

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 12 June, 1987.

Time — 10:00 a.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 Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker. I am pleased to table the Report on the Municipal Infrastructure Study.

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

ORAL QUESTIONS

King Commission recommendations - cost of recommendations as they are implemented

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister Responsible for the Workers Compensation Board.

The King Commission Report has been tabled with its 178 recommendations and it is very, very serious and disturbing news of a possible \$100 million additional deficit for the board, Madam Speaker. Those recommendations, the 178 that the King Commission has made, will undoubtedly cost a good deal of money to implement. In fact, Madam Speaker, indications that we have from discussions with staff at the board indicate that they could double or triple the cost of operation of the board to implement those 178 recommendations.

Will the Minister assure the House that whenever any recommendation is adopted by the board, any one of these 178 recommendations, he will publicly announce the cost of implementing that recommendation?

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Madam Speaker, as the Leader of the Opposition has indicated, there are 178 recommendations in the report, and we have said that we would be doing a cost analysis, an analysis on the entire report, because I don't think it would be prudent on our part to be moving on the recommendations without knowing the effect it would have.

We must remember what the Workers Compensation was set up for. The Workers Compensation was the employers said they would supply a compensation system in return for the employees giving up the right to strike. That, historically, has worked, and I think the costs seem to be becoming a priority with the Leader of the Opposition. We must remember that there is a commitment to be delivering those services to injured workers, to the families of the injured workers, and that is our commitment. We will continue to deliver those services, and we will continue to make sure that, before we implement any part of the cost, there is a cost analysis carried out on it.

MR. G. FILMON: Madam Speaker, prior to this administration, the Workers Compensation Board did indeed provide services to families and injured workers through many different administrations . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: . . . and did it successfully, without incurring \$184 million deficit.

Madam Speaker, my further question to the Minister is: On Wednesday he said, in response to a question by the Member for Niakwa, and I quote: "We may be in a break-even point in the operation of the Workers Compensation Board by the year 1989. From the figures I have from the Workers Compensation Board, that is still the year that we will be in a break-even point for the operations of the Workers Compensation Board."

That was when we had the belief that there was an \$84 million deficit and then, after the receipt of the King Commission Report yesterday . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: . . . at which the deficit is now estimated at \$184 million, he said, and I quote: "I hope to achieve a break-even point by 1999."

MADAM SPEAKER: Order, order please.

MR. G. FILMON: My question to the Minister, Madam Speaker, is: Was the change of timetable . . .

MADAM SPEAKER: Order.

Can I remind the honourable member that question period is not a time for debate, and that lengthy preambles to questions provoke lengthy answers.

Workers Compensation Board - change in break-even timetable result of underestimated deficit

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

MR. G. FILMON: Madam Speaker, I was merely pointing out his quotes, which were quite different on the same topic.

Madam Speaker, my question to the Minister is: Was his change in the timetable of a break-even from 1989 now to a break-even in 1999 as a result of learning that the deficit was now \$100 million higher than what was originally projected?

HON. H. HARAPIAK: Madam Speaker, the result of the change is not in anything that I said. That question is the fact that the Leader of the Opposition is using the Winnipeg Free Press as a source of information. I did not make the date of 1999. I said the operation should be in a break-even point by 1989 and, if we implement all of the recommendations of the King Review Committee, there should be a break-even cost on the recommendations because some of the recommendations are a cost item and some of the recommendations are revenue items.

So overall, it will be at a break-even if we implement all of the recommendations of the review committee.

Workers Compensation Board - increase in assessment to reach break-even point

MR. G. FILMON: Madam Speaker, on Wednesday, the Minister said it would take 20 percent annual increases in order to achieve break-even by 1989. Now with the knowledge that there's \$100 million more in deficit at the Workers Compensation Board, how much will the annual increases be required to be in order to reach break-even, whether it be 1989 or 1999, whichever the Minister is telling us today?

HON. H. HARAPIAK: Madam Speaker, obviously the Leader of the Opposition has a line of questioning that he is committed to and he isn't listening to my answers. I said, from the best of my knowledge, the Review Committee - a Review Committee that is made up of all Manitobans. They're representing all the business interests, Mr. Tom Farrell, who is a representative representing the business community and Ms. Lisa Donner, who is representing the labour community. That is their Workers Compensation system and they said that, if all the recommendations of the Review Committee were implemented, there would be a break-even on the cost. There wouldn't be an additional cost to them. Any of the additional costs that will be coming out as a result of the implementation will be taken up by the additional revenue that will be coming in place.

MR. G. FILMON: Madam Speaker, it's the Minister who has his answers memorized, regardless of what the question is.

Madam Speaker, very simply, with the knowledge now that the deficit is \$100 million more than he thought it was the day before yesterday, what will the annual increases in premiums at the Workers Compensation Board have to be in order to achieve a break-even position by 1989 that he has promised?

MADAM SPEAKER: That question is repetitious. It's almost identical to the previous one.

MR. G. FILMON: Madam Speaker, previously we were talking about a 1999 break-even, which we didn't know. Now the Minister is trying to tell us that it's still 1989.

MADAM SPEAKER: Order please.

Does the honourable member have another question? That one is repetitious?

MR. G. FILMON: Yes, Madam Speaker. What are the annual increases required by the Workers Compensation Board in order to meet this Minister's timetable of a break-even position?

MADAM SPEAKER: That question is repetitious. It's the same or substantially the same as the one the honourable member just asked, only in reverse.

Workers Compensation Board - how increases to be achieved

MR. G. FILMON: Madam Speaker, how does this Minister intend to achieve a break-even position at the Workers Compensation Board? Will it be by increases in premiums and, if so, how much will the increase have to be?

HON. H. HARAPIAK: Madam Speaker, obviously the Leader of the Opposition is not listening to the answers. We said, very clearly, that at this stage we are going to be in a break-even position by 1989. If the entire report of the Review Committee is implemented, it'll be at a neutral cost, so any of the implementations - or some of the items are revenue, some are cost, but they will be in a break-even position if the entire report is implemented.

Private insurance company in Manitoba - without sufficient funds to pay actuarial claims would they be allowed to operate

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I direct my question to the Minister of Consumer Affairs, the Minister in charge of insurance regulations in the Province of Manitoba.

Can the Minister tell us whether the government would allow a Manitoba private insurance company without sufficient funds to pay actuarial claims to continue to operate? In other words, would the government allow a company that has \$184 million unfunded liability or deficit to continue to operate in the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, the honourable member certainly wasn't listening to the very thorough answer that my colleague, the Minister responsible for Workers Compensation, gave to the rather wild questioning by the Leader of the Opposition. Governments many years ago, upon request from industry, established a Workers Compensation program that protected industry from lawsuits, lawsuits that would cripple the continuation of industry or business in this province.

It's an insurance mechanism, designed to protect business from bankruptcy, but also to provide assistance to widows and orphans, people who have been subjected to the horrendous disaster that industrial injury occasions every day and every month, every year in this province and throughout this land. That is a system that is an excellent one. Sure, it costs money, but it's money well spent.

Workers Compensation Board - underwriting of deficit

MR. C. MANNESS: Madam Speaker, a new question to the Minister of Finance.

Given certainly the ramblings of the Minister of Consumer Affairs, which make no sense, and trying to assess what the Minister in charge of the Workers Compensation Board meant when he said that there would be neutral implication to costs, I ask the Minister of Finance whether the government is contemplating underwriting any portion of the loss, the deficit, the unfunded liability, anything they want to call it, with respect to the Workers Compensation Board of \$184 million. Is the government contemplating underwriting any portion of that and, if they are, what portion?

HON. H. HARAPIAK: Madam Speaker, very clearly, in that historical agreement which was made between industry and labour, there was no implication for the government at that time across Canada. There is no other jurisdiction where the government is throwing money into the Workers Compensation. No, we are not contemplating putting any money into the Workers Compensation.

Plan re Victoria General Hospital - is plan submitted by MHSC accepted by the government

MADAM SPEAKER: The Honourable Member for Fort Garry.

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

At the request of the Minister and the government, the hospitals in Winnipeg had to submit plans to reduce certain funds from their budgets for the 1987-88 year, and the Victoria General Hospital provided the government with an operational plan dated April 15 of 1987, and it states: "Our plan is confirmed to meet the criteria outlined by Mr. Edwards of the Manitoba Health Services Commission, corresponding to open health care facilities dated February 16, 1987."

The same plan goes on: "The operational plan," meaning this plan, "is down-sizing. It must be achieved by March 31, 1988." It also says: "In order to achieve the savings, fewer employees will be required on the payroll." It then goes on to say: "The inevitable must be faced, with a reduced service to the community."

My question to the Minister of Health: Has he and the government accepted this plan submitted to the government?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, not as yet and, as I stated on a number of occasions, if and when the plan or any plan is accepted, this will be announced; this will be made public.

MR. C. BIRT: Madam Speaker, it's interesting. I have received correspondence from staff and communications from the medical people at the hospital indicating that the plan will be implemented, so is the Minister . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. C. BIRT: Yes, Madam Speaker.

MADAM SPEAKER: May I remind the honourable member that it is not good parliamentary practice to bring written information, quoting from letters in question period . . .

MR. C. BIRT: Madam Speaker, I didn't quote from it.

MADAM SPEAKER: . . . as a preamble and asking Ministers to confirm or deny.

MR. C. BIRT: Madam Speaker, I am prepared to table the document.

Victoria General Hospital - closure of beds requiring layoffs

MADAM SPEAKER: The Honourable Member for Fort Garry with a question.

MR. C. BIRT: Thank you, Madam Speaker, to the Minister of Health.

Will it then be the policy of the Minister to close 48 beds at the hospital permanently, which is the Ward 3, General Service Ward of General Surgery, and require the layoff of 48 people, including 39 nurses?

HON. L. DESJARDINS: I know that my honourable friends, Madam Speaker, are very anxious to cooperate with any change we make in Health, but they will just have to be patient and they will be informed of any changes that will come about.

MR. C. BIRT: The plan contemplates the loss of 16,300 patient-days of service to the people in South Fort Garry. Is the Minister going to be implementing this reduction and therefore the people will be losing the service at the hospital and, if so, where will they pick up the extra service?

MADAM SPEAKER: That question is out of order. Beauchesne Citation 362 says: "Reading telegrams, letters, or extracts . . . as an opening to an oral question is an abuse of the rules . . . It is not good parliamentary practice to communicate written allegations to the House and then to ask Ministers either to confirm or deny. It is the Member's duty to ascertain the truth of any statement before he brings it to the attention of Parliament."

The Honourable Member for Fort Garry with a question.

MR. C. BIRT: Thank you, Madam Speaker. The Minister has these documents, and I didn't read from this document for the last question. I will rephrase my question.

Is it the policy of the government then to eliminate 16,300 patient-day services at the Victoria Hospital for the coming year?

HON. L. DESJARDINS: I think the question is a good one, except it's the same one over and over and over again.

I will give you this information, because I'm not going to hide it. Definitely, we're looking at deinstitutionalizing as much as possible. You will see that in every jurisdiction in Canada, in the United States, and everywhere else. You are the same people who are telling us we shouldn't have any deficit, we shouldn't increase the taxes. Then though, you don't want to see anything and you don't want to cooperate in anything. We'll do it without you.

If there are some hospitals that can be closed, they will be closed, and we will find other systems to provide the services. Can you tell me, all you experts out there, that the only way to treat people and to give the proper health care is just create more and more beds? That is not the answer.

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

MR. C. BIRT: Could the Minister advise why he can find \$160 million so the Member for Transcona can play monopoly with a gas company, and he's got to close hospital beds?

MADAM SPEAKER: That question is argumentative.

HON. L. DESJARDINS: Madam Speaker, my honourable friend is absolutely wrong . . .

MADAM SPEAKER: Order please, order please.

I ruled the question out of order as being argumentative.

Natural gas - Alta. to stop flow to Man.

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Madam Speaker, I would like to ask where have all the Tories gone, but instead I'll ask the Minister of Energy this question. There have been a lot of threats that Alberta will not allow natural gas to flow to Manitoba. Does the Minister have any information to give to the House regarding these threats from Alberta?

HON. W. PARASIUK: I'm pleased to answer that question.

There have been a lot of threats and a lot of posturing that natural gas would not flow to Manitoba, and I

would like to inform the people of Manitoba that those threats are completely unfounded. Even the Premier of Alberta, Premier Getty, has indicated that gas will certainly flow to Manitoba. So we should all rest assured that those rumours are totally unfounded.

MR. H. SMITH: To the same Minister, a supplementary question.

Can Alberta, however, legally impose conditions on our flow of natural gas? Is there any way that they can interrupt our flow?

HON. W. PARASIUK: Madam Speaker, Alberta has in fact . . .

MADAM SPEAKER: Order please, order please.

I have not recognized the Honourable Minister. Order please, order please. I have not yet recognized the Honourable Minister.

Would the Honourable Member for Ellice please reword his question so it does not seek a legal opinion?

MR. H. SMITH: Madam Speaker, my question to the Minister is: What conditions can Alberta impose on Manitoba, if any, to interrupt the flow of natural gas?

MADAM SPEAKER: Order please.

I'm sorry. Did the Honourable Member for Ellice rephrase his question again? I didn't hear it for all the noise.

Order please.

MR. H. SMITH: Is the Minister aware of any conditions that Alberta can set that would interrupt the flow of gas?

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

MR. H. SMITH: Has he been in touch with the Alberta Government to find out if there are any interruptions with the flow of gas?

HON. W. PARASIUK: Madam Speaker, we have been in touch with the Alberta Government ever since the Federal Government and the producing provinces moved to deregulation, raising our concerns that people in Manitoba might in fact not benefit from deregulation and be faced with future price shocks.

We indicated to them in our latest conversation and discussion that, if they did move with respect to conditions on our removal permits that were imposed in a discriminatory way, we would consider that discriminatory and we might take them to court as a matter of last resort.

I am pleased to indicate to the Legislature that Manitoba has received some unexpected support in our position, namely the former Premier of Alberta, Peter Lougheed, who indicated yesterday that Alberta should not let this matter go to the courts because there is a very excellent chance that Manitoba would win the court battle, and that Alberta should do what it did in the past, threaten to refuse to sell the natural resources but work out an arrangement.

Madam Speaker, we've always said that we wanted to deal with this matter in a reasoned way. We want it to be statesmanlike with respect to this matter because we want it to be fair to all parties, producers and consumers operating within the legality of the country and the constitutionality of the country.

I am pleased that former Premier Lougheed recognizes our approach, and I believe is giving us the type of support, Madam Speaker, that Conservatives on the other side certainly haven't been giving us with respect to this matter of trying to save millions of dollars for Manitoba consumers.

Winnipeg South Child and Family Services Agency - cancellation of meeting

MADAM SPEAKER: The Honourable Member for River Heights.

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

Last Thursday, MLA's who live in the area covered by Winnipeg South Child and Family Services Agency were invited to a meeting to discuss their proposal for emergency bed placement. Madam Speaker, the meeting was cancelled.

Did the Minister or her staff request the cancellation of this meeting?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, the meeting had been called by Winnipeg South. My understanding is that they changed their mind as to the necessity for that meeting.

Winnipeg South Child and Family Services Agency - support for this agency

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

Madam Speaker, during Estimates, the Minister indicated she was looking at the program. Can she inform the House today if Community Services has now decided to support this innovative and cost-saving initiative?

HON. M. SMITH: Madam Speaker, yes, we have arrived at an agreement with Winnipeg South.

Community Services - act only when pressure brought

MRS. S. CARSTAIRS: A final supplementary to the same Minister.

Is it now the department's policy to act only when it appears pressure will be brought by Opposition MLA's, despite the fact that the program was just as good a year ago as it is now?

HON. M. SMITH: Madam Speaker, just rejecting the assumptions of the questioner, we wait until we have

analyzed a proposal to see that it is fiscally sound and fits in with the long-term program direction of the department.

We communicated to the agency from the beginning that we like the concept, but the costing would take quite a bit of work and in fact we have now arrived at a mutually agreeable costing formula. We are quite pleased with the program and the direction in which it is moving.

Victoria General Hospital - further reductions re payroll tax

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I will try to get some questions passed to the Minister of Health. Madam Speaker, my questions follow on the questions from the Member for Fort Garry with regard to the Victoria Hospital.

In view of the fact that the plan submitted by the Victoria Hospital to make up a deficit reduction of \$1.6 million or \$1.7 million does not take into consideration the increased payroll tax that would be applicable to the Victoria Hospital for this fiscal year in the amount of some \$180,000, I would ask him whether the Victoria Hospital will be required to make further reductions to make up the additional payroll tax imposed upon them in this government's budget this year.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, the final decision will be made on that shortly. I am certainly optimistic that, no, they will not have to get the extra funding.

Victoria General Hospital - assistance with alternate employment program

MR. G. MERCIER: Madam Speaker, the plan proposed at the request of the government provides for 38 nurses to be laid off, plus almost 10 related-service people.

Would the Minister indicate whether his department or any other department of government would be assisting the Victoria Hospital with a retraining program and/or placement in an alternate employment program?

HON. L. DESJARDINS: First of all, let me say that this plan has not been accepted as such. The commission has asked the cooperation of the hospitals to stay within their budget. Maybe I should explain that because you're asking the same question day after day.

You have every single province in Canada that is worried that they are making changes. If you see the paper today, you'll see, "Saskatchewan cuts drug, dental plans," and read it. Maybe you should watch the people, the 182 people who lost their jobs, crying over national TV.

Then read, "Ontario hospital denounces move to reduce residents," and see the 300 medical students that will be let go by 1992 and, "Albertans outraged

by a plan to reduce Medicare services." When I read that, I want to make sure, Madam Speaker, that we understand I'm not criticizing these people.

There will have to be an effort made to save the best medical plan in the world and to improve the standards, and it is going to be done in an orderly fashion. We will see all the picture, especially in the City of Winnipeg, because this is the area that we're talking about. Nobody will be laid off this year. This will be reviewed every year; it will be done in an orderly fashion. Yes, there will be some jobs that will be redundant as you close beds, of course, but these people then will be by attrition or a retraining, reeducation.

We are trying to improve the community health care and we will need staff in that area. Some people from the hospitals will move there. But I can assure all those who are listening that there will not be any layoffs at all because of any changes that we make in the hospitals or anything that we approve.

Victoria General Hospital - has Min. accepted half-payment of CAT scan

MR. G. MERCIER: A final question to the Minister, Madam Speaker.

The Victoria Hospital has raised .25 million and has offered to the government to pay one-half the cost of the purchase of a CAT scan.

Has the Minister accepted or rejected that offer?

HON. L. DESJARDINS: I certainly appreciate the people who are coming forward and making contributions in the health field, but it would be very wrong if decisions were made in that way. It could be that the people who can afford to bring in half the cost would have a CAT scan and others wouldn't. The capital is very important, but the main thing is the operating cost of that. That is where you will find one of the biggest dangers and there will be some very tough decisions made. I think that you will see in all the jurisdictions maybe ethics committees that will look at things that politically are terrific but they're not going to add very much. I think it would be a mistake to try and equip every single hospital with CAT scans. There again, it would add a cost that is not necessary.

We're looking, I think it is in the hospital that was mentioned, we're looking at the possibility, there's a different kind of CAT scan. It could be that the hospitals are talking about paying the cost. Also this thing should be said at this time. In the past people who come in with new equipment and so on and have said, we'll save all kinds of beds if you let us buy that, and the commission and the Ministers of Health and so on said, okay. But they did save, these people did not need the beds but somebody else took these beds, and then you kept on with more beds and more and more, and you can't go along with that. That's what we're talking about . . .

MADAM SPEAKER: Order please.

MR. F. JOHNSTON: The Speaker is on her feet. Who do you think you are?

HON. L. DESJARDINS: Oh, I'm sorry. I can't see. I haven't got that vision; I never played quarterback like you did . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order!

If honourable members want to have private conversations with each other instead of participating in question period, they're certainly quite welcome to do so.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: May I remind the Honourable Minister that answers to questions should be brief, deal with the matter raised and not provoke debate.

Closure of beds - permanent closure to reduce deficit

MADAM SPEAKER: The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker. My question is to the Minister of Health.

Given that Winnipeg hospital deficits are over \$20 million and given that closing 48 beds at Victoria Hospital will save \$1.6 million, does this mean that, to reduce the accumulated deficits in Winnipeg hospitals, this Minister will allow 600 hospital beds to be closed permanently in Winnipeg?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: I don't know what they want. They are begging me to hurry up and close the beds so they can squawk. They are begging me to close the beds. I'm sorry, we're not ready to do it, I'll tell you when.

Concordia Hospital - holidays and unpaid leave due to bed closures

MRS. B. MITCHELSON: Madam Speaker, I hope the Minister will tell us when he is going to announce the plan that he has allowed Concordia Hospital to ask nurses to take holidays in July and August while beds are closed, and they have asked nurses to take unpaid leaves of absence to accommodate bed closures.

When is the Minister going to announce this plan?

HON. L. DESJARDINS: Madam Speaker, apparently it's been announced by the hospital. I don't know anything about that. I don't run that hospital. I don't know what they - I have just made a statement that, because of any changes, we will not lay off anybody, I made that statement. You're talking about unpaid leave and I know nothing about that and, if it is, it's the hospitals that are talking to nurses . . .

HON. H. PAWLEY: . . . administrator at the hospital.

MRS. B. MITCHELSON: Madam Speaker, in my mind, unpaid leaves of absence are the same as layoffs. I want to know if this action contravenes the Minister's stated policy of no layoffs in Winnipeg hospitals.

A MEMBER: That's right.

MADAM SPEAKER: That question seeks an opinion. Would the honourable member like to rephrase it?

MRS. B. MITCHELSON: Is it the policy, Madam Speaker, of this Minister to allow unpaid leaves of absence, which are the same in my mind as layoffs?

HON. L. DESJARDINS: Madam Speaker, I just stated to my honourable friend that this is the first time I've heard that. If it is a request that they voluntarily leave, I can't do anything about that.

If you're asking me if it's a policy and people will be put on leave without pay, no, it isn't the policy of this government.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, I almost hesitate to ask the Minister of Health a question because he's still recovering from the effects of a full moon.

MADAM SPEAKER: Does the honourable member have a question?

Capital projects - decision to proceed

MR. D. ORCHARD: Madam Speaker, in the Capital program tabled by the Minister of Health during his Estimates, he indicated that facilities at the communities of Benito, Elkhorn, Erickson, Manitou and Vita were under review as to whether those Capital projects would proceed.

Can the Minister indicate whether a decision has been made on any or all of those deferrals?

HON. L. DESJARDINS: Madam Speaker, this hasn't been finalized as yet.

Benito Personal Care Home - project to proceed

MR. D. ORCHARD: Madam Speaker, then would I be permitted to ask the Minister of Health as to why the Member for Swan River has stated in his local paper that the Benito Personal Care Home project will go ahead? How can his Minister in the Swan River Valley make that statement when no decision has been made by the Minister of Health?

HON. L. DESJARDINS: He certainly would be allowed to ask me, but it would be a lot better to ask the member who made the statement.

MADAM SPEAKER: Order, please.

The Honourable Minister of Natural Resources on a point of order.

HON. L. HARAPIAK: Yes, on a point of order, Madam Speaker.

I would ask the member to table the article so that the members of this House could see in fact what I

told the people of the constituency, that the matter was under review and I was confident that, in the long term, the services for a personal care home would be supplied.

MADAM SPEAKER: Order, please.

A dispute over the facts is not a point of order. The Honourable Member for Pembina with a question.

MR. D. ORCHARD: Madam Speaker, on a point of order, once again we see the Member for Swan River influence peddling in his constituency.

MADAM SPEAKER: Order please!

Would the honourable member please withdraw that unparliamentary accusation.

MR. D. ORCHARD: Madam Speaker, if influence peddling is an objectionable terminology, I will withdraw that. But, Madam Speaker, members on this side of the House . . .

MADAM SPEAKER: Does the honourable member have a point of order?

MR. D. ORCHARD: Yes, Madam Speaker.

MADAM SPEAKER: Would you please state your point of order?

MR. D. ORCHARD: Madam Speaker, consistently - it started with a program yet to be announced by the Minister. On a Business Development program, the Minister from Swan River announced a phone number that doesn't exist.

MADAM SPEAKER: Order please.

What is the point of order? A point of order deals with procedure; it does not deal with the content of Ministers' answers.

MR. D. ORCHARD: Madam Speaker, I believe that procedures in this House allow MLA's and Cabinet Ministers only to announce programs which are announced to the public. Madam Speaker, this is the second time that the Member for Swan River has announced programs which the Minister today has said no decision has been made on, which another Minister said no program exists.

SPEAKER'S RULING

MADAM SPEAKER: Order please.

The honourable member does not have a point of order. Any announcements in the House are a courtesy; it is not a required rule that Ministers announce programs in the House.

The Honourable Minister of Health on a point of order, the same point of order?

HON. L. DESJARDINS: Yes.

MADAM SPEAKER: I have ruled on that point of order. The Honourable Member for Pembina doesn't have one.

HON. L. DESJARDINS: A new one. On a point of order, Madam Speaker.

MADAM SPEAKER: What is the Honourable Minister of Health's point of order?

HON. L. DESJARDINS: That's what I was going to tell you.

My point of order, Madam Speaker, is that the same information is given by the Minister of Health to all the members. I gave the same information to the Member for Virden, and he can play politics, if he wants. It's exactly . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

The honourable member does not have a point of order. That's on the same topic on which I've just ruled. Now does the Honourable Member for Pembina have a question?

MR. D. ORCHARD: Yes, Madam Speaker.

MADAM SPEAKER: Would you please place it?

Capital projects - decision to proceed

MR. D. ORCHARD: Madam Speaker, to the Minister of Health.

Given that the communities of, and I read them off - here we are - Benito, Elkhorn, Erickson, Manitou, Vita and Wawanesa are all under review, can the Minister assure the House that MLA's representing those communities have equal access and influence on the decision-making ability of this Minister and the MHSC to assure that the projects in their communities go ahead, as the Minister for Swan River has announced in his paper, without approval from the Minister?

HON. L. DESJARDINS: Madam Speaker, every MLA has been given the information. I've never refused to give any information to any members on this side. I was talking to the Member for Virden just yesterday - except him - there's exceptions to every rule, except him, but all the others, I gave them all the information.

Now, my honourable friend says, do they have as much to say, as much influence. It's pretty hard to say when something is decided by Cabinet that those people have not a word to say, but they will get the same information. They're getting it now. The information was exactly what you're misquoting in there -(Interjection)- yes, that you're misquoting that it was under review -(Interjection)- That's not what you said - that it was under review and that he hoped that a solution . . .

MR. D. ORCHARD: No.

HON. L. DESJARDINS: Well, that's what he said.

MR. D. ORCHARD: "I'm confident it's going to be built."

HON. H. PAWLEY: Personal care, the personal care.

HON. L. DESJARDINS: Sorry, Madam Speaker, I never should have said "hope"; it's "confident."

MR. D. ORCHARD: Right.

Farm School Tax Assistance Program - large farmers to qualify

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

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

There seems to be some confusion on the part of the . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Member for Lac du Bonnet has the floor.

MR. C. BAKER: Madam Speaker, there seems to be some confusion on the part of some people in Manitoba in regard to the school tax rebate to agricultural farm land. Could the Minister of Agriculture tell us, in fact, whether the large farmers will qualify for tax rebate?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I think the only confusion that exists is in the minds of maybe the odd reporter, who filed a story indicating that large farmers and absentee owners would in fact not be eligible for benefits under the program. I want to state very clearly that all farm operators will be eligible for financial support. Absentee owners will not be eligible for support. There will be some farmers, the benefit will not cover their entire education tax payable, but all farmers will be eligible for support.

R.M. of Montcalm - has Minister reviewed request for personal care home

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Madam Speaker. My question is to the Minister of Health.

The Minister has been lobbied and made aware of the need for a personal care home for the residents of the R.M. of Montcalm. To date, all the senior residents who require these services have to be placed either at Ste. Anne or St. Boniface, 60 miles away from family and friends. Has the Minister of Health reviewed the request from the R.M. and the Town of St. Jean recently?

HON. L. DESJARDINS: The Town of St. Jean Baptiste, as well as many others, have been in discussion with the commission. They have been working on projects right now. As of now, this has not been approved. You're looking at the district. It would be nice to have a personal care home to serve every little hamlet, every little town. It is, of course, impossible.

We're looking at kind of a master plan. I must say it's not the first priority certainly at this time and, before we build too many other personal care homes, we'll

see what is needed, where they're needed, and if other services such as increased home care, day care for the elderly and so on, this will be looked at. But the Town of St. Jean Baptiste has been in discussion with the commission for a number of years, and I've had a number of meetings with them also.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: I'd like to draw the attention of honourable members to the loge to my left, where we have with us this morning, Mr. Bob Banman, who is the former member of this Legislature for the constituency of La Verendrye. On behalf of all the members, I welcome you back.

Also may I draw the attention of honourable members to the gallery, where we have 23 students from Grade 8 from the Marble Ridge Colony. The students are under the direction of Mrs. Vivian Bernier, and the school is located in the constituency of the Honourable Minister of Agriculture. On behalf of all the members, we welcome you to the Legislature this morning.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, would you please call the Adjourned Debate on Bill No. 43 and it's my understanding that, later in the morning, we'll proceed into Second Readings as they appear on pages 5 and 6 of the Order Paper, and I'll give you the order at that time.

ADJOURNED DEBATE ON SECOND READING

BILL NO. 43 - THE INTERIM APPROPRIATION ACT

MADAM SPEAKER: On the adjourned debate on Bill No. 43, the Honourable Member for Portage la Prairie has six minutes remaining.

MR. E. CONNERY: Thank you, Madam Speaker. It's a pleasure to wrap up my talk.

Just to put on the record, I have a few stats that I think are very significant to some of the reasons why this province is in trouble fiscally. From 1981 to 1985, while inflation rose by 33 percent, spending grew by 72 percent. This is a very significant statistic.

Over the same period, provincial revenues have grown by 52 percent. The strongest percentage growth has been in debt service and administration costs, not to social programs and the hospitals that we were talking about this morning, but to administration and debt service costs, which were up by 137 percent and 104 percent, Madam Speaker, very drastic increases. Meanwhile, spending on health and education and social services have risen by only 31 percent, while that for development is up by 28 percent.

Debt service and administrative spending is taking a larger share of the fiscal pie. As a result, allocations for social programs and development are being forced to reduce their share. Provincial revenues continue to consume a larger share of the economy. From 1981 to 1985, while the Gross Provincial Product grew by 38 percent, revenues were up by 52 percent.

Despite a relatively strong economy, Manitoba has not attempted to balance its budget. Since 1982, recession deficits have risen excessively and are anticipated to near the \$600 million mark this year. Failure to reduce the deficit during a growth cycle will mean a strongly reduced ability to apply countercyclical stimulus should a recession occur. Manitoba has borrowed excessively in recent years. Foreign borrowing, Madam Speaker - we alluded to that earlier - continues to be imprudently high.

Madam Speaker, in contrast to Manitoba, provincial borrowings of other provinces is steadily declining. Manitoba's is going up. Since the 1982 recession, while Manitoba's borrowing needs have risen by another 61 percent, the other provinces together have reduced their borrowings by 12 percent and, Madam Speaker, foreign borrowing by most provinces is decreasing.

Over the past six years, Manitoba's debt, in proportion to provincial output, has risen from 39 to 52 percent. In contrast, during the Sterling Lyon government, the debt declined by 8 percentage points to 40 percent.

Madam Speaker, each Manitoban owes somewhere in the area of \$99,500 for borrowings made by the province and its Crown corporations. Madam Speaker, Manitobans bear the second-highest debt per capita after Newfoundland - the second-highest. Between 1981 and 1985, Manitoba's debt per capita rose somewhere in the area of \$3,000.00.

Madam Speaker, while most provinces continue to decrease their reliance on foreign debt, Manitoba steadily maintains heavy foreign borrowings. And, Madam Speaker, foreign debt liability measures the increased value of foreign debt outstanding due to the declining worth of the Canadian dollar. Excessive borrowing abroad has cost every Manitoban over \$1,000 in increased provincial debt. Manitobans have incurred the highest foreign debt liability by a wide margin.

Madam Speaker, with those last few statistics - and I think they're very significant ones - the Minister of Finance should recognize why we're in a very serious problem financially in this province, why our debt is out of line and the foreign borrowings, as I personally acknowledged and understand because of some of the problems we've had with it, could cripple the economy of this province.

Madam Speaker, thank you.

MADAM SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Madam Speaker.

Madam Speaker, I might say that I was accused yesterday of only speaking from my chair, from a member that obviously hasn't taken into account, as I did this morning, that I've been on my feet this Session and other Sessions as often as he has.

I also got accused of not asking him questions, and I can say that I wouldn't be bothered asking questions of a Minister like the Minister of Industry, because he never answers a question in this House about the question that's asked. He gets up and blunders and busts around as if he has no brains in his head, which he hasn't, and does that continually every time he is asked a question.

It's very obvious, Madam Speaker, that this government is in trouble because the only way they communicate with this side of the House during the question period is to get bafflegab, laugh, not answer the question and make themselves look silly, and that is a complete sign that they are incompetent, that they don't know what they're doing. That's the way people defend themselves when they are in that position, and it's been obvious of this government for the past while.

Madam Speaker, let me tell you something. You know, very often when you get a barrel of apples and you have one rotten apple in the barrel, you don't take that rotten apple out of the barrel because you want to replace it. You take it out because you want to save the rest of the apples.

Now let me tell you, Madam Speaker, this is the most rotten government that this province has ever seen. What they've done to the people of Manitoba is inexcusable. They have no respect for the people, they never have had, and they never will have.

A MEMBER: That's right. That is right, and that's a shameful situation.

MR. F. JOHNSTON: They're operated by the most incompetent Premier we've ever had in this province and probably the worst group of Ministers that have ever sat in those benches in this Legislature - Ministers who will mislead, Ministers who will agree with misleading other people, and Ministers who laugh when they mislead the people of this province. In fact, Mr. Deputy Speaker, they stand up and they think it's smart. They think it's smart when they mislead the people of this province.

MR. DEPUTY SPEAKER, C. Santos: The Honourable Minister of Agriculture on a point of order.

HON. B. URUSKI: Mr. Deputy Speaker, the Honourable Member for Sturgeon Creek has reflected that every member on this side has misled the people of Manitoba and we laugh at them. Mr. Deputy Speaker, the only person who we laugh at is the Honourable Member for Sturgeon Creek making such asinine remarks.

MR. D. ORCHARD: Mr. Deputy Speaker, has the Minister got a point of order?

MR. DEPUTY SPEAKER: The Minister is raising a point of order because the Member for Sturgeon Creek said "mislead" and "laugh."

The word "mislead" appears on both lists, parliamentary and unparliamentary. It depends on the context, whether the word is being used with deliberate intent.

MR. D. ORCHARD: Mr. Deputy Speaker, to the same point of order.

MR. DEPUTY SPEAKER: To the same point of order, the Member for Pembina.

MR. D. ORCHARD: Mr. Deputy Speaker, the only time that members of Her Majesty's Loyal Opposition use the terminology that this government has misled the people of Manitoba is when it is factual, and that is quite often with this government and particularly with this Minister of Agriculture.

MR. F. JOHNSTON: Mr. Deputy Speaker, it's fairly obvious that the Minister of Agriculture doesn't like my remarks. I tell him he came into this House at the same time I did, and I hope that my actions in this House towards the people of Manitoba are far better than he has been to the farmers of this province. I hope that I would never go out and tell farmers that things are going great and he's done an awful lot for them or I've done an awful lot for them when I haven't.

Mr. Deputy Speaker, the Minister of Finance, we've gone through the Budget - I hear rumblings from the Member for Inkster by -(Interjection)- No, he didn't. Mr. Deputy Speaker, he said "my favourite member." I assure you he's not my favourite member, because I don't regard the jester of the House ever being my favourite member.

Mr. Deputy Speaker - well, here we go again.

A MEMBER: Now you're going to get it.

MR. DEPUTY SPEAKER: Under Rule 40.(1): "No member shall speak disrespectfully of the reigning monarch or any other member of the Royal Family, or of the Governor-General, or of the Lieutenant-Governor or the person administering the Government of Manitoba, or use offensive words against the House, or against any member thereof."

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. JOHNSTON: Mr. Deputy Speaker, I will have respect for any ruling that you make . . .

A MEMBER: He didn't make a ruling.

MR. F. JOHNSTON: And I don't recall any ruling. I would never want to have myself in the position of the members opposite, especially the Minister of Health who has no respect for this House whatsoever, as I said today from across the . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. ORCHARD: Quiet, chien chaud.

MR. F. JOHNSTON: I can assure you that the concerns that the honourable members have - I have always had respect for the chair. I can assure you, I don't have any respect for the members opposite.

MR. D. ORCHARD: Right on, especially chien chaud.

MR. J. McCRAE: They mislead us all the time.

MR. D. ORCHARD: Never told the truth in their whole lives.

MR. F. JOHNSTON: Mr. Deputy Speaker, I would like to . . .

A MEMBER: Make your speech.

MR. F. JOHNSTON: . . . mention to the Minister of Finance, I would like to ask him if he realizes what he has done.

I wonder if he realizes that, when a retired person phones me up who tells me that, you know, he said, Mr. Johnston, are you sure you didn't make a mistake in the brochure you sent out. I said, I don't believe so, but I said, if I did, I'm willing to discuss it with you. What are you speaking about? He said, are you sure it's Line 224 that we take the 2 percent of? And I said, well yes, I'm sure of that. And I said, I don't presume nor would I presume to ask you any of your personal affairs but you have to take 2 percent of that. He said, I'll tell you my personal affairs. He said, I'm retired. I have a retired income of \$22,000 a year. And he says, When I take two percent of that Line 224 it's going to cost me \$475 a year, plus the fact he's not going to get any benefit from the homeowners' situation.

And, Mr. Deputy Speaker, people who earn more than \$11,000 a year combined income, retired people who have pensions of \$11,000 a year and over - and many pensions are that way today because people have taken early retirement because they feel they can live on their pension - and all of a sudden, senior citizens are charged \$475 a year more.

The gentleman said to me, he said, you know, this government held my rent at three percent. They saved me \$15 a year, and then they turn around and they charged me \$475 - \$15 a month, I believe, Mr. Deputy Speaker. Then they turn around . . . 3 percent. They turn around and they charge me \$475 a year more on tax.

Mr. Deputy Speaker, this is criminal. I was in a business the other day and I was talking to the group in the business that were there, and they know that I am a member of the Legislature. They asked me about the new taxes. Well, Mr. Deputy Speaker, I asked them to go home and take a look at their Line 224 of their income tax and take 2 percent of it.

One of the girls in the office said, I have mine here. She didn't tell me how much she was earning but she calculated it while I was there, and she came out raging mad and she informed the other employees that they should go home and check what this has done to them, and they all will remember what this government has done.

I can tell you, Mr. Deputy Speaker, when you take \$475 out of a senior citizen's pocket, when you take money out of every senior citizen's pocket who has a pension of over \$11,000, you know, is that really treating the people of Manitoba properly? When you take their money, the biggest tax grab we've ever had, you put your hands in their pockets and you don't reduce the deficit more than \$70 million, I'd say that is what I would call misleading the people of the Province of Manitoba, because here we were going to go to work on the deficit.

The Minister of Finance puts our payroll tax up to 2.5 percent. We have a Minister of Industry who defends it; in fact, he put it on in the first place. He put the 1.5

percent on, which is discouraging people to invest and to hire in this province. Do you know how many small businesses there are out there that are just on the borderline with payrolls of \$95,000.00? If they hire another person, they will then have to pay the payroll tax on the \$100,000; if they get their payroll up to \$101,000, they'll have to pay the whole thing, depressing the people of Manitoba from hiring and giving people jobs.

The 1 percent sales tax and then, which is devastating, they've put on many articles that it shouldn't be on. Young people today, who enjoy the take-out foods and have for so long, are now going to be taxed, taxing their efforts of working in the summertime, going out and having a bit of pleasure, and this government and this Minister of Finance decides that those people should be taxed.

Then we have the transfer on real estate. Well, let me talk about that tax. A person buying a new home in the range of \$60,000 is going to pay about \$400 to \$500 on that. I have the figures downstairs. But when it really hits is when the price of the houses get up to about \$65,000 or about \$85,000, that really hurts. When you move into the \$120,000 mark today, it's really devastating and, quite frankly, houses today are ranging from about \$60,000 and up. As a matter of fact, where the Member for Inkster lives, it's approximately above that now because I happen to know, for personal reasons, what the houses run in that area.

Then we turn around and somebody buys a new house and pays this transfer fee and then they want to start putting furniture in it. They've got another 1 percent in the sales tax. Does that really do anything for the housing market of this province or does it really do anything for people who are employed in the housing market in this province? Did you ever estimate that a house will take at least \$11,000 to \$12,000 or better in furniture? So you'd given him a transfer tax already, and then you'd put the 1 percent sales tax on everything they have to buy or put in that new home. That's really being marvellous to the people of this province.

Then we look around and we say, well, after we've done all this, this government has now lost \$184 million at the Workers Compensation. This government loses that kind of money, and they joke about it on that side of the House.

We have a Minister who stands up and does nothing but dribble, absolutely dribble, coached by the Minister who sits near him, absolutely dribble, what he answers regarding the Workers Compensation. He talks on about the benefits to families and to people, etc. He does all of that, but he doesn't really say that kind of debt in any corporation will do nothing but harm the people they are supposed to help. That kind of debt has to be paid. If you haven't got the money to pay it and the Minister of Finance - and the Minister said today he has no intention of paying it. We have to know where it comes from and now we have the conclusion. We're going to put it to the white collar workers. We're going to put it to all the other people. We're going to take the recommendations of the report where there is absolutely no estimate of cost. That's the way they're going to pay it off.

In other words, they're just going to keep drowning themselves in deep water daily and they don't care. They laugh about it and they think it's funny. They think

that putting your hands in the people's pockets is a big joke. They think that they don't have to go out and find the money. They think it's a big joke because they just sit in this room and they pass legislation, saying I'll take your money from you. They don't have to work for it. They don't have to do anything for it. They just sit here with big blank faces and write the legislation, saying I will take your money. Isn't that a marvellous thing to do? Isn't that guts? I'd say that's the biggest lack of intestinal fortitude that I've ever seen and completely incapable of handling the people's money in this province.

A MEMBER: You did a great job.

MR. F. JOHNSTON: I just heard that we did a great job, and we did. Thank you very much for the compliment, you're right.

A MEMBER: A bit of sarcasm.

MR. F. JOHNSTON: I will tell you that our deficit that everybody talks about when you came to office, one of the reasons for it is because we had a drought and we had a flood that year and, let me tell you, what would you have done if the whole of Southern Manitoba had been flooded? What would you have done?

A MEMBER: Nothing.

MR. F. JOHNSTON: Nothing. Would you have helped the farmers the way you do now? Nothing.

A MEMBER: Nothing.

MR. F. JOHNSTON: Not a darned thing. Tell me about your deficit. You haven't -(Interjection)- I beg your pardon. Mr. Deputy Speaker, I just heard a comment from the member across the way asking me if I'd been drinking.

A MEMBER: Imagine that.

MR. F. JOHNSTON: I have always said - as a matter of fact, the other night in committee when he was leaving, he was joking around and I said I'm pleased your leaving, because he's about as serious in committee and in this House as the worst person I have ever seen. Later on in that committee - he hasn't anything wrong with him at all - he came marching in on crutches, joking and fooling around in committee, and then you get a question like that across the House, have I been drinking. I suggest you'd better check yourself with your actions the other night.

A MEMBER: . . . that's disgusting and he should withdraw it.

MR. F. JOHNSON: I really don't care, I realize where it comes from.

Mr. Deputy Speaker, we have a situation now at the present time where the government is intending to go into the natural gas business within this province and the only reason for it is because they want the cash flow. This government is broke, flat broke, and they

just want to have those payments from the gas bills every month coming in as cash flow. That's basically the reason they want it. And they're going to use that money just the same as they use Autopac money, and Autopac is now in a deficit position. And they will continue to use that money as cash flow. That money will be used, and probably by general funds, more than you'd ever believe.

It's being put in by the Minister who was the downfall of the Schreyer Government. He was the chief bureaucrat in the Schreyer Government; he ruined the negotiations with Alcan; he ruined the negotiations with potash; he ruined the negotiations with the power grid. He has lost money in the oil business, and the hydro is going to be a disasterous situation in this province. Hydro rates are going to go up steadily for the next 10 years and that's the Minister right there who's done it. We have a situation at the present time where we have more incompetence on that side of the House.

Then we have the situation that we hear about today and we talked about today in question period about the closing of hospital beds. The way that it's defended is to joke with the Speaker, not have any respect for the Speaker while you're answering, and not give us the answers to the questions regarding hospital beds.

The Minister of Health is trying to make us believe that we're asking for more hospital beds, and I don't think that's ever been said. We're just asking to maintain what has been built. We're just asking that this province handle the people's money so that they can have the services that they've always had in this province.

Mr. Deputy Speaker, they think it's smart when they say that we have to maintain the hospital services and the health care for the people of Manitoba, and they say that for an excuse or a reason for closing hospital beds. That's obviously been put together by a public relations man who says, this is the way you'll have to sell it, you'll have to make it look good when you close beds in this province. And he'll stick to it, and he will never admit in this House - I wish he was here - what he was doing.

He'll play his political game and close them gradually and, when the last one is closed, he will still be saying, as my colleagues know, he'll still be saying, well I don't know, it hasn't been all decided yet. That game has been played by this government for years.

Then the Minister of Finance sits by and watches MTX lose money. He should be down at the Auditor's office daily saying, I want something done about that. The Manitoba Telephone System - and I'll add the X later, because that's the real dandy - what is happening over there is just absolutely disgusting, because every day it seems or every week it seems, we have something else come out that is going wrong within that system.

The Minister of Finance should be down at the Auditor's office daily, saying, will you get over there and do something about it. Give me reports so I can do something about it. But what do we get? We get a super Minister appointed who has no authority over the Ministers who are in charge of it. Nothing but a sham has been put into place regarding the Crown corporations.

Then we turn around, Mr. Deputy Speaker. We have the Flyer Industries which we have discussed so many times, where we paid - after losing \$100 million - to get rid of it. The Minister of Finance will probably say,

well, that was your suggestion, because I sat in committee one time and I said we should pay somebody to take it, rather than keep losing this money.

He took me at my word; he sure did. He paid them to get rid of it.

MR. H. ENNS: As a matter of fact, coming out of that committee, the Minister said, you know, I'm going to do what Frank tells me.

MR. F. JOHNSTON: But you know, we forget. We talk about MTX, talk about Flyer, talk about the Workers Compensation Board. The list is so long right now. But you know, my colleague sitting right beside me here, or down from me, he remembers when this government lost \$40 million on Saunders Aircraft years ago.

Did we ever have a Crown corporation that made money, a business that you got into? I don't think that you've had a Crown corporation - and the ones that were doing well are now in a mess, since this government took them over six years ago.

The ones you had before were in terrible shape and a mess and the ones that were doing well when you came back are now doing terrible. What kind of management is that? Is that walking out of this building and facing the people of Manitoba and saying, I'm doing well; I'm doing marvellous.

You know, how can you face them? How do you sleep at nights after you've done what you've done? Then you turn around and, to solve the problem, you stick your hands in their pockets and you tax them higher than they've ever been taxed in this province before. It's highway robbery.

We have a situation where this government, this socialist - yes, Marxist, communist, whatever you want to call it - government -(Interjection)- I can tell you. Okay, did you ever take a look at the record of what they want to do? They want to get hold of the cash flow of this province, and they will do it. They want to be the manufacturer; they want to be the investor.-(Interjection)- They don't? Well then why is it about 72 percent of the investment in the province at the present time is all public investment?

They want to be the investor and they will control the small businesses. The man who pays the piper calls the tune, and that is the philosophy of this government. You actually sit there and say, why is he mad at me? Because you're doing what you want to do - and you know it. But you haven't got the face to go out and tell the people what you're planning to do.

The Minister of Finance continually talks about Saskatchewan, the Saskatchewan deficit. It has been cyclical; it goes up and down a fair amount. It hasn't been steady increases of deficit like ours has been over the years with NDP Government. Well, let me tell the Minister that the Conservative Government in Saskatchewan borrowed money to help their No. 1 industry basically, to get their farm -(Interjection)- here we go on the silly, stupid statement from the Minister of Industry about jacuzzis, and the Minister of Finance brings it up at the present time. Are you really telling me - no, he said it yesterday - they bought a billion dollars worth of jacuzzis? Are you telling me that?

A MEMBER: No.

MR. F. JOHNSTON: Well, that's better. Thank you very much.

So, somebody had a jacuzzi. As a matter of fact, I may buy one myself. I think they're rather nice and I may buy one myself - who knows? Somebody bought a jacuzzi.

So, the \$1 billion was used to help their No. 1 industry. If their No. 1 industry fails, they won't have any hospitals; they won't have any schools; they'll have nothing in Saskatchewan. And he used the money to help his No. 1 industry, and he had to do it. He had to put the money in because, in the long term, that industry had to survive. And he's having to be tough about it at the present time, but he had to keep the agricultural industry of Saskatchewan alive, and that's what he did with the money.

What did this government do? What did this government do for the farm community? Not a thing. Well, Mr. Deputy Speaker, then we have the investment in the province. And now that the Minister is back, I will tell him that he accused me of not asking him questions and I said, while he wasn't here, I wouldn't be bothered. You just get up and blunderbuss around; you don't answer questions. You think it's smart when you do something and then you sit down and you laugh about it, so why would I bother? Why would I bother listening to that and looking - oh, did you see the eyebrows go up and down? You see how silly - wait a minute - hold it, watch it - look at him, he's laughing now. His only defence for his actions, they're so bad that he resorts to laughter to defend himself. That's a sign of incompetence and we know about it.

A MEMBER: And he flutters his eyebrows.

MR. F. JOHNSTON: Yes. I mean, what do you do? All of a sudden you're talking to somebody and they start flipping their eyebrows up and down. I would like to suggest that, if that's the condition of the Minister of Industry, we know why private investment and manufacturing investment is down in this province. He manages to get up and say, I don't ask about Unisys and I don't about Burns - that's two. And he doesn't have really any more than that. He's got a lot of small ones, and you know that Minister - I would like my colleagues who weren't in that committee to know this. My colleague from Melita came in and he asked about the cattle business and the situation of the cattle business in this province, and he was concerned about the closing of packing houses. He said Centennial is now closed and, if we look in Hansard, we'll find that the Minister said, "Centennial, that's only 20 jobs." It's only 20 jobs.

A MEMBER: Vic's totally incompetent, you should know that . . .

MR. F. JOHNSTON: Really? I thought every job was important in this province, but those are the kind of answers we get from the Minister of Industry.

The Tourism, right now we get real glowing reports on Tourism, and do you know what the glowing reports on tourism are? That the people of Manitoba are touring within Manitoba.

The fellow who comes in from Dauphin on business, or the salesman who goes up to Swan River on business,

is now a tourist. I was the Minister of Tourism, I used to tell my staff, don't give me that nonsense. I wouldn't let them come in and baffle me like that. I used to tell them, frankly and straightforward, yes, we want our Manitobans spending money in Manitoba, but don't give me glowing figures that are just absolute nonsense, but this Minister accepts it. And then that is the big thing about tourism, that's the big thing about tourism.

We don't have any wholesalers in this province selling tours in this province. We don't have anybody putting money into real good campgrounds. We have a Minister of Highways wrecking the roads, and the tourism situation is bad in Manitoba, and this government thinks, isn't that marvellous.

A MEMBER: How about Workers Compensation?

MR. F. JOHNSTON: Well, I notice that the member over there is waving one of the Tourism signs and I hope that you would all put them in your cars and do what the gentleman, Mr. Kovitz, who came in and presented to them. Hope that you use them and hope that you help increase the tourism in the Province of Manitoba, but I doubt if there are many members over there who know where any campgrounds are in this province.

A MEMBER: They'll probably invite a picnic on the lawn here.

MR. F. JOHNSTON: Yes, that's right, the picnic on the lawn.

I will tell you, Mr. Deputy Speaker, I'm going to finish up but I would like to say this, that this province doesn't have mountains and it doesn't have many of the things that people go to Alberta and B.C. for that you see in Tourism. We have lakes and we have some of the most beautiful scenery in the world in this province.

If this government would stop playing games with Tourism and, instead of taking money out of the Highways budget and using your program, your world program which is in place - not more money. The program's in place and start to use it for good campgrounds, good places for people to stop and rest, and have Manitoba become known as the best touring province in Canada, but this government has overlooked that potential of tourism.

And you know, Mr. Deputy Speaker, it's in the report. It was in the report that consultants gave us eight years ago, and this government has never paid any attention to it whatsoever. But they used the money of the federal-provincial programs to play politics and get votes. That's all they ever used them for.

(Madam Speaker in the Chair.)

Madam Speaker, in conclusion, my House Leader has asked me to wind up because we have a couple of other people who want to speak. But I assure you, Madam Speaker, that I could speak for two hours on the complete incompetence of this government. As I said at the beginning, a rotten government, run by a group of incompetent people who have done nothing but pick the pockets of the people of this province, and these people deserve better.

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker.

Madam Speaker, I was appalled this morning at the attitude of this government and especially the Minister of Health.

We have had the worst possible scenario in the health care field that has happened in this province in years. And while we all enjoy the Minister of Health's sense of humour and his sense of outrage that he can bring on at any time, the fact that there is a possibility of cutbacks of 48 hospital beds permanently in one of our city hospitals is absolutely unheard of.

When the Conservatives were in power last, that government literally got defeated because they cut back to two slices of bacon, you never heard such an outcry from a government, from an Opposition, as cutting back two slices of bacon. Now we are cutting back 48 hospital beds in one hospital in the city, and that is just one; in Brandon, 47 beds for the summer and 31 permanently.

I have a hard time when I listen to this government and the Minister of Health make jokes and make light and laugh and, while everyone is enjoying his humour, there is nothing funny about the situation that's happening to health care in Manitoba. And to hear this type of thing going on and to think that the citizens of Manitoba are not outraged is almost unbelievable. Obviously, there is something that has gone badly wrong in this province. The Budget itself proved that.

When we are taking more money out of people's pockets in Manitoba than ever before and we're not really putting anything back, they are not getting more services - they are getting fewer - and the one thing they hold dear in this province is the health care. The way this government is spending and, I must say, this incompetent government is spending, it's going to get worse. They are spending themselves into a state where they are not going to be able to stop the outrage that is happening to our health care system. I just find it unbelievable that we can't, and we must arouse the citizens of this province to see what they are doing.

We put out, as the Opposition, a brochure that pointed out exactly what this government did in the last Budget. We've gone through the net tax which people will see on their first pay cheque in July. That will come home to roost with the members. But I think one of the things that it's important to look at is the government last year, in October and in November, announced the revised CHEC loan and home CHEC-UP Programs for energy savings. At the same time as the government is announcing programs to ask people to make energy savings in their home, this Minister of Finance slaps a new 7 percent tax on energy conservation material. It's unbelievable that we have a government that is foolishly spending money on one hand and then, because they've picked up a program that's costing them, they have to tax the very people who they're trying to help. I have a hard time understanding the thinking of this government and the Minister of Finance.

I'd like to deal just briefly with the takeover of the gas company. There is no doubt in my mind, Madam Speaker, that the taxpayers will have cheaper gas, homeowners will have cheaper gas for two years until the next election. Then this incompetent government will once again squander the money, because they do not know how to manage companies. They will take what is a successful company, and they will take the

money and they will squander it. Then forever and a day, Manitobans will be paying outrageously expensive gas.

I cannot believe and I don't believe, from the phone calls that I've been receiving both from senior citizens, businesspeople, and the average citizen in my constituency - they have seen what's happened with MTX, \$27 million; Manfor, \$31 million; MPIC, \$60 million, all in losses. And then we have the Workers Compensation which we put out at \$84 million, and it turns out it's going to be probably \$184 million. This is going to be a direct cost to the businesses in this province. Who is going to move a business into this province? No one. Who will start a business in this province? No one.

And the outcome of the budget is going to be that our young people, our clever, our bright young people are going to pick up their degrees and they are going to leave this province. This incompetent government is driving people away from this province, and it's started now. The real estate industry has started to go down and, mark my words, it is slowing down now. It's all because of the spending of this government.

Time and time again, when people have answered these questionnaires, they have said we do not mind paying but we don't want to pay for incompetence, and that's all they've been getting.

So, Madam Speaker, I just wish - and that's all one can do - but we will fight to keep this government from making an error that is going to cost Manitobans forever and a day. The takeover of the gas company is going to be one.

Legislate all they need to. Bring in legislation so that we have cheaper gas. Nobody wants to pay more than they have to. But don't, for heaven's sakes, take over a company that is running well, and they'll run it right into the ground.

Thank you.

INTRODUCTION OF GUESTS

MADAM SPEAKER: We have students from Grade 11 from the Riverton Collegiate under the direction of Mr. Wally Johannsen. The school is in the constituency of the Honourable Minister of Agriculture. Mr. Johannsen, of course, is a former MLA for the constituency of St. Matthews.

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

BILL NO. 43 - THE INTERIM APPROPRIATION ACT, 1987 (2) (cont.)

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

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

I'd just like to thank all honourable members for their comments in Second Reading debate of Bill No. 43.

QUESTION put, MOTION carried.

HON. E. KOSTYRA: I move, seconded by the Minister of Energy and Mines, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to continue to consider and report of Bill No. 43.

MOTION presented and carried.

COMMITTEE OF THE WHOLE

BILL NO. 43 - THE INTERIM APPROPRIATION ACT, 1987 (2)

MR. CHAIRMAN, C. Santos: Committee of the Whole, please come to order to consider of Bill No. 43, The Interim Appropriation Act, 1987 (2).

Does the Honourable Minister of Finance have an opening statement to make?

The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

No, I don't. I provided the details of the clause-by-clause of the bill to the member, the Opposition Finance critic some time ago.

MR. CHAIRMAN: Does the honourable Opposition critic, the Honourable Member for Morris, have any statement to make?

MR. C. MANNES: Mr. Chairman, no, I don't have a statement to make, but I do have a question and maybe a series of questions for the Minister of Finance. They deal with section 3(1).

I guess the question I have follows from a question I posed to the Provincial Auditor yesterday in Public Accounts Committee, Mr. Chairman. It deals with the authority for commitments for future years. I want to know why the government is requesting authority for additional expenditures, not in '87-88, in the fiscal year that we're addressing within Bill No. 43, but indeed years following this fiscal year.

The reason for the request, as shown within the notes given to me by the Minister of Finance, is and I quote: "For the total forward commitment of \$350 million, this is representative of the increase in the full-year level of future commitment authority required in '87-88 to provide for the financial obligations under the Manitoba Properties Incorporated lease agreement."

Mr. Chairman, I can understand why it is that the government may want authority for MPI lease agreements into '88-89. That, in my view, should be a total of somewhere around \$60 million. Mr. Chairman, what we have now is a request for \$350 million. I want to know, firstly, why it is that the government needs authority beyond the next year and, secondly, are they telling us that the MPI agreement, the Manitoba Properties Incorporated Program of selling buildings, that this will not come to a completion in the next three or four years, when indeed I believe that the first opportunity to redeem shares will fall in that point in time, or will this continue to be in place for some period of time? Because by the authority asked for in here, it seems that will be in place for many numbers of years.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

There's a bit of confusion with respect to this matter. First of all, there was a question asked on the general point about The Interim Appropriation Act (2). It subsumes all of the provisions of the first bill, both in terms of the total numbers and the specifics. So the forward spending authority that we were talking about in the previous bill, in essence, lapses or is incorporated into here.

The details of that \$210 million is as follows: \$110 million is for MPI lease agreements; there's another \$10 million for other lease agreements that the government enters into; there's \$5 million for the North Portage Development; there's \$5 million for highways oil purchase contracts; there's \$10 million for highway construction contracts; there's \$3 million for capital grants to the City of Winnipeg with respect to existing projects that the city has already committed itself to, which the province cost-shares; and then there's about \$60-odd-other-million of individual commitments that have to be made.

What this refers to is commitments where the government knowingly is not going to spend the money this year, but needs the authority to enter into those contracts that will flow in the other year. The best example I can give is the Highways contracts where, as you're aware, the contracts are entered into for more than a 12-month period, even though specific money is voted year by year. But if we did not have this, we would not have the authority, under The Financial Administration Act or any other act of the Legislature, to commit the government spending into the next fiscal year. This is what is covered by this.

The member also raised a point in debate the other day regarding the land transfer tax and the changing of name of ownership. I wasn't sure, and I haven't seen Hansard yet, whether or not he was referring to a change between spouses or between a spouse and a dependant.

MR. C. MANNESS: Spouses.

HON. E. KOSTYRA: Spouses. Okay, in that case, the existing practice as has been in place for many years is being maintained. However, I'm going to be looking at that matter prior to clause-by-clause deliberation on The Statute Law Amendment Taxation Bill that covers the land transfer taxes, because I think that's something which bears some looking at.

MR. C. MANNESS: Mr. Chairman, I won't prolong this. I thank the Minister for looking into that aspect dealing with land transfer tax.

The final question I have then with respect to authority for commitments for future years, the Minister then is telling me that the only component of all the figures he read out dealing with Manitoba Properties Incorporated is the \$110 million. There's no authority granted beyond that then within the global figures presented here, and there are a number of them, one as high as \$350 million.

HON. E. KOSTYRA: Yes, \$110 million for lease arrangements for MPI.

MR. CHAIRMAN: Seeing no other member wishing to speak, is it the will of the committee to consider the bill clause-by-clause or page-by-page?

A MEMBER: Bill-by-bill.

MR. CHAIRMAN: Bill-by-bill.

Is it the will of the committee to report the bill? (Agreed) Bill be reported—pass.

Committee rise.
Call in the Speaker.

IN SESSION

The Committee of the Whole House considered Bill No. 43, The Interim Appropriation Act, 1987 (2), and agreed to report the same without any amendment.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Honourable Member for Lac du Bonnet, that the report of the committee be received.

MOTION presented and carried.

THIRD READING

Bill No. 43, by leave, was read a third time and passed.

ROYAL ASSENT

DEPUTY SERGEANT-AT-ARMS (R. MacGillivray): His Honour the Lieutenant-Governor.

His Honour George Johnson, Esquire, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Madam Speaker addressed His Honour in the following words:

MADAM SPEAKER: May it please Your Honour:

We, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and Government, and beg from Your Honour the acceptance of this bill:

Bill No. 43 - The Interim Appropriation Act, 1987 (2);
Loi de 1987 portant affectation anticipée de crédit (2).

MR. CLERK, W. Remnant: His Honour the Lieutenant-Governor doth thank Her Majesty's dutiful and loyal subjects, accepts their benevolence, and assents to this bill in Her Majesty's name.

His Honour was then pleased to retire.

HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, would you please call Bill No. 51 for Second Reading?

But before doing that, I would like to announce to the House that the Standing Committee on Public Utilities and Natural Resources will be meeting on June 18 to continue its consideration of the report of the Manitoba Telephone System at 10:00 a.m.

SECOND READING

**BILL NO. 51 - STATUTE LAW AMENDMENT
(TAXATION) ACT, 1987**

HON. E. KOSTYRA presented Bill No. 51, Statute Law Amendment (Taxation) Act, 1987, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Finance.

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

I have provided more detailed comments to my Opposition critic on this bill. However, I would like to make just a couple of quick points on the contents of the bill in areas that have not been previously highlighted as part of the Budget.

One is that there is going to be a provision that has not been noted to date regarding the net income tax to provide for provision for refund of payment of that tax for people who have significant medical expenses in excess of \$2,500 a year.

Secondly, there is going to be a new exemption under the retail sales tax for baby bottles and associated goods and also time-sharing accommodation.

I will provide detailed clause-by-clause analysis sometime next week for the members, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Madam Speaker, I move, seconded by the Member for Lakeside, that debate be adjourned.

MOTION presented and carried.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, would you please call Bill No. 68 and, following that, would you please call Bill No. 14 and Bill No. 65?

**BILL NO. 68 - AN ACT TO GOVERN THE
SUPPLY OF NATURAL GAS IN MANITOBA
AND TO AMEND THE PUBLIC UTILITIES
BOARD ACT**

HON. W. PARASIUK presented Bill No. 68, An Act to Govern the Supply of Natural Gas in Manitoba and to amend The Public Utilities Board Act; Loi régissant l'approvisionnement en gaz naturel du Manitoba et modifiant la Loi sur la Régie des services publics, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

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

It's a pleasure to speak to a legislative initiative which offers Manitobans fair natural gas prices, secure supplies of this vital energy source at fair prices, increased extension of natural gas facilities to more Manitobans, where feasible, and increased public accountability for natural gas policies, and to commend this bill, Bill 68, to the House for approval.

Madam Speaker, this House and the people of Manitoba are familiar with the long and trying discussions the Government of Manitoba has been involved in, in our efforts to provide fair natural gas prices for Manitoba natural gas users.

Until November 1, 1986, natural gas prices were regulated by the federal and the three producing governments. On that day, the Federal Government and the producing provinces of Alberta, Saskatchewan and British Columbia brought into effect an accord which deregulated natural gas prices in Canada.

With deregulation, natural gas prices supposedly were going to be set by the marketplace. In deregulating natural gas, Ottawa and the producing provinces dispensed with the safeguards which protected ordinary Canadians, ordinary Manitobans. Under deregulation, prices were to be set by the marketplace.

Prior to signing the accord, this government, along with those of other consuming provinces, voiced concerns about the effect of deregulation on the ordinary Canadian, the smaller consumer - the homes and small businesses which use the bulk of the natural gas used in Canada. Regretfully, consuming provinces had no meaningful input into the agreement. I say, "regretfully," because many of our worst fears proved to be well-founded.

While deregulation led to substantially lower prices for large industrial users, the people who are the bulk of the users in Canada, the residential families, the small businesses and the commercial enterprises, as well as a whole set of institutions out there that provide health services, education services, etc., were basically required to pay the same high prices as they had under the previous regime.

In Manitoba, this means that residential and small business users continue to pay a base price of \$3 per thousand cubic feet at the Alberta border, while large industrial users have been able to buy natural gas for less than \$2 per thousand cubic feet, and this is not an abstract problem. This situation is costing the average homeowner \$150 annually in excess heating bills and, in the cold winter months, this means \$30 or \$40 extra in heating bills. It's costing a typical small business in this province \$1,600 per year.

The unfairness of this current system - one could even say its absurdity - has been brought home by recent sales to American utilities. Some of these sales give residential and small business consumers in the United States access to Canadian natural gas which, in many instances, flows through Manitoba and goes into the United States through Emerson for more than \$1 less than Manitobans are being forced to pay. I think that all members of this House would agree that this situation is intolerable.

Madam Speaker, since the introduction of deregulation by the Federal Government and the producing provinces, this government has made strenuous efforts to redress its wrongs. We have explored any and every avenue which offered the slightest chance of achieving fair prices and secure supplies for Manitoba consumers. We have met with all of the parties involved in the natural gas market. We have negotiated with the governments of the producing provinces. We have raised our concerns with the Government of Canada. We have met with representatives of TransCanada Pipeline, who currently

supply Manitoba's natural gas, and with representatives of Inter-City Gas who have the distribution system in this province.

We have also gone through the existing provincial regulatory procedures. On December 1, 1986, my colleague, the Minister of Consumer and Corporate Affairs, asked the Public Utilities Board of Manitoba to investigate natural gas prices and to determine if they were fair and reasonable in the current market.

At the hearings, specialists from my department and some of Canada's leading experts on natural gas prices presented evidence that the prices being charged to Manitobans consumers were both excessive and discriminatory. In this, we were joined by the Consumers' Association of Manitoba and the Manitoba Society of Seniors, along with a number of other people who came forward who argued that these excessive prices were placing an undue burden on the people of this province.

In its report, the Public Utilities Board confirmed that Manitobans were being charged excessive and discriminatory prices for natural gas. It found that the problem exceeded its jurisdiction and that only the government would have the authority to deal effectively with this problem.

Madam Speaker, as government with a mandate to govern, we are responsible to the people of Manitoba, and we enthusiastically accept the challenge that confronts us. Madam Speaker, the legislation before the House today meets that responsibility and answers that challenge. It forms the heart of a strategy to win a fair deal for the people of Manitoba with respect to natural gas prices.

Combined with the contracts we have signed to buy natural gas on behalf of the people of Manitoba for more than \$1 less than the existing price and the mandate to the Manitoba Oil and Gas Corporation to pursue the purchase of natural gas reserves, which are selling today at good prices, to secure our future, this legislation offers a responsible solution to Manitoba's natural gas needs now and in the future.

The primary goal of this legislation is to achieve long-term stability of supply at a reasonable price. Central to this goal is the creation of the Manitoba Consumers Gas Corporation. This new Crown corporation will provide the necessary vehicle for achieving fair prices and secure supply, and is certainly an integral part of our overall policy.

Manitoba Consumers Gas Corporation will replace Inter-City Gas as the distributor of natural gas in the province. Its mandate also includes the authority to purchase gas as well. It will include expanding access to natural gas to more Manitobans in this province where feasible, and also to act in a facilitating capacity to serve the needs of large users who wish to pursue the option of purchasing natural gas directly from the producers as part of the accord. As a Crown corporation, this utility will have no loyalties or priorities other than to provide the people of Manitoba with the best service and the best prices possible.

I say that when we move with this, one of the things we will look at where feasible is the extension of natural gas to more Manitobans. I'd like to take a second to talk about my critic's comments in the past, the Member for Lakeside, on the issue of natural gas. He has been one who has raised this issue, either in the House here

or in committee when we've been reviewing other matters, and he's indicated that he thought that the acquisition of the natural gas system would be a good thing for the people of Manitoba, if it was affordable, and if we would guarantee that natural gas would flow to every farm or community in this province.

Now, we are negotiating to get the natural gas facility at a fair price. It is a self-financing operation, so it is affordable. That leaves then the question of the extension of natural gas to more Manitobans. I put a qualifier in there, and I wanted to raise this with the Member for Lakeside, that giving a blanket statement that, whatever the circumstance, there will be gas flowing to every farm or every community is one that we as a government could not responsibly make.

However, we do say that we want to undertake an examination to determine where it's feasible. There are a number of communities throughout this province where we believe it's feasible. It may turn out that there would be some farms as well where it might be feasible. But surely it's responsible to look at it in that way. Surely, by having the instruments at our disposal under public ownership, that type of visionary activity that the Member for Lakeside has talked about as well is possible.

It certainly hasn't been possible in the past but it is possible now and it's becoming more possible as we move with this entire package. I want to commend the Member for Lakeside for having been interested in this particular issue and for having raised the points that he has. We've tried to take them into account and deal with them in a reasoned manner. I look forward to his comments in this debate.

The experience of other provincially owned utilities, such as Manitoba Hydro, Manitoba Telephone System and Autopac, shows that by having these utilities which are natural utilities owned by all the people of Manitoba means a better deal for Manitobans.

We now have the lowest electricity rate structure in North America, the lowest telephone rates and the most inexpensive auto insurance in Canada, probably in North America. I urge members not to be negative about our Crown corporations. Those Crown corporations in the utility field have served us excellently in the past. They operate in a goldfish bowl and they do have warts from time to time, but we deal with those warts and those institutions continue.

I never hear people talking about Inco losing \$1 billion over the last decade. I never hear them talking about the difficulties of the Hudson's Bay Company or of Dome or of a number of other corporations in the private sector that operate without the public scrutiny - the Northland Bank, the Commercial Bank and a number of other private enterprises.

We don't hear people say, oh, my God, private enterprise fails, therefore everything should be publicly owned. But when it comes to some Crown corporations having ups and downs, basically more ups than downs by far, we have people on the other side or else we're saying, we should privatize all these things, give up the assets, and this is what Margaret Thatcher is talking about. And the interesting thing is that Harold MacMillan, a former Prime Minister of Britain, a Conservative Prime Minister of Britain, spoke on this matter in the House of Lords as Lord Stockton. And he said, by selling off these publicly owned entities,

which we call Crown corporations in Canada, was akin to selling off the family's heirlooms, the country's Crown jewels. And, Madam Speaker, that is not the approach that a responsible government would take, certainly not the approach that a New Democratic Party Government would take.

I believe that the people of Manitoba know that the Crown corporations serve them well. They've indicated that time and time again when there have been threats by people on the other side to sell off Autopac, or possibly to privatize aspects of Manitoba Hydro.

This legislation will save Manitoba over \$50 million per year in our natural gas bills. This means more disposable income for ordinary Manitobans. A saving of this magnitude, which puts more money into the pockets of consumers, allows that money to be spent in Manitoba, is equivalent to some 1,400 jobs being created in this province through the multiplier effect.

Another aspect of this legislation is to ensure the further public accountability for all aspects of our natural gas system, so there will be amendments to The Public Utilities Board Act which will strengthen the board's role. The amendments expand the mandate of the board, including giving it the power to roll back natural gas prices and, if necessary, order rebates to consumers who have been overcharged. The amendments also allow the public to appeal the orders to Cabinet which is empowered to order new hearings or alter PUB orders. These amendments provide for the public scrutiny of the natural gas market in this province, while making the lines of responsibility clear.

The passing of this legislation will not solve all of our problems overnight. In particular, we anticipate difficult negotiations with the Government of Alberta on the issue of fair market prices, but we believe that reason will prevail. We are therefore confident that these difficulties will be overcome, and we're getting some indication of that just now.

The Government of Alberta has its own priorities. It is reasonable for Alberta to try and drive the hardest bargain they can for their resources, but this legislation will allow the Manitoba Government to be equally forceful in defending the interests of our province and our people, to ensure fair prices.

I must stress over and over again the current situation, where consumers in other parts of this country or consumers in the United States purchase Alberta's natural gas for almost half the price that Manitobans are forced to pay. This clearly cannot continue, and this government is taking the necessary steps to overcome this gross injustice.

In the final analysis, I am confident that the Alberta Government will accept the need to provide fair and equitable treatment to the residents of their sister Province of Manitoba, just as we have always offered with respect to electricity sales, if we sell electricity to the United States, when we offer that electricity to our neighbouring province on the same or better conditions to be fair and reasonable to our neighbouring provinces.

What we're talking about here, Madam Speaker, is fairness, fairness to Manitoba consumers, fairness to Alberta producers who believe that the prices we are offering are fair and reasonable, a fair price to Inter-City Gas for its natural gas distribution system, and a fair price to the Manitobans for that natural gas distribution system. We're talking about fair prices for

future supplies of natural gas. So the underlying principle behind this whole initiative of the policy and the legislation is fairness.

Madam Speaker, this legislation provides a decisive solution to a serious problem vexing the people of this province and to potential problems of future price shocks, because regulation is removed and we have no protection against future price shocks when the market situation turns around. So we have to operate and act in a collective manner to deal with the situation now, and to protect our interests in the future.

It is a solution that places trust in Manitobans. We can meet the challenges of a deregulated market if we are willing to show courage and commitment. We are offering to the House a prudent and effective approach to meeting the needs of Manitobans for secure, fairly priced natural gas to heat their homes and businesses.

Madam Speaker, this government is responding to the natural gas inequities and future uncertainty regarding possible price shocks in a deregulated natural gas environment with leadership and decisiveness and vision.

Governments and people have had to meet challenges before. We had a national railway that linked the dominion from sea to sea, and helped this country develop into the tremendous country that it is today. That was a Conservative Government that did that many years ago. We had other activity. We had a Manitoba Telephone System established in the early 20th Century by a Conservative Government. We had a Manitoba Hydro System, a publicly owned system, taking in a number of municipal and privately owned electricity utilities to form the Manitoba Hydro system, by a Liberal Government, which has served the people of Manitoba so excellently.

We had, in 1970 and 1971, a very bold initiative by a newly elected New Democratic Party Government with a very razor-thin majority, not even a majority, I think, but with the commitment, the political will to bring about better automobile insurance rates for the people of Manitoba. They had vision and will and they brought in Autopac, and everyone across this country envies Manitoba for having Autopac.

We have other instances. We had the Red River Floodway put in by Duff Roblin. Again there was opposition, but that took vision and that took courage. We had the building of the Winnipeg aqueduct, which has brought water to Winnipeg for years and years and years. That took vision, that took commitment, that took will.

But, Madam Speaker, I'm especially proud to be a member of the New Democratic Party because it's antecedents, the CCF and the present party, the NDP, have always had vision, always looked ahead. They were the ones who pushed for pensions; they were the ones who pushed for family allowances; they were the ones who pushed for Medicare; they were the ones who pushed for better unemployment insurance; they are the ones who have established the infrastructure in this country, which Prime Minister Mulroney has called a sacred trust. But that sacred trust is the legacy of the New Democratic Party and the CCF.

So, Madam Speaker, we are only moving another major step in fulfilling our destiny, and this is taking vision. I ask all of the members of this House and all Manitobans to work together to meet the challenges,

to realize the opportunities, not to go off, not to be afraid, but to have vision, to have courage, to have commitment.

I want to conclude with a quotation from Bobbie Kennedy, which I believe reflects our response to the challenge and our vision and clearly contrasts our positive approach with what I think is the negative approach of many of the people on the Opposition and that quotation says: "Some people see things as they are and say why; others see things as they could be and say, why not."

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Lakeside.

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

Madam Speaker, I move, seconded by my friend and colleague, the honourable Member for Morris, that debate be adjourned.

MOTION presented and carried.

INTRODUCTION OF GUESTS

MADAM SPEAKER: May I have the attention of honourable members and direct their attention to the Speaker's gallery, where we have with us this morning some very special guests.

Firstly, His Excellency, S. H. Chhatwal, High Commissioner for India. We have a delegation from India led by the Honourable B. Shankar Anand, M.P. and Minister of Water Resources. We have the Honourable Dr. M. Thambi Duraa, M.P., Deputy Speaker of the Lok Sabha; Mr. Anil Basu, M.P. from the Lok Sabha; Mr. K. P. Singh Deo, M.P. from the Lok Sabha; Mr. Phagat Ram Mun Hur, M.P. from the Rajha Sabha; Mr. Atal Bihari Vajpay, M.P. from the Rajha Sabha.

And accompanying the Indian delegation on their cross-Canada tour, representing the Speaker of the House of Commons, Mr. Paul McCrossan, M.P. from York-Scarborough.

On behalf of all the members, we warmly welcome you to our Legislature this morning.

BILL NO. 14 - THE MILK PRICES REVIEW ACT

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI presented Bill No. 14, An Act to amend The Milk Prices Review Act, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Madam Speaker.

We've now had three years since the implementation of the milk price control system and I want to say that the system has been successful in every respect. I want honourable members opposite to know that this

administration remains firmly committed to the milk price control system and its objectives.

The major objective is to provide a steady supply of fluid milk to Manitobans at fair prices, but to also ensure fair prices for all sectors of the trade. I know that any discussion on milk pricing gives the opponents of minimum price controls the opportunity to take up their battle cry.

But to those who suggest that minimum retail controls should now be abandoned in any way, shape or form, I say, Madam Speaker, remember 1982 and the price war of that year and remember what fluid prices were just prior to the controls in 1984.

Did all consumers in this province benefit from retail milk price wars? Did all Winnipeg consumers benefit or have the opportunity to benefit from these price wars?

The answer on both counts is no, emphatically no. Just exactly who paid for the retail discounting and rebating games being played by the corporate retail giants and their suppliers? It was the consumer who paid in downtown Winnipeg, in the core areas of this city and in any other area of the city in which you'll never find a large corporate retail store. Generally, with those consumers, without the ways and means of shopping at larger suburban stores, it was the poor, the elderly and the infirm who paid, and paid dearly.

Terribly ironic wasn't it that they least of all should pay inflated prices for fluid milk, and yet they did. And it was also the rural consumer who paid the biggest shot of all because inflated rural wholesale prices went toward paying for the rebating games being played in the larger urban centres. As with all other components of the control systems, the minimum retail controls were included in the system with particular objectives in mind, and I must say, Madam Speaker, it is clear those objectives are being accomplished.

We have found a tremendous amount of welcome stability that has been injected into the retailing of milk by having minimum prices. The stability has provided an atmosphere in which healthy, wholesome promotion of milk consumption has a chance to be successful.

Before these controls, all that happened was that existing market share was reallocated among the retail trade but now, through truly beneficial advertising and promotion, more milk is being sold.

Madam Speaker, I want to table the per capita of milk consumption of fluid milk in Manitoba between 1981 and 1986 where we were at 100 litres per capita in '81; and down to 97.6 in the late fall of '84; and up to over 100 litres per capita today. I wish that to be in the record, Madam Speaker.

During the last dairy year, slightly more than 106 million litres of fluid milk were sold in Manitoba. That total represents an all-time record high since the inception of the Producer Marketing Board in the early Seventies and probably further.

So far this dairy year, Manitoba's leading the entire nation in increased fluid sales with an increase in the first nine months of about 3 percent over the last year, which was the record year. And how were the increased milk sales accomplished? Milk sales do not go up when you put milk on sale. In fact, milk per capita consumption dropped most over the five years from 1982-85, during the period encompassing the last major retail price war in 1982.

Now 1985, in itself, is a significant year in that it was the first full year of operation of the control system. And according to the report that I have just tabled, Madam Speaker, Manitoba led all provinces in increased milk consumption with a per capita milk consumption increase of about three litres per person. Now that's good news for the entire industry - producers, processors, distributors and retailers alike.

And what about the retail trade? Madam Speaker, it is said by many people involved in the grocery retail trade that Manitobans truly benefit due to the composition here of corporate, independent, small and large retail stores.

The independent trade is strong in the grocery business in Manitoba, and we'd like to keep it that way. I've heard it said time and time again that, if there's one good thing that our administration does for the independent grocery store owner, it's the maintenance of that minimum price control on milk. The Canadian Federation of Independent Grocers has gone on record many, many times and indicated their full support for the entire control system, minimum retails included. What better stamp of approval can one get for this provincial program than the endorsement of the independent businessmen of this province's grocery trade. And I'm not talking about the odd maverick operator or corporate retail grocery giant. I'm talking about the opinion of those businessmen who truly represent independent grocery business in Manitoba.

What would the price of groceries in this province be without the competition provided to the larger independent grocery stores who slug it out on a day-to-day business with the corporate giants and multinationals? What is the cost to the consumer for fluid milk in a province enjoying the benefits that generally increase milk sales and a vibrant grocery trade? In urban centres, Madam Speaker, Manitobans pay the second-lowest retail prices across the board in all of Canada.

The amendments, Madam Speaker, have two purposes. The first amendment will reduce both the costs of the program administration and some confusion which exists concerning the operation and responsibilities of both the Milk Prices Review Commission and the Manitoba Milk Fluid Commission.

The second amendment will assist the Milk Prices Review Commission to ensure that retail prices are adhered to. The amending bill will, in effect, remove from the Fluid Milk Commission the authority to monitor and control, as deemed necessary, the wholesale prices of fluid milk. The authority will be assigned to the Milk Prices Review Commission under The Milk Prices Review Act. Thus one and only one commission in this province will be responsible for monitoring and setting of fluid milk prices.

The benefits of this consolidation of authority are obvious, Madam Speaker. Program administration costs will be reduced, as only one commission will be necessary, instead of the current two.

At the time of proclamation of these amendments, the Fluid Milk Commission will be disbanded and all of its orders will be rescinded and replaced, as required, by orders of the Milk Prices Review Commission.

Our experience, Madam Speaker, has been that, since the program's inception almost three years ago, those who have sought to circumvent the controls or to

outright defy them stand in the smallest of minorities. Surely, if the objectives of the system had not been in the best interests of the Manitoba fluid industry and Manitoba consumers generally, there would have been many more documented cases of lack of support for the system by now.

In fact, Madam Speaker, the retail trade in this province is to be commended for the level of compliance with the controls shown over the last three years. The experience has been that, not only have the vast majority of retailers complied with the controls, but they have in fact supported the system and the objectives being accomplished.

The amendments which will ensure adherence to the retail prices, as stipulated by the commission, are not a new idea. The intent has always been there in the Statutes Prohibition section as originally written. The amendments will, however, do nothing more than specify those prohibitions in black and white. The amended act makes it clear that fluid milk cannot be sold at prices other than those stipulated by the commission or its orders. It is the intention of this amendment that consumers pay no more or no less for fluid milk than those prices established by the commission. Finally, Madam Speaker, it would appear that the current fine levels of not less than \$100, not more than \$3,000, no longer appear sufficient to act as a deterrent. Therefore, the fines will increase to not less than \$500 and not more than \$5,000.00.

I want to point out to members of this House that these amendments, in particular, have been borrowed from Saskatchewan Milk Board's long and successful experience in the area of fluid milk price control. One of the traditional arguments against controls of any kind is that they limit competition. In fact, nothing could be further from the truth. With the stability that controls provide at both the processor and retailer levels, we have in fact created a scenario in which all players can compete on an equal footing. This allows the smaller retailers and processors to stay in the game, not to be forced out because the large chains have bought out their businesses from beneath their feet.

Finally, to the detractors, I say that there is much more to competition than just cutting the price deeper than your competitors. There are other important traditional factors, such as quality of product and quality of service provided. It seems more people either forget or ignore those factors because they are so interested in trying to buy their competitor's business. It is those who have engaged in truly beneficial product promotion, those who attempt not only to increase their own sales but to increase general consumption, who have succeeded. It is a time for increased industry initiative, for creative promotional ideas whereby everyone benefits, consumer and supplier alike. My department and the commission will not stand in the way of the trade.

Through the amendments, we are prepared to look at any and all promotions involving fluid milk. In that way, any promotion that is in the best interests of Manitoba consumers and the fluid milk industry in general will be welcomed and encouraged.

Madam Speaker, I am confident that the amendments we have introduced will benefit the consumer and all sectors of the milk industry.

Thank you.

MADAM SPEAKER: The Honourable Opposition House Leader.

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

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

MOTION presented and carried.

HON. J. BUCKLASCHUK: I'm wondering if, by leave, the members opposite would agree to simply having me move and second the introduction of Bill No. 65 for Second Reading, and then leave the message for a subsequent Session.

**BILL NO. 65 -
THE SURFACE RIGHTS ACT**

HON. J. BUCKLASCHUK presented Bill No. 65, The Surface Rights Act; Loi sur les droits de surface, for Second Reading.

MOTION presented.

MADAM SPEAKER: The hour being 12:30, the House is now adjourned and stands adjourned till 1:30 p.m. on Monday next.