

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 15 April, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I'd like to table the Actuarial Report on the Public Service Group Insurance Fund as of December 31, 1985.

MADAM SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

MR. J. DOWNEY introduced, by leave, Bill No. 16, An Act to Amend The Electoral Divisions Act.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I'd like to make a few comments in explanation of the reason for the requested amendment.

Not too long ago we had a report from Statistics Canada indicating that 60 percent of the municipalities in Manitoba were losing residents, that there is a reduction in rural population, and that with the Electoral Boundaries Division being reassessed before the next election, I feel it's extremely important that rural people have someone who understands the normal trade patterns, the school division districts and the hospital districts.

There are many communities of interest which members of the Legislature have to represent. I feel that the office, or the President of the Union of Municipalities, would have a good understanding of those communities of interest, of the work of rural MLA's, and to have that individual, or an individual holding that office, sitting as one of the commissioners would be extremely helpful to give the kind of proper representation that is needed for our rural communities. I would hope that the Government of the Day would see fit to support such an important amendment to that act.

QUESTION put, MOTION carried.

MR. A. DRIEDGER introduced, by leave, Bill No. 17, An Act to Amend The Municipal Assessment Act (2).

MOTION presented.

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker. According to Section 85, I'd like to just make a brief explanation to the House about the bill. This bill stems from the commitment that was made by the then Minister of Municipal Affairs, Mr. Anstett, regarding the property taxation, the removal thereof, for bible colleges. During the debate, we'll clarify exactly what has happened, but it was a commitment that was made by the then Minister and, as a result, this is why the bill is being presented.

QUESTION put, MOTION carried.

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct attention of honourable members to the gallery, where we have 25 students from Grade 11 from the Elmwood High School. These students are under the direction of Mr. Gerald Hays and the school is located in the constituency of the Honourable Member for Elmwood.

We have 25 students from Grade 6 from the Inkster School. These students are under the direction of Mrs. Vicky Adams, and the school is located in the constituency of the Honourable Minister of Finance.

We have 27 students from Grade 5 from the Brock-Corydon School, under the direction of Ms. Sandra Bignell, and the school is located in the constituency of the Honourable Member for River Heights.

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

ORAL QUESTIONS

Sugar beet industry - Kleysen Transport Ltd.

MADAM SPEAKER: The Honourable Leader of the Opposition.

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

We are within days, if not hours, of the prospect of losing a \$90 million industry to Manitoba, namely, the sugar industry; one which would see our province lose the employment of 68 in the trucking industry; 93 permanent positions at Manitoba Sugar; 150 part-time positions at Manitoba Sugar; 400 producers, active farm producers of sugar beets, all having their livelihoods destroyed as a result of the stubborn refusal of this government to participate in a tripartite stabilization agreement with Ottawa.

My question to the First Minister is: Has he been informed that the loss of this particular industry to

Manitoba would, in fact, result in the direct loss from only one contract, the sugar haul contract by Kleysen's, the direct loss of \$200,000 in revenue to the Provincial Government, not including the income taxes paid by those individuals who draw their livelihood from the industry? Has he been informed of that?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, this whole issue of stubbornness is really an issue of unfairness, and I wish to indicate to my honourable friend that, as always, he has overstated the case.

Last year, the sugar beet industry in this province, farm gate value was some \$13 million in 1985, \$6 million of which was taxpayers' support. Madam Speaker, this industry was the heaviest subsidized industry of any commodity in this province.

If we were to put similar subsidies to any other industry, we would have to increase the support to hog producers, for example, 35 times. Madam Speaker, we are attempting to arrange a meeting with the Minister of State for the Wheat Board, based on his statements today in the press where he appeared to wave the possibility of Ottawa picking up the entire deficit. We're encouraged by that movement, Madam Speaker, based on the condition that in 1985 they indicated to us that there would no longer be a requirement for the province to put money into the sugar beet industry.

Madam Speaker, he now says that the legislation passed in June of 1985, only one month after we made the agreement, now prevents him from doing that. Either he misrepresented those facts to us in May or he deliberately and falsely, which I know all the legislation does is enable the Federal Government to go into tripartite; either that or he misrepresented the case, Madam Speaker.

MR. G. FILMON: Madam Speaker, I find it incredible that the First Minister will sit mute and let all of this happen around him and allow all the workers and all of the investment and all of the economic benefit go down the drain and not be so concerned . . .

MADAM SPEAKER: Question, question.

MR. G. FILMON: . . . to even answer a question.

Madam Speaker, my question to the First Minister, and I hope that the First Minister will have the courage to answer a question on this issue, is: Has he been informed that Kleysen Transport, only one of the contractors involved in the sugar industry, has indicated that it is in the process of making a final decision on the investment of \$1.8 million of capital expenditure on a new head office and terminal facility here in Manitoba, a decision that will be cancelled should the sugar industry go down the tube as a result of the negligence of his government in not signing the tripartite agreement?

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

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

While the people opposite are cackling, I'd like to inform the people of Manitoba that last evening I met with a representative of Kleysen for several hours to discuss the sugar beet industry, a representative of Kleysen, as well as the Reeves and Mayors of areas in all of southern Manitoba - Winkler, Altona, Steinbach and so on - and the suggestion that somehow we're not concerned about what is going on there is something that Kleysen and those people would strenuously object to. They understand that it is something that no Provincial Government in history has been expected to do in the past, that it has been the Federal Government, since John Diefenbaker, who has been prepared to subsidize sugar in Canada and in Manitoba.

They understand and were shocked. The representative from Kleysen last night, Madam Speaker, was shocked when he received a copy of the telex from Mayer saying unequivocally that, after the 1985 crop year, Manitoba would not be required to contribute to sugar and, notwithstanding that, Madam Speaker, I pointed out that we are contributing our proposal to contribute for the future, is a stronger commitment as a proportion of farm revenue for sugar beets than for any other commodity in Manitoba. They were quite surprised and grateful for our activity here and they were hoping that we continue, and that's why we're meeting again with Mr. Mayer.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I received this communication from Kleysen's today after they had spoken, and acknowledged that they had spoken, to the Minister, so I would say that they continue to be concerned about the lack of action.

My further question to the Premier, Madam Speaker, the mute Premier who sits there unwilling and unable to respond to our concerns . . .

MADAM SPEAKER: Order please, order please.

May I remind the honourable member that references to a Minister's refusal to answer a question are not in order.

Sugar beet industry - tripartite agreement

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I guess I really don't have to bring that to public attention, the public will be aware of it.

Madam Speaker, my question to the Premier is: Given that we are facing a very serious time deadline, Parliament will recess tomorrow until the 27th of April, tomorrow Alberta will be signing the Tripartite Stabilization Agreement; in view of the fact that the union at the Manitoba sugar refinery; in view of the fact that Keystone Agricultural Producers; in view of the fact that the sugar beet producers; in view of the fact that the Federal Government have all indicated that they support the tripartite approach to stabilization of the sugar industry in Manitoba, will the Premier not

stand up for Manitobans, for the sugar beet producers of Manitoba, for indeed the entire sugar industry of Manitoba, and sign that agreement and stop his bickering with Ottawa, and stop his refusal to deal openly and fairly with the sugar industry of this province, and insure that we save the jobs and the industry for Manitoba now?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, first, if indeed Parliament, as I understand is adjourning, this will give Mr. Mayer an opportunity of returning to the Province of Manitoba and to conduct appropriate discussions with the sugar beet producers and with the businesses that are affected and the workers that are affected, including the Minister of Agriculture of the Province of Manitoba, that only a few moments ago indicated that he welcomed an overture by way of a press commentary that the Minister was prepared to have further discussions insofar as amending the federal proposal.

Madam Speaker, what is more than passing strange is that we have a Provincial Conservative Opposition in this province that is not standing up for Manitoba, is not standing up for the sugar beet producers of this province, is not standing up for the businesses of this province, but are more interested in negotiating and attempting to save face for their federal Conservative cousins in Ottawa.

Madam Speaker, let the Conservative Opposition in this province join forces to give a clear signal to Charlie Mayer, to the Federal Government, that a commitment is a commitment, and that commitment should be lived up to. Let the Federal Conservatives hear from the Provincial Conservatives what would be a clear, unequivocal message, rather than a kissing match between the federal and provincial parties.

Sugar beet industry - preservation of jobs

MR. G. FILMON: Madam Speaker, I hope that Hansard will get that one right.

Madam Speaker, in view of the fact that the Keystone Agricultural Producers agree with the position of this Opposition; in view of the fact that the sugar beet producers agree with the position of this Opposition; in view of the fact that the union at the Manitoba Sugar Refinery agrees with the position of this Opposition Party; and in view of the fact that the farmers, the workers, the truckers, and all of those whose livelihood depends on the sugar industry in Manitoba, agree with the Tripartite Stabilization Agreement; will this Premier now, once and for all, give up his stubborn insistence to not enter into the agreement and stand up for the workers of Manitoba, and stand up for . . .

MADAM SPEAKER: Order please, order please.

That question is repetitious.

The Honourable Member for La Verendrye.

MR. G. FILMON: Madam Speaker, I'm sorry, I didn't hear what you said.

MADAM SPEAKER: That question is repetitious.

MR. G. FILMON: Madam Speaker, I would ask you to read Hansard. That question is a different question from any of the previous ones I've asked.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Government House Leader on the point of order?

HON. J. COWAN: On the point of order, Madam Speaker.

The Leader of the Opposition knows full well that he is not, nor is any member of this Chamber, to challenge a suggestion or a ruling of the Chair, and I would ask him, Madam Speaker, to withdraw any implication in that statement that . . .

MR. F. JOHNSTON: He's just trying to create confusion, that's it.

MADAM SPEAKER: Order please.

HON. J. COWAN: Well, the Member for Sturgeon Creek says I'm just trying to create confusion and, with him, it's too easy a task to even take on in that manner. However . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

The Honourable Government House Leader on the point of order.

HON. J. COWAN: . . . the challenge would be to try to deal with the confusion that members opposite are trying to create, Madam Speaker, but the fact is that the Leader of the Opposition very clearly gave an indication that he was not accepting your ruling and all members of this House have to accept rulings without question. I would ask him to do so, as per the Rules of this Legislature.

MADAM SPEAKER: The Honourable Leader of the Opposition on the point of order.

MR. G. FILMON: Madam Speaker, despite the impression that is being created by the Government House Leader in trying to ensure that the questions are not asked as they ought to be asked in this House, I clearly did not challenge your ruling. I clearly did as that member, that Government House member, did on three occasions last week, ask you simply to peruse Hansard. That's the only request I made and I challenge him to withdraw that imputation that I have, in any way, challenged your ruling.

SOME HONOURABLE MEMBERS: Oh, oh!

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

Beauchesne Citation 357(d) says: "A question should not repeat in substance a question already answered, or to which an answer has been refused." Whether the

question is identical to a previous question is not the point; the point is that it should not be a repetition in substance and, therefore, I rule the Honourable Leader of the Opposition's question out of order.

Sugar beet industry - priority of Premier

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, my question to the First Minister is: Is his priority to spend the equivalent of the \$300,000 that would be needed to save the sugar beet industry this year on public relations and political support staff, rather than to insure that an industry remain in Manitoba that involves 68 jobs in trucking; that involves 93 permanent jobs at Manitoba Sugar; that involves 150 part-time jobs at Manitoba Sugar; that involves the livelihood of 400 sugar beet producers; is his priority to have seven more public relations people on his staff and not save the sugar industry of Manitoba?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I've never heard such drivel, regrettably. If the honourable member wants to talk about seven communicators, maybe we could find \$250,000 or \$300,000 in Ottawa in Dalton Camp's remuneration honorarium from the Federal Government.

Madam Speaker, regrettably, the Leader of the Opposition doesn't appear to have listened carefully to the information provided to him day by day, to repetitious questions, and maybe that's why the questions are so repetitious; because if the Leader of the Opposition had listened carefully, the Leader of the Opposition would have heard from the Minister of Agriculture that we have committed ourselves to put up \$315,000 for each of 10 years, for a total of \$3 million and some.

The Minister of Agriculture has, at least on one, two, three, four, countless occasions, advised the Leader of the Opposition to that, and the Leader of the Opposition continues, regrettably, Madam Speaker, to have neglected or failed to comprehend that which he is hearing. It would be much more productive for the Leader of the Opposition to listen, and then to respond by contacting his federal friends in Ottawa.

Sugar beet industry - loss of provincial income tax revenue

MADAM SPEAKER: The Honourable Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Madam Speaker. My question is to the Minister of Finance.

Would he be willing to share this information with the House as to how much the provincial revenue will be in taxes from 93 full-time employees and 150 part-time employees at Manitoba Sugar Company?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I'll have to take that question as notice.

MR. H. PANKRATZ: Madam Speaker, to the same Minister, I'm sure he maybe will take this one then also as notice, but I'll pose it anyhow. How much provincial income tax will be lost when 68 jobs in the trucking industry are lost? How much provincial revenue will be lost?

HON. E. KOSTYRA: Madam Speaker, firstly, I don't accept the premise that was made in regard to that question, and even if one was, I could certainly tell the member that those amounts would be considerably less than the amount of money that the Federal Government is causing this province to spend; whether it's a fact that they've decreased equalization payments; whether or not they've decreased payments, growth payments under EPF; whether or not it's been the decrease in support in areas like sugar beets; whether it's a situation like they tried to offload the Science Place Canada on the Province of Manitoba; a situation where they're saying that they're now giving gifts of airports to provinces so that they have to accept the responsibilities for those, or whether it's a situation with the Consumers Association of Manitoba where they are saying that the province now defrays the costs of that.

Sugar beet industry - attendance at tripartite meeting

MADAM SPEAKER: The Honourable Member for La Verendrye with a final supplementary.

MR. H. PANKRATZ: Thank you, Madam Speaker. No, I would like to pose a new question to the Minister of Agriculture.

It has become evident that the Federal Government, the Federal Department of Agriculture, has had numerous meetings with Alberta and also with Manitoba in regard to the Tripartite Stabilization. It has also become evident that our Minister of Agriculture has not attended a single one of those meetings.

Would the Minister now assure the growers, workers and also this House, that he is willing to contact the Honourable Mr. Charlie Mayer immediately to resolve this problem and sign this Tripartite Agreement?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I want to tell my honourable friend that the day that the issue of sugar beets was being discussed at a Federal-Provincial meeting in St. John's, guess where the Honourable Charles Mayer was? He wasn't anywhere to be found, he was somewhere else in Canada when his colleague

. . .

A MEMBER: Where were you?

HON. B. URUSKI: I was at that meeting, and so was the Minister of Agriculture from Alberta because he was presenting the paper, Madam Speaker. So much for meetings.

Madam Speaker, what the Conservatives in Manitoba want us to do is to sign a blank cheque, not an agreement. Madam Speaker, we are prepared to sign an agreement that will not call upon the Province of Manitoba to pick up any deficits in the fund. We have already stated that we will contribute more money over the term of the agreement, more than the first year calls for, the first-year agreement calls for \$240,000 in premiums, our contribution will be \$315,000.00. So let them not stand here and say that we won't sign an agreement. We will sign an agreement but not a blank cheque.

Sugar beet industry - March 30 letter from C. Mayer

MADAM SPEAKER: The Honourable Member for La Verendrye with a final supplementary.

MR. H. PANKRATZ: Thank you, Madam Speaker. I appreciate that you recognized me on this final question to the Honourable Minister of Agriculture.

Has he responded to the March 30 letter which Charlie Mayer sent to him?

HON. B. URUSKI: Madam Speaker, in fact we're in a process of contacting Mr. Mayer today, but let it be very clear that letter was debated in this House the other night. Madam Speaker, members opposite alleged that letter contained a counter offer and I challenged every member in this House. There was no counter offer, there was a total rejection, a total and complete rejection of the position put forward by myself in an earlier telex to Mr. Mayer. If there was any willingness on behalf of the Federal Government to discuss our proposal, Madam Speaker, it certainly was not contained in that letter.

Health care estimates - differ from Throne Speech and Budget Address

MADAM SPEAKER: The Honourable Member for River Heights.

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

Madam Speaker, both in the Speech from the Throne and in the Budget Speech, the government expressed an increased commitment to community-based health services like home care assistance, using words like intensify, priorities and 40 percent increase. But, Madam Speaker, yesterday in Health Care Estimates it became clear that the increase for this fiscal year is not 40 percent, it is 2 percent.

Will the First Minister please explain to the House and to the citizens of this province why this information differs from the statements of this government?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I think that, if the honourable member will check, there was an increase by way of Supplementary Warrant insofar as health was concerned and I believe also the field of home care.

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

On Budget night, the Minister of Finance stated: "The Budget proposes a 40 percent \$9.6 million increase in the home care assistance budget to \$33.5 million." Did the Minister not know that as a result of Treasury Board approval, as he should, as the Minister of Finance, that the expenditure for 1986-87 was over \$32 million, and why did he use 40 percent as a figure when in fact it should have been 2 percent?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

The statements in the Budget documents are correct and they show the increase in expenditures year over year, budget over budget.

Health programs - gov't commitment

MRS. S. CARSTAIRS: A final supplementary to the First Minister, Madam Speaker.

Is his government committed to an innovative community-based health care program, or are they committed to confusing the citizens of this province with flimflam?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I think the only person who is confused is the Honourable Member for River Heights. The figures are very, very clear in the Estimates insofar as community care, included in which is home care. So, Madam Speaker, regrettably the only confusion rests in the mind of the Member for River Heights where it shows very clearly an increase from \$24 million to \$34 million. That's a 40 percent increase according to my calculations.

MRS. S. CARSTAIRS: The Minister of Health yesterday said they had in fact spent \$32 million in 1986-87. Can the First Minister tell me how that is a 40 percent increase?

HON. H. PAWLEY: Madam Speaker, just so that we can deal with some of the basics, this is a comparison of 40 percent budget over budget. This is a comparison of the details of appropriation insofar as March 31, 1988 is concerned over the year ending March 31, 1987. So that, in fact, in between there was additional spending provided. Insofar as budget over budget, which is the normal method by which the comparisons are made and the reporting is undertaken, I think that would be borne out if the Honourable Member for River Heights would check with the Provincial Auditor. There has been an increase of 40 percent, from \$24.5 million to \$34.3 million, which is approximately 40 percent.

Home Care - Special Warrant re overexpenditure

MADAM SPEAKER: The Honourable Member for Pembina.

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

My question is to the Minister of Finance and the chairman of the Treasury Board.

Madam Speaker, when the Minister wrote his Budget indicating a 40 percent increase in the home care assistance, had the Minister, as chairman of Treasury Board, approved an \$8.164 million Special Warrant to cover overexpenditures in home care?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

I thought that question period was the time to seek information, rather than to regurgitate information that was provided during the Estimate process.

Notwithstanding that, in response to the question, here we have the Conservative Opposition and their Liberal friend trying to have it both ways. On the one hand, they say you ought not to do comparisons with actual results. When we looked at the actual results, vis-a-vis the deficit, and what is taking place this year; no, they said, well the deficit was only going to be this in terms of the Budget you brought down so you should be comparing it to that. You can't have it both ways; you either do one set of comparisons or you do another set of comparisons.

MR. D. ORCHARD: When the Minister, since he didn't answer the question that I posed, as chairman of Treasury Board, approved the \$8.164 million Special Warrant representing a 33 percent overexpenditure in home care, did the Minister, as Minister of Finance and Treasury Board, ask why the accountability was in a shambles in home care?

MADAM SPEAKER: Order please.

The honourable member cannot ask questions about the internal workings of a Cabinet committee.

The Honourable Member for Morris.

MR. C. MANNESS: Thank you very much, Madam Speaker.

The Minister of Finance . . .

SOME HONOURABLE MEMBERS: Oh, oh!

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

Civil Service - salary increase reflected in Estimates

MADAM SPEAKER: The Honourable Member for Morris has the floor.

MR. C. MANNESS: Madam Speaker, the Minister of Finance seems to be leaving a lot of confusion on the record these days. He did yesterday, also, in response to a question dealing with the general salary increase for the Civil Service of this province, as reflected within the Estimates of this year.

Madam Speaker, given the fact that the present MGEA Agreement ends September this year, can the

Minister indicate what level of salary increase is reflected across all departments of government in this year's Estimates?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

The level that is reflected in the Estimates is that which is in place at the present time, which is known; and that are the increases, both the general salary increases that were put in place last year, and any known increment increases. That is what's contained in the budgets throughout all the departments.

Civil Service - general salary increase amount

MR. C. MANNESS: Madam Speaker, my question was very specific.

Can the Minister tell me whether that's 4 percent, 6 percent, 8 percent, 10 or 12? Can he give me a number? Can he identify, in an absolute term, the increase that is built into this year's Estimates?

HON. E. KOSTYRA: I don't have that number, Madam Speaker, because it varies. It varies department by department, Madam Speaker, because some departments may have people that are at the top of the salary range, and will not be getting any increments; in other departments they may have people that are getting increments during the year. So it provides different levels of increases.

If the member wants that detail it's available as we go through the Estimates, department by department, or it certainly will be available when we deal with the Civil Service Commission Estimates.

MR. C. MANNESS: Madam Speaker, the Minister of Health, the other day in Estimates indicated that the increased percentage within that department was 8 percent. Can the Minister of Finance tell me whether that's a number that is within most departments, or can he not tell me what the general average is across all departments?

HON. E. KOSTYRA: I've just answered that question. I indicated that it varies department by department. The general salary increase across the board is that which was contained in the collective agreement, that provided for an increase based on a formula that is in the current agreement, which is reflected in salaries for departments. In terms of the increments, I do not have the information. I'm afraid to admit, if that's a failing, Madam Speaker, that I do not have the information regarding all government departments and all increments at my fingertips to provide the member.

MADAM SPEAKER: The Honourable Member for Morris with a final supplementary.

MR. C. MANNESS: Can the Minister indicate whether within the 8 percent, used as an example in the Department of Health, whether that also covers a portion of the new agreement that may be entered into

in the '87-88 fiscal year, or is half of the wage bill of government, half of the wage increase to come after '87 not been reflected in the Estimates as presented to this House?

HON. E. KOSTYRA: I would suggest that the Member for Morris talk to the Member for Pembina. I know that there is some friction between the two of them, with respect to their own personal aspirations, but that same question was posed yesterday by the Member for Pembina, was answered yesterday to the Member for Pembina. So I would suggest that maybe they should show some cooperation and discussion between the two of them so that they will know what's going on.

MR. C. MANNES: Madam Speaker, yesterday, in reply to the question, the Minister of Finance said this: "All of the salary costs, as they are known at the present time, are contained in the Estimates."

My question, Madam Speaker, are salary estimates for the new bargaining year, the new contract year, '87-88, are they reflected in any measure in the Estimates?

HON. E. KOSTYRA: The answer, Madam Speaker, is quite simple, and the answer I gave yesterday is correct. All of the known salary costs are contained in the Estimates. You can't put in what you don't know. There is no collective agreement included, there's no negotiations, so you can't put something in that you don't know.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.
I'm sorry, Madam Speaker, I can't hear. My question

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

Potash mines - new developments

MR. M. DOLIN: My question is to the Minister of Energy and Mines.

A recent media report notes that, I believe the name of the company is AMAX, has spun off its minerals development company, CANAMAX, and seems to report that their major mineral development program is in Manitoba - and it's the potash development which are expecting to be \$3.2 billion - and they point out that recent flooding in Russia has created problems for the potash industry there.

In light of this, could the Minister report have there been any new developments with the development of Manitoba potash and CANAMAX?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Thank you, Madam Speaker.

There certainly are some structural changes taking place in the potash industry with respect to the supply side of potash. There have been problems with flooding

in Russian mines, and there have been some problems with flooding in Saskatchewan mines. People are trying to determine what the problems have been attributed to, and it would appear that too much ore was taken out of the mine underground, leaving insufficient supports and, as a result, there was some buckling and the mines flooded. What that is doing is changing the demand-supply equilibrium for potash, and firming up very strongly the prospects for the potash mine in Manitoba.

Potash - agreement, Man./Canamax/India

MR. D. DOLIN: A supplementary to the same Minister.

The same report mentions that CANAMAX is involved in negotiations with banks to provide the financing for this, and the Manitoba Government is also taking an interest in this, and that the Government of India now has an agreement with CANAMAX. Could the Minister tell me what is the status of that agreement between CANAMAX, the Manitoba Government and the Government of India?

HON. W. PARASIUK: The Indian Government is doing the technical homework to carry forward that Letter of Intent to negotiate that agreement to take up to 500,000 tonnes out of a \$2 million development, and also to look at the prospect of a 20 percent equity investment.

That work is proceeding by the Indian Government. We're hopeful that when the detailed technical studies are completed in June or July that work will be accelerated and that we would be in a position, not only with India, but with the financial community, financial institutions and with other prospective investors or buyers, to be making firmer decisions with respect to the development of the potash development over the course of the next year or year-and-a-half.

As we monitor what is taking place on the supply side of potash, because that is as important in determining the prospects for selling the potash in six years, as is the demand growth.

MR. M. DOLIN: As the Minister mentions, on the supply side of potash due to problems in Saskatchewan and USSR, has this speeded up the process and can we expect agreements to be signed earlier than were previously expected?

HON. W. PARASIUK: No, what it has done, Madam Speaker, is it has focused more people's attention on the potential of the Manitoba prospect, because it is the world's richest potash deposit that has not yet been developed into a mine.

We have been timing the technical studies and the feasibility work in such a way, that we would best be in a position to take advantage of the equilibrium position between demand and supply, which we believe will occur sometime about 1992, '93 or '94.- (Interjection)- I just heard the comment from the other side, "precise." Well, if you're talking six years in advance, one will probably have a year, a year-and-a-half swing but, let me assure you, Madam Speaker, this government is going to be far more careful with respect to its development than the Conservative Governments across the way have been.

Workers Compensation Board - increase in assessment

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Madam Speaker, I will direct my question to the Honourable Minister responsible for Workers Compensation.

Under the heading of the Manitoba News Release, "Workers Compensation Assessment Rises 20 percent." The release goes on to say "large increase in rates at this time might have a negative affect on the recovery and job creation, the No. 1 priority of the government."

Can the Minister advise whether 93.8 percent is a large increase, an average increase - because that's what one of my constituents received in his Workers Compensation assessment - can the Minister advise whether this is a large increase?

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Madam Speaker, I am sure that the Member for Niakwa will recall that when we formed the government in 1981, we were in receipt of a report from Lampe, which they had commissioned in 1979. That report stated that there were very little services being delivered to the injured workers, the widows and their dependants in this province.

Since that time, Madam Speaker, we have brought the Workers Compensation Board from the 19th Century to the 20th Century. Many of the services that the injured workers are now receiving they should have been receiving at the time that we did form the government.

We should also be aware, Madam Speaker, when we formed the government in 1981, Manitoba's assessment rates were 89 cents per 100 when the rest of Canada's rates were over \$2 a 100. I think that if that government had taken a realistic approach to the increase in the assessment we would be in the position now of where we would not have to be raising the assessment rates at the rate that we have found necessary. If they had proceeded along the rate of the cost of living, at this time we would not be having an unfunded liability, Madam Speaker.

Workers Compensation Board - Report of Review Committee

MR. A. KOVNATS: I'm astounded that I got such an answer to the question that I never asked.

I would like to ask my next question to the Honourable First Minister, except that whenever I ask him he rips up my pamphlets. I wanted to table this assessment report and I don't want it getting ripped up. But I would ask my supplementary question to the same Minister as I previously asked, the Minister responsible for Workers Compensation.

Can the Minister advise whether he has received the report from the Review Committee of the Workers Compensation that was expected here and when will that report be released to the House?

HON. H. HARAPIAK: Madam Speaker, the Member for Springfield seems to want to remind us that in 1981, when we did form the government, there was no . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. H. HARAPIAK: Madam Speaker, to the specific question on when the Review Committee would be tabling the report, we had hoped to receive a draft copy of the report by this Friday but, unfortunately, one of the members of the Review Committee had a death in the family so there has been a delay to the report. A rough draft of the report will be tabled to me on the 23rd, after which time it would take approximately three to four weeks for printing, after which time we will be reviewing the report and we will table it after we've had an opportunity to review it.

Workers Compensation Board - action taken to correct mismanagement

MADAM SPEAKER: The Honourable Member for Niakwa with a final supplementary.

MR. A. KOVNATS: Thank you, Madam Speaker. My final supplementary question is to the Minister responsible for Workers Compensation.

Can the Minister advise if he is aware of what is contained in the report and has any action been taken to correct the mismanagement, the alleged mismanagement at Workers Compensation, at this point? Has any action been taken to correct the mismanagement at Workers Compensation?

HON. H. HARAPIAK: Madam Speaker, it would be presumptuous on my part to be saying there is any mismanagement going on in the Workers Compensation Board. A lot of reform has happened over the last several years and we realize that there is a need for more reform, but we will be waiting until the Review Committee, which is made up of the industry representatives, labour representatives. When the Review Committee tables the report, we will have an opportunity to share that report with my colleagues. After we've had an opportunity to look at the recommendations, we will be responding to that entire report.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY COMMITTEE CHANGE

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.

I move, seconded by the Member for Elmwood, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Hon. G. Doer replacing the Hon. L. Harapiak.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, would you please call Second Reading for Bill No. 11 on page 3, followed

by Adjourned Debate on Second Readings in the order in which they appear on page 2 and, if time allows, which I believe it will, followed by the Resolution standing in the name of the Premier on The Patent Drug Act on page 3.

SECOND READING

BILL NO. 11 - THE CHANGE OF NAME ACT

HON. M. SMITH presented Bill No. 11, The Change of Name Act; Loi sur le changement de nom, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister.

HON. M. SMITH: Madam Speaker, I would like to introduce proposed revisions to The Change of Name Act.

In recent years, minor changes have been made to deal with a number of problems. Today I'm proposing revisions to numerous other subsections of the act to ensure that this legislation complies with the Canadian Charter of Rights and Freedoms, and that it meets the needs of the public.

The proposed changes include consideration of recommendations made by the Charter of Rights Coalition, Professor Dale Gibson of the University of Manitoba in his report on Manitoba Statutes, and the Uniform Law Conference for Canada. The major revisions deal with changing a child's name and eliminating discriminatory procedures which are currently based on the marital status of the parent. The new act will allow adults to change their own names without spousal consent or notification and will expand the options of retaining or combining surnames after marriage without going through the legal change of name process.

Also, the residency requirement would be reduced to three months from the present one year, which would make it easier for new residents and students to change their names. Various administrative changes address processing, handling and fraudulent applications. No additional costs are anticipated due to the revisions, and the number of applications is expected to be in this . . .

MADAM SPEAKER: Order, order please.

We have seven private conversations going on. I cannot hear the Minister. Could members please take their business elsewhere if they're not participating here?

HON. M. SMITH: Madam Speaker, I believe the proposed changes, which I have outlined, will streamline the administrative process, remove any discriminatory clauses and serve the needs of the general public.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: I'd like to ask a question for clarification from the Minister, Madam Speaker.

On what grounds may a parent of a child who does not have custody object to the change of name of his or her child by the parent who has custody? On what grounds or what principles?

HON. M. SMITH: Madam Speaker, I do refer the member to the bill, but in general where a parent does not have custody they have fewer rights than if they do have custody. In other cases the director will retain some flexibility and will determine whether the change of name is necessary as it is in some cases for protection, whether it's likely to cause confusion or inconvenience to anyone, or whether it's for an entirely frivolous reason. I'd be happy to give greater detail during the committee stage.

MR. G. MERCIER: Madam Speaker, I'd like to ask a further question for clarification because the bill does not indicate any principles or any specific reasons to be used in such an application and she's suggesting granting this authority to the director. I'm asking, what principle is to be applied or what protection is to be there for the parent who does not have custody?

HON. M. SMITH: Madam Speaker, there is a notification requirement and where the other parent cannot be located, then the applicant must satisfy the director that they have made reasonable attempts to notify, but in general the rights, the major rights do reside with the custodial parent or if both have custody then it is shared.

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: I beg to move, seconded by the Member for Kirkfield Park, that debate be adjourned.

MOTION presented and carried.

ADJOURNED DEBATE ON SECOND READING

MADAM SPEAKER: On the proposed motion of the Honourable Minister responsible for the Status of Women, standing in the name of the Honourable Member for River East.

MRS. B. MITCHELSON: Stand.

MADAM SPEAKER: Stand.

On the proposed motion of the Honourable Attorney-General, Bill No. 4, standing in the name of the Honourable Member for St. Norbert.

MR. G. MERCIER: Stand.

MADAM SPEAKER: Stand.

On the proposed motion of the Honourable Attorney-General, standing in the name of the Honourable Member for Fort Garry.

MR. C. BIRT: Stand.

MADAM SPEAKER: Stand.

**BILL NO. 6 - THE EMERGENCY
MEASURES ACT**

MADAM SPEAKER: On the proposed motion of the Honourable Minister of Government Services, standing in the name of the Member for Gladstone.

MRS. C. OLESON: I would like to have it stand in my name, Madam Speaker, but any one else may speak to it of course.

MADAM SPEAKER: The Honourable Member for St. Norbert.

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

Madam Speaker, I wish to make a few brief comments with respect to this bill. Certainly no one on either side of the House would dispute with the Minister the necessity or urgency of every municipality or city or town in this province preparing emergency plans.

But, Madam Speaker, as I read through this bill there is a significant change in the procedure that would apply to emergency situations, those being particularly that a municipality may declare a state of emergency in the province. Certainly, Madam Speaker, every member on this side of the House is supportive of the abilities of our local councils to make decisions. But I simply want to point out in this particular case, that a municipality given the authority to declare a state of emergency is given some very wide-ranging powers that perhaps not all members of the House or members of the government have read.

Madam Speaker, in that situation where a municipality declares an emergency and that can be done without any involvement with the Provincial Government, they have the power to acquire or utilize any real or personal property, they will have the power to require any qualified person to render aid, they will have the power to evacuate persons, they will have the power to enter into any building or upon any land without a warrant, they will have other powers incidental and similar to those that are named, Madam Speaker. So they have immense powers.

Madam Speaker, what happens if they abuse those powers? The bill provides that a person who suffers any loss of any real or personal property shall be compensated in accordance with such guidelines as may be approved by the Lieutenant-Governor-in-Council. There are no principles contained in this bill, Madam Speaker; we don't know what we're agreeing to; we don't know what this government and the Cabinet will set out in an Order-in-Council to provide for compensation.

So, Madam Speaker, I simply wish to point out for the record, my concerns because I would like to see the Minister giving some evidence to this House that there has been a situation occur in this province where a municipality has been delayed in any way or any harm or damage has been caused in declaring a state of emergency because I'm certainly not aware of any at this time, Madam Speaker, and I don't believe that there is any proof of damage that is being caused by any delay that would justify the granting of this power to a municipality.

I'm sure that this government or any other government that follows it or any other government

that preceded them has always acted willingly and conscientiously in assessing the situation and granting a declaration of a state of emergency as required, will meet quickly, it can be done quickly we all know that, if necessary, Madam Speaker, but instead of having one authority for the declaration of a state of emergency in this province we're going to have over 200 authorities for declaring states of emergency. I'd like the Minister to justify the reason why the province has to abdicate their overall position and responsibility in this situation, Madam Speaker, because I don't think there's been any problem to justify this.

Secondly, if it's going to proceed I have great concern over the powers that are being given to municipalities under this bill, without any involvement from the province. These are immense powers.

Thirdly, Madam Speaker, I'm concerned that this bill does not give members of the Legislature any basis upon which they can approve what compensation for loss would be given because all we know is that an Order-in-Council may be passed. We don't know what's going to be contained in that bill. There's no principle that's contained in this bill and we've known in the past that there have been significant concerns expressed by people who've suffered losses in emergencies in this province and a great deal of delay.

So, Madam Speaker, those are my concerns and I hope the Minister will, in concluding debate on this bill at some later date, because there are a number of people on this side of the House who wish to make comments, address the concerns that I have expressed and they're certainly not to be considered in any way derogatory of the local municipalities and their elected representatives in this province.

It's just that, Madam Speaker, this is such a great departure from the existing procedures that I would like to know the justification for the abdication of the provincial role and some advice from the Minister as to how such immense powers can be given to over 200 municipalities in this province and how the public can be protected and what will be the basis of compensation, because this bill doesn't give us that, Madam Speaker? It only says an Order-in-Council would be passed. I would like to have a commitment on the record as to the principle behind any Order-in-Council that would deal with the question of compensation. I'd prefer to see it in the bill.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker.

I rise to speak in support of my colleague's comments and bring a couple more points to the attention of the government, because it is what I would consider unprecedented power not only given to the council of a municipality, which again in principle we have no difficulty in them governing their own affairs; however, that is not only the council that have been given that power, but it can be either the mayor or the reeve of that council who can act without the full council support and that they can, as an individually elected mayor or reeve, carry out the same powers that the Minister has in his or the Lieutenant-Governor's hands.

It is, I would say, a fairly heavy piece of equipment to put in the hands of, not only councils, but the individual of a mayor or a reeve. As well, the fact that the removal or the termination of that power is again in the same individual's hands, that the mayor or reeve or council, it says - and I know we're not supposed to get into detail, but I just want to touch on part of it - "Termination of a state of local emergency when in the opinion of the local authority an emergency no longer exists in any area of the municipality for which a declaration of a state of local emergency was made may terminate the declared state of local emergency and shall forthwith send a copy of declaration to the Minister."

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

So not only can they declare it a state of emergency, it's in their opinion when it should be lifted without the appeal or possible action by the government. It's a lot of power to be given and my colleague is absolutely correct that there should be, I would think, some supportive evidence that would have shown the reason for bringing it forward. I know that there are situations that can develop and I would like to know what the current situation is. I think that in any cases that I have seen or been involved with or heard of that there is an appropriate mechanism there that can in fact act in the best interests of the public at large.

I'm not sure that the system is working as well as it should be, but the communication system should be there so that the government can be contacted, the Ministers of a government can be contacted in an immediate way through the Emergency Measures system or in fact some other communication system in a direct way that can activate the kind of decisions that have to be made.

There is another area dealing with compensation and I'm not exactly clear on it. My colleague refers to the Cabinet making the amount of compensation known and making that determination without appeal or without any guidelines.

But as I read through the bill, and my understanding of it is, if there are expenses incurred by the province on behalf of municipalities, that the government have the power to order payment by those municipalities to make compensation to the province. I again think, Mr. Deputy Speaker, that that, in my estimation without having any guidelines drawn up, could well impose an additional or unfair charge to a municipality if in fact there were some disputes.

So it's not a bill to be taken lightly in any way, shape or form. I would advise that each member take a pretty careful look at it and make sure that we are not transferring power and/or responsibilities of expenses to individuals who are not able to be protected or the citizens who are not able to be protected against.

So I think that I would absolutely advise that careful consideration be given to the powers that are being transferred to another level of government that do not want anyone to think that we don't believe in local or municipal government. We do, but there is a responsibility when given those powers that they are not to be abused in any way, shape or form.

Thank you, Mr. Deputy Speaker.

This bill stands in the name of the Member for Gladstone.

BILL NO. 10 - THE QUEEN'S BENCH ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 10.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Speaker. We're prepared to pass this bill on to committee.

QUESTION put, MOTION carried.

ADJOURNED DEBATE ON MOTION THE PATENT ACT

MR. DEPUTY SPEAKER: The next item is the debate on the motion by the Honourable First Minister, standing in the name of the Honourable Member for Lakeside, but under the name of the Honourable Member for Emerson.

The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Deputy Speaker, I had made comments on this resolution the last time it appeared on the Order Paper. My comments will be essentially to reaffirm those thoughts that I expressed at that time because I believe the same questions have to be asked.

The main question that I asked at that time of members opposite, the mover of this resolution and indeed at those who are showing the kind of unwarranted opposition to what I consider to be a well-thought-out measure on the part of the Federal Government that does and will continue to provide for two things: Essentially the delivery of those pharmaceutical products that over the years Canadians have relied on at no increase in cost, although knowing my friends opposite, any natural inflationary pressures on some increased costs will, of course, be attributed to this bill by them.

But that's not being fair and that is not being accurate. Indeed, Mr. Deputy Speaker, that is a wilful distortion of what in fact is being proposed by the Federal Government in their patent drug legislation. It is scare tactics. It is fearmongering, particularly among some of the more vulnerable members of our society, the aged who of course legitimately are concerned about any unnecessary increased cost of medication that all too often they are heavier users of than the general public at large, although that's a generalization which one should not perhaps make.

Mr. Deputy Speaker, in having asked the question when I last spoke to this bill, name me a life-saving drug, name me any drug at all that has ever been produced by a generic drug manufacturer, and you can't. Of course, there is none. They're not in that business.

Mr. Deputy Speaker, they're in the business of reproducing, copying excellent drugs that have been developed in the private sector or by individuals - and I'll deal with the comments from the Attorney-General in a moment - but who then of course have some right to recover the, in some instances, extremely high developmental costs, research costs. I know members opposite shudder at the word profit, but of course profit in my language should not be shd away from.

Acknowledge that it should be a fair and acknowledged return for risk capital having been put up for any kind of a program or endeavor undertaken by the private sector in this case.

Now, Mr. Deputy Speaker, the Attorney-General names particular drugs that have not been developed in this way. I'm the first one to acknowledge that there have been significant pharmaceutical products that have come onto the market as a result of an individual or a university research team working in the public sector and have, in that manner, brought life-saving and other - I use the word life-saving, meaning pharmaceutical requirements that from time to time are required by our population to sustain our health, to help the insurance companies grow fonder of us as our life expectancy keeps growing older and older. But obviously, in total, the health care of the pharmaceutical industry along with the health care that we have, along with hopefully a better, you know, attitude towards certain lifestyles has all contributed to our general well-being, which has most figuratively, you know, demonstrated the overall benefit by our longevity and our lifespan, which has slowly but steadily increased.

While we do many things wrong, Mr. Deputy Speaker, there are obviously a number of things that we do reasonably right in terms of administrating to ourselves when we are ill. Mr. Deputy Speaker, having acknowledged that the public sector plays a role in it, surely the same people will also acknowledge that, all too often, today and yesteryear and will again tomorrow, that researcher working in a public facility often is on the basis or on the threshold of some good promising preliminary work, but then requires and finds that the public institution that he is associated with, whether it's a university or whether it's some other kind of public health facility, then cannot find - particularly, and I suggest that it will take place much more often - the necessary risk dollars, the necessary capital to develop that drug.

So we have very common occurrences where we have a team of researchers working, very often on the public payroll or in a public institution, coming close or at least with a germ of an idea. Then we're taking that to the private sector who are prepared to raise the risk capital and, in some instances, the many millions of dollars and the years of testing before a safe pharmaceutical product can be put on the market.

Mr. Deputy Speaker, the vast overwhelming majority of everyday drugs that we use have been developed in that way. Yes, there are singular exceptions, insulin was mentioned as one.

A MEMBER: And the Salk vaccine.

MR. H. ENNS: And the Salk vaccine may be another. But if you look at the array of pharmaceutical requirements that are considered necessary to the well-being, to the health of the general public, the vast overwhelming majority are produced with the help of private risk capital.

Mr. Deputy Speaker, what opponents to this bill are suggesting is that that is wrong, and that we ought not to encourage the continued development of future needs, future requirements for continued good health in this province. I suggest to you that the extremely

important difficult problem that we face in searching out for a vaccine, a drug, a cure for the AIDS problem that faces us will likely come from some company that is now spending the millions of dollars in their frantic rush to find a cure for that lethal disease.

The members opposite are saying they're not really that concerned about whether anybody finds a cure for that disease. They're more hung up about the ideology of whether or not it should be found in a public institution, which may take decades, or given the opportunity of a private organization that could perhaps find it in the next year or the next five years, the next four years, whatever it takes.

Mr. Deputy Speaker, to suggest that our public health systems and our public health institutions and our universities in the next decade will have made available to them the kind of funds that I am sure every research department and every university and every medical school would like to have just flies into the face of reason.

Look at your own budgets. Look at what you are doing to our universities right now. Look at what you are doing to our hospitals right now. You are cutting back on those funds, and for understandable and good reasons. We understand the whole fiscal problem that all governments face. You've imposed an unprecedented \$400 million of new taxes on the people of Manitoba, and that \$400 million doesn't hire a single nurse, not a single teacher, doesn't pave a single mile of road, doesn't look after one little park in the Province of Manitoba. All of it goes to interest charges to be paid to the moneylenders around Zurich, Tokyo, London and in Canada on our debt.

Interest on our debt charges this year is some \$438 million, and I believe the budget that you brought in this year imposing a host of new taxes on Manitobans brings in about \$403 million in total. When you add up every conceivable fee that you've increased, the sales tax that you've increased, the payroll tax that you've increased, the 2 percent net income tax that you've introduced, all of that, it can be said and can be said honestly, provides not a single cent of social benefit to our hospitals and to our universities.

Mr. Deputy Speaker, before you rule me out of order, let me bring it right back to it because there, I suppose, is where proponents to this legislation are looking for to find the next inventor, the next developer of insulin or a Salk vaccine. But I say to you, Mr. Deputy Speaker, that if you look at the financing crunch that is on our research centres, on our universities, on our hospitals, it is less and less likely that will happen.

Now, Mr. Deputy Speaker if there was no alternative, then we would look at a bleak future in terms of significant medical research, pharmaceutical research being carried out in our public institutions, but that is not the case, Mr. Deputy Speaker. Thank goodness, there still is in this country and in other countries the will on the part of the private sector to put up risk capital, very often working in association with public institutions and public people to develop the drugs of tomorrow to help us combat the diseases of today that we don't have answers for and the diseases that may appear in the future.

We have the private sector saying to governments, allow us, give us the opportunity, create the climate that'll enable them to raise the necessary millions of

dollars to find that breakthrough in research, pharmaceutical development. Surely, it is not unreasonable that those millions of dollars have to be repaid, and it's not unreasonable that there should be a measure of profit for the risk, for the endeavour on the part of such a company that develops future life-saving drugs.

Mr. Deputy Speaker, I will tell you, those people suffering who are under death sentence because of an AIDS-inflicted disease right now, I'm sure they would find this argument very trivial and annoying, to think that we will stop or not make possible the development of an effective vaccine or an effective drug that combats the lethal disease of AIDS on the basis of the ideological argument that is being presented on this floor. That's really what it is, Mr. Deputy Speaker, when it comes right down to the bottom line.

Anything else is a distortion on the part of those who oppose this bill. Present drugs, drugs that we all rely on, drugs that we use every day, there is no change. We are talking only about the introduction of new, as yet not invented, as yet not found out, not developed pharmaceutical drugs that will require millions of dollars of research for them to be, but to encourage that climate so that we have that type of research taking place here in Canada. Or are we, as Canadians, coming to the point that we'll just copy whatever some other country does? Even then, Mr. Deputy Speaker, the legislation specifically sets out a time frame of 10 years or less, at which time there may be an additional charge involved, at which time that new drug can then be reproduced, can then be manufactured by the generic drug manufacturers.

Mr. Deputy Speaker, what should disturb Canadians is our escalating health costs, and we are just now dealing in the Department of Health. We listen to the Minister of Health and he, no doubt, is sincere when he throws up his hands and says, "I just don't know how I'm going to find the money to keep our hospitals running, to keep providing the health care that we all want." I think he's sincere. I don't think the Minister of Health of this government - I know an NDP Government does not take any particular pleasure out of closing hospital beds, as they did in Brandon, as they will do in Winnipeg, as they'll do throughout the province. I don't think they particularly take pleasure in lengthening the waiting list for health services that Manitobans now have to undergo.

Well, then why won't they acknowledge that, if there is some assistance available, in this case through the private sector in one aspect of it, pharmaceutical research, development of new beneficial pharmaceutical products. We have been told by the private sector that they are prepared to do that, but we require a business climate that offers them some reasonable assurance. They have to, in fact, borrow this money from their investors. They have to encourage people to invest into their companies. To do what, Mr. Deputy Speaker? Sometimes to lay out hundreds and hundreds of thousands of dollars for years and years running before perhaps a qualified and suitable saleable drug is brought onto market. For that, they ask some recognition of those risks, some recognition of the money put up by private investors, that that ought to be, in an orderly way, returned.

It's not a question of price gouging, Mr. Deputy Speaker, and it is not a question of unduly raising drug

costs in Canada. What it ensures, Mr. Deputy Speaker, is that Canada will have an opportunity to continue in the forefront of medical research, of pharmaceutical research. It ensures and encourages, at a time when public funding of health care is in a crisis situation, the introduction of more private money into an area that is of critical importance and, at the same time, controls and provides all the existing benefits that generic distribution of drugs has in Canada. It doesn't disturb any of them, and to say anything else is not being honest, Mr. Deputy Speaker.

I take exception to the resolution being introduced by the First Minister. It is a callous political bit of distortion, which our socialist friends are regrettably adept at and famous for. They like to go into the senior citizens homes and frighten the be-jesus (phonetic) out of the people. They like to go to the people who are most vulnerable and say, this is what's going to happen, when in fact that is simply not true. They know it's not true, but they say it anyway because they count votes that way.

If there was some intellectual honesty on members opposite, then they would not suffer that kind of nonsense. In fact, Mr. Deputy Speaker, there would be a willingness on the part of the First Minister to withdraw this resolution. It is responsible legislation that is being passed by the Federal Government, legislation that will ensure that Canada gets its fair share of research here in Canada, and participates in other countries of the world. It ensures that a significant number of new dollars will enter the health field, in this case the pharmaceutical field, an area that is under extreme pressure from getting adequate funding through the public field. Mr. Deputy Speaker, it just makes no sense, and surely no one can have a great deal of intellectual satisfaction in opposing this bill.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Deputy Speaker, having been at one time Minister of Consumer and Corporate Affairs when this matter was being debated with the then Federal Minister of Corporate and Consumer Affairs, Monsieur Cote, and having had an opportunity to not only read the Eastman Report but to have a full presentation of the Eastman Report made, having had the opportunity to peruse much of the material associated with the debate, having in fact been prepared to support what was the initial federal position before the President of the United States said, "No, that's not good enough," and they changed, I have some little knowledge of this area, and I want to just put a few things on the record with respect to it.

The first thing I want to address is the last remark of the Member for Lakeside when he talks about scare tactics and fearmongering. In fact, Mr. Deputy Speaker, there was no suggestion at all - and I have the resolution in front of me - that the Premier, in introducing this resolution, was doing anything else in terms of the resolution but talking about the future impact, referring of course to the record of facts in terms of the amount of money saved by generics in Canada in order to project the likely impact of the proposed change between now and 1995. That particular portion of the

resolution talks specifically about the costs of delayed entry of new generics will be over \$2 million in the first year after the changes, and could total \$44 million by 1995. That was with specific reference to new drugs. So let not the Member for Lakeside talk about the Premier of this province in those terms when, as a matter of record, he was being very clear what was being talked about.

The second thing I want to draw to your attention and to the attention of the Member for Lakeside, is this nice little sleight of hand by talking about the benefits to Canada. Let's be absolutely clear; whatever benefits - and I'll come back to that - may accrue are benefits to Central Canada at the expense of the Prairies and at the expense of the Maritimes.

It's the same old game that's being played at the expense of Western Canada, time and time again, on behalf of the multinationals and their branch plants in Ontario and Quebec. All of the 15,000 employees in the pharmaceutical industry in Canada are concentrated in Quebec and Ontario and there isn't the slightest suggestion that there will be any transfer of that industry to Manitoba; but we know, categorically, from the record, that Manitobans, and particularly senior citizens in our Pharmacare Program, will pay from our pockets to the branch plants of the pharmaceuticals in Ontario and Canada. Nothing changes. There's no reason why you should support it.

And the Member for Lakeside keeps on telling us in that wonderful philosophical manner of his, "If it ain't broke, don't fix it." Well, I want to tell you, the system up till now, since 1969, not only ain't broke, it's worked wonderfully well. So why this sudden lust and thrust to change it? Because - and the President of the United States emphasized the question of intellectual property in the free trade context - the giant pharmaceutical manufacturers are putting on pressure like no one has ever seen before in order to do this.

No one would deny them the kind of economy in which we exist. What is being sought to do is to defend super profits. When valium, for example, can be obtained in a generic copy for 2.31 per thousand tablets here, and in the U.S. for 349.93, we know that we're not talking about developmental costs which for that drug have been paid for 20 years ago. We're talking about super profits.

When I hear the pharmaceutical manufacturers, these giant international cartels, saying - "Oh, we're so anxious to spend on research and development; please give us the chance to spend on research and development. Just give us the blank cheque." - well, whose money do you think they're going to be spending on research and development? They're going to take the money out of our pockets, give us back a tithe or a tenth of it, and say, "Look how nice we are."

The notion that since 1969 till now, because of the present system that we have, the compulsory licensing under The Patent Act, there has been no research and development, that life-saving drugs have not developed, is palpable, patent, egregious nonsense and you know it. You are rising to defend an action, an indefensible action of the Conservative Government, which only reached its present stage of development because the President of the United States and his legions insisted that that has to be done as a price for the free trade package that the Prime Minister of this country feels

is going to be his political salvation. There is no question about it. There is no question about it at all.

Developmental costs have been covered for these drugs - very few of them, incidentally, which are life-saving. I mean that's always thrown in. They do the Florence Nightingale kind of scenario for us when they're talking about some "robber baron" instead. The developmental costs have been paid for time over time over time, again and again and again. There's just no question about it. - (Interjection)- Well, yes. Well, an aspirin, it turns out, on analysis, to be something closer to a killer drug than even a painkiller, Mr. Deputy Speaker.

You know, the members opposite, in rising to defend federal legislation, that's all they're doing. They really don't understand the issue. They really haven't researched the issue. They haven't read the Eastman Report. They're not aware of the statistics. They haven't paid any reference at all to the concentration of the industry in Canada, in Ontario and Quebec, mostly in Quebec. They haven't paid any reference at all to the fact that the money will be paid out of the pockets of the people of Manitoba and the western provinces in order to maintain jobs in Ontario and Quebec.

Even on that, let me digress for a moment. What we have from the pharmaceuticals and from their spokespersons in the Government of Canada and across is the notion that unless we do this, those 15,000 jobs are going to disappear. That is blackmail; that's absolute patent nonsense from the patent drug industry. It is absolute nonsense. Do you know why?

Examine the economics of drug manufacturing, even through the branch plants. They're making so much money they wouldn't close down one branch plant. They'll threaten to, they'll do a little bit of smoke and mirrors by moving one branch plant from here to there to frighten a few communities and to send fears and trembling up the backs of the Member for Sturgeon Creek and others there, whose deference to the captains of industry is nauseating at times. I mean we're talking about "robber barons" - that's what we're talking about - living off the illness and the ailments and the pain and the suffering of the people of this world, and wanting to maintain a monopoly position in there when the facts are absolutely unmistakable.

Over the 16 years of compulsory licensing, jobs in the drug industry in Canada - and I'm talking about the pharmaceuticals, leaving aside the generics - have increased not decreased. New drugs have come onto the market in ever-increasing numbers and haven't decreased. The super profits of these industries, there's no more profitable industry in the world than the drug industry because it lives off the pain and suffering and fear of people.

And you want to give them more? You want to give them more, and then you talk to us about us scaring the old people? What you're showing is your contempt for the seniors of this province, and you are afraid not of what we're saying, but of what they are thinking and what they know.

I talk to a lot of seniors in my constituency - (Interjection)- Yes, I do, I'm one of them myself, very close to it. I go around and I talk to them and I don't ask leading questions. I say, "How are you; how are your children; how are your grandchildren; what's new?" and they say, "Do you know what they're trying to do, that rotten bunch in Ottawa?"

They know - they've been around a long time and they're the pioneers and builders of this country and they've got a lot more political sophistication than you give them credit for - they know the difference between Florence Nightingale and a "robber baron," and don't think for a moment they don't. All one has to do is show them the facts; indeed, they have the facts and they know precisely what is being talked about.

(Madam Speaker in the Chair.)

Madam Speaker, the fact is that not only with insulin, not only with the Salk vaccine, but most of the major significant developments in the significant drugs have been developed through the university base, and it's true - I would be the last to deny it - that significant research grants are given to the university base by the major pharmaceutical manufacturers. Why not? It leads to the kind of product from which they can profit - why wouldn't they? - and they will continue to.

But you know what builds up research in a university is not so much the research grants that are obtained from particular companies as the kind of people that you have working in those establishments, who build a research department because of their skill and their knowledge, they are not there to do their work on behalf of narrow interests and they don't.

My colleague, the Member for Kildonan, when he has a chance to speak, will be able to point out, I'm sure, other examples of significant drugs that have been developed on the university base. Indeed, sometimes a startlingly good individual, like Dr. Mark Nickerson, who came here in the Fifties from the United States, and started with the research department of one and built it into a research department of 50, was able to attract grants in the climate that has existed in this country with respect to the manufacturing of drugs because of the quality of work that was being done in the university base, not because of some super profits that were being promised to the monopolists in this particular area.

They talk about the - and this may be my concluding remark - private sector putting up risk capital. Indeed, in some instances, the private sector does and have to factor that into their cost. But with respect to research and development, in the first instance, most to my knowledge, research and development costs are written off as part of the cost of the operation. In terms of the operations of those particular companies making, as I say, super profits, measured in return on the capital base of 30, 40 and 50 percent, I mean, we're talking big money. They have a profit before tax which indeed they are more than anxious to have written down in terms of their research and development. They will continue their research and development to the extent that they do any additional research and development in Canada, and there are no real guarantees of that at all in the legislation. It's going to be paid for by the extra money they take out of the pockets of Canadians, in general, but specifically, out of western Canadians in particular. Let there be no doubt about it.

You people are making a very serious political error in supporting this legislation. You're doing it as you were doing with respect to the sugar beet policy in order to support your federal colleagues. At times, when it's uncomfortable, you try to distance yourself from

your federal colleagues. But the game washes thin, when we see time after time as with sugar beets, and now it's with pharmaceuticals, that you're trying to bail them out.

The people of Manitoba will not be fooled on either one of those. You're making a grievous political error because you are fundamentally committed to the Mulroney government; there's no mistake about that. Even more, on the long-term basis, you're fundamentally committed to the notion that these "robber barons" of the monopolies of the world are the great benefactors of society. That's what you've been repeating time and time again in your speeches on this issue, and your defence of the notion of risk capital.

I'll tell you what it is with risk capital in this particular industry and I have studied it. The Member for Lakeside, of course, comes from a very moral background, but you know that's a long time ago, I understand that. He may not have played -(Interjection)- Atheist, he called me an atheist, my God, so to speak - atheist, oh, my God! It was a wonder I was able to swear my oath of office as an atheist. Think of another one.- (Interjection)- There you are, Communist, atheist, now we're getting it. What next?

But I was going to say - the Member for Lakeside doesn't take offence when I talk about him personally; he just doesn't want the public to know that I know him that well. I don't know if you've ever played dice. No, have you? You don't have to admit it. But, you know, a good crap player, and these pharmaceutical monopolists are good crap players, how do they do it? First of all, the dice were loaded to begin with. So they throw the dice, and then they continue to let the pot swell a bit. Then they clinch as it's called - right? They take back everything that they invested to begin with, but they've still got other people's money in the pot. Then sure, they're prepared to take risks with other people's money.

I was in the Army, I know quite a bit about that.

MR. D. ORCHARD: Whose Army?

HON. R. PENNER: The Member for Pembina says "whose Army," knowing full well which Army I was in, and he shouldn't denigrate the Canadian Army. I volunteered to join the Army the day I turned 18, so don't tell me about that.

But, you know, that is the point that I've been making, namely, that the money they say that they're prepared to "risk" in the development of drugs is the money that comes out of the pockets of the people of Canada, and will come out in the main from the pockets of the people in other than the central provinces of Canada. That political error that you're making will be driven home again and again, let there be no mistake about it.

MR. D. ORCHARD: Madam Speaker, I am pleased to enter the debate, particularly after we've heard the rhetoric of "robber barons" and multinational, all the usual ultra left-wing rhetoric that only the Attorney-General will be able to articulate to the dotting applause of some of his lesser lights over on that side of the House, who just love it when the Attorney-General gets into his multinational, "robber baron," corporate welfare

bums, all of the good left rhetoric that dotting Sams on the government side of the House love the Attorney-General to get into.

Madam Speaker, the Attorney-General, I'm sorry he isn't here to answer the question because probably he could, but I wonder how many life-saving pharmaceuticals we've ever imported from the USSR in their research and development program. The Attorney-General might be able to answer that, but I don't know whether anyone else can.

Madam Speaker, my honourable friends opposite seem to think that something is funny in terms of the debate on this resolution because they're yapping and chattering and giggling away from their seats. But, Madam Speaker, I guess there is room for open discussion on this bill. Because, as I understand it, it was a bill that was worked on by a previous Liberal administration, a concept was worked on by them and was further advanced by the current administration.

Now, presumably in comments that I believe have been mentioned by the Liberal leader in this House, that her reason now that the federal Liberal Party is not supporting it, is because all the protection has been withdrawn that they had worked into the bill or some such rationale. I'm not prepared to debate right or wrong on that. I suggest the Liberal Party in Ottawa is taking away the support for a bill they originally created, because they see quickly the mistruth campaign of the New Democratic Party may be undercutting their support in the left wing. So that the electorate of Canada appears, according to polls, if we believe polls nationally, that the New Democrats are picking up, therefore, John Turner and the federal Liberals must do a me-too on this Patent Act. It appears that way.

But, Madam Speaker, I simply want to point out to my honourable friends opposite, that the NDP position on the federal legislation to change The Patent Act has been foremost an effort at scare tactics; scare tactics, the special interest groups, senior citizens, etc., etc. If you see the kind of letters that are sent out by federal Members of Parliament, NDP federal Members of Parliament in this province, they talk of several thousand percent increase in drug costs as a result of this legislation.

No. 1, that's not true, Madam Speaker. But it does fit with the New Democratic Party standard mode of operation of fearmongering, scare tactics - don't ever tell the truth to the people of Manitoba when you're sitting in Opposition in Ottawa, but merely raise fears about this legislation. When you have people frightened and afraid, they won't listen to any other side of the argument.

First of all, Madam Speaker, I am not saying that the federal legislation is perfect, that it does not need amendments. Lord knows, after watching five years of NDP bungling in this Legislature, I know that when governments introduce legislation it often needs amendments. Ask any Cabinet Minister over there and you will find that most of their legislation of major intent has to be amended. Ask the Minister of Agriculture how many times he tried with major pieces of legislation.

So, Madam Speaker, I'm not saying the legislation, as drafted, is perfect, but what I am saying is that conceptually it does something that all of us in this country should want to see.

Conceptually, this legislation is designed to put Canada back into the research and development field of pharmaceutical production. Now, Madam Speaker, that may not be an objective that is lauded by the New Democratic Party, but is one that most Canadians would like to have as part of the business fabric, if you will, the investment fabric of this nation.

Madam Speaker, let me just deal briefly with the resolution itself. The first "WHEREAS" has a qualifier in it which says, "the availability of safe pharmaceuticals." Madam Speaker, when you ask for safe pharmaceuticals, what are you asking for? I presume you're not wanting any more thalidomides to be licenced and I tell you there won't be anybody who would disagree with that.

But, Madam Speaker, what does that entail, to produce safe pharmaceuticals for consumption in this nation? It requires a great deal of research and testing which takes untold amounts of money before new pharmaceuticals reach the consumer market, you and I who may need it.

Now, the Attorney-General, when he talked of robber barons in the pharmaceuticals and those multinationals and the Industry, Trade and Technology Minister - imagine that, Industry, Trade and Technology, all of the things that we're talking about in this bill, sat there giggling and tittering in support of the Attorney-General when he was mentioning robber barons in the pharmaceutical company.

Would either one of those Ministers be laughing and giggling and tittering if they were in a life-threatening disease position for which pharmaceuticals developed by those same robber barons were available to cure them? Would they, on the principle they so eloquently espoused this afternoon by the Attorney-General, giggled at by the Member for Rossmere, the Industry, Trade and Technology Minister, would they on principle refuse those life-saving drugs if they needed them? Oh no, Madam Speaker, they would be the first ones to gulp them down with a drink of water to save their lives. But the moment they were cured, they would get back on the bandwagon of robber barons in the pharmaceutical industries, the multinationals that just saved their lives, they would stand up on their first healthy breath and decry the ability of those companies' profit.

Madam Speaker, the Member for Rossmere says, huh, huh, huh, you are so dumb. Madam Speaker, he is dumb if he doesn't understand through his portfolio of Industry, Trade and Technology, all three involved with this bill, that it could have benefit to Manitoba if there was anything but a New Democratic Party Government in this province. Madam Speaker, I'll explain that later on.

Madam Speaker, this resolution further goes on to say that it provides few alternative benefits to Canadians. Now notice, Madam Speaker, it doesn't say no alternative benefits. The NDP have even had to move slightly and say, yes, there are benefits to this legislation, and having admitted that, Madam Speaker, they turn to the first RESOLVED and say that they must withdraw the bill completely. I guess that's where I have my difficulty with this New Democratic Party and its position.

Because, Madam Speaker, if this legislation has future benefits for Manitobans, for Canadians, why would a

New Democratic Party want it simply withdrawn. If they have not said there are no alternative benefits, if they had said that in the resolution, I could agree with their request to withdraw the legislation, but they are admitting there are benefits to that Patent Act changes. They are admitting it, but yet they don't want to see any of those benefits for the people of Canada.

I would support a position if my honourable friends could come across and say, these are the amendments that should be made to the legislation. But oh no, they don't say that. They simply say, throw it out entirely. There is nothing good about this in their opinion, except they didn't say that in the resolution. They said there are few alternate benefits, i.e., there are alternate benefits. But they are willing to throw all of those out so that they can continue with their fear-mongering campaign amongst the people of Manitoba, particularly the senior citizens so that they can continue their robber baron bashing, their multinational pharmaceutical bashing and now, the newest revelation, their bashing of Central Canada. That's the new goal, to defeat this. They say all of these things will benefit only Central Canada.

Well I wonder, if their federal leader, who would not stand up in the House of Commons and refute the awarding of CF-18 to Montreal, would also agree with that statement made by the Attorney-General of Manitoba that, because all the benefits are going to Ontario and Quebec, this legislation shouldn't be passed, or would we see another flip flop by our New Democrats provincially and a flip flop federally. Would they be on two different sides of the fence and would they, when the New Democrats got the Premier of this province down to a convention in Montreal, would they have the Premier back down on this resolution as they got him to back down on the CF-18; because, after all, this New Democratic Party believes they can make some breakthroughs in Quebec politically?

So now, all of a sudden, what is important to Quebec, like the CF-18, they will silence the Premier of this province at their national convention as they will silence him on this resolution, because Ed Broadbent and the Federal New Democrats hope to win seats in Quebec and Ontario. So let's not try to fool the people of Canada and the people of Manitoba that you're doing something beneficial. This is cold, raw, opportunistic politics that you are putting to the people of Canada through a fear-mongering campaign of immense proportion and incredible distortion and incredible untruths.

Madam Speaker, what are we talking about? We are talking about patent protection. That's what we're talking about in this legislation. The examples and the information given by New Democrats provincially and federal M.P.'s would leave you to believe, Madam Speaker, that passage of this legislation will increase the cost of existing generic drugs. That's what you are led to believe by the proponents of the NDP position on this legislation.

Madam Speaker, I cannot use the language that describes the untruth of that statement, because I would be called to order by yourself because the word that fits it properly is three letters, it starts with "I," its middle letter is "i," and its third letter is "e," but I can't use that. That is what it is, it is not truthful. Yet the people of Manitoba, the senior citizens, if they listened to New Democrats, would believe that existing

generic products that they use are going to go up in price because of this legislation. It's not factual. It's simply not factual.

Madam Speaker, I want to just mention one thing in terms of what patent rights will be protected. At present only 15 percent of new drugs introduced into the market are copied during the first 10 years, and what does that 10 years ring a bell in? That's the amount of patent protection that's being extended, 15 percent introduced are copied during the first 15 years.

In fact, of the 145 new drugs that have entered the Canadian market in the last seven years, because that's the existing provision, only one has been subject to generic competition. We're not thwarting any industry with this legislation, Madam Speaker. We're not preventing any generics from coming into this country. We're not denying the benefits to anyone that exist today with the passage of bill - I won't give the number because I might not have it right, but this legislation in Ottawa - we're not denying anybody anything. As a matter of fact this legislation has a very strong price review component in it, so that if any company tries to gouge their drug prices that are subject to review, this probably has more price protection involved than the existing system and there may be substantial savings from that Price Review Board alone. Only time will tell.

But our NDP friends want that all thrown out because of their fear-mongering campaign with the senior citizens. I can't agree with that, Madam Speaker.

Madam Speaker, what are we facing in terms of health costs? Modern man today, modern mankind today . . .

MR. H. ENNS: Personkind, personkind.

MR. D. ORCHARD: No, no, mankind is still a word, is it not?

A MEMBER: Yes, it's still alive.

MR. D. ORCHARD: But modern mankind today, in most of the industrialized nations, has a substantially lengthened lifespan. Women still outlive us, but nevertheless we're all living a lot longer. Why? Well, there's been advancements in our lifestyle, in food, and a number of things, but, Madam Speaker, I think something that has happened is pharmaceuticals, prescription drugs, which have saved lives at birth, in the very young years through immunization and vaccinations, through pharmaceuticals used to cure illnesses that used to kill you. It was only 45 years ago when pneumonia often ended up in death. Are we forgetting that?

And, Madam Speaker, what has given us our opportunity to live longer, more vibrant lives has been in some degree those robber baron-multinational pharmaceutical companies that the Attorney-General and those of his present political persuasion tend to like to hate. But those robber baron multinationals, Madam Speaker, have given us the opportunity to live longer and to live healthier.

They have provided pharmaceuticals that the senior citizens today allow them to enjoy a lifestyle without the acute pain of arthritis and other debilitating diseases. Those are the benefits that the robber baron-

multinational pharmaceutical companies and other research organizations have given to the people of this nation and the people of the free world in general.

Now what's in danger right now in the free world, nationally, is the whole aspect of what we are able to do with patent protection. And I digress slightly, Madam Speaker, from the strict pharmaceutical area because I'm not aware of whether this happens in the pharmaceutical industry, but I simply give you an example as given to me by an individual who works with Hoechst Corporation, which is a major farm chemical manufacturer in West Germany.

The Hoechst people have developed a chemical called Hoe-Grass which is used extensively in the farm community today for a diversity of weed control problems in the farm economy and, I have to say, has probably contributed to the feeding of many millions of hungry people throughout the world because of increased production on our farms. Madam Speaker, their chemical is patented for a given number of years and then through some more testing, etc., a generic copy may eventually be made of Hoe-Grass.

But the one thing the individual at Hoechst Corporation told me was that one of their problems is that the Chinese and the other Eastern Bloc in the Communist Nations will simply buy some pails of Hoe-Grass, tear it apart in their labs and make it themselves without paying any due respect to the patent laws that are international patent laws. They simply copy it.

Now, Madam Speaker, those on that side of the House may say that's great because the Chinese or the Soviets need grain production. Well, as they say that, remember that both of those countries are substantial customers of our Canadian farmers, and our Canadian farmers are availing themselves of Hoe-Grass at substantial cost required because we put laws in place to protect our consumers so that the chemicals used in the farm industry are safe and effective and have no side effects.

Our farmers are using those chemicals and are paying for those development costs in the cost of every pail of Hoe-Grass, and the argument is there that they're paying too much; but nevertheless, whether we get involved in whether it's too much or too little, they're still paying for it.

And now we have the circumstance where the Chinese or the Soviets can take a pail of Hoe-Grass, develop it, and then use it to produce grain more cheaply and take the market away from our farmers who are required and are paying, because of the free-world system, the cost of developing that chemical.

Now is that the system that you want to see happen across this world?

A MEMBER: They do.

MR. D. ORCHARD: Of course, they do. And you can't take it away from and isolate it just in the farm community. If it's happening there with farm chemicals, I know it's happening in pharmaceuticals.

Now, Madam Speaker, that's what we did in 1969 in Canada, is we allowed generic duplication of pharmaceuticals. At the time we did that, the rationale was that we could lower the price to our consumers, which happened. But at the same time, Madam Speaker, how many countries in the world can do as we did in

1969 before the pharmaceutical companies in Great Britain, before the pharmaceutical companies in West Germany, before the pharmaceutical companies in France, before the pharmaceutical companies in the United States of America say, "I'm afraid we can no longer undertake the multi-billion dollar efforts of research into developing new pharmaceuticals for the benefit of mankind because we simply cannot recoup our costs because countries are willing to allow their generic manufacturers to take our research products and duplicate them without any compensation for our efforts in development and research."

It might be fine for Canada to do it as an individual nation right now. But what happens when Mexico does it; when all of South America does it; when all of South Africa does it; and Africa, period, does it? Not just South Africa but Africa, period. We already know that the Communist Bloc Nations have no particular adherence to patent laws. They're probably doing it already. But then what happens to the loss of the revenue pools that are going to provide future research and development into new chemicals?

And I ask my honourable friends opposite: what are we facing today? We're facing growth disorders among individuals. We're facing mental health problems, we're facing diabetes, we're facing cancer. We're facing rheumatism and arthritis amongst our senior citizens. We're facing heart disease, kidney disease. We're facing the unknown factor of AIDS.

Madam Speaker, are we saying, are we so comfortable with the status quo today that we are willing to say there should be no research into further pharmaceuticals which may help to relieve pain in anyone of those diseases or cure anyone of those diseases?

Is that what the New Democrats are saying today, that they are comfortable with the status quo that we do not have a cure for AIDS, and they're satisfied with the status quo that we do not have a cure for arthritis and rheumatism for our senior citizens? Are they saying that we're satisfied with the status quo and that no future research into pharmaceuticals should be done?

Because that's what denial of this Patent Act is saying to the people of Canada: we're willing to allow that research to go on somewhere else in the blind hope that it will continue to go on there before too many other nations pirate the kind of drugs that are made available to cure the AIDS, to cure the heart disease, to cure the kidney disorders, to cure the diabetics.

But they don't care about that, Madam Speaker. They prefer to live in the status quo. They prefer to have a fear-mongering campaign for political gain on the short run today while meanwhile sacrificing the long-term health of the citizens of this province and the citizens of this nation. That is what they're doing, Madam Speaker.

I have to tell you that I genuinely am sorry that the New Democratic Party today is of so little vision that they would want to promote future human misery amongst the citizens of this province and this nation for the short-term, fear-mongering political game of the current misinformation campaign they are putting out to the people of this province and the people of this nation. Where is your vision for the future?

Madam Speaker, I don't need to talk anymore about NDP visions. Any vision this NDP Government has had

has turned into a nightmare for the people of Manitoba. So I don't have to tell you, Madam Speaker, about vision.

But by their intransigent position on this resolution - it does not say, Madam Speaker, that the bill should be amended - it says the bill should be withdrawn and thrown out. That means there is no opportunity to bring in a better piece of legislation if it is flawed. They just simply want it withdrawn.

So what the NDP, Madam Speaker, is saying to all of those university graduates of the University of Manitoba, or the University of Winnipeg, or the University of Brandon who are graduating in science with degrees that give them the capability of doing pharmaceutical research, I'm sorry future graduates, future researchers of Manitoba, we're not interested in having you do anything. We don't value what you can do for the future of this province or this country. We don't want you to locate anywhere in Canada. We want you to go down to the United States, to go down to Minneapolis and join pharmaceutical research firms in Minneapolis. We want you graduates in Manitoba to leave this country and go to the United States. That's the vision. That is the future that a New Democratic Party offers to Canada and to Manitoba graduates in science, who have the capability, the brilliance, the talent, the intelligence, the training, paid for by taxpayers in this country, all of those things paid for by the taxpayers, they want them to leave this country to practise their trade. That's what they're saying.

If they're not saying that, Madam Speaker, then I detect another more ominous thing and I want my New Democratic friends to clear the air. They are saying, well, it maybe isn't that we don't want pharmaceutical research in Canada, we maybe want it but we don't want it to be in Ontario and Quebec. Now, are you saying, is the New Democratic Party advocating a policy of separation in this country? Is that what we're talking about now, that if something happens in Ontario or Quebec that it's not good for the nation?

That's the kind of attitude, Madam Speaker, that brought the National Energy Program that squashed the economy of Alberta and I want to remind my honourable friends when that happened we were in government and they supported the Federal Government in the squashing of Alberta through the National Energy Program. But now, Madam Speaker

A MEMBER: Oh, you've got him riled up. You're getting riled up.

MR. D. ORCHARD: I'm sorry, I missed what stump-legs was saying there amid all the roar and baffle-gab coming from that side of the House.

MADAM SPEAKER: Refer to other honourable members by their appropriate responsibility.

MR. D. ORCHARD: I thought I had, Madam Speaker.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. ORCHARD: Madam Speaker, the Minister of Education has earned that reputation from twice having

the legs cut out from under him by his Premier and it's an affectionate name we have for him of "old stump-legs."

MR. H. ENNS: Actually some of us call him stump . . .

MR. D. ORCHARD: . . . but I suppose I shouldn't use that and it's on the record and I apologize, Madam Speaker.

MADAM SPEAKER: That's right.

MR. D. ORCHARD: It's an affectionate term we have and we shouldn't use it in this House, I realize.

Madam Speaker, one thing that will guarantee the NDP's greatest fear that if and when this legislation is passed, that the research is done in Ontario and Quebec, is their position on this resolution because they have essentially said in this resolution, research companies in this country need not apply to come to Manitoba. That's what they're saying in this resolution. The NDP are saying to - I don't know how many companies there are - any pharmaceutical company that would undertake research, don't do it in Manitoba, don't come to Manitoba, because we don't support the efforts you're trying to do. We don't believe in what you're doing.

So what the NDP, in their position on this resolution has done, is they have said you're not welcome in Manitoba and made them more welcome in Ontario and Quebec where they fear all the research is going. Well, Madam Speaker, I find that difficult to agree with. I find that difficult to understand why a New Democratic Party Government who wishes to have job creation investment in this province would have such a negative attitude towards their ability to attract those kinds of research jobs to Manitoba. Why would they not want to have them here? Why would they not want to have research jobs associated with the private sector marriage of researchers from private sector married with research at the University of Manitoba? Why would they not want to have that, Madam Speaker?

That's why I said earlier on, when the Minister of Industry, Trade and Technology giggled and tittered at the robber baron analogies from the Attorney-General - it just tickled his fancy. This is the man who is supposed to be guiding this province in industrial development and in research and in technology. What industry represents research, jobs and technology more than pharmaceutical research? And he giggled and tittered from his seat at the stimulation by the Attorney-General.

Madam Speaker, now the Minister of Industry, Trade and Technology has asked the appropriate question, how many jobs will this provide in Manitoba? This is the NDP solution - none, because this legislation won't pass and that is what we're saying. Ye, who are so blind, you cannot see, have finally answered your own question. None. Because you opposed this legislation upon which has hinged research, jobs, investment and dollars in this country. That's why you can correctly say no jobs will be created in Manitoba because you don't want it to happen.

Madam Speaker, isn't that an incredible admission for the Industry, Trade and Technology Minister of this province to make, that he does not want any jobs

created in research and development in the pharmaceutical industry in this province. And that is exactly what he said and that is exactly what his Premier said.- (Interjection)- The Member for The Pas said that isn't what we said. Read your Premier's resolution. He wants this bill withdrawn, not amended; he wants it withdrawn. So what you people are saying is you don't want any research in pharmaceuticals done anywhere in Canada, let alone Manitoba.

Now, Madam Speaker, I find that rather short-sighted. I find that rather opportunistic by my honourable friends in the Opposition because they are playing on the fears of senior citizens and others in this province for short-term political gain on this resolution and on this federal legislation purely to try to fatten their political fortunes in the next federal election. They have not a wit of a concern for any Manitoban or any Canadian who can be helped through the development of new pharmaceuticals through the research that would be done in this nation with the passage of this legislation.

No one on that side of the House yet - Madam Speaker, how much time do I have left?

MADAM SPEAKER: The honourable member has nine minutes.

MR. D. ORCHARD: Excellent.

Madam Speaker, no one in the New Democratic Party has yet said one single word about one very important component of this legislation and what it can do. The purpose of this legislation, I suggest, is to have us in a position in this nation, where there is research into new pharmaceuticals; pharmaceuticals that can maybe provide a cure or relieve pain from any one of the number of diseases and conditions of our society that exist, ranging from AIDS to heart disease, kidney disease, growth disorders, diabetes and cancer. Now, we're talking about pharmaceutical research to develop cures and/or relief to any one of those.

Madam Speaker, how short-sighted can the New Democratic be? They profess concern about future health costs. What would save the Minister of Health more, Madam Speaker, because I want to tell you the Minister of Health just this week - pardon me, last week - told us that every AIDS victim in Manitoba will cost us between \$85,000 and \$100,000 per year medical costs. If the pharmaceutical industry comes up with a cure for AIDS, those robber barons, those pillaging multinationals, if they come up with a cure for AIDS, that saves us \$100,000 per year in medical costs for AIDS victims alone. So no one on the NDP side of the House has talked one word about the future saving to the health care system with a development of new pharmaceuticals that cures the disease. They just want to scare and put their fear-mongering tactics which they are adept at, skillful at, and very good at. That's all they want to do, but the Minister of Health in a moment of quiet reflection I think would say, yes, we can save money with the development of new pharmaceuticals, and we would have the benefit in Canada, if we developed them here, of having those kinds of patent revenues flowing to Canada to do further research.

What is the matter with that, Madam Speaker? What is the matter with that? Because it has been estimated

- and I will use this estimate and I will tell you that it came from a discussion I heard by the Federal Government. So I naturally want to identify the source so that my honourable friends can deny it.

But it has been said by federal proponents of this legislation that increased costs, yes, will occur, because now there is a lengthened period of time before generic duplicates can be made. Therefore, there will be some price increases. But they guesstimate that will be approximately \$2 per person per year, somewhere in the area of \$2 to \$3 per person per year. Madam Speaker, I have a family of five, and I'm willing to donate my \$15 right now, Madam Speaker, if someone can provide a pharmaceutical that will provide relief to my mother-in-law's arthritis, as one example alone and a small one. And I will put my \$15 up every single year in the pharmaceuticals that I buy, and I'll put up \$20 every single year for the pharmaceuticals I buy if some researcher in this nation, through this legislation, will find a cure to AIDS which is going to kill literally thousands of Canadians before this century is over. Madam Speaker, I will pay my \$15 to \$20 gladly for my family every year, if someone comes up with a cure to the kind of kidney disease that took my mother's life in 1975.

Madam Speaker, this is what we are talking about. This is not a multinational-bashing piece of legislation. This is a piece of legislation that deals with life and suffering. The New Democrats want to have no truck or trade of legislation which can, in the long run, provide the research capability so that Canada will take on research into the development of new pharmaceuticals that will cure disease, prevent suffering and prolong life. I can't be against that, Madam Speaker.

I say to my honourable friends opposite that this legislation may well not be perfect, and I give them the example of many pieces of legislation they bring in which need amendment. But, for heaven's sakes, use some common sense and use some vision for the future, and suggest those amendments so the legislation is made better, instead of crawling back into your 19th Century position of hating the multinationals and saying it should be withdrawn entirely, thereby denying literally thousands of young graduates opportunities in high-technology research in the pharmaceutical industry, because that's what you're doing. That's what you're doing to our Manitoba graduates.

Madam Speaker, we have been chastised and we have been challenged by members opposite. The Member for Kildonan, I believe, was one. He said, just for once, don't agree with your federal party; just for once show you're different. Well, I would suggest that message could be given to the New Democratic Party in Manitoba. Separate yourself from Ed Broadbent and his fear-mongering campaign to get more votes for the next federal election, and do what is right and what is principle and what is correct for the people of Manitoba in the future. If there are amendments that need to be made, propose them, but don't throw the baby out with the bath water, because that's what you're doing with your 19th Century rhetorical response to this, that it's multinational, it's - what was the word that the Attorney-General used? Oh yes, the "robber barons," sort of the corporate welfare bums. Why are you still in that mentality? This is the 1980's, and Manitobans and Canadians want better health. They want new

pharmaceuticals; they want life-saving drugs; they want drugs that will relieve suffering of themselves and their loved ones.

This legislation is one small step to providing that. It may not be perfect, but don't reject it completely. Simply suggest amendments if you see flaws, and get on with the job of bringing Canada into the 21st Century in research in pharmaceuticals and life-saving drugs. Stop your political posturing for votes to be gained over the next year-and-a-half to two years, and start showing some vision for the future and some concern for Manitobans yet unborn and for senior citizens yet to come, who may well enjoy the quality of retirement much better if they have new pharmaceuticals available to prevent suffering and relief from such things as arthritis, heart disease, kidney disease, and I go on and on and on.

Stop being short-sighted; stop being political opportunists. Start being responsible governors of this country, and stop supporting blindly your federal party's ambitions to take control of the Federal Government. Just start telling the truth on this legislation. Quit your fearmongering, and get down to the business of governing for the future of this province and this country.

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Madam Speaker, it's always a delight to follow a member opposite after a 40-minute flurry of rhetoric and of condemnation from the highest and the loudest of his voice that he's capable of.

Madam Speaker, the issue before us today is Canada's landmark legislation. It was passed back in 1969, which gave a break to Canadians that other citizens of other countries around the world are asking for as well. That's one of the prime reasons why there's such a lobby from the pharmaceutical industry and all the way up to the United States President to try and get Canadian's protective legislation thrown out. That's what we're discussing here today.

When the Member for Pembina talks about fearmongering, who is fearmongering in this Chamber, if he's running around the countryside - and I'm sure he is - telling people that, if we don't get this change in legislation, people with arthritis aren't going to get any treatment; that there's no possibility of a cure for people with AIDS in Canada because the drug won't come into this country; that people with cancer can't expect any future drug development worldwide which will be of benefit to Canada, because the companies won't send the drugs into the country. That is what is fearmongering, Madam Speaker. It's not fearmongering to tell the people of Canada what the additional costs are going to be, Madam Speaker, if this poorly-drafted legislation goes ahead that the Federal Government is proposing today.

The fearmongering, Madam Speaker, is coming from the members opposite, not from members on this side. We are not telling anybody that the cost of existing drugs is going to go up with this legislation, the drugs that they are getting from the generics. This only applies to new drugs that are coming in, and we recognize that. But what we're saying is that the future cost of those drugs will not have a chance of a snowball in

Hades of coming down without generic competition. That's what we're talking about.

We're talking about the bloody future, but you people unfortunately can't see, and that's the sad part about the members opposite. Sit down, Jim, you don't have a point of order, and you know it. You won't have a point of order. He never has a point of order, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Member for Arthur.

MR. J. DOWNEY: Mr. Deputy Speaker, on a point of order.

The member made reference to the fact that they haven't said that the drugs that are now under the generic laws of this province will have an increase in price. I ask him where in the resolution it says that.

MR. DEPUTY SPEAKER: The Member for Arthur knows fully well that Rule 42 says: "When a member is speaking, no member shall interrupt, except to raise a point of order or a matter of privilege." There is no point of order.

The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Deputy Speaker.

As projected, I believe the Member for Arthur is probably going to follow me anyway, so save his questions and his rhetoric for that, rather than trying to interrupt debate.

The Member for Sturgeon Creek just had a brilliant suggestion saying that, without this legislation, there will be no new drugs come into the country. Is he saying that, with the legislation we've had in since 1969, there have been no new drugs come into the country? Is that the kind of fearmongering that the Member for Sturgeon Creek is running around telling his constituents? Is he going into senior citizens' homes or going to the hospitals and telling people, without this change in the legislation, no new drugs are going to come into this country?

A MEMBER: Fearmonger.

MR. D. SCOTT: Come on, be a little bit serious, be a little bit honest with yourselves, just a little bit honest for a change, with yourselves, as to what is happening with this legislation.

Has Canada been an area, since 1969, that has been the backwater of the world as far as treatment for our citizens? We've been at the forefront and the people in this country have a heck of a lot more access to medical treatment, including drug treatment, than the citizens of a country that they pay homage to constantly, south of the border, where most of the people cannot afford to be able to have any kind of decent medical care, cannot afford to buy the insurance premiums to protect them from medical care, cannot afford to purchase the behind-the-counter drugs because of the incredibly high cost of those drugs in that country.

Don't tell us about the difficulties that Canadians are going to have if we persist with the current legislation that we have in the books of the Government of Canada and the laws of this country, that the people of this country are going to have a lower level of health care

than those in the United States because a new drug is developed in the United States when the people of that country, most of them don't have access to the drug. That's the sad part. You never reflect that; you never talk about that whatsoever, that people in this country will have access to it.

One of the things of the members opposite, the other day, the Member for Riel, that I find rather repugnant, especially when the members opposite - and the Member for Lakeside this afternoon was on his feet talking about government expenditures and the costs of servicing a deficit and everything of which I have great concern over, great concern, Mr. Deputy Speaker - but when the members opposite make quotes in their speeches, and if this is a showing of their mentality of what they think about government expenditures when the Member for Riel, on page 795 of Hansard, on April 8 of this year, said - "Madam Speaker, 85 percent of all Canadians and almost 100 percent of senior citizens are covered by private and public health care plans which defray or cover totally the cost of prescription drugs." - what he is saying is that it's okay if a government has to pay the additional cost because it's not the individual paying the cost.

But it is the individual - that's what you tell us every time one of you members get up and talk about the public debt of the Province of Manitoba or of the Government of Canada. You're talking about expenditure control. You're asking us to cut back on everything except for subsidies and whatever your latest cry is for additional subsidies in increasing, or to the province moving in and giving the additional subsidies to whatever is your latest theme of the week to spend more money.

But, Mr. Deputy Speaker, you cannot call for controls on expenditures of the Province of Manitoba or of any other government and come out and make idiotic statements like this, that it doesn't matter how much the drugs are going to cost because the public is going to pay for it through the government. That's the type of response that scares me about the possibility of members opposite taking government.

On the one hand, as in their last election campaign, they'll throw money at everything under the sun, and on the other hand, they're talking about withdrawing programs, totally eliminating programs - never restructuring for more efficiency. They never talk about that; they never give any kind of proposals.

The Member for Pembina was on his feet today criticizing this resolution - criticizing the resolution because the resolution does not give a proposal from the Province of Manitoba as to how the legislation should be changed. Yet when we ask the members opposite for constructive criticism, we never get it. We'll get criticism, but as the Member for Kirkfield Park said a couple years ago, it's not my responsibility to give you advice, to give you suggestions.

You know, you never accept any kind of responsibility yourselves to come forward with constructive criticism, with proposals, with suggestions to make changes to government programming. The only thing I ever hear from you is don't shut down this, increase the cost of this, increase the subsidies into this area, the feds are pulling out of sugar beets and Manitoba should move in and begin subsidizing further than we have for the last couple of years that industry.

A total lack of consistency, Mr. Deputy Speaker, and that's one of the reasons they have only won one election since 1965 in the Province of Manitoba, one of the reasons, and I'd say probably the most single important reason why they have not had electoral success because there is no consistency in their message in the House, in their message outside the House, and in their message in the electoral campaign. - (Interjection)- Well, the Member for Arthur just says that the reason is we don't lie to the public, referring to the Tory Party.

What was their last election campaign? It was "filled" was the word that he used - which I believe is an unparliamentary word - just "filled" with it. Compared to what their intentions are when you listen to them in the House here - no consistency whatsoever.

Mr. Deputy Speaker, in continuing with dealing with the resolution directly, the other aspect of where this whole law before this came forward, it comes back to 1983 or so, and I want to read for the benefit of all members of the House a speech that was given on April 11, 1983. It's only a short quarter page here, so I'll read the whole thing into the transcript and tell you who it was from afterwards. This took place in the House of Commons, and I quote:

"Madam Speaker, there was something smelly about the politics surrounding the Liberal Government's imminent resolution of the prescription drug war. I am worried about the real danger facing Canadian consumers. They may soon be paying tens of millions of dollars more than they do now for the price of good health.

"A critical question faces the Minister of Consumer and Corporate Affairs," - Mr. Ouellet at the time - "who must make his recommendation to Cabinet this Spring.

"Will the government allow Canadians to continue to be protected under section 41 of The Patent Act so that consumers may still buy generic copies of brand name drugs, or will the government bow to pressure from the world's largest multinational drug companies . . ."

The member opposite here a few minutes ago was talking about robber barons and multinationals and how members on this side of the House, every time we refer to multinationals, that there is some sort of robber baron rhetoric behind it. Well, here is another member of the House of Commons saying the same thing, and I'll continue with the quote:

". . . or will the government bow to pressure from the world's largest multinational drug companies which accuse smaller Canadian generic companies of piracy; in effect, of stealing the rights to drugs which the multinationals spent years and many millions of dollars developing?

"The multinationals are mounting an incredibly heavy lobby to get rid of section 41 of The Patent Act. That is understandable. But who should emerge as key advisor to the Minister of Consumer and Corporate Affairs and a lobbyist for the multinational drug companies? Why, none other than a former Liberal Cabinet Minister, the Honourable Martin O'Connell . . ."

If I may leave the text for a second - now they have replaced Martin O'Connell with another former Liberal Cabinet Minister, Judy Erola. So they're consistent. The drug companies' lobby is consistent in that they keep

getting ex-Liberal Cabinet Ministers. There are not enough ex-P.C. Cabinet Ministers in the country to be able to draw from, so I guess if they're going to get someone with Cabinet connections, they have to go to the Liberals. I shall continue:

"... Martin O'Connell, who worked until last January as a consultant to some major multinational drug companies and also the Pharmaceutical Manufacturers Association of Canada." - Mr. Deputy Speaker, the very people who are leading the lobby today - as Mr. Enns, or the Member for Lakeside, refers to - the robber barons.

I shall continue in the last paragraph of this quote from the Hansard of the House of Commons of Canada, April 11, 1983. I quote:

"I have some questions I would like to put, if I have the chance later this day, to the Minister of Consumer and Corporate Affairs, such as: will Canadians end up paying anywhere from one hundred million to a quarter of a billion dollars more on the cost of prescription drugs because of Liberal Party politics? How much money will Mr. Martin O'Connell be raking off?"

Now that statement, which the Member for Pembina and several of his colleagues would certainly decry as being fearmongering, he's talking of between \$100 million and \$250 million.

A MEMBER: Who said that?

MR. D. SCOTT: Well, it might be appropriate and I'm proud that the person's name was said. This was Scott. I won't necessarily back up the rest of his policies. I am somewhat saddened that I haven't heard his voice spoken recently on this issue since he has entered the government side of the benches on the House of Commons, but it's from Mr. Geoff Scott, Member of Parliament for Hamilton-Wentworth, Progressive Conservative. So here we have a person referring to multinationals that are robber barons. We have a person who they claim, the members opposite, is fearmongering one of their own members. They have their own fearmongering tactics that they used in this House just this afternoon, talking about people not having access to drugs in the future if this legislation proposed by the Government of Canada does not pass, which is absolute hokey and they know that. They should stop saying that to people, be it in hospitals, be it in their constituencies, be it in senior citizen homes or wherever. Don't run around trying to scare people telling them that they are not going to have access to new jobs as they come on the world market because you know darn well that they will have access to those. That is a sad dishonesty of the members opposite, some of them, not all, but most of members opposite when they get onto these. They shouldn't be dealing with this and shouldn't be trying to deal with this simply as a matter of rhetoric in ideological binds that they find themselves in.

The legislation for the Federal Government, I think, is a pretty slick type of legislation because it does not affect the drugs that people are buying today. So they're not going to feel the pinch right away, but down the road they're going to feel that pinch, and by that time it's going to be too late for the citizens of Canada to be able to react to the changes in legislation without

going through and moving back to our 1969 base type of legislation again.

The proposed legislation, at least, currently, the legislation takes probably a minimum of three years after a drug appears in the Canadian market and is registered in Canada for a generic company to be able to start producing that and marketing it. More likely you're getting up closer to seven years or so for most of them by the time they finish the various approval stages that are required, properly so, so that the people of Canada when they are taking their drugs, or taking safe drugs, are taking drugs that will not necessarily have a too drastic negative impact on the individual taking them and hopefully that they are targeted sufficiently so that there are direct benefits from taking that drug. So that testing already gives the brand name companies, the multinationals, three to seven years noninterfered marketplace with that product.

The Eastman Commission, in looking at the proposal to go between seven and ten years, before they would be allowed to have any duplicates, you can add to that, three to seven years. Possibly, he veritably said, even as much as nine years in addition to the minimum period because that period after the seven years is up for the initial application to be able to start producing the generic drugs, you still have to go through the approval process. So we're looking at 12, 15, 17 years from the introduction of a drug under the new proposed legislation towards when the Canadian people will start to be able to have a benefit from that drug by lower prices on generics. By that time, I would suggest, Mr. Deputy Speaker, that drug will be out of date, that drug will no longer be of any great use, that it will be supplanted with other more efficient drugs developed as the technology evolves.

Might I say that the technology evolves not simply through the benefit of the existing companies, be it worldwide companies or just Canadian firms doing the research, a good amount of that money comes from governments who assist in the research through the university labs, through the nationally-owned labs like Connaught Laboratories in Canada and other such institutions.

The new act proposes a review board. After four years the company is going to have to come to the review board only on the application of a consumers group to say the price they are paying for the drug is too high. They're saying that it's too high then, and the onus is on the consumer to come and show, Mr. Deputy Speaker, that the price is too high. The responsibility and the onus is not on the drug company to show that they cannot significantly reduce their price, that they can't significantly reduce the price of the drug.

If I could - yes, unfortunately I did misplace one of my notes. Just one minute, Mr. Deputy Speaker, I should be able to find it here.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. SCOTT: Well, I regret that I've misplaced a report, Mr. Deputy Speaker, that I wanted to use in my speech and it's disappeared from my desk somehow or other, but that piece of information that I had I'll have to summarize for members. It stated that a review board is essentially a useless mechanism; and the only

reason that the pharmaceutical companies were willing to accept the existence of a review board was because they knew it would not work. As far as review boards go, go back to 1969, 1970, 1971 when we had the Prices Review Board chaired by Madam Beryl Plumtree, and how effective was that? How effective was the Anti-inflation Board they had back then to review prices and wages and everything else under the sun? It did a fair job on limiting wages, but how much of an impact did it have on prices? It was scrapped. The government declared, Pierre Trudeau at the time, that they had inflation by the tail. But what it was really scrapped for is because the board was just another administrative arm of government which was not very effective.

So now we have the Government of Canada, Tories now, proposing another review board to look at none other than the cost of drugs only on the application of a citizen or consumers group saying that the price of a drug is too high. It does not require, it does not have the power even - at least Beryl Plumtree had the power to roll back prices - this review board is so toothless it doesn't have the power to roll back prices. It doesn't have the power to look into the cost of imported drugs to see whether the import price is too high. It doesn't have the power to make even price comparisons between Canada and other jurisdictions, or even within Canada, to say whether or not the price is too high.

And what kind of penalties are there, the heavy penalties, Mr. Deputy Speaker? The penalty is nothing monetary, nothing at all; it is only the threat of allowing a generic manufacturer to begin manufacturing that drug on a generic basis.- (Interjection)- Now, the Member for Gladstone says that's quite a threat. But I explained to you a couple of minutes ago that it takes anywhere from three to seven years for the generic company to be able to both develop the drug and then get it through the certification process. So they got three more years, or maybe seven more years, so you're now up to a period of four plus three, seven years; or four plus seven, possibly eleven years; of free unimpeded access to the market by that company, by the original company who introduced the product.

The Member for Pembina as well, another comment that he made, in reference to "don't throw the baby out with the bath water," well, I think I would like to reverse that and ask "you" not to throw the baby out with the bath water, the members opposite and the Government of Canada, because the baby right now is the advantage that Canadian consumers have in purchasing drugs at a substantially lower price with competition, which the members opposite all love competition, just love competition except if they have some sort of a vested interest perhaps or they want to protect a particular group, where they don't want to have any competition. Then they're against competition or against competition in the drug industry. They're saying that they're not allowed to have competition until such time as this review board would allow them to have competition, a toothless review board.- (Interjection)- He can read it in Hansard.

I've read back the comments that he made in the House. For the Member for Riel, I'll repeat it again. He said: "Madam Speaker, 85 percent of all Canadians and almost 100 percent of senior citizens are covered by private and public health care plans, which defray or totally cover the cost of prescription drugs."

MR. G. DUCHARME: That's right.

MR. D. SCOTT: He says that is right. Yet, at the same time, that is one of the members opposite who wants us to cut costs constantly, and condemns government waste, government spending. Then here he is, saying to the Government of Canada, go ahead and impose additional costs on the health care system of Manitoba; impose additional costs in the future on Pharmacare. That's the dummy. If there's a dummy in the House, it's the Member for Riel, and he's sitting in the appropriate seat to be using that kind of comment, in the Leader of the Opposition's seat. That's the most appropriate seat to make that kind of a comment.

So let us talk about what I would like to see happen for a few minutes as far as we're given an alternative. Can I have some order please, Mr. Deputy Speaker? The Member for Riel seems to have lost himself here. Order please.

Mr. Deputy Speaker, how much time do I have remaining?

MR. DEPUTY SPEAKER: The member will have 14 minutes.

MR. D. SCOTT: Fourteen minutes? Thank you very much, Mr. Deputy Speaker.

I'll try not to use it all, but I have fears that I just might go to the limit, just might go to my 40 minutes. I've only got another page of notes but, as you know, I multiply notes.

So, Mr. Deputy Speaker, what I would suggest that the Government of Canada do in changing the legislation - and I don't know that it's up to the onus of this Legislature to recommend a specific proposed change, as the members opposite are now asking - but I would suggest that the generic drug companies, or not generics but the brand-named, the multinational firms, when they bring a new drug into the market, should have some period of protection to be able to recover their costs with a fair return. The New Democrats have said that in this debate right from the start. I would suggest a period of some four years for them to be able to do that. I don't think that's unreasonable. Yet after that, to pick up the Eastman Report as well, the Eastman Report suggested that a 14 percent royalty be paid by the generic companies in the production of their drugs to the brand-name firms. I don't think that's inappropriate whatsoever.

I would add a further requirement, that the generics - and I haven't fully considered whether or not I would actually even include this into the other ones as well but I think probably, if I had enough time for full reflection on it, I probably would recommend it - is that there be an additional 5 percent or possibly 10 percent of the sales of the wholesale price of the drug must be turned back into research and development for research and development of drugs in Canada. This would set up a significant amount of funds to be used at our universities, in our main labs in the universities that do the bulk of the research, such as the University of Toronto, which was the home of the Banting Institute, which was the father essentially of the Connaught Laboratories presently - at least I believe it still is under the hands, if they haven't sold it off yet - of the

Government of Canada and the Canadian Development Corporation. It would provide a significant amount of money so that we would have greater drug research in this country, because the R and D in this country by the Canadian and international drug companies, the amount of R and D that's put forward is absolutely pathetic.

The foreign firms and the biggest firms, they have had virtually no significant increase in the amount of money they put into Canada for drug research. As a matter of fact, they put the bare minimum necessary, the bare minimum into research. I suspect that the bulk of the research that they do is towards the registration of their drug in Canada rather than towards the development of new varieties and new drugs in this country. There may be some of the latter, but a very small bit of the latter.

My dad, back in the 1930's and the early 1940's, mostly in the Thirties, spent a significant amount of time developing new drugs. Of most benefit perhaps to Manitobans and to the farmers in Manitoba, particularly at the time, was a vaccine for western equine encephalitis for giving to the horses. They sent out tens of thousands of doses of that serum to the Manitoba market in one of the outbreaks where they were losing a tremendous number of horses back, I believe it was, in 1939. It's a few years before I came on the scene.

But from discussions with my dad over the years, in looking at his work not only there at that small lab but also at the Banting Institute, it showed the role that the government had in those days, which continues through today, as a primary sponsor of drug research and medical research in this country. I think responsibility for that should be shared far more broadly, and the companies who are taking the largest profits in the area, which are the drug companies in particular, should be contributing an awful lot more to basic drug research in this country.

Mr. Deputy Speaker, that research could go along with a lot of research that's concurrent in the country, in the research of Parkinson's disease, multiple sclerosis, muscular dystrophy, let alone the cancer-related research done here in Winnipeg, the Rh labs down at the University of Manitoba, a world leader. Those institutions, all of them, could deal with a fair infusion of additional funds. I would suggest that, if there were changes in the patent legislation to be able to require the drug manufacturers, both brand-named and generics, to contribute towards greater research in this country, the benefits would be manifold for the country.

One of the more cynical parts of the negotiation, that the Federal Government is trying to essentially buy off the provinces to accept this new legislation, is an offer, I understand, to pay the various provinces for a short period of time, three or four years, some compensation to the provinces. It would go to some degree to compensate for the additional costs because of this legislation in the future new drug prices.

For Manitoba, I think they've offered a total of \$4.5 million approximately. Well right now in Manitoba, MHSC alone, it's my understanding, through Pharmacare and the Health Services Commission, saves somewhere in the vicinity of \$14 million a year with the current law. The consumers themselves, the individuals paying their portion of Pharmacare or, where they're

not covered by Pharmacare, paying the whole shot, save approximately \$8 million in Manitoba. These losses would not disappear immediately, but they would decay over the years so that, with the infusion of new drugs into the market not being covered under this, these savings, I think you would find probably within a decade or so, would disappear altogether. We would only end up with vastly increased charges to us for our drug costs, both as citizens and as governments.

Mr. Deputy Speaker, it is somewhat cynical of the Government of Canada, when they want to offload issues onto the provinces, they don't seem to worry too much about the additional costs that are passed on to the provinces with our limited budgets. They're very careful with their own budgets, but they seem to be very, very willing to pass on additional costs to the provinces.

One of those costs and a classic example - and I wish they had the same spirit, in offering a compensation to the Province of Manitoba for increased future drug cost with this patent legislation, when they dealt with equalization. I wish they had the same spirit when it dealt with the transfer payments, EPF transfer payments to the Province of Manitoba, so that we would not have to continually pick up higher and higher percentages of the costs of offering basic programming to the Province of Manitoba and to all the citizens of this province. The Federal Government should be assisting us in containing costs, not passing measures such as this, which will only add to the costs of the Canadian consumer.

Mr. Deputy Speaker, in wrapping up my presentation to the House today, I would beg of the members opposite to cut out the rhetoric of the fearmongering on this side of the House, and recognise the fearmongering that they are doing themselves when they go outside of this Legislative Chamber and even within the Chamber when they talk about the lack of medical services to Manitobans in the future, totally fraudulent. I think that, as a scare tactic, is a simply atrocious thing to be going to the public and trying to scare them into protecting this legislation, when they're really buying a pig in a poke because we don't know - and the Federal Government can't tell us - what the additional costs exactly are going to be with this legislation.

Once again, it's a sop to try and spur the free trade talks on, and I don't think the free trade talks with the marginal benefits that'll probably come to the country with the free trade are going to be worth what we have to give up. This is one of the sacrificial lambs to encourage the Government of Canada and the Government of the United States, in particular, to move into free trade arrangements.

So with that, Mr. Deputy Speaker, I'll conclude my presentation. I would ask members opposite to do a little more soul-searching and a little less rhetorical flair when they're on their feet looking at the actual implications of this. Do they want to be in office in a few years' time possibly, and have additional cost incurred by them because of a federal program or federal legislation change that significantly increases the cost of drugs? I suggest not. If they want to do that and they want to balance a budget and all the other things that they say they're going to do in short order when they come into office, how are they going

to do that and have increased costs at the same time, which they now say don't worry about, we'll take care of that when the day comes?

The only saviour for the Manitobans is to think the individual citizens of this province are wise enough, as they have been over the past 20 years, that they're not going to trust the members opposite sufficiently to ever give them that chance to show and to prove the inconsistencies of their present-day arguments.

Thank you very much, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Deputy Speaker.

I, first of all, want to open my remarks on this bill by the government, and compliment my colleagues on the factual and well-founded information which has been put on the record. I'm troubled, Mr. Deputy Speaker, to think that the government's priority of the day in Manitoba is to bring the resolution forward, to use the time of the Legislature to debate an issue which is being presented totally, and I say totally, for the benefit of his national political party and their own betterment within the province.

The substance of which is in this resolution has to be dealt with, Mr. Deputy Speaker, and I take strong exception to the Member for Inkster who just spoke, when he tries to make an apology for the government, saying that they aren't saying that the current generic drugs or the current drugs in the system are going to increase in price. That's correct.- (Interjection)- Yes, Mr. Deputy Speaker, he said that there is no impact on those prices. He said that we were trying to carry out scare tactics, Mr. Deputy Speaker, very much the opposite.

If you look at the resolution in a little bit of detail - and this government works on perception. They try to leave in the minds of the public that they are the great defenders of the health care system. They're for the protection of the older, the elderly people, those people who are in hospitals and those people who are unable to look after themselves. That's their No. 1 objective to get across with this resolution. Where in the resolution does it state the fact that current generic drugs and current drugs in the market won't go up in price?

The perception is left in this bill, and I'll just use some of the words that they have used and I'll go through it. We have the opening: "WHEREAS the availability of safe pharmaceuticals at reasonable cost" - you see, this government is continuing on pharmaceuticals of reasonable cost - "is fundamental to the health and well-being of Canadians." Do we disagree with that? Does the Conservative Party disagree with that? How could you disagree with such a common-sense kind of approach? We don't disagree with that at all, absolutely. Who would want anything different than to have reasonable costs in our fundamental health systems?

Let's go on to the next one: "WHEREAS . . . The Patent Act as amended in 1969 has provided the vehicle whereby Canadian licencees can produce low-priced generic substitutions," nothing's going to change. Are we changing that? No, we're not. No, there's no substantive proof that's going to happen. No, it's an absolute given that's not going to happen.

"WHEREAS according to the Eastman Commission, these generic substitutions saved Canadians well over 200 million dollars." Well that's good. We're for that, too. We're for saving Canadians well over \$200 million. I mean, how could you be opposed to that? We're not opposed to saving Canadians \$200 million. We're not changing that. How foolish are they?

A MEMBER: They want to scare us.

MR. J. DOWNEY: That's right, that's right.

"WHEREAS these generic substitutions resulted in a saving in hospital, pharmacare and prescription drugs for Manitobans amounting to over 14 million dollars," we're happy for that, too. I mean, that's great stuff. We like savings for the people of Manitoba and Canada, as far as the drugs are concerned.

"WHEREAS the drug reimbursement paid out by the Provincial Government through its universal pharmacare program has risen from 4.3 million dollars in 1975" - well, I don't know really what that says. That hasn't got a lot of -(Interjection)-

MR. H. ENNS: It means that, since we've had a socialist government, people have had to take more drugs in headache pains.

MR. J. DOWNEY: Well, that's right. My colleague from Lakeside probably put his finger on it. With a socialist government, they've had to use more drugs to carry on, yes, to maintain their sanity in this province. It's probably aspirins that they had, it's probably aspirins.

Let's go on to the next one: "WHEREAS the proposed changes to The Patent Act which delay the introduction of new generic substitutions will result in even higher hospital, pharmacare . . . "There's absolutely not one member of the government who has substantiated that statement, ". . . even higher hospital, pharmacare and prescription costs," hasn't been substantiated, hasn't been one bit of evidence put on the record that that's fact.

I still haven't found that the current drugs to date that are now being produced generically or otherwise are not going to be increased. That's not a piece of factual information that's in this resolution, because this resolution hasn't attempted to tell the facts. It's attempting to scare the people, the elderly and all those people who are depending on the health care system.

"WHEREAS the cost to Manitobans of the delayed entry of new generic substitutions will be over 2 million dollars in the first year after the changes, and could total 44 million dollars by 1995," where do they get those numbers? Where do they get them? How do they substantiate it?

Let me put this on the record as well, Mr. Deputy Speaker. Let me put this on the record as well, because I don't agree with the numbers because they can't substantiate it. But let's use another hypothesis in this whole argument. What if that additional money were to provide a cancer preventative or a cure drug . . .

A MEMBER: Or for kidneys.

MR. J. DOWNEY: Or for kidneys, as my colleague says. For every bit of cost, there may be lives saved by the

hundreds. They're saying that they're prepared to scare people, there's a cost and not a life-saving benefit to this. It doesn't say that in this resolution, it just says there's a cost. They don't say that there will possibly be, because of that cost, a new drug provided for the people of Manitoba or Canada. That isn't in the resolution at all, but it's all a game to leave the perception with the people of this province and, more importantly, this country, that this is going to increase the cost without any benefit. Well that to me is not putting a fair argument forward in any way, shape or form.

Let's go to the next one: "WHEREAS the increased costs will be borne directly by consumers." Well, I guess that's right. Who's going to get the benefits? Who is going to get the benefits if the consumers pay the cost? I'm sure that the consumers will. Now, they're going to say the multinationals are the ones who are going to rip us off.

Well, if they're unhappy of the profits of national or corporations selling product in this province, then tax them, right; tax them. Say that the cancer cure drug that's been developed under this change in the law is now developed because this law changed, then tax that drug if you have the intestinal fortitude to do it. There are ways of handling multinational profits. You know how to do it. There is nobody more expertise than going after big companies and small companies and little people for taxation. You've got all the experience in the world that you need for that. This is the argument that they're putting forward.

I'll go to the "THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Government of Canada to withdraw the Bill outlining amendments to the present act which would result in higher cost drugs for all Canadians."

Well, again, it's the old scare tactic, that they're leaving a lot of things on the record that aren't substantiated. They're using it as - he accused us of scare tactics. What we're doing, Mr. Deputy Speaker, is trying to put some of the other side of the argument forward that maybe there will be a cost, but maybe there will be benefits of lifesaving measures that we have to support as a society.

There's something else that I'm troubled with, Mr. Deputy Speaker.

A MEMBER: If you're troubled, I'm worried.

MR. J. DOWNEY: I'm troubled with this kind of a resolution, because here we have the Member for Inkster and all his colleagues and, yes, the Premier who introduced this, saying that we are now going to depend on all the work and the research done by the multinationals in the United States. Then we turn around and say, we're opposed to free trade. How can you support this kind of a resolution and oppose free trade? Do you think the people who are producing these products in other jurisdictions of the world are going to say these people in Canada, first of all, don't want to have the development of any drugs that we can do in their country, and when we don't want to develop any free trade programs that will allow them to come into this country, I mean, are all the Canadian people for is against us, against everything that's developed,

and then they want to set up barriers that will disallow the movement of those into that country? Where is the consistency with this government?

I would ask, as well, Mr. Deputy Speaker, as to, has the government proposed any increased government spending for research in health, because you can rest assured that if they prohibit the development of drugs and the recovery of that research money for those companies that do it, who is going to put the money in? The record, Mr. Deputy Speaker, speaks very clearly.

I'll touch on the plant breeder's rights for a moment. This government, the New Democratic Government, since they were elected in 1985, had the opportunity to increase the research spending for the University of Manitoba, the Agriculture Department Research Station, the university grant. I think, Mr. Deputy Speaker, in the last five years, it has been maintained at \$850,000, regardless of inflation. Regardless of all the needs in the research departments at the University of Manitoba, they have maintained the spending at the same level as when they took office in 1981.

HON. E. KOSTYRA: Do you want us to spend more?

MR. J. DOWNEY: The Minister of Finance says, do you want us to spend more? No, we don't want you to spend more, that's why we want you to support our position on this patent bill. Let the companies who are in the business do it, don't transfer that to the taxpayers directly. You've answered your own argument. We're trying to point out, and we have apparently been successful, it won't cost us more money. Your position will cost us more money. Our position is saying that it'll be carried out by those people who do it and do it best. If you do take your position, what I'm pointing out, your record isn't very good. Your argument isn't washing. Your argument isn't very good as to your support to the public institutions that actually carry that out.

I would ask the Premier to present the figures as how much money the department . . .

A MEMBER: That's bafflegab.

MR. J. DOWNEY: Bafflegab if you like, but yours is the bafflegab. I would ask the Premier to tell this House how much money has actually been spent in drug research in the Province of Manitoba by the Department of Health. How much is he proposing that his friend Ed Broadbent should recommend for the House of Commons? How much is he recommending to replace the research money that will be needed? Where does that show up in his resolution that it is going to be a cost to the taxpayers? The difference is, it'll be through tax dollars, rather than through the purchase price of where there are programs to protect the consumers against increased drug costs. There are social programs that protect people against increased drug costs.

I want to, as well, Mr. Deputy Speaker, touch on a couple of other areas. There was reference made to Canadians having to pay the terrible price in the United States as far as the medical services and their medical support systems. Well, let's look at what's actually happening in Manitoba today under the New Democratic Government and their shortfall in funds for the medical system under the government health system.

I can assure you, Mr. Deputy Speaker, I can give you evidence where, because of a constituent of mine was unable to get a CAT scan, get the necessary work done by a doctor in rural Manitoba, in the City of Winnipeg, where the work was required, there was no way, the waiting list for the CAT scan was too long. There was urgency for this particular person to get the CAT scan work done but, rather than depend on the socialist system that this government fully advocate and they want to continue further into, that this individual was forced to go to the United States, as many of my colleagues, I can assure you, have constituents who are forced to go to the United States for CAT scans, for medical treatment, for services that they can't get in Manitoba.

What happened? Well it was found in that survey, or that work that was done, that there had to be some emergency work done on that individual. I can assure you, as I was told it, that if that work hadn't been carried out, that medical system hadn't been available to us from the United States or service, that person probably wouldn't be with us today. Yet this government is saying it is in the best interests of the users of our medicines and our drugs that we totally leave it up to the state system, to the government system, that we don't allow the normal process of drug development to take place by those people who are professional at it, it is their business; who, yes, expect to get paid for the research and development that's put into it, and if they don't they won't do it. As I heard the speech from the Member for Inkster, he expects that we, as Canadians, should ride on the backs again of our American friends. My colleague from Lakeside did a very good job in his presentation. He said tell us how many generic drug companies have provided anything more in research and anything more in a health support drug, tell us one.

MR. H. ENNS: Name it.

MR. J. DOWNEY: Name it.

MR. H. ENNS: One drug.

MR. J. DOWNEY: Name one drug. You've been challenged to do so and they haven't done it. They've been challenged to do so and they haven't done it, and that's what we want. We want the public to know both sides of the story. The biggest argument that could be put forward for this government and what they've done with this resolution is that they are going to conjure up some votes. They're going to conjure up some votes and there is a health element to it, it may make their political party a little more healthy at the polls, so we can call this the "NDP Health Vote for Re-election." Is that what we could call it rather than The Patent Act? Wouldn't that have been better if the Premier had introduced The NDP Health Act, which would improve their position at the polls for them and Mr. Broadbent? Is that really what it's all about?

Because when you read through, there's nothing there that tells the truth, as I can understand it. It's all projecting as to what the costs will be; nothing about what it's really doing about the fact that it isn't going to increase the cost to the drugs that are currently out

there; that it's all the new drugs that are going to be in place; that they're going to have seven-year protection on the pricing of new drugs and that the generic companies can't produce them for seven years. That isn't really spelled out in this resolution.

I mean, if you're a fair-minded government and really wanted to get to the bottom of this in the best interests of Canada, then that's what you would have done. So all I can take from it, Mr. Deputy Speaker, is that their only interest in this is to have it timed so that when it's to pass in the House of Commons that it could have been passed in the Manitoba Legislature. Well, I think they got a little bit of a reaction from the Opposition that they maybe thought that they weren't going to get. I think they got a reaction from the Opposition that they didn't think they were going to get.

MR. H. ENNS: Now wait till Vic gets up and supports this.

MR. J. DOWNEY: Yes, I think probably they're being backed off, and they've had - again we've got the Member for Lac du Bonnet who falls into line with that old socialist left-wing dogma. I would have thought something different coming from the Member for Lac du Bonnet, but then he put a resolution on the Order Paper supporting plant breeders' rights, so you know - or opposing plant breeders' rights - so again one would know that he fits in. We'll have another chance, another opportunity, to speak on this same kind of principle when it comes to that resolution and I'm sure that they'll be able to explain their philosophical approach to what I say is wrong-headed.

(Madam Speaker in the Chair.)

I'll conclude my remarks, Madam Speaker, by indicating that when it comes to the best interests of the health and welfare of Manitobans and Canadians, whether it is in patent drug legislation, whether it's in providing of hospital care, whether it's in providing of the needs, the daily needs, the social programs of Canadians and Manitobans, I will place the Progressive Conservative record provincially, federally, and any other area against the New Democratic Party, because they are interested in one thing and one thing only, and that's the health of the New Democratic Party when it comes to the polls and not putting the health and welfare of Canadians first. That's the terrible part of what we're having to do.

Just to finally conclude, we are seeing the sugar beet industry go down the tubes in the Province of Manitoba because of their intransigence -(Interjection)-intransigence. See, I got it right. They're seeing that industry go down for their political betterment. They, in a larger scale, try to put down, in the best interests of the Canadian people, something that is in the interests of the health and welfare of them and it won't wash. It won't wash because if we don't stand up and be counted in this House and do what is best, then we'll suffer as we're suffering economically. We'll suffer as we're suffering with our industries in this province under the ill-guided direction of this kind of government.

MADAM SPEAKER: The Honourable Member for Ellice on a point of order?

Wednesday, 15 April, 1987

MR. H. SMITH: I wonder if the member will allow me to ask a question.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I plan to have an opportunity to continue my remarks the next time that this is before the House, and at that time, when I complete my remarks, I'm quite prepared to answer any questions from a government backbencher, who is supposed to be supporting this resolution. You would have thought that the member would have the answers from his government, but if he's unable to get the answers from his government, I'm quite prepared to answer any questions he has. I'm quite prepared to help in any way that I can, if he's having difficulty, and at the end of my remarks, the next time I speak, I'm quite prepared to respond to any questions that he has.

Madam Speaker, I would like to know, before I sit down, how many minutes I have left for my remarks.

MADAM SPEAKER: There are 18 minutes remaining; 2 until Private Members' Hour.

MR. J. DOWNEY: Madam Speaker, if the Member for Ellice would like to put some remarks on the record following mine, I'm sure that his government members would allow him so that we could get into a better debate on it, because he apparently has some trouble with the resolution, when he wants to start asking questions on the resolution.

I just want to give one compliment to one jurisdiction before I conclude, and that is the Government of Alberta. You know, let's just remember when the Government of Alberta, when this administration was crying about all the money Alberta was getting and their Heritage Fund from the resources of their province, this government was crying foul-up. I have to compliment the former Premier of Alberta, the Honourable Peter Lougheed, that he and his government committed not only hundreds of thousands, but millions of dollars to make Alberta one of the top medical research provinces in this country. That is a commitment that came from the Canadian people, from a province that I think this government should take a lot closer look at.

MADAM SPEAKER: I'm interrupting the honourable member for Private Members' Business. When this item is again before the House, the honourable member will have 16 minutes remaining, and it will stand in the name of the Honourable Member for Emerson after that.

PRIVATE MEMBERS' BUSINESS
PROPOSED RESOLUTIONS
RES. NO. 8 - EQUALIZATION
PAYMENTS

MADAM SPEAKER: The Honourable Member for Elmwood.

MR. J. MALOWAY: Thank you, Madam Speaker.

I move, seconded by the Member for Kildonan, WHEREAS the Canadian Constitution Act of 1982 contains a commitment to making federal equalization payments in order that provinces can provide reasonably comparable levels of services at reasonably comparable levels of taxation; and

WHEREAS the Liberal Federal Government imposed an inadequate equalization formula in 1982 based on a five-province standard, and the current Conservative administration proposes to continue with the inadequate formula for a further five-year period beginning in fiscal year 1987-88; and

WHEREAS the current Federal Government proposed to further restrict the formula by capping payments at a proportion of Gross National Product which is fully one-quarter lower than in 1982; and

WHEREAS both the former and current federal administrations also reduced the formula for transfers to provinces in support of health and higher education, thus placing even greater importance on an adequate equalization system; and

WHEREAS the inadequacies of the equalization formula proposed for the period 1987-88 through 1991-92 seriously threaten the ability of the equalization-recipient provinces to provide vital health, education and other public services without recourse to higher taxation levels than in richer provinces; and

WHEREAS it has been recognized that the Province of Manitoba was most severely affected by the imposition of the five-province formula with the result that transitional and supplementary equalization were provided to partially offset the unfavourable consequence for this province arising from the 1982 legislation; and

WHEREAS the transitional protection, provided under the 1982 legislation, and by supplementary equalization legislation in 1985, will expire at the end of the fiscal year 1986-87; and

WHEREAS the result of this Federal Government abnegation of full commitment to the constitutional principle of equalization will be such that Manitoba's projected equalization entitlement is approximately \$150 million less than its full equalization under a national average standard formula and will be less in 1987-88 than budgeted for in 1986-87, despite Manitoba's increasing need as measured over the past fiscal years.

THEREFORE BE IT RESOLVED that this House urge the Federal Government to provide fair federal funding through an adequate equalization program based on a national average standard; and

BE IT FURTHER RESOLVED that this House urge the Federal Government to ensure that no province faces a cut in equalization support in a fiscal year when its measured need is increasing; and

BE IT FURTHER RESOLVED that the Clerk of this Assembly be directed to send a copy of this Resolution to the Federal Minister of Finance.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Elmwood.

MR. J. MALOWAY: Thank you, Madam Speaker.

Canada's Equalization Program was developed from principles of fairness, of sharing the benefits from the Canadian Federation, and maintaining the ability of governments across Canada to provide equitable conditions for their citizens.

All governments in Canada have supported the Equalization Program. Last fall, Federal Finance Minister Mike Wilson reiterated their view in comments to the American Council for Capital Formation in Washington, and I did want to quote just a piece from his presentation.

He said, and I quote: "Not only do we Canadians use the States to provide certain goods and services, we also use the Federal Government to redirect resources between regions, thereby ensuring minimum national standards in all parts of the country. In fact, Canadians feel so strongly about this concept . . ." - says Wilson - ". . . of sharing that the principle of equalization is now entrenched in our Constitution, and Canadians in wealthier parts of the country have been willing to pay the price for . . ."

MADAM SPEAKER: Order please, order please.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I raise a point of order which you may well wish to take under advisement.

Under the Rules of the Assembly, when a member refers to another member, we refer to them either as the member for such-and-such a constituency or the Minister of such-and-such.

I frankly have been wondering why, when we refer to members of the Federal Parliament, we are allowed to refer to Broadbent or Turner or Mulroney or Wilson; that why we don't, out of courtesy to other elected members, refer to them as the Minister of Finance or the Leader of the Opposition, rather than simply . . .

I just question the whole practice of referring to another member of an elected institution in this country by their given name rather than in the same manner as we do under the Rules of this House in referring to members of this House.

MADAM SPEAKER: The honourable member doesn't have a point of order, but there are several ways we can take that into consideration either at the Rules Committee . . .

I've been following the tradition that I've known in this House for the last almost six years, which is that we do refer to members of other Legislatures or the Federal House by name, but if we want to make a specific change to that, there are methods such as the Rules Committee for dealing with it. We can put that on the very long list.

The Honourable Member for Elmwood.

MR. J. MALOWAY: Thank you, Madam Speaker.

If I might just continue quoting the Honourable Federal Minister of Finance, Michael Wilson, when he said: "In fact, Canadians feel so strongly about this concept of sharing that the principle of equalization is now entrenched in our Constitution, and Canadians in wealthier parts of the country have been willing to pay the price for that principle in the form of higher Federal

Government spending levels and higher federal taxes than otherwise would be the case."

While the commitment has been embodied in the Constitution of our nation, and all governments are on record as supporting that commitment, actions by successive Liberal and Conservative Federal administrations have had the effect of weakening the legislated response to that commitment.

The equalization formula imposed by the Federal Government in 1982 has been inadequate. Based on the five-province so-called representative average standard, the current formula has generated inadequate payments. For most of the period, the fiscal capacity, after equalization of recipient provinces, has been roughly 15 percent below the all-party national average; in part, because some major resource revenues are only marginally reflected in the formula.

That shortfall has recently changed to about 10 percent, and not because of an increase in equalization payments, Madam Speaker, but rather because of the drastic resource revenue drop in Alberta and Saskatchewan. The inadequacies of the basic formula is reflected in the heavy reliance on ad hoc measures, Madam Speaker, transitional arrangements, supplementary payments, floor payments and equalization offset arrangements. It would be far more preferable to have an adequate formula which increases support whenever a province's needs increase.

Now Premiers have been asking that the equalization program be improved. Their communique from their meeting of August 1986 states as follows, quote: "The Premiers called on the Federal Government to ensure that the Equalization Program meets the constitutional commitment to enable provinces to provide 'reasonably comparable levels of public services at reasonable comparable tax rates.'"

Now, Madam Speaker, members on both sides of this House are well aware that the effects of the new equalization arrangements imposed in 1982 on basic equalization entitlements fell most heavily on Manitoba; and indeed, while the basic entitlements of the other five equalization recipient provinces were, in total, virtually the same in 1982-83 under the new formula as they were in 1981-82 under the old formula, Manitoba's basic entitlement dropped by \$130 million or by nearly one-third.

Now, Madam Speaker, I stated that members on both sides of this House recognize the inadequacies of the equalization program and the particularly harsh burden it presented on Manitoba, because in 1985, as you will recall, the Tory Finance Critic, Mr. Ransom, at the time, joined with the Honourable Vic Schroeder, who was then the Finance Minister of Manitoba, in presenting the Manitoba case to the Federal Government.

I don't see the current Opposition benches having the same understanding or the same willingness to stand up in the interest of Manitoba on this particular issue.

Madam Speaker, I might quote briefly from a joint letter sent to the Federal Finance Minister by Mr. Ransom and Mr. Schroeder on January 24, 1985. In part, it says, and I quote: "The Manitoba Government argued that the new formula would impact most severely on Manitoba in that it should not be forced to accept an actual reduction in equalization."

This argument was fully supported by the Honourable Jake Epp when he spoke in Parliament on the subject

of fiscal arrangements, and Jake Epp moved an amendment, seconded in non-partisan fashion by Bill Blaikie from the NDP.

Now, Madam Speaker, members should be aware that the approach of having the government being supported by the Opposition did bear some results in that particular instance. The Federal Government did provide for two years of supplementary equalization support to Manitoba with the view to the possibility that outstanding problems with that program might be redressed in the program as it was being renewed in 1987.

Now, Madam Speaker, we all remember the Conservative federal landslide in 1984 and a new day had arrived. The Conservatives had received something like 208 seats in the Federal House - 208 seats too many, I might add - but it was supposed to be a new era of federal-provincial cooperation. That was the scuttlebutt at the time, and members will know that. They will remember back. It's only been three long years ago; for them, three short years ago. It was a time of hopefulness that the federal Conservatives meant what they said about a new era of federal-provincial cooperation which could dispel the bad taste left by the Liberals during their last several years in office. The Liberals were just as bad; in fact, worse in many cases.

Unfortunately, Madam Speaker, that hope was not fulfilled, and shortly thereafter the provinces once again became the target for federal cost cutters. Rather than taking meaningful measures to redress the imbalance between federal revenue and federal expenditure, they took the course of passing their deficit onto the backs of the provinces, unloading it off on the provinces.-(Interjection)- Well, that's what they did.

Two billion dollars annually by 1990-1991 will be cut from federal funding which would have been provided to provinces for health and higher education. The growth in cash transferred from the Federal Government to the provinces for those programs is becoming virtually non-existent.

Madam Speaker, funding for health and higher education has now consigned a decreasing share of GNP while health needs are increasing at a much faster rate, and this despite the studies shown by the organization for Economic Cooperation and Development that Canada is having one of the lower rates of spending on social programs amongst the industrialized nation.

Madam Speaker, once again, we face the consequences of the inadequate equalization program. Using the most recent federal estimates available from both 1986-87 and 1987-88 equalization entitlements, there is no growth at all in the level of support provided across the country. The situation is not about to improve as the Federal Government has included a cap in its 1987 legislation which limits the level of total equalization payments to their current share of Gross National Product.

Madam Speaker, for Manitoba, once again, the problem is more severe. With the termination of the Supplementary Equalization Program, we face a projected drop in equalization support of more than \$44.5 million, and that's despite a need increasing by \$20.5 million as measured by the basic formula. Now, Madam Speaker, our Finance Minister has requested,

at a minimum, a supplementary payment equivalent to \$44 million, based on the principle that no province would receive a cut in equalization support while its measured need is increasing.

Madam Speaker, it's time that this House was on record as supporting the efforts of our Finance Minister and the Premier to obtain fair and adequate equalization support and a fair and adequate system of federal transfers for health and higher education.

We wouldn't be alone. The Government of Quebec has used strong language in a submission to the Federal Finance Minister, recently made public, and I'd like to quote briefly from that submission by the Finance Minister from the Government of Quebec.

"The obligation created with respect to equalization by the Constitution Act of 1982 cannot be met under the existing equalization program. The only way Quebec can provide its citizens with a level of public services that is reasonably comparable to that of other provinces is by imposing a higher than average tax burden or by incurring additional debt.

"The Quebec Government cannot accept your Government's decision to place the health and post-secondary education program in jeopardy and to fail to correct the major weaknesses noted in the equalization program."

And he goes on to say, "Quebec reiterates its position with respect to equalization; namely, that a major revision of the program is necessary. Otherwise, the constitutional commitment will become purely symbolic."

And I might add at this point, as a comment, that eventually court action may be necessary to force the Federal Government to live up to its constitutional obligations.

But to finish the quote: "Continuing with the current equalization formula while the problem of regional economic disparity is becoming more serious is tantamount to heading towards a Canada with two classes of citizens: on the one hand, those lucky enough to live in a rich province, who would enjoy adequate public services without having to bear an exorbitant tax load; and, on the other hand, those who do not have that advantage, who must direct, through their provincial taxes, a more substantial portion of their income to provide comparable public services for themselves. In short, the opposite of the principles of equality and sharing on which the Canadian federation is based."

Now, Madam Speaker, the same themes of inadequacy and the fiscal difficulties facing provinces as a result of the federal transfer payment decisions have recently been repeated by the Governments of Newfoundland, Prince Edward Island and New Brunswick. At least two of those are Conservative provinces. Nor is our request for supplementary equalization out of order.

In the past month, the Federal Minister has forgiven an estimated total of \$270 million in money owed to the Federal Government by all other equalization recipient provinces with the exception of Manitoba. This is due to a census population adjustment. The rationale used by the Federal Government in providing this measure for the benefit of other equalization recipient provinces was to maintain their cash flow and their financial stability; yet Manitoba is the only province

facing a decline in federal equalization support despite increasing need. The decline, by the way, was \$42 million from Budget 1986 to Budget 1987.

Surely, Madam Speaker, there is then a stronger case for the Federal Government to concern itself with the consequences of declining federal transfers on our provincial fiscal situation just as they did in 1985 when they provided supplementary payments to all provinces and for other provinces only in 1987.

Madam Speaker, in conclusion, in the spirit of seeking a stronger national commitment to equalization and fair treatment for Manitoba, I have put forward this resolution and request the unanimous concurrence of this House.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you very much, Madam Speaker.

Madam Speaker, let me say from the outset that, basically, we support the intent of the resolution, although there's one proviso that has to be dealt with, and that's in the second last RESOLVED clause where it says "that this House urge the Federal Government to ensure that no province faces a cut in equalization support in a fiscal year when its measured need is increasing."

Madam Speaker, I find those words to be most curious. "Measured need," Madam Speaker, and I only want to spend half a moment on that area because, of course, we've seen this type of phraseology creep into more and more documents, not only by the Minister of Finance, but members opposite. Measured need. Madam Speaker, how is it that one, or a group of people, or indeed a government, a household for that matter, can come to measuring the need. Because, quite frankly, what that says then is that the money that you will spend is more important than the measure of the money that you're going to raise. So, with that slight qualification, Madam Speaker, I have no difficulty, quite frankly, with the resolution.

Madam Speaker, I don't understand all the formulas that have gone into place in measuring the fiscal capacity of each province. Obviously the Member for Elmwood does and the Minister of Finance does and, before I go too further, Madam Speaker, I want to thank the Minister of Finance for hosting a meeting of all members of the Legislature in his office, I believe, in early January, dealing with this subject and there was a fair amount of information that was provided to members and most all of it was useful.

But, Madam Speaker, I don't understand the formulas that are in place. I do understand that the national average tax rates are applied against the revenue bases to yield a revenue capacity which, when divided by the populations of each province, give you some fiscal rating for each province, but I don't want to dwell on that. What I want to do is dwell on two things; first of all, the historical review of equalizations over the last five or seven years; and spend even a greater portion on some of the political unspoken realities of equalization.

Madam Speaker, first of all, historical review. As the member indicated in 1982, the Liberal Government unilaterally moved to a five-province average, of course,

excluding the four Maritime Provinces and Alberta. And that's important, Madam Speaker, I'll speak about that later. On the pure numbers, Madam Speaker, Manitoba probably had a case for supplementary payments once the Mulroney Government came into place. Indeed, thanks to the former Member for Turtle Mountain and the way he composed a letter in the dealings that he had with the new Federal Minister of Finance at that time, Manitoba - thanks to the efforts of Mr. Ransom - and the Minister of Finance, provincially, were able to bring forward an additional \$150 million in supplementary payments.

Now that the Federal Government has seen fit to extend the formula another year and to be locked into statute another five years beyond that, this government is becoming outraged because it senses basic unfairness, Madam Speaker. We, too, are I suppose concerned about it and demand fairer treatment and, Madam Speaker, to that I say Amen and I can accept their arguments.

But let's review what the NDP did not say, Madam Speaker, and have not said since I've been in the House. The reason that they wanted the 10-province average was obvious to all, of course, because the five-province average excluded Alberta. In Alberta, where the population there was paying no sales tax, no education tax on property, indeed, no payroll tax and, if you look at the Minister's own information, you would realize that Province of Alberta, when you look at the indices of fiscal capacity for provincial/local-owned source revenues, you see that the Province of Alberta had 166 percent capability of raising revenue, as compared to the national average of Canada.

Madam Speaker, all recipient provinces wanted Alberta's tax base to be counted so that the national average of wealth would be increased; so that the Federal Government would have more to tax, or to borrow, so that they would have to tax more, borrow more, to give greater payments to the recipient provinces. Well, Madam Speaker, the question is, why was Alberta excluded from the national average? Why were they one of the five provinces that were excluded from the formula? They're not excluded from the tax, Madam Speaker, but why were they excluded from the formula?

Was it a political decision? Well, of course it was, Madam Speaker, naturally it was a political decision made by the Liberal Government at that time. What happened to cause it? Well, Madam Speaker, if the Federal Government were to tax more, it would have to look at the only one remaining booming industry in Canada during the early 1980's and, of course, those are the resource industries. Specifically, Madam Speaker, it was the petroleum industry. But what had the Liberal Government done previous to that? Madam Speaker, they had implemented the national energy program. And what the national energy program did, to simplify the argument, Madam Speaker, it transferred \$80 billion of Alberta wealth to Eastern Canada, over a short span of years. Madam Speaker, it was brought in, of course, to protect the consumer of oil products and gas within central Canada, to protect them from the ravages of the world oil market at that time.

Well, Madam Speaker, how was the Federal Government, when it was Liberal at that time, which had brought in the National Energy Program, how could

it then, in support of greater equalization and in greater fairness in terms of the member opposite, go and tax in an even greater manner, the wealth of Alberta? Well, Madam Speaker, of course it couldn't. It couldn't in the name of fairness because, as members opposite know, that province was a have-not province for decades. It was also trying to have the nation pay more than the world price for its oil, some \$2 or \$3 a barrel, Madam Speaker, so it could lift itself up. The nation turned its back on that province and said no, we'll go and consume world oil because it's cheaper. Madam Speaker, for 25 years that province sat back and was held in captivity in a sense within its own national boundaries.

So, Madam Speaker, when all of a sudden it had wealth, I don't believe any government, not even an NDP Government at that time, after bringing in a national energy program, could have also gone to the Alberta taxpayer and demanded more. Madam Speaker, that's the politics that the members opposite fail to mention when they talk about the fact that Alberta was excluded from the average.

Well, Madam Speaker, what else do they forget to say? Well, of course, we came to the point where in spite of the fact that Province of Alberta, the national energy program finally did triple that province. It took the economy there down to its knees. So then, Madam Speaker, who was going to pay this increase in equalization that would have been necessary if Alberta were in the formula? Well, was it going to be, Madam Speaker, the large numbers of people, of consumers in Eastern Canada? Well, of course it wasn't going to be. Well, was it going to be through additional borrowings that the Federal Government would have excess money to direct out toward the recipient provinces? Well, Madam Speaker, that couldn't really happen. Well, was it going to be yet another tax on Alberta wealth? Well, of course it wasn't going to be that either. So, Madam Speaker, Alberta stayed outside of the formula and, hopefully, members opposite understand why.

Well, what about today, does the formula need changes? I say, yes it does. Should Alberta be part of it? I think today it can begin to become part of the formula because it's been so crippled. That economy has been so crippled that now it has moved into an area where it's not going to have an impact, where Alberta's wealth in the economy and its resource basis is reflected in revenue basis, Madam Speaker, is not going to make a major material difference in my view to the formula, so it can be included.

Is the Manitoba Government correct in its assertions within the resolution? Madam Speaker, for the most part, I believe it is. But what the resolution does not indicate is, firstly, that the Federal Government has directed another \$300 million into the global equalization pie. What it does not indicate, Madam Speaker, is that Saskatchewan for the first time since the concept of equalization has been in place is now a recipient province.

Madam Speaker, what it does not address is the terrible dilemma that the NDP have themselves in. Because they have borrowed so much money, Madam Speaker, to try and put into some type of fashion whereby the economic indicators can measure that this province is doing relatively well vis-a-vis other provinces

that the government has driven itself to a smaller share of the pie.

Madam Speaker, this is the great dilemma that the NDP find themselves in on this issue. The pie is a little bit larger, \$5.6 billion versus \$5.3 billion a year ago. But because other provinces, Madam Speaker, are not going to borrow funds and have not borrowed funds, in support of whatever, to the degree that this province has over the last four years, their economic statistics are not as favourable as ours. So what they're doing, of course, is commanding a larger slice of the \$5.6 billion. Madam Speaker, each time that the Maritime provinces, and now Saskatchewan, take a larger slice, we have a smaller slice.

So, Madam Speaker, there's no magic associated with equalization payments. The members opposite are saying, well, if we had Alberta in it or if the Federal Government went out and then taxed more and had more to support our needs, we would be better off. But, Madam Speaker, what the NDP does not address, of course, is the question as to whether or not the Federal Government should increase its deficit beyond \$30 billion. Because, quite frankly, for Manitoba, and indeed all recipient provinces to have a higher level of support, Madam Speaker, then quite frankly the Federal Government is either going to have to tax all Canadians at a higher level or borrow more money.

So, Madam Speaker, the issue to me is easy to understand. I have no trouble in supporting this province's attempts to try and make the formula somewhat more fair, more representative. I have some difficulty in supporting their requests that the Federal Government go into greater debt in support of equalization and/or bring forward major new levels of taxation.

Madam Speaker, it's not in the resolution, but that's my point, it could be. If the members wanted to talk about the resolution and the whole area of equalization in a forthright manner, it would have been in the resolution, Madam Speaker, because the Federal Government just can't print money in support of the needs of Manitoba, or indeed in the needs of any resident of Canada.

Thank you, Madam Speaker.

MADAM SPEAKER: Are the honourable members ready for the question?

The question before the House is the proposed resolution of the Honourable Member for Elmwood.

The Honourable Member for Inkster.

MR. D. SCOTT: Thank you very much, Madam Speaker.

We didn't know for sure at that moment whether or not the members opposite did not want to pass this resolution today. We shall continue our debate on it.

The issue of equalization is probably one of the most fundamental issues, Madam Speaker, in the whole country. Because the concept of equalization that evolved out of, I believe, the Rowell-Sirois reports back in the 1940's and 1950's were to try and enable Canadians from coast to coast to have access to relatively equal services so that one would not have a patchwork quilt of availability of services to Canadian citizens across the country.

The concept came in because we did not want to see a very elaborate level of service being able to be

afforded by provinces, such as British Columbia and Ontario, Alberta in the good years, Saskatchewan in the good years, and inferior services or substantially lower levels of services to Newfoundland, to Nova Scotia, or New Brunswick even more so than Nova Scotia, the little PEI, to the Province of Quebec, as well as Manitoba. It was an effort to try and equate across the country the provision of services. The only way the Government of Canada could do that would be to work in collaboration and co-operation with the provinces for the provinces to not necessarily give up responsibilities that the provinces had under the BNA Act of the protection of civil rights, education, and various other fundamental services, such as health care, where the responsibility clearly is provincial more so than a federal responsibility - in a technical sense, that is, Madam Speaker. But if a nation is to be a nation, if the people from one section of the country are going to feel kindred brothers and sisters of those of the other corners of this land, they must feel some commonality in the types of services that their governments are able to provide.

These include not simply issues, such as health care, but when it was coming along - remember the concept of equalization started long before medical care came into being. When medical care came into being there was a special agreement which would be assisted through equalization, but the primary funding for that was to come from additional new levies by the respective provinces. Manitoba and several other provinces brought in a sales tax at that time to try and defer the cost of providing the medical care services with guaranteed universal health insurance. The Federal Government would recognize the necessity of the Government of Canada to assist the provinces in providing that very valuable service by paying one-half the cost of the delivery of that service.

So the provinces had constitutional responsibility for providing the service. They did not have the fiscal capacity, in most instances, to be able to provide the service. So the Government of Canada said you raise your taxes, raise the revenues to be able to provide the service, showing your responsibility, and we will match that by the Government of Canada, 50-50 for every dollar spent in health care.

That extended into the 1960's, when those of my era were going through universities in ever-increasing numbers; and the population boom, the baby boomers coming on stream. It was very evident that once again the smaller provinces would not be able to provide a consistent level of education services to the public across the country.

So in order to provide for that, again, the Government of Canada entered into 50-50 cost-sharing for post-secondary education. These programs in health and education now called EPF or Established Programs Financing - the "E" is very important, because they were established programs, programs that were established by the encouragement and the full co-operation of the Government of Canada in providing those services. But the revenues that the province had to count on to be able to provide those services was from the total provincial tax base plus one most essential item called "equalization." That equalization fund was set up originally as a 10-province average so that one would be able to get, as I mentioned earlier, a relatively equivalent level of services.

That principle, Madam Speaker, in 1981 was entrenched in the Constitution of this country. When they were drawing up a new Constitution, they were giving in to all kinds of different organizations, groups, as well as provinces, to see a recognition of rights that were established in this country at the time and to clearly recognize what those rights were.

One of those rights was deemed to be the rights of citizens living in provinces that are generally referred to as have-not or the less wealthy provinces, that they have the same right to basic services as citizens living in any other part of the country. That is why the principle of equalization was included in the Constitution.

Well unfortunately, as the Member for Morris indicated in his presentation a few minutes ago and the Member for Elmwood earlier, that principle was no sooner signed - the ink was hardly dry - when the Government of Canada started to meddle with the formula. As the Member for Morris recognizes, the formula was adjusted partially because of the Alberta situation with Alberta having such fast wealth at the time that to keep the current formula probably would impede the availability of the government and put a stress on the Government of Canada's finances to be able to provide the level of services across the country, including Alberta's fiscal capacity in that formula. So they said, the total amount of money that would go out because of Alberta would be too high. Therefore, we had to come up with various exclusions.

One of the exclusions they looked at and that they brought in eventually, prior to 1982, was the exclusion of a lot of resource-based revenues the provinces had. That, again, was to compensate the Province of Alberta for the tremendous resource wealth that province had in oil, in particular. What they then expected at that time was a booming coal industry which unfortunately has never really gotten off the ground and, I think, so far is still in a very substantial loss position with no prospects down the road of turning to a profitable position, no matter how much money the governments seem to put into it.

When they went to the five-province average, it hurt all of the provinces who were going to be receiving assistance. The Government of Canada, the reason for them wanting to do that, they could have addressed the Alberta situation as they had addressed it previously, but they decided to change the formula for the equalization payment and by going to a five province, of eliminating the richest provinces and eliminating the poorest provinces, they thought they would come up with a moderately effective program. But I think they knew full well that what they were really after was to cut down the rate of expansion of transfer payments to the provinces. Still today, Madam Speaker, the rate of growth of transfer payments from the Government of Canada to the various provinces is growing at a lower rate than most other expenditure categories by the Government of Canada.

So by taking that path, they have freed up more space for them to use and spend money in other areas which are not necessarily priorities of the people of the country. They can come up with \$800 million to bail out the Northlands Bank and the Continental Bank. They come up with the scientific tax credits, which I give full credit to Mr. Wilson in eliminating. But those sorts of programs were sort of "give me's" that they

threw out with funds that they might not have had otherwise. But they still played fast and furious with huge amounts of money in corporate rescues, in rescues to the oil industry, in pit payments and those sorts of things, that would have been far, far more effectively used had that money been sent under the original formula with some modifications for the level of payments to take into consideration Alberta's resource revenues. That money would have been far better spent had it gone out to the provinces to be able to provide some decent level of services for other provinces.

We, in Manitoba, are suffering for this obviously. We've lost millions upon millions of revenue thus far. We stand to lose \$200 million worth of revenues in the future. This year alone, the change in formula has cost Manitoba some \$150 million. If we had that revenue today, Madam Speaker, our operating budget would almost be in balance, and that situation is not untypical of other provinces across the country. The sad situation that we are in now is that several provinces are in such financial straits that they are having an exceptionally difficult time to make ends meet.

To look, for example, at the Province of Newfoundland, Premier Peckford - I'm not sure which constituency he represents in Newfoundland - said, and this is a quote from the Sunday Express from Newfoundland of February 22 of this year: "Newfoundland needs a new deal on regional development, equalization payments, established programs funding and fiscal jurisdiction if the province is to avoid the kind of financial collapse that led to the end of responsible government in 1933-34." Newfoundlanders already labour under the most strenuous and high-cost tax regime in the whole country, because they are trying their darndest to be able to provide their citizens a basic level of service that the rest of us share.

We, in Manitoba, in the same instance as in Newfoundland, have been incurring very substantial deficits over the past number of years, both in our administration and in the administration previous to us, of the Lyon and when Brian Ransom was the Minister of Finance, to try and provide a same basic level of services or to try to not have too much erosion in the level of services that our citizens expect.

The provinces across the country are in greater and greater financial distress. If I could quote from this year's Budget, just a very short item by Gilbert Clements, the Minister of Finance from the small province of Prince Edward Island, he says: "The Federal Government's determination and methods to reduce the deficit have been particularly hard on provinces such as Prince Edward Island. In restraining such programs as equalization, established programs financing and regional development and in designing some programs such as training for regions with high private sector participation, the Federal Government has forced have-not provinces to pick up additional costs in those areas of reduced and redirected federal spending."

That, Madam Speaker, is the essential cause and the primary cause of the level of deficits that provinces right across this country are running today. It does me no good in my heart to see the Province of Alberta this year with a deficit of about \$2 billion, hoping to cut it down to something in excess of \$1 billion next

year, nor British Columbia with their very high level of deficits, nor our Province of Saskatchewan facing, I believe, 1.5 billion this year. It does me no good whatsoever to see our sister provinces in those kinds of financial straits.

I believe that the province that is the only one that has any kind of recourse to it right now without having drastic cuts in services is the Province of Alberta which still - it's citizens are far, far undertaxed, compared to all the other jurisdictions in the country, and also who have probably one of the most inequitable taxation regimes in the whole country as well. When you look at the progressivity of the tax regime in Alberta compared to Manitoba, for example, or compared to most other provinces, the lower- and the moderate-income worker there pays a much higher percentage of their taxable income in taxes and the higher-end groups really get big benefits in that province.

So they have a lot of room through the implementation even of a sales tax in that province would help Alberta out dramatically, and they still wouldn't have to qualify at all for equalization payments. They have that responsibility, and the equalization formula should take into consideration and does, I believe, take into consideration - at least it used to. Provinces that had taxing powers but did not choose to use them, they lost points in the credit rating structure for equalization entitlement. So a province could not undertax and end up getting benefits, because of lack of willingness to be able to tax.

Madam Speaker, I see my time is expiring rapidly. I would join the member, thank the . . .

MADAM SPEAKER: Your time has expired.

MR. D. SCOTT: Yes, well, if I could encourage the members opposite to follow the Member for Morris' example of giving support to this, and let us pass this as soon as possible. It's a very important message on behalf of not only Manitoba but all provinces to the Government of Canada.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Lakeside.

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

Madam Speaker, I suppose I could perhaps prevail on the House to consider it six o'clock, but I would like to at least give honourable members a preview of the speech that is about to come with respect to this resolution, and so I'll use a few moments to do just that because, Madam Speaker, I approach this resolution somewhat differently. Madam Speaker, nonetheless I believe in a particular way that points out the inadequacies of the resolution before us, that points out the mindset of our socialist friends opposite, and it points out what is totally missed in the resolution before us.

First and foremost, there's no question, I and certainly our group accepts the constitutional responsibility, constitutional decision to share resources of this great country of ours in a way that makes it possible for Canadians in the Maritimes and the Prairies, right across this country to the coast to have relatively similar levels

of services that we expect from our governments. But, Madam Speaker, right from the second "WHEREAS," we now start to arguing about the sharing of the pie. And it goes on to the next "WHEREAS." Then he blamed the former Liberal Government, because of an inadequate formula. Then the next "WHEREAS" is the Conservative Government for an inadequate formula.

Nowhere, Madam Speaker, in this resolution is there any discussion or any concern about making the pie bigger, you see. That is the mindset of the socialist. In the words of a man who we should take heed of and I have a great deal of respect for - and it's as true today as the day that he uttered it - "The philosophy of socialism is to make sure that misery is spread equally." The philosophy of my friends opposite is to make sure that, if we're going to be in hard times or we're going to have tough times, if there's going to be misery in the country, then spread it around equally. Madam Speaker, I would look forward to, in a resolution of this kind that embraces the constitutional fact that - (Interjection) - No, that is not in dispute - the constitutional fact that we do share in this country that, right along side of that, there would be some concern expressed about making the pie bigger, about understanding, whether you're concerned about some of the ramifications of free trade, but accept all the learned opinion.

For instance, free trade with the United States will undoubtedly make the pie bigger. It may not be proportionately fair to all provinces, but that's why we have this constitutional clause in place that ensures that any net benefits gained to the country will be spread across the country. But my Socialist friends are far too busy arguing, blaming other governments, past governments, governments that they supported, by the way, in '74 and '73, about the question of equalization payments.

Madam Speaker, when the resolution goes on to say that: "WHEREAS the inadequacies of the equalization formula proposed for the period 1987-88 through 1991-92 seriously threaten the ability of equalization-recipient provinces to provide vital health, education and other public services." Madam Speaker, that is such pig-nonsense. What threatens the vital health services, what threatens our hospitals, what threatens our universities, what threatens our education is the ability of this country to create the necessary wealth to carry them at the levels that we want them at.

So that's what we have to be addressing ourselves to, Madam Speaker, and at least it ought to be juxtaposed onto this resolution, not just that narrow

mindset, you know, socialist philosophy that we heard back in the Seventies from Premier Ed Schreyer who said that we should only be, you know, remember that two-and-a-half times one process. We heard that again today on another resolution about the robber barons that maybe will save my grandchild's life or relieve pain or misery from other people with respect to the delivery of appropriate and quality pharmaceutical products. No, no, our socialists are happy as long as they just spread the misery around equally. They're a very egalitarian group, and misery, as somebody says, loves company, and they will feel that they have achieved their place and their position in public life if they do that.

Madam Speaker, I believe that the first and most important part of ensuring that this important part of the constitutional requirement with respect to the equalization is to make sure that our pie, our national wealth, continues to grow. See, Madam Speaker, if nothing else, even if we accepted the inadequate formulas of the past Liberal administration, in the mind of the members opposite the inadequate formula of today's administration, but if the pie was bigger, Madam Speaker, we wouldn't have this resolution. We wouldn't have it, because we would have the extra monies that this resolution calls for. And the Minister of Finance knows that.

So, Madam Speaker, I think an opportune time is presented by this resolution to discuss that aspect of the constitutional requirement of sharing of transfer payments. Of course, Madam Speaker, it also gives us an opportunity to touch a little bit about the kind of two-sided argument that we've been hearing from this government who, on one hand, like to laud themselves of leading the nation in terms of development, in terms of job creation, in terms of virtually every other economic indicator, which we know are artificial and don't stand the scrutiny of careful observation. But that's not what they tell the public, and that's not what they're telling the people of Manitoba, and then on the other hand, cap in hand, and ask this Legislature to pass resolutions of this kind.

I wonder, Madam Speaker, if it would be appropriate to call it six o'clock at this time.

MADAM SPEAKER: Is it the will of the House to call it six o'clock a minute early? (Agreed)

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