, when he is making his comments, should be germane to the bill that is being discussed here today. He seems to have wandered away from the topic at hand, and I ask you to call him to order on that, please.

Madam Deputy Speaker: I have reminded all members that debate on second reading should be explicitly relevant to the bill.

* * *

Mr. Connery: Madam Deputy Speaker, you better believe I am germane to the bill. Being germane to

that bill is development of your communities, and that is what we are talking about. We are not talking about selfishness and I/me syndrome that we see so often. We are talking about we, the community at large, in rural Manitoba. We talk about the I, we's.

We saw two members of this Legislature, one some time ago and one in this session, who did not repay their education loans. That is the I/me/we. Get away from that. Get back into giving something for a change instead of taking out of society. That is what this bill is going to do. It is going to allow people to give to society.

Point of Order

Mr. Jerry Storle (Flin Flon): This member, first of all, is out of order. He is not germane to the bill. Madam Deputy Speaker, he is also casting aspersions on members of this side.

The question for the member is: Has he paid his \$100,000 back? Has he paid his \$100,000 back yet? He is feeling in an altruistic mood. Let him pay it back.

Madam Deputy Speaker: Order, please. The honourable member does not have a point of order. It is a dispute over the facts.

* * *

Mr. Connery: Madam Deputy Speaker, nobody has to cast aspersions upon members opposite. Just their conduct is enough to let the public know what they are like. I do not have to cast aspersions upon them.

I will say that listening for a few minutes to the member for the Interlake (Mr. Clif Evans) at least made some sincere comments about rural development and the need for rural development, and acknowledged that this bill and the Rural Development Bonds might have some very significant input to rural Manitoba. He talked about those sorts of things as the Leader of the Liberal Party (Mrs. Carstairs) said. Economic development, he talked about tourism, and he talked about roads. I did not see the member for Swan River (Ms. Wowchuk) really understanding what could be done with this money, but the member for the Interlake, I must say, did understand what the Rural Development Bonds could do.

The member for Swan River says we are going to develop rural Manitoba on the backs of rural people. Once again, the member does not understand what

it is. The government is guaranteeing people's money. They are guaranteeing the principle that you put into the development bonds in case something should go wrong. Hopefully, not many will, but in any case when you get into a large group of investments, some do not succeed.

Members opposite, of course, would not understand that, because they have never got into anything to ever have something fail. They have never tried anything, and they have never created a job. So we can understand why they do not understand it. Nevertheless, Madam Deputy Speaker, those are the facts of life. I would hope that more members from the NDP party would be like the member for the Interlake and for a change look at something a little more positive in a proper vein.

Madam Deputy Speaker, I think my greatest anger, my greatest frustration, my greatest disappointment, and that of all rural development has to be reserved for the Leader of the Liberal Party (Mrs. Carstairs). We have a Leader of the Liberal Party who continuously downgrades, bad mouths, belittles, does all kinds of things to rural Manitoba.

Let me read a quote from the paper, and there are quotes in here. Liberal Leader and Rural Development critic, Sharon Carstairs, says the Tory government's treatment of rural Manitoba's economy leaves her wondering if there is any money out there to invest. Rural Manitoba obviously is just a destitute country where there are no finances. There is no money to invest.

Well, maybe if the Leader of the Liberal Party would go outside of the perimeter of the city of Winnipeg and saw what there is rural Manitoba, yes, there are people out there who have money in rural Manitoba. In fact, there are some very—

Mr. Kevln Lamoureux (Inkster): In all parts of Manitoba, unlike your . . .

Mr. Connery: Well, the member for Inkster says, she has been in all parts of Manitoba. Then she sure has not learned very much. As a school teacher, you would think that she would go around the province and be learning something. Further to the comments she made, I really want you, Madam Deputy Speaker, to try to comprehend a Leader of a political party making these sorts of comments.

She also questioned whether groups of volunteers from individual communities can be relied upon to provide clear-eyed judgment about a

project's viability. There is nobody in rural Manitoba who has any brains, according to the Leader of the Liberal Party. They are a bunch of dumbbells, according to the Leader of the Liberal Party. I take extreme exception to those comments, and I can tell you, all of rural Manitoba takes exception to those comments.

* (1450)

She goes on to say you do not usually find people in rural Manitoba with broad experience in evaluating these kinds of things. It is these kinds of things. It is not economic development. It is these kinds of things. Those people tend to gravitate to the city, so we only have in Manitoba intelligent people in the city of Winnipeg.

An Honourable Member: Who said that?

Mr. Connery: The Leader of the Liberal Party, the member for River Heights (Mrs. Carstairs), the Leader for the member for Inkster (Mr. Lamoureux), who was saying how bright she is just a minute ago, said she was so bright and had travelled all of Manitoba. That is his Leader whom he has kept in there.

Madam Deputy Speaker, there are people who specialize in those kinds of things, and they do not usually live in rural Manitoba. I would say the members of the Liberal caucus and the Liberal Party of Manitoba should demand that she resign. If she does not, throw her out, because she is an insult. She is an insult to rural Manitoba, and as a rural Manitoban, I do not think rural Manitoba should have to put up with that kind of stuff. Just this morning, during Question Period, the member for River Heights, the Leader of the Liberal Party, made some comment, he only has Grade 8 education. She said that from her seat across the House.

So now, if you do not have a university education, Madam Deputy Speaker, you are a dumbbell again. I have to acknowledge, I am a dumbbell because I do not have university education. I am sorry.

Point of Order

Mr. James Carr (Crescentwood): Without debating whether or not the member for Portage is a dumbbell, he is wildly taking out of context remarks that were allegedly made by the Leader of the Liberal Party. I understand that one has to be careful in the House in imputing motives, and as I say, we do not want to get into a long debate about whether or not the member for Portage is or is not a

dumbbell, but certainly his comments attributed to the member for River Heights are entirely inappropriate.

Madam Deputy Speaker: The honourable member for Crescentwood does not have a point of order. It is a dispute over the facts.

* * *

Mr. Connery: The member for Crescentwood questions whether I am a dumbbell or not. I guess he also, because he has a university education, maybe thinks that, if you do not have that, you do not qualify for some higher ability. Well, there are lot of people in this province who have grown up with the school of hard knocks and do not have university education. I, personally, Madam Deputy Speaker, would have preferred going on to university, but I did not.

Nevertheless, in rural Manitoba, we have an extreme number of very capable people, and I would like to point out a few names of people who have been rural members. Arden Haynes, who is head of Esso, is a rural Manitoban. What about D.W. Friesen in Altona, the largest printer in Canada in rural Manitoba, but if you are in rural Manitoba, you must be a dumbbell. That is according to the Leader of the Liberal Party. She said you have to be a dumbbell. What about the Penners of Steinbach? Penner trucking, one of the largest in Canada in rural Manitoba—these people are doing a tremendous job. The success of those people in rural Manitoba add to the success of Winnipeg because they do business in Winnipeg, and a healthy rural Manitoba will make a healthy Winnipeg. What about Stow's at Graysville, a seed cleaning plant? What about Lorne Hehn, the head of the UGG? What about the Kents from Virden just right now putting into place the Can-Oat for milling of oats right in Portage la Prairie, a \$16-million operation that is going to employ 50 to 60 people to sell oats all over the world, Madam Deputy Speaker? The Kents are from rural Manitoba. They come from Virden originally. What about Stuart Craig and his TV business and radio out at Brandon?

You know, I look at Brandon, Portage, and we can look at Altona all with the large cities outside of Winnipeg with the small towns, in all of them we have a lot of very intelligent people. What about the Triple-E trailer company in Winkler? What about the Leader of the Liberal Party (Mrs. Carstairs) when she says there are no smart people? What about

Mr. Clements who was an MLA from Russell who sat with the Liberals? Is she saying that he was a dumbbell, because he did not come from Winnipeg?

Harold Clements was the member for Roblin-Russell and, in spite of his being a Liberal, I thought he was a very good person. I had many times the opportunity to talk to him. He was a very intelligent person, but he came from rural Manitoba. Therefore, in the eyes of the Leader of the Liberal Party, he is not able to be intelligent and to make decisions on rural economic development.

Well, Madam Deputy Speaker, I really do suggest to the Liberal Party that they take a look at their Leader. If this is the sort of comment that they support from their Leader, I think that Manitoba has a very tragic day when that is the perception of rural Manitoba. I know it is not from all members of the Liberal caucus that are here. I do not think the member for Crescentwood (Mr. Carr) agrees with those comments. I do not think the member for St. Boniface (Mr. Gaudry) agrees with those comments, because I think those are two honourable Liberals who sit in this Legislature.

(Mr. Speaker in the Chair)

Mr. Speaker, I would strongly suggest to those members that they have a leadership review, because that member should resign if she has any courtesy, any decency at all, after making comments like that and other comments that she made on decentralization like, who would want to move to Portage or Selkirk? Are those the kinds of things that come out of the mouths of a leader for rural Manitoba? I think not.

Mr. Speaker, I do once again want to compliment the Minister of Rural Development. Some of the people call him James Bond now because of the bond issue. I think it is great. I think this minister is very sincere in what he is trying to do for rural development, and I think we are on the right track. I ask for the support of all members on the opposite side and especially those in rural Manitoba to work with the bond issue, work with your community, because that is where it has to come about.

The government cannot impose prosperity on a rural community. It has to—well, the member for Dauphin laughs, but of course he has never gotten involved in economic development. So, Mr. Speaker, I commend the minister once more and hope all members will work to further the Rural Development Bond. Thank you.

Mr. John Plohman (Dauphin): Mr. Speaker, I move, seconded by the member for Flin Flon (Mr. Storie), that debate be adjourned.

Motion agreed to.

Bill 70—The Public Sector Compensation Management Act

Mr. Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Manness), Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, and the motion of the honourable member for Thompson (Mr. Ashton), The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, be not now read a second time, but be read this day six months hence, standing in the name of the honourable member for Inkster, who has 22 minutes remaining.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, the member for Portage la Prairie (Mr. Connery) inspired me somewhat in some of the remarks that he had made and how he managed to stretch one's imagination when it comes to the whole question of truth. When we take a look at Bill 70, we see the treatment from this government, his government, his leader, of the whole public sector. This is not the first time we have seen this type of treatment. We can point out to the former minister, now member for Portage la Prairie (Mr. Connery), the whole question of decentralization and what this government has done for rural Manitoba when it comes to decentralization.

* (1500)

The Premier (Mr. Filmon) and this government is treating decentralization in the same fashion in which they are doing Bill 70. It is very, very relevant, so I am going to continue on. The public service has been shafted by this government not once but twice. The first time they were shafted by this government, and some would say lied to by this government, for the first time, was on decentralization. What happened on decentralization, Mr. Speaker? The province, the Premier, in Brandon, made an announcement that hundreds of Manitobans or Winnipeggers were going to be moved outside of the city of Winnipeg and put into rural Manitoba. Hundreds of Manitoban positions were going to be taken out of the city of Winnipeg and put into rural Manitoba.

Mr. Speaker: Order, please. I will remind the honourable member for Inkster (Mr. Lamoureux) that the question before the House is Bill 70, The Public Sector Compensation Management Act, and also on the motion of the honourable member for Thompson (Mr. Ashton) that this question be not now read a second time but be read this day six months hence. I would remind the honourable member for Inkster to keep his remarks relevant to said bill.

Mr. Lamoureux: Yes, Mr. Speaker, the first opportunity that this government takes to shaft the public service is in fact on decentralization. The government told these individuals that they were going to be sending them out of Winnipeg into rural Manitoba. They said one thing in terms of numbers, put in the minds of many civil servants a lot of fear in terms of having to move or lose their jobs.

Now we have before us Bill 70, that is once again telling public servants that they are not going to receive any wage increases—selected civil servants, not necessarily the individuals like Oz Pedde, who received a 14 percent increase.

After Friday, I had an opportunity to visit with a couple of constituents, one on Marion Road, and the first thing that she wanted to talk about was in regard to Bill 70. The comments were that she herself is a civil servant, she is at the lower pay scale, if you will, and felt that it was unfair for this government to freeze those wages of people of the lower income while, at the same time, people like Oz Pedde are receiving the increases, that in fact it is going to hurt the lower-paid employees of the Civil Service more so than it would those who are on a higher scale.

Mr. Speaker, that is a legitimate argument. Many of the points she had expressed, I had concurred with entirely, but because the government has failed to be able to negotiate in good faith with the MGEA, with our civil servants, they had to resort to bringing forward a bill, in which they are the only employer that can do so, bringing in a bill, that freezes their wages. That is the complete opposite of the free bargaining process. It has united the labour force like it has never been united before, and I believe the government is going to have to be held accountable for what they have said and what in fact they are doing.

I want to go back to some of the debates during final offer selection, where the Premier talked about the whole question of free bargaining, the whole question of free bargaining process. I would ask

that you bear with me because there are actually a few quotes regarding final offer selection, the casino workers and the whole question of management relations.

It starts off, Mr. Speaker, with final offer selection, where the Premier asked: Why is labour against it, Madam Speaker? Firstly, they find it is a totally unwarranted intrusion into the free collective bargaining process. They prefer to settle their differences over the bargaining table. They do not want to have a heavy hand of government with an imposed arbitrator, whether that arbitrator be from a selection list or from the Manitoba Labour Board. They do not want to have the heavy hand of government imposing on them a settlement, particularly a settlement that might ultimately contain none of their proposals, not one. I do not think that is unreasonable. I do not think labour should be criticized for taking that position. In other words, in a negotiated or mediated or a normally arbitrated settlement, no side gets everything. Each side bends a little, gives a little. Each gets some of what they set out to achieve, and they at least feel that they have achieved a compromise of sorts.

Mr. Speaker, this is what in fact the Premier has said in reference to final offer selection. What has the Premier done with Bill 70? What he so happily preached only months ago about the free bargaining process, what was good for the private sector, he has thrown out the window when it comes to the whole question of government negotiations. It is a double standard. What is good for the private sector is not good enough for the public sector, and that is wrong.

This government has been deceitful to the public of Manitoba, and this is a good example in which we have seen very clearly how they have been so deceitful, unfair and cruel to the government workers.

It goes on. The Premier wants to talk about good labour management relations. Many of my colleagues around this chamber know how important it is to have good labour management relations. I do not think that could be emphasized long enough, hard enough, the fact that you need to have that in order to make successful negotiations, to be able to come up with the compromises that are needed in order to settle labour contracts, whether they be private or whether they be public.

What did the Premier say? We want to ensure that the collective agreement that is binding on both parties is acceptable to both parties. This promotes harmonious labour management relations in the workplace.

Well, Mr. Speaker, I see the one party is getting what they want, but I do not see the other party is getting what they want or anything close to what they want because we have the Premier and this government telling the union movement, the Civil Service, that in fact they are going to have to settle for what the government is in fact giving them, while just a number of months ago the Premier talked about good labour management, talked about how badly it is necessary, or how necessary it is to have settlements reached, that there has to be give-and-take from both sides. A few months ago, he talked about that, but he has abandoned that concept as well.

We talked about the casino workers. I made mention of that previously in my opening remarks on Friday. The casino workers, as all of us are well aware, went on strike. They felt strong enough in what they believed that it was in their interest to go out and strike, to fight for what they believed they were entitled to. They were out for a number of days, actually just over two months, on the picket lines day after day and had an agreement of sorts to go into the final offer selection process. What happened there?

We had, the government—before I actually say what happened from there, I should quote to you what the Premier (Mr. Filmon) told the striking workers. It goes, from the Premier, “. . . please return to the bargaining table, have your differences worked out through the free collective bargaining process. That is why the process exists. I support it, and I assume that you do.” That is what the Premier told the casino workers back then.

What is the Premier telling the casino workers today? Whatever we might have said to you before is all out the window. What applies now is Bill 70.

Mr. Speaker, I believe that the Premier has violated many trusts that were bestowed upon him when he was elected with a majority government back in 1990, in September. I would argue—we had a minority government, what I believe a majority of Manitobans wanted and support to this day—that we would not have seen a Bill 70 before us today, that the government of the day would not have had the tenacity to bring forward such legislation that

would be so Draconian to a certain fashion, that the legislation—that they would have been forced to sit down and negotiate in good faith, to bargain in good faith. After all, that is what the Premier himself said that he believed in. Whatever happened to that belief?

I wanted to conclude on terms of the free bargaining process on another quote from the Premier, where he talks about both sides should be listening and how important it is for both sides to listen. It goes, “. . . we believe that negotiated settlements should take into account all legitimate factors that are brought to the bargaining table by both sides.” Once again, Bill 70 allows the government to do what it wants but does absolutely nothing for our civil servants.

* (1510)

This government and this Premier will tell us that it is because of budgetary constraints that they have to invoke the freeze, that they are unable to negotiate the zero percent that they want. I believe that the will of the government was never there to try an attempt at negotiating a zero percent increase. I believe that in fact this was one of the things that this government was considering back in December. They were looking at invoking a zero percent, and if they did not think they were going to get the zero percent, they were going to be bringing in legislation of this nature.

Mr. Speaker, I did want to talk about Oz Pedde, an appointment from this government, where there was a 15.4 percent increase from his predecessor which brought it up to \$150,000. The government talks about constraint while at the same time they are giving a 15 percent increase to someone who is on that type of a scale, yet the Minister of Finance (Mr. Manness) and the Premier try to defend what they did in terms of the increase to this particular individual while telling everyone else in the Civil Service that they deserve or will warrant a zero percent increase, the 15.4 percent can be justified. The Minister of Finance (Mr. Manness) says, and I quote: The reality is that we are talking about two different issues.

Well, Mr. Speaker, to the public, it is not two different issues. We are talking about individuals who work for the government in one capacity or another, one of them, that one being on the upper end of the civil servant wage scale and those being on the lower end. Which one is getting the increase? The Premier tries to defend it by saying

it is not an increase, it is a decrease. That was in regard to the fact that Mr. Pedde was making more in the private sector. As if that is going to make the public civil servants feel that much better by saying something of that nature. I find it completely amazing that a government can be so insensitive to the needs of our Civil Service. If the government felt that they could not afford the increase, anything more than zero percent, they should have brought it in a harder fashion to the MGEA to put forward their case.

The government in December talked about, well, we have a choice. Mr. Speaker, they said we have a choice. We either have to lay off or the Civil Service is going to have to settle for no increase of pay. That is what we were being told back in December. Mr. Speaker, not only has this government seen the wisdom of laying off individuals, they have also chosen the pay freeze. Once again, we see a government that has not been honest and straightforward with the public.

Mr. Speaker, that is the way it has been for the whole process. We take a look at the lower-end Civil Service, and we talk about the disposable income. We see that the city taxes are increasing. You have the Hydro rates that are increasing, fuel tax increases, MPIC rates are increasing, your property taxes. The list could go on and on and on—we have the GST—while, at the same time, we are telling individuals to expect a zero percent and we are going to be laying off individuals, staff positions. Hundreds of people are laid off, hundreds of positions are permanently taken away, commitments that this government made are being denied to the public or to the Civil Service. That is wrong. This government should be sticking to what they have said.

Whether one agrees with what they are doing or not is beside the point. When you make a commitment, whether it is the decentralization, whether it is the wage freeze versus layoffs, you have to stick to your word. You cannot continue to treat the Civil Service—after all, they, too, are professionals. They, too, deserve the respect from whatever government might be inside this Chamber, Mr. Speaker.

I believe that this government has brought forward legislation that could have been—it would not necessarily have been necessary to have the legislation here had the government been more persistent at sitting down and doing their best to try

and negotiate some type of an agreement, Mr. Speaker.

We have seen in the past when negotiated agreements have been low. We look at 1984 where we had, I believe it was an increase of close to 1.5 percent. Mr. Speaker, it is not unrealistic to believe that Mr. Olfert and the MGEA are reasonable people. I would suggest to the government, to the Minister of Finance (Mr. Manness), the Minister of Labour (Mr. Praznik) and, in fact, the Premier (Mr. Filmon), that, in fact, these people are reasonable, that you can sit down and you can say what it is that you are trying to accomplish.

Mr. Speaker, we have seen where increases have been moderate. A 1.5 percent increase is nothing when it comes to other negotiated agreements. It might not necessarily have been as high or as low as the government would have liked it to be, but I believe that we could have come very close to the zero percent. We might even have been able to get the zero percent through negotiations. Maybe I have more faith than the Minister of Finance when it comes to dealing with the MGEA.

Mr. Speaker, once again, in terms of the—I know for the member for Thompson (Mr. Ashton) who brought it up on several occasions, there were certain unions that had made application through final offer selection. Everyone was of the opinion that no legislation—at least no one anticipated that legislation of this nature would be introduced, would be brought in to try to deny those decisions of the selector from taking effect.

As the member for Thompson mentioned on numerous occasions through his marathon speech, he talked about an agreement between the three House leaders. He talked about the perception that, in fact, March 31 was when final offer selection would be repealed. In fact, that is when it was repealed, but there was no indication at that time that Bill 70 or a bill similar to Bill 70 would be introduced that would prevent final offer selection and those unions that chose to participate in final offer selection, them being denied the agreement.

Mr. Speaker, I believe that the government is being somewhat petty when it comes to that issue. I believe that the government and particularly the Premier (Mr. Filmon) should at least honour what most people in the public sector, the Civil Service, the New Democratic Party and the Liberal Party believed was the intent of the proclamation of final offer selection. We had certain parties, certain

unions that went on strike that selected to go for the final offer selection and, in fact, have been denied their agreed settlements.

To conclude, Mr. Speaker, I believe that the public at large wants all of us to act responsibly. I do not believe that the public is saying that we have to give them 5 percent, 10 percent increases. I do believe that the public wants us to treat our civil servants professionally. We believe—I believe—that, in fact, the public does want us to respect agreements, to respect the free bargaining process and do what we can to get the freeze, but do not use legislation when you make the commitment to the free bargaining process, when you did not indicate to the Civil Service or the public that, in fact, this is what you were going to be doing.

On that note, Mr. Speaker, I thank thee for the opportunity to be able to say a few words on this particular bill, and I look forward for it to go into committee. Thank you.

* (1520)

Mr. Doug Martindale (Burrows): Mr. Speaker, in speaking to Bill 70, I plan to discuss the labour relations climate under the Conservative government, the fiscal problems of the Minister of Finance (Mr. Manness), the particularly objectionable parts of Bill 70, the lack of fairness in this bill and the broken promises of the government.

A short few years ago, the number of days lost to strikes in Manitoba was very low. I believe we used to have a good relationship between government and unions in this province. Even when the Conservative government was a minority government, labour relations were not all that bad until the government decided to withdraw final offer selection. Then we began to go down the slippery slope of deteriorating relationships between unions and this government.

What happened when they got their majority? Well, immediately, their highest priority, one of their first priorities, was to withdraw final offer selection and they did. Then they started to alienate the different sections of the union movement, first of all, 10,000 nurses. Then they forced the casino workers to strike and left them out for a long time. Now, they are alienating 48,000 civil servants.

I am reminded by my honourable friend across the way that I joined the picket line for the casino workers, and indeed I did, and I am happy to say that I did. They appreciated my support and I would

be happy to acknowledge that I walked anyone's picket line if they had a justified strike that needed my support.

However, this bill takes us much further than any of the previous actions of this government, and under this Tory government, labour relations between government and labour are at an all-time low.

Secondly, the Minister of Finance (Mr. Manness) believes that this legislation is necessary. He believes that it is necessary for economic reasons. However, Bill 70 reneges on a promise made by the Premier (Mr. Filmon) who said, we will act in good faith in supporting the free collective bargaining process. Now the Minister of Finance would say, well, that was then and this is now. He would have us believe that the economic situation in the province of Manitoba is so much worse now than when the Premier made those remarks in November 1990, that this legislation is necessary.

However, I believe that the Minister of Finance (Mr. Manness) has the resources necessary to make projections. For example, he should have been able to project that the deficit was going to go up. He should have been able to project that revenue was going to go down. He certainly has the resources on his staff in his department to do that. He should have been able to anticipate that because of the recession, costs such as social assistance were going to be greatly increased, I believe something like \$20 million in 1991-1992.

I believe, however, that the Premier (Mr. Filmon) and his government misled the House, the public, and all public sector employees by saying one thing in the recent past and doing another by Bill 70.

Now, the Minister of Finance would say he had no choice. He would say that he only had two ways to move, one of which would be to increase revenue, and when you increase revenue, that mainly means increasing taxes, and he would say that, politically, that was impossible in Manitoba. He would say it was unacceptable for his party to do that. The other direction that he could go - (interjection)- I have not been listening to the member for Rossmere (Mr. Neufeld), I can assure you of that.

The other direction that the Minister of Finance would say that he could go would be to decrease expenses. Well, has he done that? Yes, he has certainly done that. He has cut programs, he has cut grants, he has cut civil servants, and many people would agree that any further cuts could not

be justified. In fact, many of us would argue the cuts he made could not be justified.

Has he done everything that he could do to increase revenue? Has he said to Ottawa, has he said to his counterparts, here are ways in which you can increase revenue. No, instead he has said this province is suffering because of decreased transfer payments from Ottawa. Has he encouraged the federal government? Has he made suggestions? Has he told them where they could get the money to increase transfer payments? No, he has not. Are there areas where he could be encouraging? Well, yes, there are.

He could be saying to the federal government, let us start taxing corporations that do not pay any tax. Let us start taxing individuals who do not pay any tax. The most recent personal income tax statistics show that in 1988, there were 140 wealthy Canadians with incomes of \$250,000 who paid not one cent in tax. -(interjection)- Now, I am not talking about paying more tax. To the honourable member opposite, I am talking about taxing people who pay no tax right now.

If the member was listening, he would have heard me say that the most recent personal income tax statistics released show that in 1988, there were 140 wealthy Canadians with incomes of \$250,000-plus who paid not one cent in tax. That is an increase of 40 percent over 1987's total of 100 wealthy individuals. If you look at people who earned over \$50,000, there were 5,430 people who paid not one cent in tax in 1988.

At the same time, those poorer Canadians with incomes of \$15,000 or less who paid taxes actually paid on an average \$71 more taxes under tax reform in 1988 than in 1987. This completely contradicts Michael Wilson's spin on his latest tax statistics when he said that the tax system became more progressive and that the burden of taxation was reduced for more Canadians, especially for those with low or moderate incomes.

(Mr. Jack Penner, Acting Speaker, in the Chair)

Why should any Canadian with an income in excess of \$50,000 be given the right to pay not one cent in income tax when Canadians living at or near the poverty line are paying taxes and have actually seen their taxes increase?

That situation has become worse because of the goods and services tax. In the goods and services tax, there is a loophole that probably not many people are aware of, and that is that you have to

have, I believe, over \$6,100 income in order to apply for the rebate in order to get a refund on the GST that you pay for goods and services that you buy. If your income is too low, and that includes a lot of single people on social assistance, you cannot qualify for the rebate, you cannot even apply for it.

Now, let us look at proportions of personal income tax and corporate income tax and what is happening between 1984-85 and 1989-90. The personal income tax increase was 77.4 percent. What was the corporate tax increase? It was only 38.8 percent, increased between 1984-85 and 1989-90. If corporate taxes had just increased at the same rate as personal and sales taxes combined, the deficit would have been \$4.4 billion lower. This is part of the answer to deficit reduction, not freezing government program spending which would only force Canada deeper into a recession.

Have we ever heard the Minister of Finance (Mr. Manness) quoting these statistics? Have we ever heard him in a speech urging the federal government to tax people that are not paying any taxes at all, people over \$250,000, the people over \$50,000 a year? Have we heard him urging the federal government to tax corporations that are paying no tax? Well, no, of course, we have not.

* (1530)

There are numerous members of the Business Council on National Issues or their associated companies which paid little or no tax. Here are some examples. Brascan, 1988, pretax profit \$262.8 million, taxes paid, zero, but they did find \$50,363 to donate to the Conservative Party of Canada and \$24,320 -(interjection)- I will talk to you later about that one.

Confederation Life Insurance, 1988, made \$62.5 million, did they pay any tax? None at all, but they found \$11,186 to donate to the Conservative Party of Canada and \$10,553 for the Liberal Party of Canada.

An Honourable Member: Did they give us any?

Mr. Martindale: Do they give anything to the New Democratic Party? Well, of course not. What about Power Corporation? Power Corporation in 1988 made \$214.5 million of pretax profit. Did they pay any taxes? No, but they got a credit, \$2.1 million. How much did they donate to the Conservative Party? \$72,143. How much did they donate to the Liberal Party? Well, they donated \$76,000 to the Liberal Party.

An Honourable Member: How much did we get?

Mr. Martindale: The New Democratic Party got nothing at all.

What about Bramalea Ltd.? In 1988, Bramalea made \$35.5 million profit, zero paid in taxes, but they found \$12,625 to donate to the Conservative Party, zero to the Liberals and zero to the NDP.

What about Xerox Canada Inc.? In 1988, they made \$74.6 million. Did they pay any taxes? No. Did they donate to the Conservative Party? Yes, to the tune of \$11,559. Did they donate to the Liberal Party? Yes, \$12,553. Very interesting, Mr. Acting Speaker—

The Acting Speaker (Mr. Penner): Order, please. I would like to remind the honourable member to make sure that his remarks are pertinent to the bill. Thank you.

Mr. Martindale: My remarks are very relevant to this bill since this bill is about a government claiming that they have no money, and I am suggesting to the Minister of Finance where they can find the money, or suggest to the federal government that they find the money. If they just tax corporations and tax individuals who are paying no tax whatsoever, then there would be more revenue to share with the provinces, including Manitoba.

My third objection to this bill is the parts that are retroactive. This bill covers contracts reached under binding arbitration or through final offer selection since last September. Even those unions which do not depend on the Minister of Finance (Mr. Manness) are forced to have collective agreements rolled back under this bill, namely, the Crystal Casino workers. This retroactivity was applied to the International Union of Operating Engineers. They were on strike for two months; they used final offer selection; they received a 4.5 percent wage increase, and what happened? Rolled back to zero—their selector, David Bowman, had some very interesting things to say. He said, and I quote: Workers are not responsible for government's financial woes, and it was not right for the province to take wages from one group to pay another.

A very interesting comment from someone who is involved in the final offer selection process. I came across a very interesting editorial in the Portage la Prairie Daily Graphic for Thursday, June 13, 1991. The headline says, "Gov't shouldn't change rules after the fact!" "The government giveth with one

hand and taketh away with the other" is the opening sentence in this editorial.

"Members of the Manitoba Government Employees' Association and others working for the province felt first-hand the effects of this age-old axiom when Finance Minister Clayton Manness introduced legislation to freeze wages and roll back increases.

"Months of negotiation and hard work were wiped out in one fell swoop as the minister explained that the cupboard was bare.

"In a time when many people in the province are facing layoffs and unemployment, he explained workers should be happy to have a job.

"Certainly a valid point, but not very comforting to a person who has just seen his raise (most not even equalling an increase in the cost of living) cancelled.

"Nor, does it excuse the way in which the wage freeze was enacted.

"The government has been fully aware of the financial constraints it is facing for some time—and was certainly aware of the situation when negotiations took place on a number of contracts.

"Instead of being upfront with those affected and introducing the legislation in advance, the government chose to drag employees through the process—building up their hope, only to shoot them down a few months later.

"While this process is undoubtedly legal (once the appropriate legislation passes), it certainly is not very ethical

"Given the way these people have been treated, it is hard not to sympathize with them—regardless of how you feel about unions or civil servants.

"The government and its representatives negotiated these contracts in good faith and it should honor them."

An excellent editorial.

My last objection to this bill in terms of extremely objectionable parts of it is that it gives power to the cabinet to extend the application to any collective agreement. I think that is why members on this side have been referring to this bill as being Draconian because of the kind of power it gives to cabinet.

Fourth, I would like to address the lack of fairness. This bill exempts a number of groups. It exempts government-employed doctors. It exempts university employees. It exempts judges although, to his credit, the Attorney General (Mr. McCrae) has

said that the judges will not be getting a raise. In general, this bill exempts high-income groups but not low-income groups. It does include all the lowest-paid civil servants. It covers MTS workers but not the chief executive officer, so there is a lack of fairness in Bill 70, which we find objectionable.

Finally, Mr. Acting Speaker, I have a quiz for government MLAs, and the quiz is, who said the following?

Quote No. 10: Who said, "The fact of the matter is, there is no club and there never will be from this government. We will act in good faith at all times in the open free collective bargaining process with all the employees with whom we have to negotiate"? Who said that? Premier Filmon said that on November 6, 1990.

Quote No. 9: Who said, "The fact of the matter is, there is no threat, there is no club and there never will be from this Government. We will act in good faith at all times in the open free collective bargaining process with all of the employees with whom we have to negotiate"? Who said that? The Premier said that, November 6, 1990, Hansard, page 818.

Quiz No. 8: Who said, "... we have established a target of a 3 percent average wage increase for all those employees paid by Government"? Who said that? The Minister of Finance (Mr. Manness) said that, December 14, 1990, Hansard, page 3117.

Quote No. 7: Who said: What has changed is the realization that to throw an additional group of people out of work to maintain the integrity of the budget is not a preferred option, not at all. Then services will certainly be significantly reduced, and unquestionably, the economy again will not, you know, will not respond to that type of move? Who said that? The Minister of Finance, correct, June 3, 1991, in a press conference.

Quote No. 6: Who said, "We have the same mechanism that every Government has had. It is called the free collective bargaining system"? Who said that? The Premier said that on November 5, 1990, Hansard, pages 805-806.

Quote No. 5: Who said, "We have determined steadfastly that we would let the Crown corporations be operated at arm's length on business principles that would be set by policy of the government, and the management decisions, and ultimate determinations made, under the aegis of the boards of directors, by the management of the corporation"? Who said that? That was Mr. Filmon.

Quote No. 4: Who said, "For all of those good and valid reasons, there is not an attempt on our part to influence decisions that are management decisions in a free collective bargaining process between management and its employees"? Who said that? The Premier said that.

Quote No. 3: Who said, "Those Crown corporations obviously are encouraged to as much as possible harmonize their own dealings so that they meet Government policy or that they meet Government objectives. At the same time, we do not go the step of setting firm top-line guidelines"? Who said that? The Premier said that.

Quote No. 2: Who said, "If we did, I would suggest that, to avoid the kind of event that the member is talking about, we would have to apply those guidelines to every public sector agency within the aegis of government and that would include teachers. There would be no sense in setting a limit for all Crown corporations and not applying that limit for settlement to teachers or to university professors and staff. We would have to go the full bore"? Who said that? Premier Filmon said that.

Quote No. 1: This is the last and the best one. Who said, "A majority is a majority is a majority," September 11, 1990? I think that remark is relevant to all the other remarks because this government finally got to do what they wanted to do all along and, once they had a majority, they did it.

* (1540)

Bill 70 is one of the ways in which they are doing it. They are doing it to workers in this province. They are doing it to civil servants in this province, but they are not doing it fairly. They are not doing it to chief executive officers, and they are not doing it to high income groups.

It is workers that are getting it in this province. -(interjection)- and are they enjoying it? No, they are not enjoying it, and people on the opposite side said they have been hearing from people. Well, we have been hearing from people as well. What we are hearing is quite different than what government members are hearing. I think they heard that message outside on the steps of the Legislature in recent days.

(Mr. Speaker in the Chair)

For this and many other reasons, we are going to oppose this legislation. We are going to vote against this legislation and we think at the very least

that if the government does not withdraw it, they should at least amend it so that it is fair, so that it is not retroactive and so that it is uniformly applied, and it is not draconian by giving cabinet extraordinary powers. Thank you, Mr. Speaker.

Mr. James Carr (Crescentwood): Mr. Speaker, you know, some politicians like to say that they are afraid of being quoted incorrectly by members of the press. I think it is far more dangerous in our profession to be quoted correctly, and if we are not quoted correctly by the press, we are always quoted correctly by Hansard.

This is not only a tribute to the fine people, members of the public service who work in Hansard, but it also has to do with ministers who put ideas and thoughts on the record for which they are often very, very sorry. In the course of the next few minutes, I hope to prove that ministers of the Crown cannot claim that they have been misquoted, that they may want to rewrite a little history and take the quotes which have been accurately reflected in the recorded proceedings of this House and perhaps have some second thoughts.

Mr. Speaker, I entered this debate on Bill 70 from a particular point of view, and let me put my bias out on the table before I even begin. I have an uncle who was part of the Public Service of Canada for 30 or 35 years, and what he ingrained in all of those who cared to listen, and we cared a great deal about what our uncle had to say, was that the public service was the most noble calling of all, because what you do, not unlike our own profession, is that you serve the people. You set aside some advantages that are available out in the private sector in order to accept your responsibilities as a public servant. That was not an insult to the people who decided to go into the service of the people of their province or the country, but rather, it was a compliment.

I look through the proceedings in debate over this bill and on relevant material that has been put on the record by some ministers, and I see that the Minister of Finance (Mr. Manness), in justifying a 15.4 percent increase to the president of the Manitoba Telephone System, said that we did it in order to get the best. We offered an \$18,000 raise to the new president of the Manitoba Telephone System because we -(interjection)- Well, the Minister of Energy and Mines (Mr. Neufeld) says it was not a raise. We have to deal with this kind of misinformation all of the time in this House. It was

a raise compared to the person who held the job previously. That is a matter of public record and cannot be denied.

The Minister of Finance (Mr. Manness) said that the reason a 15.4 percent increase was offered was because it was necessary to attract the best available person for the job. Well, by implication, and it is not a giant leap in logic, you have to ask the question, what does that say about the 48,000 public servants who are being offered zero? What that says, by implication, is that the government is not interested in getting the best. The government is interested in using the most powerful hammer any government has, particularly a majority government, which is to impose by law, by statute, a wage freeze on the public service of Manitoba. Mr. Speaker, that drives at the very heart of this issue, and that is an issue of fairness and an issue of breaking faith.

What did the Premier (Mr. Filmon) of Manitoba and his Minister of Labour (Mr. Praznik) and the Minister of Finance say about the collective bargaining process, which is really what is at stake here? The nub of this issue is not zero percent, one percent or two. The nub of the question is the breaking of faith with the people of this province, the 48,000 public servants who are subjected to this Draconian piece of legislation against what the Premier and other members of his government had said in the past about collective bargaining.

Let the Premier say that this is not an accurate quote. When he sums up debate on behalf of his government today or tomorrow or whenever, let him deny that he said, on November 6, 1990, "The fact of the matter is . . . there is no club and there never will be from this Government. We will act in good faith at all times in the open, free collective bargaining process with all of the employees with whom we have to negotiate."

Does the Premier deny that he said this? Does the Premier deny that he said a few months later, ". . . please return to the bargaining table, have your differences worked out through the free collective bargaining process. That is why the process exists. I support it, and I assume that you do." He said this to the casino workers, the very employees who were out on strike who had a settlement reached.

That settlement now has been rolled back by the very Premier who put on the record that he supported the free bargaining process. Mr. Speaker, that is breaking faith. There is nothing more serious in the relationship between labour and

management than breaking off faith from one side to the other, because what does that do to the environment in which there will be negotiations next year, five years from now, 20 years from now? They will always be looking over their shoulder. They will be looking at the Order Paper that we look at every day in this House to see if there is not going to be yet another piece of legislation which confirms that the government has broken faith with the very people who we are here along with to serve, the people of Manitoba.

The Premier (Mr. Filmon) said again and he says, I will repeat that the free collective bargaining process ought to prevail. Is the free collective bargaining process prevailing today in Manitoba? No. If it is, I challenge the Premier to stand up and tell the people of Manitoba that it prevails in the wake of Bill 70.

This is the Premier who said, that is the process we as a government support. I cannot understand why they would want to do anything other, such as bargaining here on the floor of the legislature and entering into a labour dispute. These are not my words. These are not the words of the member from Concordia (Mr. Doer). These are not the words of the Leader of the Liberal Party. These are the words of the Premier of the province, and if we cannot take at face value the word and the commitment and the position put forward by the Premier, who are we to believe?

* (1550)

Mr. Speaker, this is not the only example of breaking of faith, and let me just use one other to create a little focus for what we are trying to get at. On September 4, 1990, the Premier said, and this is one week before the election of September 11, 1990, that his government was dedicated and committed to the continuation of a tripartite agreement to renew the core area. Well, what happens just after the government is elected? The Premier (Mr. Filmon) says, whoops, whoops, the position of our government one week before the election is not the position of our government several months after the election.

These quotes that I am using here from 1990, this is not from 1944. This is last year, not on an issue that is trivial or tangential to the guts of how we govern our affairs as a province. This is what is absolutely at the heart of the way government does business and that is the way it treats its own employees. How more accurate a measurement or

yardstick can we use on the integrity of a government than how it treats the people who work for it? So, Mr. Speaker, I continue in quoting from members opposite.

The Premier (Mr. Filmon) says, vis-a-vis Crown corporations, that there is not an attempt on our part to influence decisions in a free collective bargaining process between management and its employees. Mr. Speaker, is Bill 70 in any way influencing decisions in a free collective bargaining process? You bet it is. It guts the free collective bargaining process. I continue. The Premier said all of these organizations have said that the bill—this is FOS—represents a gross interference with the free collective bargaining process. Will the minister listen to these people and withdraw the legislation?

So the very arguments that the Premier was using to withdraw FOS, which has subsequently gone the way of the dodo bird, is to do exactly the same thing only three and a half years later, three and a half years later in this chamber as Premier of a government, and how about the Minister of Labour (Mr. Praznik) who after all is responsible for the Civil Service Commission? The Minister of Labour says, and I quote, again this is not from some decades gone by, this is from November of 1990: While governments must occasionally take action to protect and preserve public safety, and there may be exceptional circumstances where intervention is warranted, these circumstances must be exceptional.

So even the Minister of Labour is saying that the burden of proof must be on the government to prove that this is exceptional. He says, and I quote again from the member from Lac du Bonnet (Mr. Praznik): I do not think that any members opposite would like to get into a system where we are having a forced settlement.

This is from the Minister of Labour who decries the possibility of a forced settlement, the very Minister of Labour, the very minister responsible for the Civil Service Commission, who sits on the Treasury bench of a government that has gutted free collective bargaining and more than that, in the wake of these comments, which are now on the record unless they claim misquote in every case, have broken faith with the people of Manitoba. Why is it that the next time we hear a promise or a commitment or an announcement of policy from the Premier (Mr. Filmon) or of the Minister of Labour or the Minister of Finance (Mr. Manness), why should

we believe them when we have all of this backdrop in front of us?

Somebody in, I think, a very wise and prudent move set up something called the Labour Management Review Committee. I gather that the Labour Management Review Committee was set up so that representatives of both labour and management could talk about government policy. Government ideas would be vetted through the Labour Management Review Committee so that government would be better informed before it announced its own policies or before it introduced legislation into this House—

An Honourable Member: What a good concept.

Mr. Carr: Good concept? Professor Wally Fox-Decent, with whom I have worked very closely as a member of the Meech Lake Task Force and now as a member of the Constitutional Task Force on the constitution, has been chair -(interjection)- Uncle Wally, as my friend from The Pas says.

This is what Mr. Filmon had to say in June 1987 about the Labour Management Review Committee. He said: In resigning from the Labour Management Review Committee, David Newman, a former member of this committee stated that this minister proceeded with the final offer selection bill without waiting for a response from the Labour Management Review Committee. Why would the minister not have waited for the response? Why would he proceed headlong without having the advice of the committee he says he respects and plays a vital role in labour management relations?

He said, to continue on: Can you imagine what a sham that is? What a hoax it is on the people of Manitoba to put up a Labour Management Review Committee, a nonpartisan, equally balanced group to labour legislation and then pull that sort of stunt on them?

This is the Premier of the province talking about the labour management committee being bypassed in review and analysis of final offer selection.

Mr. Speaker, why, three and a half years later, is the situation any different, because members on this side of the House specifically asked the Minister of Labour (Mr. Praznik)—I remember the question well: Did you go to the Labour Management Review Committee for advice on Bill 70? Given the comments that I just put on the record from the Premier in 1987, what would you expect his answer to be? Would you expect the Premier to say, what

a sham that we did not ask for advice from the Labour Management Review Committee? Would you expect the Premier to say that this was a gutting of the Labour Management Review Committee? Yes, you would, but what did the government do? The government said: We do not have to consult the Labour Management Review Committee because we, the government, know what is right.

We are now faced with a piece of legislation that makes a lie out of at least a dozen comments put on the record by the Premier of this province, by the Minister of Labour, by the Minister of Finance, which is at its very heart a breaking of faith, an expression of bad faith with the people of Manitoba. That is what this legislation is all about. Who is it that is going to pay the dearest price for this legislation? Is it the class of society at the very top of the income scale? Is it the president of the Manitoba Telephone System who is going to pay a dear price for this? No. Is it the judges of this province who are going to pay the price? No. Is it the deputy ministers?

By the way, Mr. Speaker, speaking of deputy ministers, and I would love to be corrected on this, but it seems to me that, if you look at the line in the Estimates book for the Deputy Minister of Finance, there is a 7.9 percent increase in that line. The director of Human Resource Management received a 25.7 percent increase. Yet 48,000 public servants find that their wages are frozen. What else in the economy out there, I ask my friends on the government side, is frozen? Let me ask the question rhetorically to the Deputy Premier: Are his property taxes frozen? No. Is the price of a litre of milk frozen? No.

How about the price of gasoline that we have seen go up six cents a litre in the last week? If you were driving down Highway 8 to Winnipeg Beach, as I was for an event over the weekend, you would have seen that as soon as you get across the Perimeter Highway you saw a gasoline station with prices six cents a litre lower than what we pay in Winnipeg. Well, in Question Period today, we heard the Minister responsible for Consumer and Corporate Affairs (Mrs. McIntosh) unbelievably defending the oil companies. Now you would think that the Minister of Consumer and Corporate Affairs would be defending the consumer. That is what she is paid to do, Mr. Speaker. The oil companies do not need any defence from the Minister of Consumer and Corporate Affairs. The people who buy gas

need defence from the Minister of Consumer and Corporate Affairs, and I was astounded. Back to my point. The price of gasoline is not getting any lower. Because of the GST imposed by our government's federal cousins, it means that every single person in this province is paying more for almost everything than they paid last year. The only thing that is being frozen for the 48,000 public servants are their wages. -(interjection)-

The Minister of Family Services (Mr. Gilleshammer) says, what about farm income? I hope farm income goes up. I hope we can finally come to terms with the international subsidy war that is crippling our farm economy. I hope that the money that is being put aside by this government for interest rate relief is paid. I hope that we will get more co-operation from the federal government on cost-sharing programs in agriculture, and, believe me, do not let the Minister of Family Services think for a moment that we on this side of the House do not believe that farm incomes ought to be on the rise so that we can keep people on the farm, those who want to be, so that we do not have fewer and fewer farms, so that we do not lose a way of life, so that we do not see disintegration of the rural economy in small towns in Manitoba. I am with the Minister of Family Services on that issue.

My point, Mr. Speaker, is that wages have been frozen at a time when nothing else is, and wages have been frozen in particular with effect on those who are at the bottom end of the pay scale. Look at who is on the bottom end of the pay scale. It is traditionally women, and for a whole host of historical reasons women find themselves in the lowest paid jobs not only in the public service in Manitoba but throughout the economy. So the government, and I impugn no motive here, has hurt women more than they have hurt men, and I would like to hear in debating this bill from the Minister in charge of the Status of Women (Mrs. Mitchelson) to justify how that disproportionate and unfair treatment of women in the labour force can be made by this government and particularly by her, the Minister responsible for the Status of Women.

* (1600)

Mr. Speaker, this bill is probably the most important that we will be debating in this session of the Legislature, because it affects the lives of literally tens of thousands of people, obviously not only the 48,000 public servants who are directly affected, but their families, and if you take a multiple of two or

three, you can say that it is substantial proportion of our province's population. Even beyond the way it affects the lives of those who are directly impacted by Bill 70, it strikes at the very heart of a prevailing mood of distrust and cynicism that all of us in this Chamber have to deal with every day in our political lives. The political class is not popular in this country today.

Why is the political class not popular? Because we are perceived not to keep our word; we are perceived by the people to having broken faith. We do not stay in touch with that. We get encased and surrounded by the dynamic of this building, and we forget often why it is we are here and to whom we owe the power entrusted to us.

The small example I used, the government in its wisdom did not even choose to consult its own Labour Management Review Committee, which was put in place for precisely this reason. So beyond the particular clauses of Bill 70 which we on this side find unacceptable, beyond even the process of the tabling of this bill and what is in it and what is not, beyond even the lack of fairness that we have cited through the payment of more senior people and some groups in society who are exempt from this bill, above all else, this bill represents breaking of faith with the people of Manitoba.

I do not think that we in this House should feel that people will not remember. They will remember, Mr. Speaker. Sometimes we like to think that those who elect us have very short memories and that the thirty-second clip—it used to be a thirty-second clip, now it is a fifteen-second clip—will be washed away, and after the television cameras expose the issue on Monday, everyone will forget by Tuesday. Maybe that is the case every once in awhile, but I believe that that is not the case with Bill 70.

The people of Manitoba will remember this legislation for a long time. The reason they will remember it is because the Premier (Mr. Filmon) of this province, the Minister of Labour (Mr. Praznik) and the Minister of Finance (Mr. Manness) broke faith with the people of Manitoba. It is above all, for that reason, that the members of my party will strenuously oppose this bill and remind people of Manitoba for as long as they are prepared to listen that this is an unacceptable breach of faith. Thank you, Mr. Speaker.

Ms. Jean Friesen (Wolseley): Mr. Speaker, I am glad to be able to have the opportunity to speak on this bill, because it is quite simply a shameful piece

of legislation brought in by a duplicitous government, and I use the term advisedly. It is deceitful, and it has been and continues to be a deceitful government.

There were no election promises which talked about wage freezes or ends to collective bargaining. They promised, if I remember, government as before, with a big smile and a canoe. They promised north end values, but they deceived.

Point of Order

Mr. Jack Penner (Emerson): Mr. Speaker, I rise because I listened fairly intently to the words used by the honourable member in speaking to this bill. I wonder whether it is parliamentary language to use the term "deceitful" in referring to the government of the day that, in fact, introduced a bill.

Mr. Speaker, I leave this for your decision, and I seek your counsel.

Mr. Speaker: Order, please. On the point of order raised, I would like to remind the honourable member for Emerson that the word spoken does not show up in the unparliamentary language under Beauchesne's.

Also under previous ruling, I believe the honourable member would find that because the word is not attributed to any specific member, although we might not like the word that is being used, and we often caution members to pick and choose their words very carefully, this word at this point in time does not show up under unparliamentary language. Therefore, the honourable member does not have a point of order.

* * *

Ms. Friesen: Mr. Speaker, I was choosing my words carefully.

I think I believe as the member for Crescentwood (Mr. Carr) does, that the actions, the deceit of this Tory government and of the Tory government in Ottawa have contributed more than anything in Canadian public life to the loss of faith in the political process. I think there is a huge burden of responsibility that must be borne by both of those Conservative Parties.

Mr. Speaker, Canadians and Manitobans respect honesty in government. The government knew its strategy at the election. They had been in power for two years. They had minority budgets. They knew what they were doing, but they did not choose to tell

the people, and rightly so, because they feared the response of the people, particularly those ridings where there are so many public servants, particularly those suburban ridings in Winnipeg where white-collar unions are growing in strength.

Not only that, Mr. Speaker, they then went on to negotiate with those Civil Service unions, meanwhile preparing the very legislation that was going to eliminate collective bargaining for thousands and thousands of people. The hypocrisy is appalling.

It will backfire, Mr. Speaker. My advice to the government is to back off now, because both in the short term and the long term this is going to backfire on this government. It is based, I think, on a short-term view of Manitoba's economic future. It argues in the short term that the only way to deal with a recession, and we could debate at length the causes of this recession and the ways in which the federal Tories and the provincial Tories have exaggerated its effects in Manitoba and Canada, but I will not debate that now. We have had other opportunities and will continue to have opportunities to talk about that.

What this government has chosen to do is to freeze wages, to reduce labour costs, and to fire the workers in order to deal with the recession in Manitoba. To accomplish this goal, this right-wing government is prepared to single-handedly disrupt the labour peace that Manitobans have accomplished over many generations, because this is not just a wage freeze. Fundamentally, it is a contract freeze. It is first and foremost a part of the attack of this government on collective bargaining.

* (1610)

Mr. Speaker, if the government believed that zero percent was the right answer, why did it not negotiate? I have been a member of bargaining committees which have faced governments that have started off at zero. Governments do negotiate on these issues and on a wide range of issues. This government, in fact, chose to attack the unions for going to arbitration, which, of course, is a very appropriate thing to do when you are losing faith in the collective bargaining process and the people whom you are facing across the table, and this from a government which revoked FOS—the timing that we won in the last session—in yet another deceitful move.

The contract freeze is part of a larger scheme of limits on trade unions. The government is listening

with both its ears to the Chamber of Commerce and to sections of the Winnipeg 2000 businessmen. They are making the environment friendly to investment and business by making labour pay the price, destroying the labour peace that has been long and hard won in Manitoba.

I would like to look briefly at some of the ways in which collective bargaining has been won in Manitoba. We could go back a long way. We could go back to the York Boat brigades at Norway House or The Pas. We could look at some of the strikes that occurred there in the 1830s and 1840s as those aboriginal and Metis boat brigades began to bargain collectively for working conditions and for wages with the Hudson's Bay Company. We could look in the 1880s at the beginnings of the craft unions in Manitoba and the successes that some of those had, particularly in the garment industry, with developing contracts and some beginnings of collective bargaining.

We should look also, Mr. Speaker, at the bitterness, enmity, the long-lasting divisions within Manitoba's society that began in the years before the First World War as collective bargaining began to spread through the industrial trades. None of us will remember the 1906 street car workers strike or the strikes of civic employees in 1918 or the strikes of the machinists in 1917, but we all know something about the bitterness of the 1919 General Strike and of the legacy that it left for Manitoba and Winnipeg of the divisions in society that were brought about by that great economic and political division in Winnipeg and Manitoba.

There was by 1919, Mr. Speaker, an absence of trust in the public sector and in the private sector. There was a belief on the part of trade unionists and ordinary citizens across the city, particularly, that only economic action on a large scale could speak to the needs of families for a fair wage and a living wage, a wage on which you could raise your family and educate your children. The beginnings there of the long struggle for collective bargaining are important for us to remember, because what Bill 70 is doing is reversing that process.

A second point I would like to raise, Mr. Speaker, is that Canadians and Manitobans have, over the years, begun, with reason, to look to the state, to look to the government to regulate labour conditions. Even in Manitoba, the Norris government at the end of World War I began some progressive legislation, some recognition in

Manitoba that labour and capital were not on the same level playing field and that labour peace in Manitoba required regulation and action by government.

The Norris government, Mr. Speaker, developed the first labour bureau in Manitoba. It brought in factory inspectors for the first time, and it developed an elementary system of workers compensation. It is that kind of assistance and regulation that Canadians generally grew to expect from their governments.

Through economic action, through political action, Canadians have fought hard and sometimes with tremendous losses. I am thinking particularly of the Flin Flon strike in the 1930s—tremendous hardship, but have made great gains in establishing labour peace. This government and this bill are reversing that. It will be, Mr. Speaker, a short-term gain for the minister's balance books, but a long-term loss for Manitobans for labour peace and for the right to collective bargaining.

I think it is useful to look at some parallels in the United States. It seems to be a source for these new ideological Conservatives, a source of some of their policies and some of their ideology. We see in the United States a much more violent labour history than we have had in Manitoba or generally in Canada.

You could go back to the 1870s to essentially the warfare that existed in the Pennsylvania coal mines, to the steel strikes of Pennsylvania, to the miners' wars in the 1880s and 1890s in Colorado and in the western United States. We could, particularly, point to the great strike in the late 1930s at the Ford plant where the employer chose to arm himself and his own police with an arsenal of grenades and revolvers and other weaponry with which to attack its own workers. It was that kind of labour management, labour capital warfare, Mr. Speaker, which brought in some of the most progressive legislation in the United States.

In particular, FDR brought in, in 1937, the Wagner Act, which laid the basis for the right to collective bargaining. It was important not just for the United States but for Canadians too, because R. B. Bennett, a Conservative of a different stripe from Brian Mulroney and the present Manitoba Conservative government, began in fact the beginnings of a movement towards those rights of collective bargaining for Canadian workers.

Eventually, in 1944, Mackenzie King picked up the same idea and established what, certainly in labour history, is known importantly as the PC 1003, which required companies to negotiate with unions certified by a government labour board. It was followed in 1946 by the Rand Formula, and those two pieces of Canadian legislation are the ones which are the basis of industrial peace and also of the expansion of the labour movement and of the regularization of relationships between employers and employees.

They were, I think, victories of Canadians, and they contributed to that way in which Canadians have continued to look to the state to even the scales of economic justice. Canadians see government as rightfully playing its part as a moderator of the marketplace.

What we see, Mr. Speaker, in Bill 70 is a reversal of that tradition. Not only is the state attacking the rights of trade unions, rights which have been won for over a hundred years of much pain and struggle for working people, but it is also at the same time appearing in the marketplace as a promoter and a protector of the private, not the public, interest.

What will be the consequences for Canadians and Manitobans of this change in public policy?—and it is a dramatic change in public policy. Let us look at the United States, where so many conservatives of the new stripe look. In the 1980s, we saw under Reagan an assault on unions. Perhaps the most memorable aspect of that was the assault on the air traffic controllers and, in effect, the breaking of the air traffic controllers union.

This was a very different policy, Mr. Speaker, than the kind of union policy pursued in other industrial countries, Australia, for example, or Germany. In both those countries, the government chose to co-operate with labour. It chose to bring them all together in social contracts of a very different kind, but using both of those, in one sense, perhaps a right wing of the spectrum, and the other, perhaps Australia, the left wing of the spectrum; but the government was choosing to bring all the parties together to play a role as the moderator of the marketplace. This government, like the Reagan government, is choosing another path. It is refusing to work with labour, refusing to co-operate with labour and creating by example, its example as an employer, a hostile climate for labouring men and women in Manitoba.

* (1620)

What happens when you attack unions, Mr. Speaker? Not surprisingly, participation in unions and union activities declines. In the United States, a country where the gap between rich and poor is enormous and growing in every field, particularly significant in education, but certainly a country where the extremes of wealth and poverty are daily visible, you see in the United States in the nonagricultural sector only 16 percent of the people participate in trade unions. At the other end of the spectrum, wealthy and prosperous Germany, you see somewhere around 75 percent are participating in trade unions. In Australia, it is even higher at 80 percent. To me, participation in a union for every citizen is an indication of a healthy and democratic society.

As we look to the Reagan example, as this government starts its attack on the trade unions of Manitoba, I think it should be very carefully looking at the road which it is taking us down to a kind of country where very few people participate in unions, where they lose that sense of control over their own environment; they lose that sense of citizenship which is part of the role of trade unions in Canadian society.

Should we be expecting anything else? It is a familiar tone of Tory governments. Sterling Lyon renewed the attack on labour that other Conservative governments from time to time have begun. He cut the Civil Service. He limited social programs. He reduced corporate taxes but, fundamentally, the government of Sterling Lyon was more straightforward than this one. He promised us in an election a program of acute protracted restraint. He campaigned on it, and as the Liberal vote across Manitoba collapsed, he gained from the support of those former Liberal voters. He won on that campaign, and we got protracted restraint, very different from the kind of duplicitous campaign run by this government, a campaign of smiles and chuckles, candy floss promises.

Mr. Speaker, this government has two purposes in this bill. The first of them, I believe, is to diminish the public sector. We see this in so many areas of this government's policy but, particularly, in education where their goal, in fact, is to tip the balance of the marketplace in favour of private education. They do not believe in the public sector. They are out to cut it, to diminish it, to change its role in Manitoba life.

One means to this end is to diminish the public sector unions. In principle, this government has never quite faced up to white-collar unions, to CUPE, to the MGEA, the new giants of labour right across Canada. The government may feel that it has won this battle, that it has sacked its employees, that it has frozen wages this year and next year for another group and another year for a further group, that it has shown muscle.

What it has done, Mr. Speaker, and perhaps this is part of its agenda, too, is that it has created fearful employees. I go door to door in Wolseley once a week and I find those fearful employees. Some of them answer the door, and they say with a whisper that they will never again vote Tory. Some of them say it with a roar, and I think the government is going to hear that roar from its suburban constituencies as well as from other parts of the province.

Mr. Speaker, I would like to remind members of the House of a particular judicial decision in Manitoba which seems to me to exemplify the kinds of positions and public values that Manitobans used to share. This was the decision in the 1960s of Mr. Justice Freedman, when the changes in technology in the railway trades led to layoffs and to changes in the working conditions of many of the railway trade unionists. Mr. Justice Freedman, in his judgment, pointed out that corporations had responsibility for the welfare of their workers to cushion, to adjust, and to ensure that there was no drastic dislocation in the lives of those working people. It is an important principle. It is one that this government has forgotten, and it is one that the people of Manitoba will not forget has been overlooked.

Negotiation is at the heart of collective bargaining. When the government took wages out of the collective bargaining process, it also took the heart out of negotiation. This is not just a freeze on wages, I will repeat; it is a freeze and an attack on the collective bargaining principles and the power of workers to negotiate their working conditions. Health, safety conditions and job security have also been taken away by one stroke of the pen of this government.

Mr. Speaker, the restraint on the right to free collective bargaining strikes at the heart of the labour movement; it strikes at the heart of what Canadians have grown and learned to expect from their governments; and, in principle, it strikes at the heart of democratic rights.

In short term, the government may get its freeze. In subsequent years it will attack other public sectors under the regulations contained in this act. In the long term, what the government has done, and will have to face up to having done, is that it has disrupted the labour peace that Manitobans have worked for over 100 years.

I will conclude, Mr. Speaker, with the words of Fred Dixon from the 1919 strike, because I can do no better, I think, than the words of Fred Dixon. One might as well tell, he said, a full-grown man to resolve himself into a boy again, as tell labour it cannot have a voice in the management of industry through collective bargaining. Grass will grow, the river will reach the sea, the boy will become a man, and labour will come into its own.

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, it is always a pleasure and a privilege to speak in this Chamber. Whether it is a pleasure to debate this bill, I am not so sure. When it affects so many Manitobans, I know it is an important piece of legislation that touches so many civil servants.

What is being affected in this bill is the collective bargaining of our province because I am sure when this bill goes to committee Manitobans will express what they think of this government. I have had the chance in the last three or four years to negotiate on behalf of the St. Boniface Museum in St. Boniface, and we will be doing again the same thing. I think that in doing that, and negotiating with the unions, it has always been done in good faith. I think this is what has been destroyed here by introducing this Bill 70, showing it as a wage freeze, which I do not think it is.

But, going back to what has happened over the years, we look at the support, the government's involvement. We look at the NDP, for example, their interference in collective bargaining. We look at their quotes. A lot of them have been mentioned, and will be mentioned, I am sure, by the colleagues.

I look here, it says: I have lots of problems taking away the right of the front bench, the Treasury bench, in establishing wages and benefits. These were the words of our Leader of the Opposition (Mr. Doer). -(interjection)- Yes, the NDP. Then he goes further. He says: I suggest to you that every percent in the public service is worth \$25 million. You cannot just let this thing go along, it is an unguided missile, again wages. -(interjection)- Well, at that point I think you did.

I do not think that anyone of those people has sat around a cabinet table and had to figure out how they explain to a secretary, \$18,000 a year, why they are going to get less percentage than a judge, a judge at \$80,000 to \$90,000 a year. With the greatest respect, I believe that cabinet should make that final decision. That is the word of our Leader of the Opposition, again.

* (1630)

Then our member for Thompson (Mr. Ashton) says, arbitration which stifles, which freezes the bargaining process because the incentive under the traditional arbitration is for parties to put in extreme offers under the assumption that the arbitrator will bring a decision in the middle.

Mr. Speaker, our Premier, not too long ago—he has been in power since April of '88. It was in regard to final offer selection. He says, why is labour against it, Madam Speaker? Firstly, they find it a totally unwarranted intrusion into the free collective bargaining process. They prefer to settle their differences over the bargaining table. They do not want to have the heavy hand of government impose an arbitrator, whether that arbitrator be from a selection list or from the Manitoba Labour Board. They do not want to have that heavy hand of government imposing on them a settlement, particularly a settlement that might ultimately contain none of their proposals, not one. I do not think that is unreasonable. I do not think labour should be criticized for taking that position.

In other words, in a negotiated or mediated or normally arbitrated settlement, no one side gets everything. Each side bends a little, gives a little. Each side gets some of what they set out to achieve, and they at least feel that they have achieved a compromise of sorts. This system is an all or nothing role of the dice. This solution, this final offer settlement solution that the Minister of Labour (Mr. Praznik) is putting forward, produces a win-lose situation in which one side has absolutely none of its provisions included in the settlement. This will lead to bitterness, he says, on the part of which every side loses everything in that roll of the dice, and the bitterness will last through the length of the contract. Either way it will poison their relations between the two sides and it will make for bad faith and lack of co-operation.

Is that the kind of solution we want for labour relations in Manitoba? I wonder who said that, I wonder if it is the Minister of Consumer and

Co-operative Affairs (Mrs. McIntosh)? She wrote that a couple of years ago. Is that the kind of solution we want for labour relations in Manitoba? I hope not. That was on June 22.

We want to ensure that the collective agreement that is binding both parties, is acceptable to both parties. This promotes harmonious labour management relations in the workplace.

An Honourable Member: Sounds good.

Mr. Gaudry: Sounds very good.

An Honourable Member: Who is saying all this stuff?

Mr. Gaudry: It is our Premier. The fact of the matter is, there is no quorum and there never will be one from this government. We will act in good faith at all times in the open free collective bargaining process with all employees. We have to negotiate.

Do you remember writing that, Madam Minister? If the union believes it is in the best interest to put antiprivatization, or no-layoff clause, that is part of the whole collective bargaining process. You believe in it. We believe in it, and we will carry out our responsibilities under it, and that is an excerpt from the MGEA magazine from a speech delivered October 26, 1989.

An Honourable Member: By whom?

Mr. Gaudry: Our Premier.

Then he goes on to say, "We are committed to repealing final offer selection. We believe this mechanism is inappropriate and can undermine the collective bargaining process. Any further significant changes to Manitoba labour laws or The Civil Service Act would only be undertaken after consultations with the public, business and labour."

Did you hear this? I will repeat it. It says very clearly, any further significant changes to Manitoba labour law or The Civil Service Act would only be undertaken after consultation with the public and business and labour. Well, this consultation has not been realized before presenting this Bill 70 into the legislation.

Then he says, "... please return to the bargaining table, have your differences worked out through the free collective bargaining process. That is why the process exists. I support it, and I assume you do."

To the casino workers, on October 16, 1990 -(interjection)- but that is the Premier's words. "I will repeat that the free collective bargaining process ought to prevail and that is the process we as a

government support . . . I cannot understand why they would want to do anything other such as bargaining here on the floor of the Legislature and entering into a labour dispute." Words of our Premier on October 16, 1990.

Maybe I will go to our Minister of Labour, and he says, "I rise to speak today to our position on this issue which is based on sound and consistent principles which my party and our government will continue to maintain, that at the heart of the free collective bargaining system is a free collective agreement, and that parties themselves must retain the responsibility for reaching and maintaining agreements."

An Honourable Member: Well, that sounds right.

Mr. Gaudry: But that is not what they are doing with Bill 70.

"While governments must occasionally take action to protect and preserve public safety, and there may be exceptional circumstances where intervention is warranted, these circumstances must be exceptional."

These were the words of our present Minister of Labour on November 9, 1990. I think it is important in our society when there are so many changes affecting our economy and people working in it, that free collective bargaining—and that word free collective bargaining comes back all the time, and they have destroyed it—be protected as a fundamental principle. I do not think that any members opposite would like to get into a system where we are having a forced settlement.

An Honourable Member: I agree with him.

Mr. Gaudry: You agree with him, but that is not what they are doing when introducing Bill 70. The Minister of Justice: But we know that labour negotiations involve an extremely sensitive type of situation where both sides sit down together, they talk, they hammer away at each other, and they work very hard to come up with an agreement that is, while not necessarily totally acceptable, there is something, a certain amount of emotional attachment to an agreement like that, something that has been worked out through bargaining over an extended period of time. That type of management is something that is pretty important to our labour relations in Manitoba, because both sides have an emotional attachment, that commitment to an agreement that they have worked so hard to

achieve. On June 19, 1987, when he was in the opposition—he has a different view today.

The Tories demand input by the Labour Management Review Committee. That is interesting.

An Honourable Member: Who wrote this?

Mr. Gaudry: I think it is you.

Our Premier, in resigning from the Labour Management Review Committee, David Newman, a former member of this committee, stated that this minister proceeded with the final offer selection bill without waiting for a response from the Labour Management Review Committee. Why would the minister not have waited for the response? Why would he proceed headlong without having advice of a committee he says he respects and which plays a vital role in labour-management relations—June 1987, when he was in opposition. Now he does the complete opposite.

The situation that I have just related—can you imagine what a sham that is, what a hoax it is on the people of Manitoba to put the Labour Management Review Committee, a nonpartisan, equally balanced group to review labour legislation, and then pull that sort of stunt?

Sterling Lyon—it is a famous word in this Legislature—laid off hundreds of civil servants, blaming them for every hardship that had befallen the province, again blaming the poor civil servants. What has this government done? The same thing. They laid off—

An Honourable Member: Then freeze the wages.

*(1640)

Mr. Gaudry: And then freeze the wages—958 employees that were given the pink slip—(interjection)—Oh, yes, I am saying nice things too.

What is my concern here? In Sterling Lyon, we had a dictator, and here we have another dictator doing the same thing.

In the last session here, eight communicator positions that supposedly terminated are now being advertised. That is our dictators again, you know. I think what they are going to do, it is political patronage. That is only speculation, of course.

Speculation is, not only does the government want Tories in those positions—it is only speculation, but the other thing is they will start the new employees at the bottom of the pay scale, thereby saving government money.

An Honourable Member: What is wrong with saving the government money?

Mr. Gaudry: That is good. Saving money, I agree, but it is the way you go about doing things. That is what I am concerned about. -(interjection)- Yes, that is right.

Now we have our Minister of Finance (Mr. Manness) -(interjection)- I did not say he was a bad man. I did not say anything wrong about the man. -(interjection)- No, no, I would not say that, because all these members have been told they are honourable members, so I would not say he was a bad man. Maybe I do not like what he does. He says, we cannot let some third party without accountability to the taxpayers of this province bring in awards that would break faith. Faith, that is what they have broken in this bill, not only in the public statements we made on December 14, but particularly break faith with the commitment we made to the nurses of this province.

June 5, 1991: "We have entered into an agreement with the Manitoba Medical Association where they have agreed to come to the arbitration process and let the arbitrator put some significant emphasis on the taxpayers' ability to pay.

"We entered into that agreement in good faith. We wanted that process to lead to its logical conclusion."

June 4, 1991: We are talking about the nurses when they went on strike last winter. -(interjection)- No, it is a good one because I look back, they were looking for funds. The poor nurses were walking in the cold. The NDP had used the money for the election. It is true, we look back at the expenses -(interjection)- That is right, so that money that was used for the elections, hundreds of thousands of dollars, could have been used for the strikers during that strike across Winnipeg or across Manitoba. These monies were used by the NDP and it is quite clear.

I think it is wrong, the money that was paid into the union—30 years ago I belonged to a union, and the money I paid in there, it was to support the employees and to support myself for what? -(interjection)- No, I see now they support the NDP Party by giving them monies for the elections. It is wrong because the money belongs to the members, the workers, who work hard for those funds.

An Honourable Member: Are you going to join the Tories?

Mr. Gaudry: I am a Liberal and I am proud of it. One thing for sure, I will never join the NDP, because, as I said before, they bankrupted the province, besides themselves being morally bankrupt.

Anyway, I will go back to our member for Thompson (Mr. Ashton), where he says, "I have not only visited picket lines, I have walked picket lines . . .," and I think he is still walking when you listen to him talking. "It was not an experience that I gave a great deal of significance to until I reached this Legislature"—on December 12, 1990. I could go on forever.

I will go back to our Minister of Finance (Mr. Manness). There are so many quotes—it is interesting: "I want to assure this House and put on the record that deputy ministers will not be given increases. Crowns will be asked to—their senior officers and indeed their senior management will be asked to include in their consideration of wages the spirit of this legislation." That was on June 5, 1991. The Premier says it is not an increase, it is a decrease when he talks about Mr. Pedde's—

An Honourable Member: That sounds like an increase to me.

Mr. Gaudry: Well, when you look at an increase for 15.4 percent, to me that is not a decrease.

Going back to the NDP again, when the Leader of the Opposition (Mr. Doer) was responsible for all Crown corporations, he put three or four of the Crown corporations including MTS in the top classifications which have a salary range between \$130,000 and \$150,000. It is a shame, and now he criticizes this today. He is responsible for that.

I could go on and give a lot more quotes here that we have from both sides, but I think just to make sure that we all get a chance—and what we are waiting for is for the members from the government side to get up and speak and defend their position on Bill 70 and we would like to listen. I think they are not speaking because they cannot defend it.

In conclusion, Mr. Speaker, we will not support this bill. Thank you.

Mr. Daryl Reid (Transcona): I rise today, Mr. Speaker, to add my comments to those of many others that have been added here today on Bill 70. That does not conclude my comments by any means. I have several that I would like to put on the record in stating my position and the position of New Democrats on this very important bill.

I would like to start off by reading a quote. There have been many quotes that have been read here today that have been coming out of the mouths of the honourable members opposite, members of the government. The quote is: "The fact of the matter is . . . there is no club and there never will be from this Government. We will act in good faith at all times in the open free collective bargaining process with all of the employees with whom we have to negotiate."

That is a quote by the Premier (Mr. Filmon) of this province. That is a quote that was made I believe to lull the public sector of this province into a sense of trust or believing in their government, that their government would not in any way take any actions that would harm their abilities to achieve an income that would support their families.

Of course we have found recently that has come to be different. The government has introduced this Bill 70 which effectively freezes their wages, salaries and benefits for a period of at least one year. Of course with that they have erased all of the trust and confidence that these people have had in their government up to that point in time.

This has been called by many to be a Draconian piece of legislation. Of course, some before me who have spoken have referred to this as a fascist piece of legislation that has broken its word and its commitment to the people of Manitoba. I believe that to be accurate, Mr. Speaker. It has broken its word to the people of Manitoba. That trust, as I said, has now been eroded and has probably disappeared.

This Bill 70, it is unfair in the sense that it singles out the public sector employees of this province to bear the brunt of the cost-cutting measures by this government. These employees are being made out by the government to be responsible for the bad management of this government in managing the affairs of this province.

We saw on the steps of the Legislature just a short time ago where there were thousands of Manitobans who were protesting on the steps of this Legislature, protesting the action this government has taken in the introduction of Bill 70 that will freeze their salaries and their wages. Mr. Speaker, these people, these thousands of people who were on the steps of the Legislature, were not alone.

We saw—and I have, in my discussions throughout my constituency, in talking with my constituents, there is an underlying fear by these

people who are employed in the public sector of this province who did not come forward openly even though they support the protest over the wage freeze. They did not come forward because they fear for their jobs.

(Madam Deputy Speaker in the Chair)

That I know for a fact, because in my discussions in going through my constituency over the last few weeks, going door to door and talking to these people, I have encountered many people who have been employed in the public sector in this province. They have indicated to me a fear in taking part of any of the activities in the way of protest for this Bill 70 and what it is going to mean to them and to their families and to their way of life. What they fear is that there is a vindictive nature on the part of this government and if they come forward and add their voices to the protest of the many thousands of voices that are already there they will be putting their jobs in jeopardy.

The public sector, I believe, is being made to be a scapegoat, a scapegoat for the government in the sense that they want to be able to control their costs within this province. I had the unpleasant experience, back in the 1970s, being affected by the wage and price controls that were brought on by the then Liberal government of Pierre Trudeau.

* (1650)

In those times, Madam Deputy Speaker, those wages for the employees in the country were frozen and, even though it had the title of being wage and price controls, it was my experience, and the experience of my fellow workers, that our costs were not being contained. In fact, our costs did escalate. While our wages were frozen for an extended period of time, our standard of living did deteriorate and we fell behind the cost of living.

I believe that is going to occur again in this province, that these employees are going to have their salaries frozen, their benefits are going to be frozen, but it is not only just that those wages for those people that are going to be working, that are going to continue working for the years to come—these employees, and some of them will be in their last years, their pensionable calculation years, will have their pensions frozen at a period of time when they can least afford to have it frozen for their well-being into the future, because this calculation will take place, will calculate their pensions which will impact them for the rest of their

natural lives. This will happen because their wages have been frozen by this government.

This government is taking steps by this Bill 70 for short-term gains, I believe, to try and balance their budget books. These effects will affect these employees for a much longer period of time than what this government will see any benefits accrued out of this decision to implement Bill 70.

In going door to door in my constituency, as I mentioned a few moments ago, in talking with constituents, I have talked with a large number of my constituents of all ages, of all means, all walks of life. In encountering these people on their doorsteps, there seems to be a range of concern for the actions that the government has taken here with the introduction of Bill 70.

The seniors themselves that I have spoken to are concerned for the level of taxation, as the government has mentioned here time after time—it seems to be their preoccupation. While these seniors are concerned for the level of taxation that is impacting upon their way of life, they are also concerned by the impact that this wage freeze is going to have on the young families that are still in the work force of this province. They, too, themselves, realize that they went through similar circumstances and had difficult times in trying to raise their families, but they did not condone the actions that this government is taking by freezing the wages and salaries for these people that are having to support their families in the way that they best can, and in the sense they did not support the government in its introduction of this Bill 70.

In my discussions with the other members of my constituency that I have spoken to, the young families—and I spoke with many of the young families—were least concerned about the balance of the budget in this province; that was the least of their concerns. Their main preoccupation, Madam Deputy Speaker, was jobs. They were concerned about having good quality jobs in this province that would enable them to be able to support their families. The budget was not the primary preoccupation with them, and they did not think that it was necessary for this government to introduce Bill 70 that would effectively freeze the wages and salaries for these families.

There have been some comments here today talking about the way this government conducts its business. The lowest-paid civil servants we have heard have had their wages frozen. That comment

has been made many times in this Chamber, and I think it is unfortunate that this government has taken action to freeze the wages for these people who are at the lowest-paid scale.

At the same time we see this government, as has been mentioned here today, appointing an executive director with a salary increase of 14 percent, some \$18,000, to a position that was previously held by the chief executive officer for that Crown corp and that this person, I presume, was at the top pay scale for that position.

I have heard members opposite talk several times in here today and in past days of debate where the person who came in to fill this executive director's job came in from the private industry and had a much higher salary. That does not wash with me, Madam Deputy Speaker. If someone was that concerned and wanted this type of job, the salary should not have been a primary consideration; and, if it was, they should have remained in the private sector where they would have achieved a higher income. There was no need for this government to pay this person an increase in the salary over and above what the previous executive director was making.

One of the problems that I have with this, and I have not seen anything to the contrary, is that there are no guarantees that this wage freeze will not be increased beyond the one year. That causes me concern from the point of view because if the economic conditions for this province do not improve, as the government has used this bill as an excuse for trying to change, then we will see the wages and salaries frozen beyond the one-year point that this government, from time to time, had indicated that was their intent. If this government is that serious about saying this is only one year, they will bring amendments in to say that and it will not impact on any other sectors of our economy.

We have heard many quotes, as I have said here, and I would like to read a couple of the other quotes. "We have the same mechanism that every government has had. It is called the free collective bargaining system." That quote was by the Premier (Mr. Filmon) of this province.

The other quote that I would like to read into the record is, "For all of these good and valid reasons, there is not an attempt on our part to influence decisions that are management decisions in a free collective bargaining process between

management and its employees." That was also by the Premier of this province.

It shows that the Premier (Mr. Filmon) was making those comments in November of last year and that since that period of time he has gone back on his word and betrayed the trust that the people of Manitoba have placed in that Premier. That trust is something that is hard come by, and it will be a long time, as the member for St. Boniface (Mr. Gaudry) said, before any of the residents of Manitoba can trust the government. That trust has been betrayed and will be hard fought to be recovered.

We have also seen comments from the media in this province, Madam Deputy Speaker, and, of course, some of these comments I would say on more occasions than are not, that would not agree with the opinion on this side of the House and would not be considered to be New Democrat opinions by any means. I would like to read some of those comments into the record if I might. It came, I believe, from The Daily Graphic on June 3, 1991. The title heading says, "Gov't shouldn't change rules after the fact!" It starts off by saying, "The government giveth with one hand and taketh away with the other.

"Members of the Manitoba Government Employees' Association and others working for the province felt first-hand the effects of this age-old axiom when Finance Minister Clayton Manness introduced legislation to freeze wages and roll back increases. Months of negotiation and hard work were wiped out in one fell swoop, as the Finance Minister explained that the cupboard was bare. In a time when many people in the province are facing layoffs and unemployment, he explained workers should be happy to have a job. Certainly a valid point, but not very comforting to a person who has just seen his raise (most not even equalling an increase in the cost of living) cancelled. Nor, does it excuse the way in which the wage freeze was enacted. The government has been fully aware of the financial constraints it is facing for some time, and was certainly aware of the situation when negotiations took place on a number of contracts."

It goes on to say, Madam Deputy Speaker, that this action on the part of this government, and I quote, "... it certainly is not very ethical." That, I believe, accurately describes the actions of this government with the implementation of Bill 70.

It goes on to say, "Members of the MGEA have begun expressing their dissatisfaction by staging a

series of protest rallies" across the province. We witnessed that here with the protest on the steps of this very Legislature just a short time ago. Of course, it tells about the protest even being taken to the doors of the constituencies of some of the government members, like the member for Portage la Prairie (Mr. Connery).

(Mr. Speaker in the Chair)

In my final quotes from this editorial, Mr. Speaker, I quote, "Given the way these people have been treated," and we are talking about the civil servants, "it is hard not to sympathize with them—regardless of how you feel about unions or civil servants. The government, and its representatives, negotiated these contracts in good faith and it should honour them."

That, I believe, Mr. Speaker, comes right to the point of what has happened that this government has done to betray the trust of Manitobans. We had earlier negotiations where FOS was involved, and the government has betrayed that trust not only to members of this House that had an understanding with the government that this would follow through and that these negotiations and agreements would be honoured, but that these contracts themselves would follow through and be honoured as well, and these people would not be impacted by this decision. This government has now gone back on its word, and we have seen the lack of confidence is going to show by this government.

They said that they were going to introduce this Bill 70 to prevent the layoffs, and yet we see 958 jobs that have been cut in this province. That, Mr. Speaker, is unfortunate.

In closing, I would like to add my final comments to the record. This government has broken their word on the collective bargaining process. They have broken their commitment to all of the people of Manitoba, Mr. Speaker. The trust is gone, and the future will show that their decision on Bill 70 was the wrong decision, and this government will pay the political price. Thank you.

* (1700)

Mr. Speaker: The hour being 5 p.m., time for private members' hour. This matter will remain open.

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, on House business, I would like to move the Standing Committee on Municipal

Affairs, once scheduled for Room 255, I would like to move that to Committee Room 254.

Mr. Speaker: Is it the will of the House to allow the committee to move from Room 255 to 254? Yes, agreed? It is agreed.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

Res. 30—Government Mailing through U.S. Postal Outlets

Mr. Speaker: Resolution of the honourable member for Swan River (Ms. Wowchuk), Government Mailing through U.S. Postal Outlets.

Ms. Rosann Wowchuk (Swan River): I move, seconded by the member for Flin Flon (Mr. Storie), that

WHEREAS provincial government departments have begun mailing government material into Manitoba from American post offices; and

WHEREAS in one example the Department of Natural Resources sent in excess of 8,000 federal surveys from Grand Forks, North Dakota; and

WHEREAS this practice is costing Manitobans jobs and income that are funnelled into the United States; and

WHEREAS rural Manitoba is losing jobs as a result of reduced postal services as it is, without the provincial government making matters worse.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Manitoba government to stop using American post offices, and instead do all of its mailing within the province.

Motion presented.

Ms. Wowchuk: Mr. Speaker, post offices are a very important part of our community, to all communities, but particularly in rural communities, the post office is the only presence that we have of the federal government, except for the RCMP which many communities do not have. The only other present representation we have of the federal government is an MP and quite often with the size of the constituencies in rural Manitoba, we do not even see our MPs very often. I think that it is very important for people to be able to identify with some government presence. Along with not only the government presence, people must have postal service and good service.

What we have seen is a decrease in the number of post offices. We have had many post offices throughout rural Manitoba close in the past few years under the Mulroney government. We have not heard very many people across the way speaking up to defend those rural post offices. I think that the mandate of the federal Conservative government has changed. Rather than providing services to rural people, which post offices do, they seem to have changed to, that it is more important to make money. We have seen where there are smaller post offices, they say, well, we cannot afford this; the salaries are too high for these people. We will just privatize it and put it into a community store or into a small business.

We saw an incident such as that in Sifton just recently. We are hearing many complaints from the people in that community about the quality of service that they have lost, and many concerns about access to the building and the regular hours that were available in the regular post office that are not there now that it is into a private business. I have people raise concerns that the people who are running the private post offices, as well—the amount of money that they have to be out of pocket to provide the services for the people.

As they say, the federal government is saying that they are privatizing post offices because they cannot afford to keep them open. However, to keep post offices open and to keep the revenue up, there has to be mail passing through the post offices. We were very disappointed to hear in February that this government had decided to start mailing through the North Dakota post office to save a few pennies. At what expense?—because when you save those few dollars or pennies, you are going to lose another service.

Now, the minister responsible for that department had indicated that it was a mistake, it should not be happening, and I hope that will not happen again because of the impact that this can have on services. However, we are seeing that it is not only the provincial government but also the federal government.

The government that is responsible for postal services is undermining the service even more than the provincial government and using American services. We just found out about a contract that was let go to a company that is going to reroute all of its mail, or a large portion of its mail, through the United States, a company that got this contract over

two Manitoba companies, and that is going to have a devastating effect on our economy.

If we have all of this mail going through the United States, it is going to have an impact on our jobs, on our health care services. Because those people who are not going to be passing through our province are not going to be paying the taxes that normally would be paid in this province if you were buying services, if you were buying fuel. Those kind of things are going to be gone, and the impact is jobs. The number of jobs in Manitoba will be reduced because of this.

The statistics tell us that Canadian provinces are going to lose over \$7 million in fuel taxes by these contracts, these services being delivered through the United States. Now, just think about how many more small post offices are going to close down because of this. When you look at the whole picture and they start balancing budgets of how much services cost and how few people there are in rural Manitoba, we are sure to hear that there are more services that are going to be cut.

I think that when we look at the whole rural economy, it is much more than post offices, and for the rural communities to survive, we have to have a government that is prepared to stand behind the rural communities.

We talk about Rural Development Bonds that are going to be attract business to rural communities. This government is asking rural people to invest in their own community, and that is a good idea. Some people will invest, but the government has to be prepared to invest in rural communities. The government has to stand up for the rural people and see that there are services there. The government has to use the post offices that are in the rural communities or in Manitoba in order that there be revenue to keep some of these services in our communities.

There will be other jobs that are lost as well. It has a great spin-off effect when you have that amount of revenue taken out of the province.
-(interjection)-

* (1710)

The Minister of Rural Development (Mr. Downey) cannot seem to hear me, Mr. Speaker, and I would like to tell him that I am speaking about rural post offices and the mailing that this government has chosen to do through the United States. I would ask him if he would think very seriously about the impact

this is having, not only what his government did early this year by mailing a Natural Resources mailing through North Dakota, but what also the impact is going to be on letting the contract go to large federal mailings that are now being rerouted through the United States.

Major dollars are being lost to Manitoba through this. Many dollars are being lost to Manitoba's revenue. I think that this is a very serious issue, and I would hope that the members of government who tell us that they are committed to rural Manitoba, want the rural communities to survive, will take this opportunity to show their support to rural Manitoba and send a strong message to the federal government, that post offices are important to our community. If rural communities are going to survive, and if we are going to have any growth there, this is a chance for this government to show us that they do believe in rural Manitoba and they will fight for the post offices.

Mr. Speaker, I ask the members opposite to look very seriously at this bill and ask them to support it, because this is a bill that they can support and send a strong message to the federal government, that they do believe in the rural communities and that the post office is a vital service not only to Manitoba, but to all of Canada.

I ask members across if they would look at this bill and give us their support today and send a strong message to Ottawa. Thank you.

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I want to assure the honourable member for Swan River that we all do believe in rural Manitoba, really and truly we do.

We, in fact, believe in most of what is contained in this resolution. We recognize that not using Manitoba businesses, not using Canadian businesses, be they private or public, that it impacts on job creations within our province, within our country. I wish to simply, in the first instance, acknowledge that on occasion that this has happened, and when it has been brought to the attention of the responsible minister, that instructions have been given to the department to cease and desist from that practice. I think the honourable member is aware of that when she first brought this particular matter involving the Department of Natural Resources to my attention earlier on in the session.

Mr. Speaker, in fairness to staff, there are some understandable reasons for them being encouraged

to do this. There is no question, and we have heard certainly during the course of the examination of the Estimates, during the debate on the throne speech, during this whole time frame that we are talking about, that all government ministries are working with reduced budgets. Very often, when this translates down to a particular division, a small branch of government services who have been provided with what I am sure, in their estimation, would be less than adequate funds to do something, that they are attracted to doing it as economically as possible. I suppose in one way I should look at that as a compliment to the innovation of the employees in attempting to get the job done with the least possible public tax dollars.

I accept the general principle of the resolution put forward by the honourable member for Swan River (Ms. Wowchuk) and do assure her that that practice is not the one that is being condoned by this government. There are some other justifications, particularly again to the Department of Natural Resources, when we sent out thousands of brochures, hunting brochures, our fishing guide brochure, many of them of course going to American recipients.

The staff again justifies the use of the American postal service in their minds, particularly when pressed with short budgets, that if it is going out to American potential visitors or potential tourism, it is okay to use the American postal service. I offer that only, put that only on the record in defence of what otherwise I would not want to, in the presence of a former president of the Manitoba Government Employees' Association, I would like to acknowledge that I for one, while I have asked that practice to stop, I certainly did not discipline anybody within the department for that reason. I understood their reasons for seeking this economy.

The honourable member is to be commended for bringing forward this resolution, because she broadened her concern about the difficulty that we face in this province and in this country. I would only ask her and other members to imagine the extent to which the private sector does the very same thing that she is asking us as government not to do. Now we can stop that as government as a matter of policy not to do that, but it should be of concern to us. It should be of great concern to us about the thousands of pieces, indeed the millions of pieces of mail that are circumventing our postal service and

going direct to the American system. Now why is that happening, Mr. Speaker?

In a way this is symptomatic of a very serious problem that we have not just in the province of Manitoba, but indeed the country. You know, honourable members opposite, they flail away at us from time to time when they talk about our being in love with the Americans or accepting the American concepts of different things. That really is beside the point. The fact of the matter is—and that statement has been made—we can leave all the politics of it aside.

There is an overriding good reason for Canadians to be somewhat in sync with our biggest trading partner, our biggest neighbours, to at least see that that playing field is not totally on level. We are finding that out of course and some of the harsher readjustments that are taking place as a result of the Free Trade Agreement. We are finding that out, Mr. Speaker, and individual Manitobans are making those decisions every weekend or every other day when they travel south of the border to purchase all kinds of goods and services in that country, because they feel that is an economic choice and an individual choice that governments are hard-pressed to prevent and, really, it is questionable whether—as long as you pay something more than lip service to the concept of a free and open society, I surely do not think and I do not even hear it from honourable members opposite that we should stop the free movement of Canadians or of Manitobans. I do not hear that being suggested from any members opposite.

I think what we are hearing suggested is that our Ministers of Finance, both federally and provincially, do all that they can to ensure that applicable taxes are in fact levied at border crossings, that abuse of entry into our country from other jurisdictions with lower tax regimes are scrutinized, and that full and appropriate custom taxes and duties are applicable.

I understand and I know that it is a concern to the Minister of Finance (Mr. Manness) here in the province of Manitoba, who has had numerous discussions with federal counterparts on making that system work more effectively, so that even on those goods that are purchased abroad, in this case purchased in the United States of America, when coming back to this country are appropriately taxed and appropriate duty is affixed against them, so that the hemorrhage of revenue lost as a result of these kinds of purchases is at least kept to a minimum.

Mr. Speaker, I hear no contributions from honourable members opposite other than the plaintive wail about how to resolve the problem. The problem, of course, is quite simple. The problem can be resolved immediately if our postal service rates were the same as the Americans. The American postal service serves a continental country just as ours. It serves it well. It serves it without being in deficit. -(interjection)- I am prepared to make some, I did not say an equal level playing field. I recognize that, but at least having both our management and our union people within the postal service recognize what is happening.

* (1720)

The postal service in Canada as we know it, will be obsolete, period. It will be finished, period, in very short order unless that recognition starts to sink home in some quarters. It will be done electronically. It will be done in many ways, in fact, but we cannot simply bury our head in the sand and insist on unreasonable increases or unreasonable services.

When management makes a reasonable suggestion that suggests that certain kinds of services can no longer be supplied and that perhaps supermailboxes should be employed in certain places or that individual deliveries cannot be made in certain places, those are the kinds of suggestions that have to be entertained seriously. There ought not to be a knee-jerk reaction from members whoever—it depends on whoever is in opposition and who they are opposing. If the purpose is to safeguard and to ensure a Canadian postal service that is effective, one that most Canadians have confidence in and will use, then there has to be some ongoing consideration about making that postal service reasonably competitive with services otherwise offered.

The honourable members shake their head. We can and we will, Mr. Speaker. I have so indicated. We can order and instruct, as I have done, that my officials in the Department of Natural Resources, as I know—I believe the Minister of Government Services (Mr. Ducharme) perhaps has also done, but he can tell you that himself—that we will instruct our departments not to use American postal services when doing government mail. That we can do. I cannot stop the 101 and 1,001 private businesses, whose mail is equally voluminous and more, from doing just precisely what the member for

Swan River (Ms. Wowchuk) is concerned about in this resolution.

You see, I simply want to indicate to her, in these few comments, that I share her concern about the viability of the Canadian postal service. I share her concern about Manitoba and Canadian jobs, but I need to find from somebody some recognition, at least some understanding of what the base problem is.

The base problem is simply this, that we have allowed ourselves the luxury in this country to get considerably out of sync with our major trading partner. The fact that when we talk about the largest employer of Canadians and Manitobans in the country, housed in the forestry section, of which 90 percent or 95 percent -(interjection)- No, forestry is considerably bigger than mining. The forestry is the biggest employer. Forestry is bigger than agriculture, mining and manufacturing put together. -(interjection)-

Right, their Leader is prophetically right, and why? Because although we like to smugly say as Canadians, well, we have all these resources, we are a resource rich country, resources that are not competitively based in the global economy of today simply are not going to be used. We will have the satisfaction of having all our forests, we will have them all untouched. We will not cut down any trees. That will satisfy a goodly constituent of our people, but we will not have the hundreds of thousands of jobs, 12,000 jobs in Manitoba alone, that are based on the forestry industry here in Manitoba, and we are not a big forestry province. How many jobs do we have?

So, Mr. Speaker, unless we are prepared to start showing some responsibility, collectively, in this House about our future—and there will be no turning back of any programs or any agreements that have been structured, that I can guarantee you.

Whether it is Audrey McLaughlin who becomes the next Prime Minister or Jean Chretien, or as it is and on whom I am betting and placing bets, the present Prime Minister, one thing for certain is that this country will have to live with a global economy. This country will have to live in a competitive global economy two years from now, five years from now, 10 years from now. This country will have to live with a trade agreement with our major trading partner, the Americans, two years from now, five years from now, 10 years from now. It does not

matter who we put forward from time to time to lead us.

The sooner that Canadians stop this kind of pie in the sky, you know, wailing and gnashing of teeth about why we are losing jobs in this province, why people are moved to spend two, three hours, all too often every other week, to travel south a few miles to purchase goods and services, why even, as this resolution points out, responsible dedicated civil servants—

Mr. Speaker: Order, please. The honourable minister's time has expired.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I just wanted to speak just for a couple of minutes on this particular resolution. In listening to the Minister of Natural Resources (Mr. Enns), I believe that the general concept, if you will, on what this resolution deals with the minister, in most parts, concurs with. It surprises me to some degree, and I must say I am pleasantly surprised. I would hope that the government, given what the minister has said, will at least do the honourable thing and allow it to come to a vote. I believe the resolution does merit a vote in this House.

Mr. Speaker, rather than going into too many of the details of the resolution, I just want to take comment with a couple of the concerns that the Minister of Natural Resources put on the record. He talks about the whole concept of the free trade deal and how Canada Post needs to get itself in line for the next number of years in order for it to maintain its prestige in Canada, if you will, to be able to keep that monopoly within Canada. In Canada and the United States it is totally different labour relations, totally different economics and hourly wages.

We often talk about, and the minister made mention of it in his own speech, people that cross the border, private sectors that use the American postal service, and he compares it to where, yes, the government can make a conscious decision. He says that he as a minister, the Government Services minister has made a conscious decision not to send mail through the United States. I would like to think that we will see more of those decisions made, not only by those two ministers, but by all of the different ministers. I think it is a responsible thing to do. The same thing should be applicable in most part for out-of-country purchases.

We cannot compete. The minister cited the example of groceries. Many Manitobans cross across the border and purchase groceries. Mr. Speaker, a clerk working in Safeway store here might made \$14, \$13 an hour. In the United States, they are making just over the minimum wage. We cannot compete on that. The minister calls for a level playing field. I do not believe a majority of Canadians are willing to go to the extent that the Americans, in particular, and American customers or businesses have gone, and that applies to the American postal service, Canadian postal services, and all of the different other industries.

I did not want to say very much. I just want to conclude by saying that I would hope that other ministers will do what the Minister of Natural Resources (Mr. Enns) has done regarding the mailings and look forward to hearing other ministers make that type of a commitment, and hopefully we can see this resolution pass today. Thank you.

Hon. Gerald Ducharme (Minister of Government Services): Mr. Speaker, I would just like to get a couple of comments on the record and add to the comments made by a couple of members in regard to this resolution.

First of all, when I read over the resolution, I would like to maybe mention that during the times of the issue on this, the particular issue on this was not the issue of mail in through the United States. The ideal and the policy of this government is that if there is mail to be delivered in the United States, there is a policy by Government Services now in place that that mail is to be taken down to the border by a private courier, a courier that bids on these particular programs, as long as the return address, as long as the addresses are not submitted back into Canada.

In other words, if a department is sending a bulk of delivery only through United States, there is a system in place by our department that explicitly mentions and states that there be no mail go to anywhere other than the designation of United States.

This is a policy that is respected by all the government departments. It was mentioned by the member for The Maples (Mr. Cheema) that all ministers should be instructed. We have done that. We have followed the process, and through this process of hiring Manitoba people to carry that mail into the borderline, it has provided some employment to Manitobans where it is very, very necessary.

So in her resolution, it mentions that it is costing Manitoba jobs—

Mr. Gary Doer (Leader of the Opposition): What about Alaska? How do you do Alaska mail?

Mr. Ducharme: The member for Concordia (Mr. Doer) will have his chance to speak on this very, very important bill when he waits for a minute—but it is not funnelling income into the United States in this particular cost.

Mr. Speaker, Government Services is always looking at ways to save money, and in this particular circumstance by the system of the courier, we save approximately \$10,000 a year by doing it this way.

In explaining again to the members, the process that is used was postmarked. There was, I think, in question 4,200 survey follow-up cards through the U.S. postal service from Pembina, North Dakota. The department is instructed that this is not to be allowed, and not to be done. We have also instructed our different departments that we would like to make sure that any postal services over and above 1,000 pieces of mail is controlled by Government Services.

Mr. John Plohman (Dauphin): So you are adhering to this resolution now, eh?

Mr. Ducharme: No, I am not adhering to the resolution to the member for Dauphin (Mr. Plohman) because there are some inequities in regard to the resolution by the member. It states also that Manitoba is losing jobs as a result of what had happened. That is completely incorrect.

Now I have explained that we are providing new jobs. We are providing jobs to people on that. I am saying that there are some savings by postal services that we have used in, for instance, Workplace Safety and Health. We diverted a promotional mailing from first class to addressed ad mail. We saved approximately \$6,000 to Government Services. The Attorney General's office, for instance, registered mail diverted to signature service in-House and certified mail external, dependent upon destination, we saved another \$15,000 without hurting anybody in any jobs. Education student aid, two annual mailings diverted priority post after discussion of change to procedures and sortation, saved another \$12,000. In Health, the minister also used to send registered mail, diverted to signature service and certified mail with court services; we saved another \$5,000. Culture, Heritage and Recreation, the Queen's

Printer, we diverted parcels to priority post, we saved another \$4,000. Labour Board, we diverted certified registered mail to priority post service; we saved another \$2,000.

This is without hurting the employment of Manitobans. This is by going through our different departments and figuring ways that we can save. I hope the member from across the way is not suggesting that we should go without—she is maybe suggesting we should not save any money in our postal services if all of a sudden it is not hurting employment. First, I will give you caucus mailings alone. We diverted to addressed ad mail through a mechanical type of unit through the caucuses that I am sure she is aware they approved to the tune of \$2,500.

Mr. Speaker, everybody would be glad to consider her resolution, but we must say that the discussion in part has been looked after very adequately by the ministers, especially by Government Services and I know by our ministers have looked at it very well. It is too bad the previous administration has not looked at ways to save all this money. By one quick process of going through some of the postal savings, we have saved the province and the taxpayers of Manitoba multi, multi money, and we will continue to save money through the system of postal, will work to save money on the postal services. I must repeat, by sending the postal, the one we did, we saved approximately \$10,000. There will be multi ways of saving money, as explained.

The member for The Maples (Mr. Cheema) has mentioned there should be maybe a neutral ground. We are always looking for ways of establishing a neutral ground. We sit down at the table many times at Government Services, under the Buy Manitoba policy, we look down and see that if someone is providing tax dollars back to the province by virtue—and there is a small amount of difference in the tendering process, and it is being manufactured in Manitoba. I know the members across the way know that policy has been in place for a long, long time. I know through Government Services we will look and best provide our own people who are manufacturing in Manitoba ways and means of providing them to have that business, Mr. Speaker.

* (1740)

We all have the concern of some loss of jobs provincially, and we make sure that if there are tenders we will by-pass the low tender to go to a

Manitoba tender to provide that, and we have done it. I have done it as Minister of Government Services, definitely, and I will do that. I know ministers can come forward and say that they want to by-pass the original tender. Because it is being manufactured in Manitoba, we are getting back some tax dollars. It is providing employment locally. That is in our minds all the time to make sure that we are protecting, as much as we can, the employment in Manitoba. I know that our government will continue to work for that, Mr. Speaker. -(interjection)-

The member for Dauphin (Mr. Plohman) mentions, do we have a Buy Manitoba policy? Yes, we do have a Buy Manitoba policy and yes, it has been used. I used it the other day on a very large cement contract. I by-passed the lowest tender on a very large cement contract and gave it to a local manufacturer. We gave it, in this particular case, on a \$700,000 contract; it was \$60,000 and we by-passed that. We use it as a guide, and I know the ministers will be very, very careful in providing in this guide that is very, very necessary. -(interjection)-

The member for Concordia (Mr. Doer) can get up and explain what he thinks should be the guidelines, and maybe he should think what we should do and when we should pay more for the product. I am sure that when he was a member of the government, they had the same type of problems when—maybe he had a little more than that, maybe in interprovincial trade he by-passed either of the provincial neighbours. As he knows, we now have a buy transportation called WPIN where we buy provincially through the western provinces, where people on different computers can bid on a Manitoba product. Our Manitoba producers want to be able to have—and to be able to sell to their neighbouring provinces. They will continue to do that, and our government is congratulated on working with these producers and will continue to do so.

I am just saying that there is no secret or any magic solution to sitting down with our manufacturers, working with them and showing them that there is a Buy Manitoba product in place. We will work with them. I am sure that the member for Charleswood (Mr. Ernst) who was involved in I, T and T before will probably add to this debate, but I just felt it should get on the record in regard to the member who proposed the resolution that a

resolution is unnecessary. My ministers are carrying on the responsibility of watching their mail services, making sure that they are not sending out mail that is directed back to Canada. I know as Government Services we watch this and will continue to do so.

So let us make sure that if there was a reason to have this resolution passed—I am sure that all members on this side of the House would get up and pass it, and overwhelmingly pass it. I know my ministers would. However, if I were her, I would suggest that she just withdraw her resolution. She knows all these actions are taking place, and she is probably doing us all a great justice by withdrawing that resolution, simply because it is all redundant. Many things are redundant on this resolution. Thank you, Mr. Speaker.

Mr. Plohman: Mr. Speaker, we will have, undoubtedly, a few minutes to have our vote right after I finish speaking. I look forward to the members who are all gathered for this important debate and for this important vote, to in fact vote on it. -(interjection)- For those members who do not want to hear someone on this side of the House speak to support the resolution and who are calling closure, I will not even take my full 15 minutes, so they have the opportunity to speak before the vote.

Mr. Speaker, I do not expect that these members across the way will support this resolution on the post office because they have not supported one post office resolution that has condemned the federal government for their policy of undermining the traditional postal services in this country over the last four years. On each and every occasion that a resolution on the post office has come to the floor of this House, these members of the Conservative government have chosen to support Mulroney and the federal Conservatives time and time again on the post office.

They have not once allowed a vote in this House which condemns the policy even though their Conservative cousins in Saskatchewan and Alberta and many other provinces in this country have voted to condemn the federal government's practices with the post office. As a matter of fact, they have actually supported the federal Conservative government through their own policies of sending mail from U.S. points back into Manitoba.

The minister says, we put a stop to that now, we are not doing that anymore. He knows that the Minister of Natural Resources (Mr. Enns) did it, and

we know that there are other occasions where this has happened. I commend the minister if in fact the government has taken steps to stem this practice, to stop it before it seriously does undermine the postal services and jobs in Manitoba.

However, if in fact this Minister of Government Services (Mr. Ducharme) has indeed taken steps to stop it, then why can he not support this resolution to just put on record what the government is already practising according to this minister, and that is that they are not going to send mail down to the U.S. points to be mailed back into Manitoba because that would cost jobs. Obviously they recognize it so they are putting in practice a policy to ensure that does not happen. If that is, in fact, what is the case with policy, Mr. Speaker, then I think this government should have no trouble whatsoever supporting this resolution and putting it to a vote, having all members of this House support what is essentially the policy of this government right at the present time. That is what the minister says. Why not?

Now, Mr. Speaker, we have seen while the Minister of Natural Resources (Mr. Enns) talks about jobs and how the private sector cannot be controlled by this Legislature, if they find a cheaper alternative of shipping mail through the U.S., they will do that because it is all open competition. We have even our own Canada Post office that is, in fact, undermining the post office in Canada by allowing contracts to go to companies that will reroute mail through the U.S.

Some Honourable Members: Oh, oh.

Mr. Plohman: The member for Pembina (Mr. Orchard) is going, oh, what are we going to do here? You know, it is Kleysen which is a Manitoba company, a Winnipeg company, that is employing hundreds of Manitobans. Kleysen which already has postal office contracts to carry mail and does so very efficiently across this country lost out on that bid because they gave to an appropriately named N. Yanke of Saskatoon, a person who is rerouting the mail through the U.S., and he was therefore able to avoid paying taxes in Canada to fuel up with cheaper fuels in the U.S. at the border and, therefore, undercut the bid of Kleysen of Manitoba. They lost out on that contract because the federal government—by \$7 million less because they were able to reroute through the United States.

I say the first supporter of Canada Post should be Canada Post itself. It should be ensuring that the tenders are going to Canadian companies for post

office tenders and moving mail from Toronto to Winnipeg and other points west. They are not doing that. They have just let a tender to a person who is rerouting this mail through the United States. I think this government should be concerned about that. They should not only be concerned that they do not practise that in their own initiative with regard to government departments, as the Minister of Government Services (Mr. Ducharme) says they are not allowing any longer, this government, shipping mail from the United States to points in Manitoba. No, they are not going to allow that, but they should also be condemning the federal practice of letting tenders to companies that are rerouting through the United States to avoid paying Canadian taxes, provincial taxes, sales taxes, fuel taxes, and saving money at the expense of the taxpayers of Manitoba and undermining Canada Post Corporation, and they have taken that. They are practising exactly what Canadian Pacific Rail said they were going to do, rerouting traffic around Manitoba, so that they would not have to pay the diesel fuel tax.

I think this government has to start taking some initiative on this and standing up for Manitoba, standing up for Canada. There are times when the government has to, despite free trade, stand up.

Now we had a revelation by this Minister of Government Services (Mr. Ducharme) that, even though they preach free trade, they still are putting in place and practising the Buy Manitoba, a program which was initiated by the previous government which, in fact, gives preference to products manufactured in Manitoba.

They said they were not doing that anymore; they said they were in favour of free trade in Canada too. But the Minister of Government Services just revealed that in fact this government is continuing to do that. I do not disagree with that. It was a policy that we put in place, but they are two-faced and hypocritical if they say, on the one hand, they are favouring free trade, and, on the other hand, even within our own country, they are not practising it.

I think they are going to have to ante up with that program and encourage discussions for free trade in Canada. No wonder they are dragging and lagging because this government is not promoting free trade in Canada, because it does not want to lose this program. Now I think we can gain overall if we can get Saskatchewan, Alberta, British Columbia, Quebec and all the other provinces to do away with their preferential programs for buying.

That will benefit Manitoba far more than the Free Trade Agreement, and this government should get on with it.

* (1750)

Mr. Speaker, I just want to close so there is time for a five-minute speech, I am sure, from the Minister of Northern Affairs and of Rural Development (Mr. Downey), who has failed in his program for rural development in this province, to stand up and try to stand up and try to defend an indefensible record. Then, at one minute to six, to stand up and call for the question, so we can break with the precedent that has been established by this government of refusing to allow any post office resolutions to come to a vote in this House. It is shameful that they have done that because, in fact, we have seen time and time again that the federal government is undermining postal services, closing post offices, and throwing people out of work, and this government is supporting it by not passing a resolution against those.

I ask these ministers and this government to, in fact, stand up and allow this resolution to pass; to stand up, if they wish, and make their statement that they are in support of this resolution, that they do want to see it passed, and that nothing more has to be said.

It is unfortunate that I have to respond and take five minutes here, Mr. Speaker, to respond to the negative comments by the ministers on that side, when they should have just simply stood up and said: We are practising this now; we support it; we want to send a message to the national government that we do not like the way they are treating Canada Post office and operating Canada Post and we, in fact, want them to change their policies as well.

Let us have unanimous support for this resolution. Let us vote now.

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, I am shocked that the NDP, as shown by the member for Dauphin (Mr. Plohman), would be interested in ramming through this resolution without letting free-flowing debate take place, that the member for Dauphin would stand up and attempt to coerce the members of this House into voting on a resolution that has not had the opportunity of having ample debate and discussion over a very important issue. I am shocked, quite frankly, that the member for Dauphin would do such a thing and that he would be supported by his colleagues, tacit support by his colleagues by virtue

of the fact that they all want to somehow ram this issue through and try to force the members of the Legislature to vote on an issue without having an ample opportunity for proper discussion and debate on this issue.

The question of a postal service in Canada has been an issue for a very, very long time. Certainly from the time of early development of the country delivery of the mail was paramount for communication purposes in this country. To deliver from -(interjection)- No, the pony express, for the edification of the member for Dauphin (Mr. Plohman) is an American institution, and perhaps he is delivering his mail through an American institution. The fact of the matter is that delivery of mail across this country has for a very long time been of a fair amount of concern.

The development of the distribution system of that post office in its early rudimentary forms and the delivery of mail evolved through a period of time, and it did happen to be delivered from time to time by canoe, on horseback, by wagon, by the railroads as they progressed in this country, by steamships in some cases, a variety of methods of transportation. The fact of the matter was that the delivery of that mail, and to have a viable, efficient system for delivery of mail is paramount, I think, to any civilized society, despite the fact that today we have fax machines and a variety of other methods of communication, direct on-line computer links and things of that nature.

The fact of the matter is, Mr. Speaker, that for the average Canadian, the delivery of mail is still an extremely important issue, and the fact that the cost of that delivery of mail is rising significantly. We have seen, and I just heard the other day on the radio they want to increase now the price of a first-class letter again by another two cents per letter to again maintain the position of the post office.

It was not very long ago, as a matter of fact a few short years ago, that the post office was losing hundreds of millions of dollars. The taxpayers of this country supported the postal system by virtue of putting tax dollars into that system to support it. There were huge losses, hundreds of millions of dollars, year after year. Fortunately someone recognized the fact that that could not continue, the fact that we cannot continue to subsidize the post office system in this country by virtue of applying taxpayers' dollars to the huge deficits that were incurred. The mandate was given to the post office

people to say, look, you have to recognize that this should be a self-sustaining system; you have to recognize that you have to ensure that your revenues balance your expenses, at least. Over the last few years that has, in fact, happened, and presently the post office is operating, I believe, at a surplus in Canada at the present time.

Mr. Speaker, that is not good enough. The fact that you have a system in place that makes money, or at least breaks even, is not good enough because they have to compete. The rest of the country has to compete. The business community has to compete, and they have to compete on a global basis as indicated by my colleague the Minister of Natural Resources (Mr. Enns).

This is not an isolated island in the middle of a world economy. Our businesses, our people, have to compete in order to ensure that we can sell our products, and the post office is no different. If there is a competitive system, and whether that competitive system happens to be the U.S. postal service, or whether there is a competitive system internally in Canada that is now competing with the post office for business and can do it better, cheaper, more efficiently; then we have to stop for a moment and reflect on what we are doing, and the post office has to do the same thing.

One of the largest concerns that we have in this country with respect to our ability to compete on a global basis, or even on an international or North American basis, is the question of taxation by all levels of government—taxation by the federal government, taxation by the provincial government, taxation by municipal governments.

Mr. Speaker, taxation has been indicated in a variety of fronts as being a major contributor to the lack of competitiveness of Canadian businesses. If they are going to be able to compete on a global basis, then they are going to seek out particularly those who must utilize a method of personal communication, written communication. They are going to do that, whether it is done internally in Canada through a private sector competitive organization to Canada Post, whether they are going to be able to convince Canada Post to provide them with a system where they can compete with whoever they have to in terms of their business community, or they are going to seek out other alternatives, and those other alternatives could well be the U.S. postal service.

At the same time, government has a responsibility. It has a responsibility to minimize taxes. Unfortunately, the members opposite have not ever experienced or recognized that need. They have not heard the cry of the people out there that says, we cannot continue to pay the tax levels that are being demanded by government. We cannot continue to pay more and more and more, and that is what is happening with the members opposite. Every day they stand in this House and say, spend more and more and more. Mr. Speaker, every day one of them stands up. In fact, they all stand up and say, we need more spending on this and more spending on that; why are you cutting this; why are you cutting that?

All of those things are going to demand more taxes, taxes that the people of this country, this province, and this city are not prepared to pay anymore. They are not prepared to pay the kind of taxation levels that have been imposed upon them by governments in the past.

Now our government has recognized that. We have recognized that long ago. In 1988, when we came to office, we recognized the people of this country cannot afford to pay more in terms of taxation. We have to seek out opportunities. We have to seek out methods of curtailing our expenditures if we are going to maintain essential services like health care, like education, like the family service network that we have in this province.

Each time they stand up and ask for more, to be like that little orphan in *Oliver Twist*, to stand up and hold out their bowls and say, more, please. Mr. Speaker, they have to recognize where the "more" comes from. It comes from the pockets of the taxpayers in this province. They cannot pay more.

Mr. Speaker, it is important that everyone recognizes the need, particularly in government, to curtail their expenditures, to be able to close the gap between their competitors and themselves. We have to seek out those opportunities if we are going to—

Mr. Speaker: Order, please. When this matter is again before the House, the honourable minister will have five minutes remaining. The hour being 6 p.m., according to the rules I am leaving the Chair and will return at 8 p.m., at which time Bill 70 will be before the House.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 8, 1991

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