

THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Tuesday, May 21, 1968

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
 Reading and Receiving Petitions
 Presenting Reports by Standing and Special Committees
 Notices of Motion
 Introduction of Bills

The Honourable the Minister of Industry and Commerce.

HON. SIDNEY SPIVAK, Q.C. (Minister of Industry and Commerce) (River Heights): Mr. Speaker, before the Orders of the Day I would like to answer a question by the Honourable Member for St. George who asked whether members of the Information Service Branch were working on a part time basis in radio stations in the city. The answer is yes.

MR. SPEAKER: Orders for Return. The Honourable Leader of the Opposition.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, in the absence of the Leader of the Opposition, I move, seconded by the Member for Lakeside

THAT an Order of the House do issue for a Return showing for each year since 1964 the details as follows for all trade missions, selling missions, investigating missions, study groups, and other such trips sponsored in part or in whole by the Manitoba Government:

1. the purpose of each mission.
2. the itinerary of each mission.
3. for each mission, the names and occupations of all who attended from Manitoba, showing which paid their own expenses and which had their expenses paid for by the Provincial Government in whole or in part and the amount paid for each.
4. the breakdown of all expenses for each mission, showing separately the amounts for promotion, advertising, receptions, dinners, entertainment, any advance expenses involved such as research, staff trips, etc.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Mr. Speaker, I wonder if we could now go to second readings, the second reading of the Act to amend the Agricultural Credit Act which we were on when we adjourned on Friday. I am just trying to find it on the Order Paper. Bill No. 96 at the top of Page 4.

HON. HARRY J. ENNS (Minister of Agriculture and Conservation) (Rockwood-Iberville): Thank you, Mr. Speaker. If I recall, we had just gotten into this on Friday last when the adjournment of the House interrupted; and if I recall further, the Honourable the Leader of the Opposition rose at the close of that afternoon's debate on the bill to ask the question whether this was a position of retreat being taken by the government. Well, Mr. Speaker, I may have appeared to have presented this in a bit of a disjointed manner that late in the afternoon after a long week, but it would seem to me that it simply illustrates the inability on the part of the Leader of the Opposition to recognize a sound agricultural program when he sees one. I also think that if he would consult with his colleague, his desk mate the Member from St. George who has repeatedly called upon us even in this session, as to what we are doing about the veterinarian facilities at the University. I think we have answered him what we are doing about the veterinarian facilities.

I think when we listen to some of the requests and some of the concerns expressed by all farmers and particularly on other occasions by some of the rural members on this side of the House, expressing support and concern for the soil testing program, here again we are showing what we believe to be sound agricultural policy. Certainly I think, and I don't want to side-step this question but meet it head on, the simple fact is that in re-assessing our overall program, and I feel, Mr. Speaker, that this is something that governments should always be doing and indeed should be getting in the habit of doing a great deal more, as of late. You know we toss the word "priorities" around very loosely sometimes, Mr. Speaker, but really what does that mean - it means that it does not necessarily mean in times of scarcity of dollars or in times when we should be looking very carefully at the kind of public dollars we are spending that we have to retrench or stagnate or not bring forward new programs. Indeed I have been pointed out from time to time in this House as having represented that view in recent political gatherings of this side as perhaps representing a view of not spending or of retrenchment - far from it.

(MR. ENNS cont'd.)

What this bill so amply demonstrates, Mr. Speaker, is that if you choose your priorities and if upon examination of your programs you find that because of changing conditions you can move into new areas, introduce new programs, then I suggest, Mr. Speaker, that this is the manner and way in which it should be done; not simply by piling new programs on top of old programs but by carefully examining the priorities of programs, programs that perhaps you can now take a second look at. And why can't we take a second look at long term credit. I'd like to read into the public record at this time, and acknowledge the tremendous job done by our Manitoba Agricultural Credit Corporation. I start by giving recognition to Mr. Leggat our Manager, his senior people, the Board of Directors that have guided this credit corporation; certainly it has been a most vital and important tool within our agricultural policy package that we have presented to the farmers of Manitoba.

And it can well be asked at this time, if this is the case why are you withdrawing part of their service, that is the services of extending the long term credit? Well, Mr. Speaker, I submit, I submit again, the position that has been put forward on many occasions in this House, that the Honourable Member for Lakeside has taken some dispute with us on occasions. He has of course reminded this House that the Federal Credit Corporation has been in business long before we came into business and therefore this was a duplication of service and so forth. I acknowledge that they have been in business but I ask you in what way were they in business; how were they conducting their business and how effective was it? It wasn't until we came into business in '58, with a considerably expanded type of service, both in maximum of loans available and in the manner and the way they were granted and in the manner and way of getting agents throughout the Province of Manitoba, that we feel - and I feel this province or this government can always, can always be thankful that we played a very important role in opening up the confidence in the financial community, either in the federal field or in the private field, that long-term borrowings to farmers was well worthwhile and worth the risk. We have done it to the extent that when we now examine the program, we find that we have considerably boosted the outlets for long-term credit to farmers. For instance our FCC, and these figures have been read, are possibly going to be loaning in the area of \$30 million this year to Manitoba farmers. And they aren't the only source. We have, of course, other private sources: Prudential, the IDB does a bit, the VLA does about \$3 million worth. So in other words when you add up the sources of long-term credit available to Manitoba farmers, and you add up the desirability of moving ahead with the new facilities, with providing - again filling in a gap of this production credit through our system of guarantees, then, Mr. Speaker, under that light, and it was with that kind of a judgment that the government chose to at this time come to the conclusion that we could better serve the interests of our Manitoba farmers by at this time withdrawing from long-term credit, using the \$40 million that had been invested by this government, over the years, into agriculture, to redirect that through a system of guarantees, through direct assistance in the building, the use of some of the capital -- and it was for this reason that I was a little coy in describing the capital amount that was being discussed the other day in my honourable friend, the Provincial Treasurer's bill, the capital requirements for the Credit Corporation as being listed at \$2-1/2 million. I have reason to believe that not all of that money is required for the actual covering of the loans. It is our intention to use upwards to half a million or whatever the cost, particular point may be, for the actual construction of these facilities that we are talking about - direct capital input into this area.

But, Mr. Speaker, to sum up the bill that's before you will enable us to do these three important things: it will enable us to co-operate with the private sector and to identify particular areas -- this will be necessary at the start. We can't expect to cover the whole waterfront in our system of guarantees. But again through this system we will be able to direct to some extent our emphasis, where we feel the emphasis should be placed, specific farm cost areas which would be covered by our guarantee. It could well be, and I say this would be done in consultation with the farm groups, with the farm organizations, with other farm leaders, we would perhaps identify such areas as the short-term production costs of fertilizer, seeds, or in some specific areas, it may cover the situation of land clearing or other specific areas, livestock, that we would enter into an arrangement with a private sector, much as the Federal Government has in their farm improvement loan situation, and through this way stimulate considerably -- by using one, two or three millions of dollars a year as direct guarantees, we would hope to influence the freeing up of \$15, 20, 25 or 30 millions of production credit to the

(MR. ENNS cont'd.) farm sector in this way.

That would be the one goal that's envisaged in this bill. Secondly, of course, to carry on and to proceed with the construction of these very very important facilities that will service all Manitoba farmers, all Manitoba agricultural people. While we have pretty firm ideas about what we want in this respect, some are more advanced than others. I know the Provincial Veterinarian has travelled extensively to visit some of the facilities that have recently been built in Alberta. He is familiar with the facilities in Ontario. We hope to get in the best of both and build what would really become a first-rate agricultural service complex within the Province of Manitoba, one that all farmers will be proud to associate themselves with, use as their own and indeed make it a home for their gatherings and for their meeting places.

And just a final thought on this, Mr. Speaker. This is the natural evolution of some of our pioneer programs which now have well advanced out of the research staging of them. When we started our soil testing program, it was started in the fairly confined space and fairly modest space requirements at the University. It was started with a group of clear thinking soil scientists, supported by this government and through the department of agriculture; and this was fine. It now has grown to be a very practical, acceptable program. They're getting soil samples, they are coming out of the ears of those fellows down there in the quarters that we have provided for them. And we know that, we've known this for the last year; we know that if we expect to carry on and make this program available to all our farmers we have to provide them with the physical facilities to do this. Also it is a program that is no longer a research program. It can afford to move out from outside of the umbrella of the University as such, although it may well be located there, but I want it run in the practical farmer controlled type of an environment where we can respond very quickly to the desires and the needs and the wishes of our farm community.

And likewise with our veterinarian services. Again, we do a great deal of research and diagnostic work at the university, but the kind of volume that is coming in - through our encouragement - we are encouraging farmers to send in their diseased livestock or livestock that is suspected of having disease -- and just the sheer volume and the weight of this traffic moving into the university area there is creating such a problem that we can't expect to hold the calibre of people that we require; we can't expect to provide the service that we know we have to provide if we are going to get this continued support from the farmers.

So we move into those areas of physically building, these facilities that we feel is another giant forward step on the part of this government in providing agriculture services to the farmers. At the same time we do so knowing full well and with a very clear conscience, that we have in many ways provided the leadership and the like in long-term credit, that we can now walk away from that program, not with the idea of abandoning, not with the idea of leaving the Manitoba farmer no source for long-term credit, but recognizing that others in the field are doing a fine job, a job that we hope to work in close harmony with.

In conclusion, Mr. Speaker, some of this close work with us will be provided by - our credit advisory work - that I expect to utilize some of the key members of the present credit corporation staff. In many cases, rather than giving the direct loans they will be sitting down with our farmers, advising them on their credit needs and then making the choice of either going to the private sector, a bank, or indeed going to the federal corporation, and assisting them in making these loans capable.

The one point that I didn't bring up sufficiently, in speaking to it, is the fact that this will also free up the necessary money to considerably expand our farm management program, considerably expand it. While the members may or may not have, I am sure most of them have taken the time to read the announcement that was recently made by the Royal Bank in this respect, and I am pleased to hear of their forward-looking attitude toward farm credit. But certainly, again, the business of farm management enters into this very strongly. I think the way the private banking people put it, if the farmer comes in with a reasonable set of books, rather than having it all written down on the back of his cream cheque what he hopes to be making, but if he can present a cash flow statement, if he can present a reasonable set of figures that show the profitability of his venture, they certainly are prepared to take a lot harder and much more progressive look at their overall credit needs, both in the short-term and the intermediate. When we can start to encourage banks to loan money for up to ten years, or five years, or eight years - the word is "flexibility". This has been the big problem with bankers. The bankers haven't always understood the fact that the farmers income isn't that

(MR. ENNS cont'd.) fixed as we have found out in other debates in this House in the past; that if we can build flexibility into our private banking system when they're considering agriculture, then again a great step forward has been made. We hope to very considerably expand, very appreciably expand by I believe in the area of some hundred thousand dollars our farm management program which will - I hate to use the word because the Honourable Member from Gladstone isn't in his seat, but he likes to come right back at me on this thing - which will create the opportunities for bringing more of our farmers into that class, that class of distinction that separates the men from the boys in this business of farming which is rapidly becoming a game that's not meant for amateurs. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. ALBERT VIELFARURE (La Verendrye): Mr. Speaker, I want to thank the Minister for his statement and I'm glad to say that he has brought, this morning, the emphasis on the lending aspect of this Bill. I think he resented the comments from my Leader on Friday, but really looking at the Bill I was myself wondering whether I was looking at the wrong Bill or if he was speaking on a different one, Mr. Speaker, because the emphasis was on the building of the facilities for vets at the university or somewhere else and certainly this has been asked by all sides of this House and I'm sure nobody will want to criticize this at this moment. It is needed, needed badly, and certainly we expect it at this time. However, the only part in this Bill that refers to the building of the facilities, in my opinion, is Part 2 of Section 2, which says "the acquisition of real and personal property and the construction and erection of buildings and structures on such real property to provide accommodation and facility for agricultural programs and services," and I certainly don't quarrel with the Minister that we should have the facilities.

However, in my opinion we're dealing with a bill here this morning, Mr. Speaker, that has to do with the different form of credit granting, and this is certainly very, very important in the agricultural society today. There is not too much doubt in my mind that the main reason for the government getting out of the MACC is on the advice I imagine of the Provincial Treasurer of having some difficulties in raising all the moneys needed to administer government today. And this is no secret; it's a difficult task to find money today and I'm sure the Provincial Treasurer has his problems.

The Minister says he recognizes that there has been duplication and my colleague the Honourable Member from Lakeside has certainly made it plain on more than one occasion, that there was indeed a real duplication between the two plans. However, Mr. Speaker, I'm not so sure, unless the Minister gives us more information, if we are not, under what I see in this Act, fairly duplicating again with the Farm Improvements Loan. Because from what I see there isn't too, too much difference, unless the Minister has more to tell us, between the Farm Improvement Loan and this particular Act. As the Minister has said, the Royal Bank has come out on Saturday with a fairly extensive program of agricultural financing. But in my opinion, Mr. Speaker, the real need today for credit is with the young farmers of this province. They certainly are the ones who should need help as far as financing their operations and I don't think there's anything wrong in asking the government to give special assistance to young farmers. We do it in all other fields; we do it in education, in retraining and upgrading, in different courses, and I think in the field of agriculture this is where we should bring out special emphasis, because if anybody has trouble getting loans today it is the young farmer and this is where, in my opinion, the emphasis has to be on the ability of the young men to properly manage the farm.

I was pleased to see in the Royal Bank press release on Friday where they too make it a point of stressing that their policy will be in accordance with the ability of the young farmer to run his operation. I'm quoting here from the Royal Bank release, and I quote: "Our new policy of lending, continued the bank spokesman, which is based first and foremost on the profitability of the farm's operation, means that our bank managers must have a good working knowledge of general farm production economics with specific reference to farm management. Our managers in the rural areas will be given courses covering economic principles and their application to agriculture, farm accounting and analysis procedures and a review of special problem areas in farm management. In other words, our managers will shortly be in a position to provide the farmer with something more than just credit, and certainly this is one of the important factors today in granting credit."

I would like the Minister in his reply to give us some more explanation as to the attitude

(MR. VIELFAURE cont'd.) of the new corporation in that light, because actually in the Bill, I see no particular reference to our young farmers.

I would also like to ask the Minister whether this will be a last resort sort of a plan or whether the plan will be available to anyone who applies for it? For example, you have the NHA Loan Act by which you have to have your refusal from other lending institutions before you can make use of it. Now I think it would be important that we know whether this is going to be available to everyone.

I'd also like to point out that in my opinion maybe we should have some kind of a fund to take care of bad loans. I know that in today's granting practices there are few bad loans. I think the attitude of loaning, as the Minister pointed out a few minutes ago, has changed very much. Many years ago I used to say that you went to the bank and gave your whole story and said how much you wanted and the banker would give you half of what you needed, which was certainly bad, but the attitude has changed and we. In my area we're fortunate that we have the kind of a banker who certainly can be considered an authority on credit and he has made it a point of helping farmers, not only by providing him with money but as well with advice. If we are to have a good loaning policy we certainly have to take into consideration the fact that advice should be given. And on this point I was happy to hear the Minister say that he would make use of the personnel that has been active through the Manitoba Agricultural Credit Corporation, as far as advisors. I think many of them have done a very - all those that I know I should say, have done a very good job and certainly they can render great services in helping the borrower to manage his operation properly.

I see on page 11, that it will take care of the consolidation of debts. Well, this is certainly one aspect that I agree with. This has been a problem in the past through many lending organizations where for example, you'd have a good farmer who for one reason or another had not used his borrowing abilities the way he should have and got himself involved in credit through many organizations. He finds himself, he's owing in different places; at the same time he wants to change his operation, make additions, build barns or something of this kind. He tries to make a loan but there's no way of getting consolidation of his debts. I see this will be permitted under this new Act, and in my opinion this is the right step to take because if you give the man a new loan and if he's already burdened with payments, and by just adding some more payments, and if there's no way of him consolidating his debts, it's not much of a help.

Now, I'd like to know from the Minister if he has the assurance that the bank will be willing to supply the money needed to make this agricultural credit development work? Because as I said a minute ago, I think the government finds it a problem to get the money to finance the loans, and certainly this applies even to the banks, because when you see signs in the windows that they're willing to pay 7 percent, it's no magic to come to the conclusion that it is because sums are hard to get when they pay that kind of interest. So, I'd like to know from the Minister if he has the assurance that the banks will want to co-operate as far as the amount of money needed.

I would also like to see - this will come under regulations, I imagine - a great deal of flexibility as far as these loans are concerned. I think it is high time that we don't put the borrower in a straightjacket and say "You're going to pay so much on the certain day of the month." It just makes me sick when I see that a man, who has a fair amount of credit, he's lowered the amount he's borrowed by quite an extent, at a particular time he needs some extra money for a certain period, he has to go through the whole, rigamajig I'd say, of getting the loan re-devised and go through all the legal procedures and so on. I think we should have a great deal of flexibility so that once a year or more if needed, the borrower goes to the bank and rearranges his payments, or his needs according to the situation. Also, even to areas. I know personally it makes me sick when the Oil Company that I deal with send me a note and in September or October and tell me that now the crop is in my accounts receivable should drop by 50 percent or so. Well in my particular area harvesting is an expense, it's not an income, so this just doesn't apply. I would like to see this kind of flexibility in this Act, that certain areas who have income which is different -- for example, the dairy farmer from the beef producer or the grain farmer -- are certainly different, where one gets his income on a monthly basis instead of a yearly basis and so on, and the needs are at different times of the year as well.

I see on Section 70, Composition of the Board, and here this is a personal idea of mine, but I think it's a logical one, I see that the Board will be composed of five persons, two of

(MR. VIELFAURE cont'd.) whom shall be representatives of a recognized farm organization and three of whom should be members of the civil service of the Government of Manitoba. Well, as I said - I'm speaking for myself when I say this - but I certainly would suggest that one of the members of the board should be one who has to do with the lending of money, either from a combination of the banks or the other financial - the lending institutions I should say. And I don't bring this up because I intend to bring protection for the banks. I'm not worried about the banks, they'll look after themselves. However, if they are part of a group who are out to do a job, I think they should have some say on the board. I think they can report back to the board through their experience in the making of loans, especially when we press on the fact that the loan should be made according to the ability of the farmer to manage his farm. I think the feed back would be very valuable as far as setting out policies for the future. And as I said, I'm speaking for myself when I say that, but I'd like the Minister to consult even the farm organizations. I'm sure they would think that if it's going to be a combination of the borrower, the lender and the guarantor, I think all three should be on the board in order to design the best possible rules as far as the granting of the loans. And of course this would permit to change the legislation as we go about and as needs arise.

Now, I see no time set in this Bill as far as the amount of years that the loan is going to be made, and as far as the interest rates is going to be. And I'd like the Minister to tell us about that. I know that we can get into a long argument here as to the amount of interest, whether it should be subsidized or not. In my opinion, in considering this kind of a loan the most important thing would be the availability of money to the farmer who should have it. The interest should be made as low as possible. However, I don't think that farmers in general will care too much, with government making legislation in pieces and bits, if I might say, as far as a bit of subsidy here or a bit of subsidy there. I think what they're interested in is a fair return for their product and then they're willing to pay the amount of interest which is the going rate.

So, I strongly suggest that we be told what the interest will be and certainly the length of time that the loans are going to be made for. As I said before that in my opinion we can discuss this on other matters; we've got a resolution on the floor by the Honourable Member from Brokenhead which suggests that we should look at marketing and certainly this is a field I think that the farmer is interested and we can discuss that under that resolution.

I also notice that it says in more than one section that it should be the bank and other approved lending institutions, and I hope the Minister will consider giving the credit unions the authority to make such loans or approve of such loans. We have some large credit unions in the province which are doing a good job, they're a community organization, and certainly many of them are now in a position to make long-term loans and in my opinion they could make a very valuable contribution as far as granting credit.

Now, one of the last questions that I'd like to ask the Minister is what about the money coming back from the Manitoba Agricultural Credit Corporation loan. Of course, I realize that this money has been advanced by the government and I imagine it will be given back to them; however, since the Manitoba Agricultural Credit Corporation will be closing, there will be a profit shown through the remittances plus interest, and I'd like the Minister to tell us what is the intention of the government as far as this money is concerned?

In closing, I hope the Minister will make sure that the best possible use is made of the people that were on the Manitoba Agricultural Credit Corporation. As I said before, I think most of them have acquired a great deal of knowledge as far as farm credit granting; I know in my area I've worked with many of them in many instances and certainly they have rendered some valuable services. Many of them are well knowledgeable with different areas, with the different needs for the areas, and I am convinced that they can certainly render the corporation a great deal of benefit. So these are the questions that I would like to see answered by the Minister when he closes the debate.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead): Mr. Speaker, the Minister has probably left more unsaid than said, and I gather from the Honourable Member from Rhineland that he agrees with that statement. It would seem to me that he dwelt extensively on the construction of an agricultural service complex rather than in dealing with the principle of the change in government policy insofar as the lending of money is concerned, and I would wonder whether or not he is trying to throw us off the track a bit.

(MR. USKIW cont'd.)

I recognize the value in setting up a consolidated agricultural complex to service the agricultural industry in Manitoba, but I don't think that that is the only thing that is of major importance in the bill that's before us. I'm somewhat disappointed that we didn't get more elaboration from the Minister on the bill in its entirety so that members on this side would have a greater contribution to make in light of the remarks that may have been made by the Minister of Agriculture. We appear in a position of trying to guess our way through this insofar as trying to determine what the Minister's intentions are, because as you will probably agree, the bill is not specific enough, it has various clauses in it which we're not sure what they mean. It has too much left by way of regulation which - we don't know what the Minister's intention might be in that connection and therefore it really required a great deal more explanation than the Minister gave us.

I was wondering whether or not the Minister was going to get up on his feet this morning and tell us that the Province of Manitoba is now satisfied that we are no longer in a cost-price squeeze in agriculture and therefore we can abandon some of the programs that this government had brought in over the years, over the last several years, to help in particular the young farmers trying to establish themselves. I recall one of the major planks of this government in one or two of the elections was that they were going to provide loans by means of subsidizing the interest rate for young farmers to encourage our young people to stay in agriculture, recognizing that too many of our young farmers, or young boys were leaving the farm and looking for greener pastures in the urban centres and I'm wondering whether we have reached the point where this is no longer a problem because if we have, Mr. Speaker, I'm certainly happy to see it, but I'm not satisfied that we have. I can see that there is a great deal of need in this connection at this stage of the game. I don't think that we have solved our economic problems insofar as this industry is concerned and I am sorry to see that we are scrapping this particular aspect of credit legislation in Manitoba.

One of the interesting things that I see in the bill is that the government is apparently quite prepared to subsidize any losses that the private sector may incur from the lending of money through this corporation, and I don't know whether this is a reasonable thing or not, because really I would assume that the current interest rate that the private lending institutions should pretty well take some of the risk. I don't know that the rate of interest being seven and eight and nine percent today that the government of the day ought to be subsidizing or guaranteeing the private lending institutions that they will not lose any money by way of lending money under this Act. I could understand it if there was a condition whereby the private lending institutions were pegged to a certain interest rate which is somewhat below the current level, then I could understand this type of legislation. But unless we do something like that, and the Minister has not indicated that that is his intention, unless we do something like that I could not blindly support the subsidization of the private lending institutions. If they want to get eight or nine percent for their money let them take their chances on the market. This is the way I see it. This particular area is left to the discretion of the Lieutenant-Governor-in-Council and I don't know that I want to vote for a pig-in-the-poke here, Mr. Speaker. I would like to know what that interest rate is going to be.

I know that the Minister is going to tell me that he may have to make adjustments to the interest rate from time to time and for that reason he would sooner have that flexibility, but I don't know that I would want to trust this particular area to the discretion of the Minister of Agriculture, to the government on the other side. If I'm going to vote on this measure, Mr. Speaker, I would sooner have it that I knew precisely what the interest rate was going to be and for what reason I am going to be suggesting that we underwrite any losses that the banks or other lending institutions are going to sustain as a result of making loans under this Act.

The other thing that sort of bothers me is whether or not a great deal of this legislation is going to be obsolete within three or four months, because it really smacks of the Farm Improvement Loan legislation that we have on the Federal statutes. I know that at the present time the farmers are not able to borrow money under the Farm Improvement Loans Act mainly because of the fact that the government at Ottawa has been somewhat asleep at the switch for the last year or two, that they have not been able to get their business done in time, and they have not come up with revisions to the Farm Improvement Loans Act and subsequently the banks are refusing to loan money at the five percent interest rate as established by that Act some years ago. I can recognize why the banks are reluctant to do so. I'm sure I don't have

(MR. USKIW cont'd.) to tell the House what their problems are; the matter is simply that they can get more money in the market today than the FIL loans provide and I don't blame them for wanting to go further afield. But, Mr. Chairman, let's find out what the Minister has in mind and I wish I would have had more information from the Minister before I had to make my remarks.

I recall a year ago, or two years ago, when the banks in Canada had requested that the Government of Canada lift the ceiling on the interest rate to give them some flexibility, and in fact their argument was, Mr. Speaker, that by doing this the net effect would be that the public of Canada would benefit in that the general interest rate would come down on the average; that the banks going into competition with other lending institutions would have the net effect of bringing the interest rates to a more reasonable level. And I don't know, Mr. Speaker, that this has developed. As a matter of fact I think that what has happened is that the banks have taken advantage of the situation and have upped their interest rate to the levels of other lending institutions, rather than bringing the top ones down. So I don't know, Mr. Speaker, that we have to be too concerned with providing guarantees to the banks or other lending institutions.

The Minister may argue that if we don't do this, that if we don't do this then they won't provide the capital, that we won't have the availability of funds that are very necessary if farmers are going to be in a position of consolidating their holdings and improving their efficiency. Well, Mr. Speaker, if this is the case then I would say that we should keep the present legislation. In other words, if the banks wouldn't under reasonable circumstances provide capital to the farmers then I don't think that this bill was necessary. I'm only trying to anticipate, Mr. Speaker, what the Minister has in mind, because he hasn't told us really and I'm trying to sort of guess as to what his answers might be to some of my questions.

I recall that the banks had indicated to the people, to the government of Canada, that if the ceiling on the interest rate was lifted that they would move substantially into long term mortgages, and I don't think this has happened, Mr. Speaker. I think all we've seen as a result of giving in to the banks insofar as the interest rates are concerned is an increase in the interest rate and the net result of that being that many people no longer can afford to buy things that they could have a few years ago and we have created to some degree an inflationary period directly related to the high interest of money.

So, Mr. Speaker, these are the brief comments I have to make. I wish I could have made a greater contribution, but in light of the fact that the Minister really didn't give us anything to go on, in the light of the fact that we don't know what he's talking about when he talks about doing things by regulation, I can't see that I'm satisfied that I have enough information and perhaps will wait to see what the Minister has to say in his closing remarks and we can move from there.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I beg to move, seconded by the Honourable Member for Gladstone that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. LYON: . . . now call Bill No. 102, an Act to amend the Manitoba Medical Services Insurance Act, please. Page 5.

MR. SPEAKER: Second reading of Bill No. 102. The Honourable Minister of Health.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon) presented Bill No. 102, an Act to amend the Manitoba Medical Services Insurance Act, for second reading.

MR. SPEAKER presented the motion.

MR. WITNEY: Mr. Speaker, the present Bill 68 which has embodied in it the Manitoba Medical Services Corporation has as the terms of reference for the Manitoba Medical Services Insurance Corporation a compulsory plan. The principle behind Bill 102 is to make it a much more flexible situation for the corporation, and Bill 102 provides for the corporation to make studies and to submit forms of plans for consideration. Bill 102 also provides for the corporation, the flexibility of designing a voluntary plan either on a provincial basis or one that would conform with whatever comes from the Federal Government after June 25th, from the new government; it also provides the flexibility in the development of a voluntary plan for the use of such bodies as the Manitoba Medical Service and other types of insurance bodies. So the principle of Bill 102 is to amend Bill 68 from its present fully compulsory terms of reference to terms of reference that provide for voluntary application of a medical services insurance plan.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, we of the Liberal Party will not object to what we find here in Bill 102. As the Minister explained, this is what it does - the government is still in a position if it wants to take advantage of the Federal Plan, that is the compulsory plan. Then this Bill adds some other things, it gives us a chance to accept, to bring in a voluntary plan if the government does change its mind and it also gives us permission or grant us the right to accept a phase-in plan, in other words if it's only to cover a certain group in the population, and I think -- maybe I can be corrected if I'm wrong -- I think it also enables us to bring in a plan of our own. In other words, the province could probably bring in a plan of their own.

Now as I say, we'll certainly support everything that is in Bill 102, but we feel that it doesn't go far enough, we feel that it is a big mistake. We had a resolution on this saying that we should go now -- it is a big mistake that the government is doing and I hope that they will change their mind before it's too late - it's a big mistake when they say that they will wait a year. I think that they were going to force it and even many of the doctors feel that it is practically inevitable now that we will have a compulsory plan because of the action of the government. We've had a delay in this government after passing Bill 68, we've had a lack of leadership of the government who has abandoned, who waited a year to give the doctors a chance to organize and who has abandoned the taxpayers and the people of Manitoba, there is no doubt about that, and before it's too late, at least before July 1st, the government has to do something, it must do something if it's interested in the people of Manitoba.

I think that the MMS should have been taken over at one time. It seems now that the MMA which is controlling the MMS were instrumental in having the schedule of fees for '62 terminated by July 1st and then another schedule of fees '67 adopted, without any negotiating at all. I realize that the government is not in it now but there is one reason why this was done at this time, and it seems to me that there's one reason why the Premier is waiting for one year - that is, capitulating to the doctors, to the medical men; that's all it is. We are going to pay now -- what, what is it? -- this is going to increase, the cost is going to increase from what? -- 30 million to -- approximately 30 - 32 million to 50 - 54 million -- without one bit of benefit to the taxpayers of Manitoba, without one bit of benefit right now -- I'm talking as things exist now -- all that money is going in the doctors' pocket. Now I'm not saying that there shouldn't be a review -- we've always maintained that they should be negotiating, but this is going to cost 20-odd million for no added revenue, in fact I think that conditions will be worse than ever, the way things exist now. This is without a plan, without the government stepping in at this time, things will be worse because a lot of people will not be able to pay these premiums. I don't know if the Cabinet, the Minister, realize what's going to happen this year until we do bring in a plan. We said at the time that it was a big gamble and it's an awful gamble that we haven't got the right to take.

Now, I think that I officially in the name of my Party right now demand that the government request -- because they can only request, the government is not in a plan, but if we're going to be fair, if we're going to try to fight this compulsory plan, there's only one last chance -- and in the name of this Party I'm demanding now and insisting that the government, the First Minister and the Minister of Health, ask the doctors, the MMA to voluntarily start negotiating with the government, negotiating for a schedule of fees, take into consideration the '67 schedule, because I think there's a proper balance now within the profession, and this is what they want. But what percentage are we going to pay? Then I think that they should take the '62 schedule into consideration also and also what the traffic will bear and the income of the medical profession.

Now I would say that this is the first step. This is what this party - we've tried everything else, we are saying now, you must ask the doctor, you can insist, but you can't force them into it, or I don't think you should right now, but first thing is that you ask them to start negotiating voluntarily. You have everything set for that, you have your board set up - what do they call this board? - the MMSIC The Manitoba Medical Service Insurance Corporation, get them to negotiate a reasonable and fair schedule with, as I say, taking these things into consideration, and then I feel that this date of July 1st, where the '62 fees were supposed to be - the contract with the doctors on the '62 fees was supposed to be terminated at this time and that we should adopt the '67 fees with this direct billing. I think that this will have to be postponed. If the government can get the medical profession -- the MMA, because the MMS so far

(MR. DESJARDINS cont'd.) as I am concerned doesn't exist, there is no value in it now. There is nothing in the MMS any more. The MMA said well we'll change the make-up of this, we had two thirds, now we are going to have less. Well it's too late. They did everything they wanted with the MMS, there's nothing left — but the government, they can induce, if they can get the MMA to negotiate under these conditions a fair schedule of fees — and I don't see why Mr. Halter has to be named as a negotiator when you already are paying Doctor — what's his name — Taverner is it? Tanner? — yes, Dr. Tanner on this, that you have this corporation. So this is the first thing that we ask and we'll play ball as we said with the government and try to keep this compulsory plan out if we can. This is the first thing.

Now if this is refused by the doctors, we are demanding an enquiry by Royal Commission into the schedule of fees and the income of doctors. It's one or the other. Because, Mr. Speaker, if this government allow this July 1st to come in and the doctors to have everything that they were getting ready to negotiate with, they've got everything and more, there was no negotiating at all, and if this government allows July 1st to come in without stepping in, without freezing, without bringing some sort of status quo, it will be too late, Mr. Speaker. It will be too late. We won't be able to do anything when this plan comes in, when we come into a plan. We will have to negotiate with exactly the top, what the doctors have now; they didn't expect this I am sure. This is why we make this suggestion, Mr. Speaker. We have had no leadership from this government. We have had no direction. The insurance companies don't know what's going on; they can't step in there to protect the people, if this MMS fails, and it looks as if it is going to fail because where are they going to get the money? Where are we going to get the money? There is no — we haven't heard anything about a catastrophic clause. If this direct billing is allowed to go the way it's going now, what's going to happen? I know, I realize the government is not in the plan now, it's just patient and doctors, but this is the reason why we were talking about a plan. This is the reason why we had Bill 68 passed last year and this is the reason why we have this bill in front of us now. We must act now, Mr. Speaker; if we allow one year to go, it's too late. We cannot negotiate; there is nothing to negotiate with. And there is going to be a lot of hardship this year because of that.

Now I want to make this point very strong. First: we are asking, go back to the doctors, ask them to voluntarily — this is the only way we should do it, we can do it — to negotiate for a fair increase in your schedule. Postpone, postpone from the date of July 1st the termination of the '62 fees and the adoption of the '67 fees with direct billing and then negotiate with the board — you've got a board, and the MMA — arrive at something. I'm sure that these people are reasonable people. I am sure that we are working towards the same thing. But I'm also sure that they are surprised, very much surprised because they were sure they were expecting to negotiate, they were expecting trouble and they asked for the moon as you usually do when you negotiate, to try to have something in the middle. But the government hasn't done anything. We have given the doctors a blank cheque and we have abandoned the taxpayers of this province and this is dangerous. We are in real trouble. Now if this can't be done, we on this side, or this party anyway, are demanding an enquiry, Royal Commission, to look into this. This is the only thing, we cannot let July 1st come in, finish this session now and wait another year because it will be too late.

Now going back to this — this I think is very much on the subject, Mr. Speaker. If the government refuse this, I might say that we said we will agree with Bill 102 what is mentioned there, but in committee stage I want the Minister to know that we propose some amendments.

As of now, you have a clause in Bill 68 that will do away, that will not allow direct billing, but this clause has not been proclaimed. It would have to be proclaimed if we have a compulsory plan. Now I intend to bring an amendment to Bill 102 that will — if we go into any plan of course, if we have no plan this Bill 102 and 108 doesn't exist — that I'm bringing in a clause in committee stage that will do away with direct billing. As soon as the government step into this and the taxpayer pays any money we cannot have any extra billing because it defeats the purpose of a plan and it makes it — there is no reason; you will lose the effect of what you would have in a compulsory plan. We went through all this last year and the government saw it my way and accepted my amendment last year. Now this is one thing we will serve notice on the government that we will do in committee stage. And another thing that we will insist on, and we insisted on this, we were defeated last year on that, if this had been passed, if you wanted to pass Bill 68, if you had accepted the motion of my Leader last year that the schedule of fees be included in a bill, we wouldn't have all this trouble now and you could maybe wait a year or so.

(MR. DESJARDINS cont'd.) Now this is another amendment, that the schedule of fees be part of this bill.

Now if the government say we have got to pass this, this session is over, we can't have this because we can't negotiate, I'm saying what I said last year in committee - well then let's not pass Bill 102, and let's come back -- this is too important, we are being well enough paid, it won't cost any money -- let's come back for a couple of days, one day or a week, but this is too important, we insist on a schedule of fees being known. We must -- as soon as the government step into any plan, voluntary or compulsory, and as soon as we start using tax-payers' money we have to represent them. The only way we can do that is if we have the schedule of fees in front of us. So we are suggesting I think that those are serious and valid suggestions that we give the government today. Go back to the doctors, ask for voluntary negotiating. If that isn't done you go ahead, set up an enquiry, and in the meantime postpone this date of July 1st, at least if you are not going to go into it right now, and then in this bill provide for no direct billing and also give us the schedule of fees. That's the least that we can ask for.

MR. SPEAKER: The Honourable Member for St. John's.

MR. SAUL CHERNIACK, Q. C. (St. John's): Mr. Speaker, I find it very difficult to understand the Liberal Party reasoning, much as I try. Every time they accuse this government of its postponement of the institution of Medicare, by one year, I am reminded of the fact that the Liberal government at Ottawa was the first to start with the postponement idea. How well we remember . . .

MR. DESJARDINS: In case you don't know, we are not the Ottawa Government.

MR. CHERNIACK: How well we remember the pride with which the then Prime Minister spoke of July 1, 1967, the 100th anniversary of Canada being the date on which the Liberal Party was going to bring into Canada and for the people, a Medicare scheme that would provide health services on a universal basis. How well we recall the fact that in 1919 the Liberal Party accepted this as part of its platform. The Honourable Member for St. Boniface can try to disassociate himself as much as he likes from the Federal Liberal Party. To me it's ridiculous and nonsensical that a Liberal sitting in this House being a member of a national party - presumably it's a national party - should continually absolve himself of an associated responsibility with actions of his party on a national level.

I would be most interested in knowing whether the Liberal Party of Manitoba as it sits here on our right, representing the people of Manitoba in this Legislature, thinks differently from the Liberal Party as it is represented by the Federal seat in Manitoba, elected by Manitobans that sit in Ottawa and says -- well of course we've only got one seat, so they don't have too much of a problem -- but says that's Federal, this is local, in Manitoba we have no concern. The Member for Portage points out the youth of the Member from St. Boniface, pointing out that he is so young he wasn't even born when the Liberals brought in this plank into their constitution. Well the member doesn't have to be so young, not so young. He can be old and grey and still been born since that plank was brought in because 1919 is quite a few years ago. Quite a few years ago, and yet that Party seems to have the attraction to the Honourable Member for St. Boniface to make him feel part and party of this Liberal Party which did . . .

MR. DESJARDINS: Would the honourable member permit a question?

MR. CHERNIACK: As soon as I finish my sentence. The fact that that party did institute in 1919 a plank into its platform, which it has never rejected or denied, and yet he has associated himself with it, even though born after that time. I'll permit a question.

MR. DESJARDINS: My question is this: Are you suggesting that any members of this House must vote blindly whatever is done in Ottawa and that we cannot speak for ourselves? We have tried to be clear enough to tell you exactly where we stood. We feel that we have no responsibility for Ottawa.

MR. CHERNIACK: What's the question?

MR. DESJARDINS: The question is, how do you propose that we do that - that we just blindly do anything that Ottawa wants?

MR. CHERNIACK: I'm prepared to answer questions, Mr. Speaker, but I would not want to enter into debate because you wouldn't allow it. The answer that I would give to my honourable friend from St. Boniface is that when you espouse the doctrines of a party, when you speak on behalf of a party, then you either speak on behalf of its policies or you clearly reject certain of their policies and state so openly and everywhere. Well no, the Liberals on this side are very happy to attack this government, and I join them in that, for postponement of a year in

(MR. CHERNIACK cont'd.) medicare, and yet the Liberals on this side, to my recollection, have not as strongly and as openly attacked the Federal Government for postponing by a year the institution of the Medicare Plan from 1967 to 1968.

The Honourable Member for St. Boniface says it's not true. I would be happy to read what is said on this Federal election campaign by the Liberals who sit on this side of the House and talk about the progress made by the Federal Government. I do not believe that it's not true. I believe that here the Liberals have been attacking the Conservatives with justification but have not been clear-cut in their rejection of the decision of the Liberal Government to postpone the institution of this from 1967 to 1968.

But that's not all that I find difficult to understand about the Liberal Party's attitude in this. The Member for St. Boniface as spokesman for the Liberal Party said that they agree with Bill 102, they accept it, but it doesn't go far enough. How much further does he want it to go? Does he want it to define the classes of distinction between persons of need; does he want it to go into the question of the number of calories of intake they have daily in their food or just how far does this bill have to go to be more palatable to them? How this doesn't go far enough is what makes it difficult for me to understand. Because they reject the compulsory feature of the Medicare concept and at the same time insist that there be voluntary negotiations now with the doctors and subsequent to that, if they refuse voluntary negotiations there should be a Royal Commission to sit and to enquire into the fee schedule; and he also says, not just the fee schedule but the incomes of doctors. They want to go into the question of what the doctors earn in order to determine what they should have.

And then they go further and they say we are opposed to compulsion but they want to eliminate direct billing which is a condition that you may not charge more than we are prepared to give you "in the Act", and in the Act means that once the schedule of fees is put into the Act, it can only be changed by the Legislature. So again the features of compulsion on the doctors do come in and really what I thought they always talked about was the question of compulsion of belonging to the Medicare scheme by the consumer and there we have said, on our side, that the compulsion is only to contribute to the cost of the scheme, that's the only compulsion that we have seen in the entire Act. The Liberals who are opposed to compulsion are still in favour of bringing in certain compulsory features.

The Royal Commission that was chaired by Chief Justice Hall was one which was instituted a number of years back which did a very comprehensive study and it studied all the aspects of the voluntary and compulsory features, the universality of it and the need that it be universal. They studied the income groupings that would be involved and they studied the importance of making health available to all people of Manitoba - of Canada indeed - regardless of their ability to pay. That report was accepted by the Federal Government; although it was postponed as I have said, it was still accepted as being an important advance in this field of health which is of vital importance. Both the Liberals and the Conservatives have said, well, that's fine we don't reject it, we just have to approach it gradually "in stages". And just what that means is beyond me, Mr. Speaker, because the whole concept of in stages would relate to starting slowly, taking in the most hungry or the most deprived people in terms of health and bringing them in gradually until we bring in all the others. Does that mean that all people are not entitled to the same standard of health at the same time? Or is the gradual feature related only to the cost of the scheme? And if that is the case, who is going to pay for those who are not covered while we are walking in stages towards the goal which apparently has not been rejected by either of the other two parties?

The whole concept of permitting this to happen in stages means the leaving out of certain peoples from the coverage of the scheme. It also means including certain people under the scheme, once they are in some way described as being indigent. Now I'm using a word which I think the welfare department this year decided to change. We have an Act before us where there's a change in semantics, different words to describe the poor people of the Province of Manitoba. But yet, indeed, Bill 102, that we are discussing, embarks on a principle of saying there are different classes of people and we will start defining the classes and once having defined the classes, we will start making a separation from amongst them. We will discriminate the different types of people. We will describe them in different ways, so that we can find them, according to the descriptions we set out on the different classifications; and indeed, that's what this Bill is all about. Separating into classes the people of the Province of Manitoba and then designating the people that fall within these classes, as to the order in which they will

(MR. CHERNIACK cont'd.) qualify for Medicare.

Mr. Speaker -- (Interjection) -- Well, it's legislation dealing with classes, so I suppose to that extent the Member for Inkster is right, it's class legislation, it's setting up classes. It doesn't even quite describe them in the Act, but it says we will - we the Cabinet will set up these different classes and we will then give the benefit to the various classes in accordance with some sort of schedule or approach that we have.

Mr. Speaker, the objections that we have heard from this government to bringing in the present Medicare scheme, as it is on our statute book, now, is the one that relates to cost, and the excuse given by the Minister of Health is that he could not get a clear-cut estimate of what the cost would be. I use the name as "excuse" because I really believe that he believed last year what he said, and that there could be no change in attitude from last year to this year except that of his boss.

The newly acquired Leader of the Conservative Party came in on a program of retrenchment and this obviously is one of them, so that the Minister of Health of necessity has had to relate the change in attitude of this government to this question of health from what it was last year. And the only excuse that he has given us is that originally the Hall Commission gave a certain estimate of overall costs, and subsequent to that, different Ministers of the present government of Canada estimated the cost at different amounts, and there was disagreement between Sharp and MacEachen as to what the total cost really is. And because there was that disagreement, the Minister of Health started to look at the Bill of last year, for which he spoke in favour and said "Well now, there's a change in attitude because MacEachen and Sharp and certain others, are in disagreement as to cost." And they were in disagreement about something else. Sharp said "Let's wait;" MacEachen said "Let's go ahead." Somebody else said "Let's wait;" somebody else said "It's the law," and that made him - him, the Minister of Health feel unsure. Why unsure? Because the Federal Government had certain aspirants for leadership that had differences in opinion as to what to do. But the fact is, the law has not been changed. The fact is that parliament met after a leadership convention was held; the fact is that parliament had every opportunity after the election of a new Premier to change the law if, indeed, it was felt necessary so to do. And they didn't. As a matter of fact the present Prime Minister did not come out on any program relating to Medicare as far as I can recall. He did not say it was too cheap; he did not say it was too low in estimate; he did not say it was too high in the estimate of others; he did not say he would postpone it; he did not say he would do anything to it. He spoke on so few issues that this was amongst the large group that he didn't deal with. And indeed, as far as I know, he has not yet expressed an opinion on the immediate future of Medicare. As I recall it, after his election he said "We think we have gone far enough;" and as far as I'm concerned, that means that this has been done because this is the law and he has said that too. So I think that from the few public statements he has made on this issue, he has said, "This is the law, we have it now, we shouldn't go any further, we shouldn't go beyond this." That's the way I read what he said and that's all he said.

Now, of course, he's busy travelling around to shopping centres, exposing himself to the agitational views of the people that are shopping around in the centre. They're shopping for food; they're shopping for whatever one buys and apparently he's making himself available to them, so that they could shop around and look at him. Whether or not he is planning to make a speech on the issues is for me conjecture, but if he does, I forecast that he will not talk about Medicare, because either he thinks it's an accomplished fact or he is not prepared to deal with that issue until after this coming election. And if I am right in either way, then it is a disgraceful situation. But I believe that the law as it is has been accepted by the government of Canada and I believe that if the Liberals are re-elected there will not be any change and I believe that we in the Province of Manitoba must be prepared to go in with it and work with the Medicare scheme which in the end will be the important scheme for Manitobans.

The Minister of Health seems to feel that there's going to be a meeting called to discuss Medicare. Well, just as other Ministers of his Cabinet have said, we are always ready to talk; we are always ready to discuss; and I would hope that this Medicare scheme as it is now on the statute books is not a rigid thing, is not one that will not be looked at from time to time to see whether it covers the needs of the people of Manitoba. But to plan in advance, to attack the scheme on the basis of cost, I think is foolhardy because if the worst estimates are correct and if the cost of the scheme is much greater than what was thought a year ago, that to me is only an indication of the importance of going ahead and putting this into effect so that the kind of

(MR. CHERNIACK cont'd.) meaningful bargaining that the Member for St. Boniface would like to see could take place, so that there is bargaining taking place by the provider of the service and by the representative of the consumer, because right now, if you take the Honourable Member for St. Boniface's plan and the Liberal Party's plan, one calls in the doctors to discuss voluntarily the fee schedule of the MMS in which this government has no stake at all.

This government has no right, no right to discuss and negotiate a fee schedule in which it will not play a part, and so far this government is not playing the role in that MMS fee structure. It is not involved in that at all, and to step into that field means somehow to act as an arbiter, it seems to me, because although we have said time and again that this government's duty is to represent the people of Manitoba and to bargain on their behalf, the consumers of the service, this government has rejected the opportunity to be the spokesman of these people in a meaningful form of negotiation with the doctors by not accepting its responsibility under the present law and by authorizing and empowering its commission under the Act to carry on this work.

If this scheme is as costly as the worst estimates would forecast, then who is going to pay that cost? Is that cost going to disappear simply because the government isn't going to be involved in it? Is that cost something that is only involved in a Medicare scheme that's not now being paid? What is it that worries the Minister of Health and this government? If the cost is very great, then the cost is great because people are now paying that kind of money. If the cost is very great, it's because there is now an unreasonable burden being placed on a number of people to pay for those costs, and those are the people that are least able to pay it at all times. When you pay for health needs then you're paying for it at a time when you're least able to pay it because you are not working, you're not producing, you're not able to give all of your strength and energy to the production of the wealth that is needed to pay for it.

What this government does not admit is the fact that under the present law, according to its scheme of premium payments, it will not be paying one dollar out of the treasury in order to become parties through the Medicare scheme. This government will only be involved in the administration of the Medicare scheme. It would collect the share of tax dollars which is being offered by the Federal Government, and then by its own scheme and as it does in hospital services, it is planning to spread the cost by way of premium charges to the people in a manner which we say is completely unfair and wrong, but that's the way they want to do it. So they don't want to pay out any of their own money, any of the tax moneys that are collected by Manitoba into this scheme.

As a matter of fact, there's no doubt that if they brought it in they would treat it just like the hospital services premiums and take them out of the budget altogether so they won't appear there, so they'll say, "We have a balanced budget - goody for us." They'll extract it from the budget and set up its own separate budget so it won't even show up. This, I say is wrong, but at least it is an indication that this government never was planning to put any dollars into the scheme. And if it wasn't planning to put its own tax dollars into the scheme, then how does the cost affect them? Why? Because they say that the Federal Government has undertaken too much. We the Manitoba Government is now going to sit as the senate for the government of the country of Canada, and we say to them, "What you are planning to do is going to be too costly so we in our wisdom are telling you, don't go into it because it's too costly from your standpoint, not from the standpoint of the Government of Manitoba - that's clear - but the standpoint of the Government of Canada." Well, this government is now acting, as I say, senate, because in effect it's attempting to veto the decision of the Federal Government by refusing to participate for the good of the taxpayers who pay dollars to the Federal Government, not for the good of Manitoba.

Mr. Speaker, the costs of medical services will continue. Whether they are borne on the present basis or borne on the most equitable basis of Medicare is a decision for the government. But the fact that they are being borne and people are paying for it is a fact that we're living with, and to say that it's too early, too soon, is false, because it is something that people are being asked to contribute to now all the time, and this government is derelict in its duty in not carrying it forward.

At the last election of this government it was clear that Medicare was part of its program. It was part of the program of the Liberal Party; it was part of the program of the New Democratic Party; and, as such, it was the duty of this government to bring it in as it did last

(MR. CHERNIACK cont'd.) year, vote for it as it did last year, and bring and carry it into actual being as it did not do this year. That is where it is derelict; that is where it has actually cheated the people in their approach to what they had a right to expect. It actually held back from the people that which it had promised and had undertaken; not just a promise but brought into law, just as the Liberals did in 1967 when they postponed this for a year.

Now we're in the midst of an election campaign federally - it has some time to run - how are these people and how are these people going to speak on the whole issue of the provision of medical services on a national basis? What will they do? So far, I think Mr. Stanfield said he would call a conference. Well, this government is great at conferences too. This government is great at committees and commissions too, and it may be the way out for all of the political parties that want to stay in power to have committees and call commissions and not do. But the fact is this government did last year. They put it on the statute books; it was practically unanimous; it had the support of all three parties, and to that extent it was expected that it would go ahead.

This Bill is such a change in the whole concept of universality that it is a change in policy which I think puts this government in disgrace. I think that the government should be ashamed to bring in this kind of legislation which completely washes away and erodes the entire concept for which this government voted last year, and to accept it as being a workable thing is an erosion to which the Liberal Party has now subscribed. They have now said that they are going along with this as being feasible. This watering-down of the promises of many years and many voices is something which I think the people of Manitoba will regret for a very long time.

On the other point, and that is the question of the provision of medical services. We heard not long ago of all the grand ideas of this government in carrying out its great expansion of medical facilities - medical teaching facilities - in the Province of Manitoba. We have heard the description that Winnipeg could become a medical centre for the continent for educational purposes. We knew years ago - two years ago at least we discussed the great need for expanded provision of education in the field of health services, not only those of doctors but in the para-medical field. What has this government done to ensure that we would have sufficient people available to provide the services when we make the services more readily available to those who are not able to pay? And that's the nub of it. We know that the wealthy can pay for medical services; we know that the poorest are provided with a form of medicare scheme which gives them medical services; but there are a vast number who do not have it available to them.

The great fear in medicare is that there will be a greater demand for medical services once the medicare scheme comes into effect. It is those people that are suffering and will continue to suffer unless we believe the talk of over-utilization to the extent that as soon as you make it possible people will look to be sick; they will rush to have the opportunity to be sick so that they will over-utilize; so that they will make use of the service which suddenly becomes free. Here we beg people to take advantage of the educational opportunities that we offer. We make it compulsory that they go to school. We say you must attend school because it is in your interest, and more important, it is in the interest of the people of Manitoba that you shall go to school so that you graduate with an educational background that will make it possible for you to contribute to the future of Manitoba.

And in health it is the same thing. Indeed, instead of fearing overuse, we should be saying you shall go to a doctor as often as the doctor thinks it's necessary to make sure that you have all the preventative medicine that is necessary to keep you in good health, to put you in better health, so that when you come into society to take your full place you will have a body that is functioning, a mind that is functioning, that is able to make the fullest use of the skills that you have acquired in our compulsory educational system. And instead of that, there is fear by this government that the people will use the services of health too much.

That fear to me is again a rejection of the good faith, the good intentions and the best need, what is best for the people of Manitoba, and that is the provision of proper health on a basis where we can help them in advance of illness so that we can cut down the loss of time due to illness, so that we can bring together all the nergies and forces of the people of Manitoba for the building of a better Manitoba with a full use of both our educational abilities and the health abilities, and to that end it seems to me we should be striving and fighting and not bringing up words that bring fear in the hearts of the ignorant such as the government has been doing, I think ably abetted by the members of the Liberal Party in Manitoba.

(MR. CHERNIACK cont'd.)

It is in the hopes that we could somehow prevail, not on the government, but on the people of Manitoba to insist that this government carry out its intentions expressed last year, that we are attempting to bring this issue again and again before the people, not before the government because we have lost faith in this government; we do not believe that this government is listening to what is being said and is carrying out its own well-expressed intentions of a year ago. We don't believe that this government can be persuaded by the people in this House. I can only hope that the people of Manitoba will make it clear to this government that they want that which they worked for, which they voted for and which this government promised to bring in.

MR. SPEAKER: Order, please. You have a question?

MR. DESJARDINS: A question, yes. I'd like, if he wants to answer, the Honourable Member for St. John's, does he subscribe to the theory of two nations brought in by his Federal Party; and if not, why doesn't he oppose it?

MR. CHERNIACK: Mr. Speaker, I was asked a question, and I would tell the Honourable Member for St. Boniface that I'll be glad to debate issues of that type in the proper place and the proper location.

MR. DESJARDINS: You haven't said anything -- you accepted it.

MR. SPEAKER: The Honourable the Minister of Welfare.

HON. J.B. CARROLL (Minister of Welfare) (The Pas): Would the member permit another question, this more in line with the topic he's been discussing? Did the Prime Minister not say through one of his Ministers that the Federal Government could not afford to maintain the standard of health services that they've been giving to our Indian and Eskimo citizens of Canada very recently?

MR. CHERNIACK: Mr. Speaker, I'm unfortunately not privy to the discussions that take place between the Prime Minister and one of his Ministers.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Rhineland.

MR. FROESE: I would like to take part briefly in the debate on this Bill No. 102, dealing with the matter of medical insurance services. I note the bill is amending mainly Section 46 of the bill that was passed a year ago, which authorized the Provincial Government to enter into an agreement with the Federal Government to provide medical services insurance, and members will recall that I opposed the bill at that time, principally on the grounds of it being a compulsory scheme, and also that I prefer not to have a federal plan at all. But the bill before us makes this plan a voluntary one, and therefore I prefer the present bill and the results of it much more to what we passed here last year, and definitely consider it the much lesser of the two evils.

In my opinion, I would prefer or request in place of the federal Medicare program, a program financed through the Bank of Canada whereby each individual would receive a voucher of a certain value enabling a person to purchase a plan of insurance or protection against catastrophic medical bills or costs to his liking. And the reasons for this, I think, are numerous and well founded. First of all, it would not invade or interfere with the field, that is of health, which is under the provincial jurisdiction under the British North America Act. I think this is a matter that we should take a much closer look at, that we do not constantly invade fields that are a jurisdiction of the province. We find this happening far too much, and when you take a look at the amendments to the British North America Act that have been made over the years, they in most cases involve just this very matter of invading fields of provincial jurisdiction - either that, or amending procedures of the House of Commons. These are the two principal reasons for the amendments to the British North America Act over the years.

Then, too, we would avoid creating a monopoly institution in an undertaking of this type, and we know from past experience that a Crown monopoly is one of the worst things you can have, because what can you do once you have a large Crown monopoly? We have seen this in connection with Air Canada and what is happening to Winnipeg and the air base here, and it seems as though we're completely helpless against such a monopoly and that the provinces have actually no say in what goes on and the policies that are being followed, and they can be completely detrimental to a province and yet we have no say, and I'm sure that this would come about through such a federal plan. It leaves itself open to political manoeuvring and, as we've seen already, this is happening to other areas where you have plans that can be used for this purpose. We've already heard of the larger pensions that are being offered and this is almost

(MR. FROESE cont'd. a case in every election, and this is bound to happen under a federal Medical Plan, that you would have offerings at every election, consequent election, for more services, and what would be the result? The result would be higher taxes and the people would have to pay more. This is what you end up with.

Then, too, I feel by avoiding such a federal plan and having private plans, that they are less costly, and it would maintain the element of competition through operation of a number of insurance carriers. You would have this element of competition, and this is always healthy in any type of business and I think it applies to this type of service just as well as to any other, that once you have a monopoly, and especially a government monopoly, the funds will be provided and they just go on and have this empire-building program carry on to ever-larger degrees.

It also would leave the individual the freedom of choice to accept or reject a plan, or to do without it if he so desires. If we left this up to the private plans, and even if the provinces had their voluntary plans, this would leave the individual the right of freedom of choice, and this I think is what we need basically in all our programs. It also would leave room for provincial plans to operate such as we have had over the last number of years, and even if the province had to go into it I think I'd prefer that than to have the Federal Government to go into a large Medicare Plan.

Then, there's a sixth reason in my opinion, and it's the matter of giving the province the option to the degree of support they will lend to it, individual assistance or subsidization of a voluntary plan, and not to be placed in a strait jacket which costs increase and keep on increasing year after year. These are the things that we should avoid through a federal — or can avoid by not subscribing to a federal plan such as is being proposed through federal legislation. We know that joining the federal Plan is being postponed for a year, and certainly I don't think there's nothing wrong with that. I think the whole plan needs further study and further evaluation before we go into such a venture. In my opinion we should stay out of it completely, but it seems as though the plans are underway to bring it into effect regardless, but I sure support the government in that they will try and make it a voluntary deal. By all means it should be voluntary, in my opinion. So, Mr. Chairman, I intend to support the bill on second reading and in principle.

MR. DEPUTY SPEAKER: The Member for Logan.

MR. LEMUEL HARRIS (Logan): I move, seconded by the Honourable Member for Kildonan, that the debate be adjourned.

MR. DEPUTY SPEAKER presented the motion and after a voice vote declared the motion carried.

HON. GURNEY EVANS (Provincial Treasurer)(Fort Rouge): Mr. Speaker, I wonder if you would now call Bill No. 94.

MR. DEPUTY SPEAKER: Bill No. 94. The Honourable Minister of Education.

HON. GEORGE JOHNSON (Minister of Education)(Gimli) presented Bill No. 94, an Act to amend The Public Schools Act (2), for second reading.

MR. DEPUTY SPEAKER presented the motion.

MR. JOHNSON: Mr. Speaker, this bill -- there are three principal changes in this particular bill. The first one is self-explanatory; rather, it explains that where a school district and the Local Government District boundaries are coterminous, that it be considered under the definition of a town school district which allows that district to have a Board of Trustees. The only situation in which this might be affected is in the Whiteshell area in connection with the Atomic Energy Plant in that area.

The next matter is the one that we deleted from the former Public School Act Bill No. 1, if members will recall, where we had a differing legal opinion — and it's rather confusing. Instead of changing Form 6 of the teacher contract, which is a form which must be signed by every teacher seeking employment or employed by a school board, it was found a more simple method of approaching this would be to amend the main section itself to make it abundantly clear. It has been the interpretation for some years that either party to a teacher's contract, that under the two years — a teacher employed under two years may be dismissed, but that teacher can ask for a reason for his dismissal; or a Board, if the teacher quit under two years, a Board may request the reasons. Over two years, the same procedure except that in this case, if there is a request by the teacher for challenging the reasons, a Board of Arbitration shall be held. And I think this clarifies what was the intent previously.

(MR. JOHNSON cont'd.)

The other section deals with the inclusion of the -- this excludes the Assistant Superintendents and Deputy Assistant Superintendents from collective agreement schedules. This came up in connection with the Teachers Pension Act where these people are added to the list under the TRAF funds so they can continue to contribute and enjoy the benefits of the TRAF fund in this capacity but they're excluded from collective agreement by any. I think these are the three main items and the principles in this particular bill.

MR. SPEAKER: The Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, we have no objection to this bill whatsoever. We realize that it is necessary in the case of Whiteshell area. I wasn't sure just where it applied to. I've tried to figure it out and it didn't apply in my area and I just wondered where; so now the explanation is here. It simply applies to one area, the Whiteshell area, and I'm familiar with that, so I think that part of it is good.

Now the next one, "Either party is required to give reasons for terminating agreement," I think that's quite in order. We've discussed that before. It's simply a clarification. It was drawn to my attention that even after the arbitration in case of the teachers, if a teacher even hasn't got a very good reason for terminating an agreement and then the Arbitration Board says that the teacher can not terminate the agreement - and this was given to me by some of the boys - says you might as well accept that, the Boards say, even if the arbitration says no, because you can't bring an unwilling mule to move if he doesn't want to move. In other words, they feel that -- the insistence was that the teacher would have to stay after the arbitration decides, so probably his performance will not be as it should be, although I feel that a teacher knows his duty and he will discharge his duties properly.

And the last one, the third principle in this bill, it excludes the Superintendent's Assistant and the Deputy Superintendent from being named as teachers, and I think it re-defines the teacher, or what the teacher is, in this section. So I've no objection to this bill.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Well, Mr. Speaker, on the first and third sections I see no objection from our party. The third section appears to be for the benefit of the Superintendent so that in one case their function is more clearly defined so they can maintain their pension rights.

The second, or the middle section of this bill is the one that mainly interests me. There was a provision brought in in Bill 20 which was withdrawn by the government, which said that if a teacher had been employed by a district for two years or more, that the party giving reason of termination shall, on request, give the other party the reason for terminating the agreement. In other words, under the previous Bill, which was objected to by members of the New Democratic Party, if a person had no tenure less than two years' employment with the division then he could be dismissed without reason, and it was only if a person had tenure that a reason could be given. There were objections to that and the government withdrew that section. It has now re-introduced it and it would seem now that the situation is corrected, so that if there is a dismissal or a termination of contract then if requested, whether or not a person has tenure, a reason must be given.

Secondly, if a person does have tenure he can call for a board of arbitration, and in that case may have a hearing. This of course does not apply to a person who lacks tenure.

So it would seem that the government has corrected an omission now in regard to protecting teacher rights, plus these other provisions, and has brought in a satisfactory Bill.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I certainly have no exception to the first part of the Bill. The second part deals with the matter of giving notice or giving reasons for terminating a contract. This has been a touchy matter on occasion, and when reasons are given, whether they are valid ones. Very often the problem has been that the boards have not been giving the real reason in the first instance and then later on they got into trouble as a result. I am sure the Minister knows about this. I don't know whether this would be so acceptable to the trustee boards of the province. I think they should be informed before we meet in Law Amendments so that they are aware of what is happening.

On the second point - the reasons given for dismissal and also the 7 days - I am just wondering whether that isn't cutting it a little short. In the rural areas, if the mail is not picked up and received at a given time, a week can pass very fast and whether these people

(MR. FROESE cont'd.) can then meet the requirements. I think consideration should be given to that point.

So I think with these few remarks I intend to let the Bill go to second reading and see from there what happens.

MR. SPEAKER: The Honourable the Minister of Education.

MR. JOHNSON: Mr. Speaker, I just wish to thank all those who have spoken and just inform the Member from Rhineland that I have been in communication with the Manitoba Association of School Trustees on this matter. During the course of the developments I think they will support this measure, but I thought I would give that information.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

. Continued on next page

MR. SPEAKER: Bill No. 97. The Honourable the Minister of Welfare.

MR. CARROLL presented Bill No. 97, an Act to amend The Social Allowances Act, for second reading.

MR. SPEAKER presented the motion.

MR. CARROLL: Mr. Speaker, the first explanatory notes in the Bill explains the main principle involved in the Bill itself, and that is to extend social allowances to persons who have one or more dependents in need of special care. The broadening of the Act is essentially preventive and rehabilitative in nature and will provide primarily for families where the family head is employed or has income but where it is not sufficient to provide for the needs of his family in addition to the cost of special care for one or more of his dependents.

Special care will be defined in the regulations and will include long-term and chronic illness, physical and mental breakdown, congenital, physical or mental conditions. The treatment will involve home care; homemaker's services; Victorian Order of Nurses; institutional care, either custodial or personal care. It could under certain conditions include the services of day nurseries, but it will essentially enable the family to stay together; for the family head to continue to work at his capacity in providing for his family as best he can; and will prevent family breakdown which might otherwise occur with all of its resulting tragedy, both personal and with the additional cost to society, as a result of such family breakdown. As I said, the Bill is essentially a preventive one. It's anticipated under the Canada Assistance Plan and we assume that these costs will be fully shareable with the Government of Canada.

Now the other parts of the Bill eliminate certain references such as "indigent" and "relief" which are no longer in general usage in welfare terminology, substituting the more acceptable terms of "persons in need" and "assistance" which does have the general acceptance of people in our society. I notice that there is some objection on the Liberal side of the House to this change in terminology. Surely people, the elderly who receive supplementary assistance should not have to be termed indigent people. Surely we shouldn't refer to the supplement that we give them as relief. The same goes for mothers allowance kinds of supplements and all of these other categories of assistance for people in need. I think we have long since passed the day when this kind of a stigma should attach to people who are in need through no fault of their own.

Similar changes will be made in the Department of Welfare Act, I believe, under the statute Law Amendments Bill, and the Municipal Affairs Department have already introduced a Bill making similar changes to the Municipal Affairs Act as well. These are simply the principles involved in this Bill, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wellington.

MR. PHILIP PETURSSON (Wellington): Mr. Speaker, I see nothing in this Bill that we would oppose. I think we would rather go along with both the suggestions that social allowances be extended or paid to one who has one or more dependents and also to the change in terms. The Honourable Minister suggested certain categories in which dependents could be classified. Does that go along with the general interpretation of what a dependent is as set out in the Income Tax Act? Along with any additions that the government may have, it pretty well covers the idea of what a dependent is, or does the Income Tax Act not go as far as the Honourable Minister would himself go?

The other, the change in definitions, I think represents a part of an evolution in the use of terms. The terms being used at the present time are changes from those that were used at an earlier period and I think move in the right direction. I remember some 40 years ago in Chicago when I visited an institution. It was known as the Blue Island Alms House. It was more than a house, it was an institution housing some 4,000 people suffering all degrees of mental and physical incapacity. I don't know whether the name of that place has been changed since but in all probability it has, but it is in the same direction that this Bill proposes to move.

Originally, there were terms such as poor house and alms and charity. We now use other terms -- what are they? They are set out here. Indigent relief is being replaced by the new definition of municipal assistance, and aid and maintenance and so on, and assistance, are terms that are replacing other terms that are regarded now as being somewhat derogatory and I think move in the right direction. At some future date I am sure, just as now, that even these new terms, in turn, will be replaced by others. By usage, certain words come to have a connotation that we rather shy away from, which is exactly what the Bill is doing,

(MR. PETURSSON cont'd.) shying away from terms which at one time may have been regarded as sufficiently explanatory of what was being done or what was being tried, but in time these terms came to have a meaning other than what we would wish to present or have, and so the change is now being made and I would support the suggestions that are now being made, the terms that are being suggested in place of the ones that have previously been used.

The only question I would ask the Honourable Minister is about his definition of dependents, whether it does comply with the definition as set out in the Income Tax Act where dependents are recognized and understood under certain terms, or whether he has some additional conditions under which dependents would be defined. Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? The Honourable the Member for Rhineland.

MR. FROESE: Mr. Chairman, I looked through the Bill at an earlier occasion; however, I didn't have the original statute with me so that I could check all the individual sections. However, it is rather interesting and amusing in the legislation that is being brought in, and the different terms that are coming into our legislation. I think too often we are using misnomers. I mentioned the other day about compulsory marketing as orderly marketing. This was changed some years ago to orderly marketing just to avoid people knowing the real truth, in my opinion. I think we should stick to the truth, and just by changing the terms trying to keep a certain group or people in the dark as to what is happening and what is being done and why it's being done, I think we should stick with the truth.

I'd like to know from the Minister just how they arrived at the term "municipal assistance" in place of the words "indigent persons!". How was this arrived at? Where did it come from? I recall reading a certain article last fall of a certain church council where the word "welfare" was being criticized and that it should probably be done away with and that the term "well-being" should be used. Mr. Chairman, I don't necessarily subscribe to changing all these definitions because I think the people in this province have a right to know what they stand for. It seems that every time that the terms are getting to be known a little better the province changes them, and I'm not so sure whether this is a good idea. I think we should stick to the truth of the matter and let it be known as that.

Now there are various sections and principles. However, I do not intend to debate them at this particular point. I will probably take a greater part when we come to the stage of the Committee of the Whole and probably have certain questions to put in connection with certain sections.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks): Mr. Speaker, I just want one clarification on Section 16. I am suggesting to the Minister that since this Bill is to come into force on a day fixed by proclamation, and since there is a possibility that in this particular section there can be a procedure followed by the municipality now which may be in conflict with the proposed regulations to be published later, I wonder whether the Minister would take this into account and would consider holding back on the proclamation until the regulations are ready, until they have been circularized to all municipal offices, so that the Social Welfare Officers know exactly what they can or can not, or what will or will not be accepted by the province. I wouldn't want - and I'm sure he wouldn't want - a municipality to find that it had been pursuing some policy for a number of years and this policy now is suddenly not proper under newly created regulations. I am sure he sees what might occur.

So if he held back with the proclamation until the regulations were available and were properly distributed, and an evaluation or an understanding of this could then be made by the various municipal people, there would be less possibility of misunderstanding and the municipality finding that a claim it was making on something it had paid out would not be recognized by the province. This is the only comment I have and I wonder whether the Minister might take that into account.

MR. SPEAKER: Are you ready for the question? The Honourable the Minister of Welfare.

MR. CARROLL: If no one else wishes to speak, I'll just comment very briefly. I really don't have our definition of dependent here. I really think it has nothing to do though with the definition that may exist under the Income Tax Act. I could undertake to provide him with the definition privately though or in committee when we get there.

The Member for Rhineland wants to use the same old terms that have been in existence

(MR. CARROLL cont'd.) for some time. I'd just like to say that we've been living now for ten years under the Social Allowances Act with the terminology that we're proposing should now be extended to municipalities. We don't use the term indigent in relating to people who are being served now under the Social Allowances Act and we're just saying that this terminology should be extended, and the outmoded terminology that is no longer being used anywhere, even by municipalities, should be written out of the statutes.

The Member for Seven Oaks talked about the section that deals with regulations insofar as municipalities are concerned. We think that this is just a broadening rather than a limiting of present regulations. We'd be very pleased though to discuss this matter in committee this afternoon if he has any specific questions with respect to that section.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Bill No. 60. The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, I spoke on this -- I started to speak on this I think about a week ago. I feel that this Bill before us is a very important Bill, as I said, and it's important for two reasons. I think it's going to set a pattern for the make-up of this House in the future and, hopefully, it will set a pattern or break the pattern which has been in existence for many years in Manitoba, and that is the pattern which we have been living with ever since Manitoba came into being, where it was felt for some reason or other that a voter in a rural area was more important than a voter in an urban area. Over the years this type of representation -- this type of thinking rather, affected the representation in this House, and although I wasn't very popular when I said it last week, I'll repeat it, this House in the past has been a rural-oriented House. And I'm not being critical when I say that -- everyone jumped on me -- these were the facts as they existed; this is how the make-up of this House was established. We do know that even under the 1957 changes in the Electoral Divisions Act -- which incidentally I want to compliment the Member for Lakeside for, which is a mighty step forward -- I believe it's one of the only provinces, certainly, and perhaps one of the only jurisdictions where there is an independent body set up to rule on these things and to establish boundaries. And I think that although the Member for Lakeside will be remembered for many things in this province, I honestly believe that this single act of his sets him apart from almost everybody, certainly in Canada and maybe elsewhere.

But having said that, I think we now must move forward to the next step, and the next step is to realize that the urban voter is just as entitled to a vote, and an equal vote, as a rural voter. Now we've heard the government put forward the suggestion that this Bill represents representation by population, and the Leader of the Liberal Party also used that term in describing this Bill and felt that this was the right approach. Mr. Speaker, we do not have representation by population in this Bill at all. It's a misnomer; it's very misleading; it's in sleight of hand and I think the public should certainly know about it, and we'd be derelict in our duties here if we allowed the people to be lulled into thinking that they're going to end up finally with a "rep by pop" Bill because they're not.

This Bill refers to densely populated and sparsely populated. It eliminates the term urban and rural, but refers to densely and sparsely populated. Now surely that in itself indicates to the committee, when they're established, how they are to determine the size of the constituency, because if they're considering a constituency in an urban area like Greater Winnipeg or Brandon or so on, this certainly would classify as densely populated, the number of homes per square mile compared to the sparsely populated where the homes per square mile are negligible -- or per acre are negligible. It automatically creates in advance the areas which will be given the higher number of voters per constituency and the areas with the lesser numbers.

We are told that the tolerance in this case is 25 percent plus or minus. Really what it is is this, if by dividing by 57 the figure we achieve is 16,000 population per constituency, with a plus or minus of 25 percent meaning a low of 12,000 and a high of 20,000, it boils down to this. In a sparsely populated area -- in a rural area -- I can see a constituency quite properly being established at 12,000, and an urban area in Greater Winnipeg or some of the other cities being established at 20,000. In other words, what we're doing is this, we are saying that the urban areas shall require 66 percent more voters than the rural area. It's almost a 2 to 1.

Now how long are we going to put up with that sort of an arrangement? I think it's absolute nonsense to expect people to accept this or to in any way feel that this is justified. It was perhaps years ago, perhaps in the horse and buggy days when it took three hours to get

(MR. MILLER cont'd.) from one town to the next, but not any more. We're a mobile society - the cars are on the highway; the trucks are on the highway. Communication is ideal. We have the roads; we have the far better press coverage of things; we have radio - instant communication; we have TV; we have telephone; we have electrification everywhere. We're not isolated as we used to be. Now a case might be made for northern areas because there where you talk in terms of sparsity, this is real sparsity; this is real isolation. But you can't compare the northern areas with the areas south of Winnipeg or west of Winnipeg or east of Winnipeg, because it's like dealing in apples and oranges, Mr. Speaker, and although maybe some case could be made for northern areas, I'm suggesting that the government is using the sparsity in the northern areas to justify a disproportion between rural and urban in areas other than the north and in areas which really should not be given any special status any longer. Because this is what we're doing, we're giving the rural voter a special status.

Now the ultimate responsibility for any enactment of any laws rests on this Legislature, and surely this Legislature should reflect the public, should reflect a percentage of the people, and so long as we persist in leading this House against urban representation, I don't feel we're getting a fair representation. I think the people of Manitoba are being short-changed and they have been over the years, because an equitable representation within this Legislature is essential, and the way it stands now, we're depriving certain people of their most important right, the right to equal representation with their neighbours, whether their neighbours be a block away or 50 miles away. Surely they should be treated the same way and considered under the law as citizens with the same rights.

The old Act talked in terms of a 7 to 4 ratio; now we're going to end up with a 5 to 3. So what it really means is this, for every 12 members - it was rather under the 7 to 4 ratio - for every 12 citizens or voters in the rural area, there were 21 urban voters required. Now for every 12, it will be 20 voters. Now this isn't rep by pop at all; the disproportion is as great as ever, as great as ever. In 1966 Greater Winnipeg - forget about Brandon, Thompson and those other areas - Greater Winnipeg alone represented 53 percent of the voters but only 35 percent were represented in this House. Now it's two years later, and I would suggest that if the pace of movement out of the rural areas into the urban areas - at the pace of at least one percent per year - the figure now is more like 55 percent of the voters in Greater Winnipeg and they would only have about 35 - 36 percent in a reconstituted House.

So, I think it is essential that in the first place we stopped kidding -- or the government try to stop kidding the people. I think people have to know that what we are getting here is simply a reworded version of the same inequity that existed up to now. I don't believe that my vote should count for more than the vote of a man living in the Turtle Mountain constituency or in the constituency of Rock Lake. At the same time, although I don't want my vote to count for more, I don't want somebody else's vote to count for more. It's wrong in principle, and it's doubly wrong when this government tries to mislead people to thinking that finally they're getting representation by population, because they are not. This House, if it's reconstituted under the proposed Bill, will end up again with a majority of people in the Greater Winnipeg area, by far and away the majority of people in the urban areas of Manitoba having not the majority number of seats, having not the equal number of seats, but having the lesser number of seats in comparison to the representation from the rural areas.

Now there might be a case for some allowances, because nothing should be that rigid that it can't yield, and the allowances have to be for natural, normal situations that do occur and must occur. I'm talking of a situation where a constituency can be created, where almost the entire constituency is set up and then they find that they've left a very small pocket out of it because it exceeds the 16,000 which is the norm; and it would make no sense so they include it in. So, it's a little larger. On the other hand, I can see the same situation reversed, where it should have 16,000 in the constituency but for geographic reasons - a river, a lake, a boundary - it has somewhat less. I can see there certainly it should not be that rigid that allowances shouldn't be made, and the allowance suggested by the Leader of the New Democratic Party was that the 7 1/2 percent, which was mentioned in the old Act, should be the tolerance - and believe me that's still a very large tolerance - there's a 15 percent spread here. But this 25 and 25 is a monstrosity and it's denying once again, and it will deny for another 10 years, the people of the urban areas the right to be heard with equal voice in this House.

Now, Mr. Speaker, I think that when this Bill is discussed in committee, I hope members

(MR. MILLER cont'd.) of all sides will seriously realize the implications of this matter. I don't believe that the people of Manitoba are going to sit by quietly and let this happen to them. They have no voice except the voice that we elected people bring to this Legislature. I don't think you're going to find people storming the doors of the Law Amendments Committee because it will probably go to Law Amendments today and nobody even knows about it - nobody knows that it's going to Law Amendments - but I suggest to you that there will be created in Manitoba a real deep-rooted resentment because people have been waiting for this change in the electoral system.

In 1957 we took the first step forward. They've been waiting for this. Last year it had to be delayed for a year. This perhaps was inevitable, it was inevitable last year because of certain circumstances, but now, to come up and say to them, "You are getting nothing really over what you had last time", is something that I don't think the people in the urban areas are going to accept lightly; I don't think they're going to accept at all. I think there's going to be a deep resentment, and a justifiable resentment that they are being short-changed, that again they're being made into second-class citizens, where the rural voter has almost a 2 to 1 edge on him. It takes two urban people to equal the rural voter. There's absolutely no justification for it in any shape nor form, not in today's modern society where, as I say, communication is good, access is good, transportation is good.

Now if the rural members say to me - and with justification - they have large areas to cover and it's difficult; and if the government would say, we have to recognize this and we have to make available to rural members certain privileges which we can't extend to all, or maybe shouldn't be extended to all. In other words, if I want to phone someone in my constituency or he wants to phone me, we simply pick up a phone in Greater Winnipeg. If the government wants to justify or recognize the fact that someone from out of town, whether rural or urban, someone from out of Greater Winnipeg wants to do a good job in representing his constituents, that he be given franking rights, while he's here certainly and even when the session is finished because he may be living in one and writing letters to another; that he be given phoning privileges, certain phoning privileges. I would agree to that because I recognize that this is a problem and this is a right that perhaps the members should have, but let's not use that excuse to cheat people out of their right to an equal vote with a fellow Manitoban, because this is what we're doing. And by cloaking it in such words as "rep by pop", we are misleading them and we are certainly not doing justice to the spirit in which this Bill was proposed and which the 1957 Act was first brought in, that this is a step towards recognizing the rights of individuals and the equal vote by individuals, as individuals, irrespective of where they live.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Bill No. 40. The Honourable Member for Lakeside.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, this Bill has been before us for a long time and has been sitting quietly in the wings waiting for action for a considerable time as well. The feeling that I had of discussing it at some length has rather dissipated in the meantime and I can be mercifully brief I believe. That doesn't mean that I regard the matter as unimportant. I think it is quite important to the dairy industry, and yet I am not going to argue that we should repeat the situation that obtained with regard to margarine. I think it is perhaps a fact that those of us who felt that margarine should not be recognized except under very severe restrictions did a favour to the advertising of margarine itself and it didn't greatly assist the dairy industry.

So I would suggest - and here I'm agreeing with the Honourable the Minister who introduced the Bill - that inasmuch as the products with which this Bill deals are already in some cases on the shelves and seem to have a considerable amount of consumer acceptance, that we should move to see that they are made available to the extent that the people want to use them, with the only qualifications being those that guarantee that they are advertised for what they are, and of course that they meet the standard set under the food and drug act and any other necessary safeguards that the consumer is entitled to.

Those things being recognized, Mr. Speaker, it seems to me that the consumer has a right to make the decision as to what he, or perhaps in this case it's mainly she, will purchase, and while I'm a believer, and I think some rather important evidence can be adduced to support the theory that dairy products have a special advantage food-wise over synthetic products, yet I still say that so long as there is no misrepresentation of the article, the

(MR. CAMPBELL cont'd.) consumer has a right to purchase what he or she wants. Therefore, Mr. Speaker, inasmuch as we are going to allow these products here - and I agree with that - then the definition of an imitation dairy product becomes extremely important, and it is important to the dairy industry, which is still a mighty important industry in this province, it is important to them that the imitation dairy products should be recognized as such.

One of the difficulties that I find with this Act is that the definition of an imitation dairy product depends on the Lieutenant-Governor-in-Council so declaring it, and as I read the Act - and I think I'm right - it would be quite possible for products that are in fact imitation dairy products being here and being exposed on the shelves of Manitoba for a considerable length of time, or forever, if the Lieutenant-Governor did not declare them an imitation dairy product. They would not only be exposed for sale but they would not be so designated, because the definition says that the Lieutenant-Governor must so declare the product.

So the onus will be on the dairy industry themselves, or someone on their behalf, to urge the Lieutenant-Governor-in-Council to take this action, and I feel that it should be the other way around. I feel that instead of the dairy people having to watch and check what products are being sold, that the sellers of those products should be required to go first to the Lieutenant-Governor and receive the approval for them to be sold as an imitation dairy product.

Now our present Act, Mr. Speaker, has a section which reads in this way - it's Section 24 subsection (6) - "No person shall manufacture, sell, offer for sale or have in his possession for sale, an imitation dairy product". That's the Act as it reads now, and this Bill of course will to some extent ameliorate that situation so far as the imitation dairy products are concerned, provided the Lieutenant-Governor-in-Council so defines them. But I think, Mr. Speaker, that in order to implement what I have been suggesting, that is that the onus should be the other way around and that approval of the Lieutenant-Governor-in-Council should be sought and secured before these products go on sale, that we should change a present subsection of the Bill, or delete it in committee, and that we add a further section to the Bill which would achieve that purpose by inserting these words: "Unless authorized by the Lieutenant-Governor-in-Council" at the beginning of this subsection that I have read.

In other words, we would delete the subsection that makes the definition of an imitation dairy product one that the Lieutenant-Governor-in-Council so declares, delete that one and add the words that I have read at the beginning of the subsection that I have read, which would then read, "Unless authorized by the Lieutenant-Governor-in-Council, no person shall manufacture, sell, offer for sale or have in his possession for sale, an imitation dairy product." Mr. Speaker, I think that this would be the fair way to deal with the situation rather than leaving the onus the other way around.

Not only, in my opinion, does this put the requirement for action re an imitation dairy product in the right place, but I am informed that it would make Manitoba's law uniform in this regard with Ontario, Quebec and British Columbia, three great dairy provinces, Mr. Speaker. If my information is correct, and in spite of the time that has elapsed I have not had the facilities available to check for myself, but I am told that they already have this type of legislation and I would recommend that this Bill be changed in order to conform with what they have already enacted.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Brokenhead.

MR. USKIW: Mr. Speaker, I am not going to add a great deal to the remarks of the Honourable Member for Lakeside. I think he covered the ground fairly well. As I recall, and it's some time ago, the Minister had given the House some indication that he was prepared to make some amendments so that in effect our legislation will be very much the same as in other provinces that have a substantial dairy industry. I want to say that I am looking forward to these amendments and for that reason I'm not going to belabour the House at this point.

It seems that under the present Bill as it is, our legislation goes much further than the legislation in the other provinces, and I am sure that this is what the Minister meant when he said that he was prepared to offer some amendments. I am mainly concerned with the onus of proof of imitation products; namely, who must prove that a product is imitation, the Lieutenant-Governor-in-Council, the producers of dairy products, or the manufacturer that produces the imitation product, and I hope that it is in this connection, Mr. Speaker, that the Minister introduces an amendment something like that which was presented to us a moment ago by the

May 21, 1968

(MR. USKIW cont'd.) Honourable Member for Lakeside, because really I think that if we leave the Act as it is in this Bill that what we are going to be faced with is a situation with a farm community, the dairy community is going to have to present or make representation to the Cabinet asking them to label one product or another as an imitation dairy product, and I don't think we want to get into that area. I hope that the Minister in his closing remarks will give a commitment to us that these are some of the amendments that he is going to introduce, either in committee or - well, I suppose it will be in committee - so that we may have his assurance that these are the things that he has under consideration.

I am glad that we were able to hold the Bill up so that we could have had the benefit of the conference at Ottawa of the Deputy Ministers of all the provinces - that is the Deputy Ministers of Agriculture of all the provinces - and for that reason I would hope that in the Minister's closing remarks he will give us the full benefit of his information as a result of that conference so that we may go into committee with a bit more knowledge as to what is happening across Canada. Thank you.

MR. SPEAKER: The Honourable the Minister of Agriculture.

MR. ENNS: Mr. Speaker, in closing debate on Bill 40, let me apologize first for not being in the House while the Honourable the Member for Lakeside spoke, but I feel that I am probably aware of the nature of his discussion.

I would like to assure both him and the Honourable Member for Brokenhead that I do believe that the amendments that I'm prepared to introduce with respect to Bill 40 will meet the approval or the wishes of the members opposite. These amendments have been worked out in co-operation with the legal counsel representing the dairy producers and my staff. The department is quite in agreement with these amendments. We are accomplishing the same end, however, with a different emphasis and taking some of the onus off the dairy producers.

If you recall the Bill as it is before you right now, it rather left the impression, or made it - I shouldn't say left the impression - but placed the onus on the dairy producers to convince the Lieutenant-Governor-in-Council that certain products should not in fact be licensed for sale as being not in the interests of the dairy industry here in Manitoba, and we are quite prepared to change this order, reverse this order around. In other words, the amendment would make it very clear that the Lieutenant-Governor-in-Council has the authority to license the sale and manufacture of certain imitation dairy products and we would be amending the regulation to make that clear. In other words, rather than that broad clause declaring all things legal, we begin from the other end which meets the approval of the dairy producers, that we be given the authority after due representation and due consideration of the dairy industry and the dairy producers that we may declare an imitation product -- or may grant that product the right to manufacture in this province.

This is in keeping with the meeting which recently took place in Ottawa where -- and I might, just for the members' information, read to them the four basic points of agreement that were arrived at at that meeting, and the consensus of the meeting was that support should be given or could be given on a national basis to the allowing of the four points in respect of sales of synthetic products relative to the Canadian dairy industry.

No. 1 was that at this point the prohibition of all filled products and any additional synthetic products other than the semblance of cream and whipping cream, recognizing their place in the market as of now.

No. 2. Allow greater latitude in the mixing of natural dairy products, under supervision of course and under strict licensing powers.

No. 3. Allow the addition of additives to dairy products other than those which replace natural dairy products to assist in the marketing of dairy products.

No. 4. To agree - and this is a technical point - to agree that sodium casemates be considered a dairy product.

This was the agreement that was roughly arrived at with the staff, the deputy ministers from across the country. It's a position that we would like to work to in our national approach to the dairy industry, and I feel sure that in recommending to the House that we approve second reading of Bill 40 with the amendments referred to, that the representation that we will hear at committee from the dairy producers will be such that would lead us all to agree that we can support this piece of legislation, and I recommend it therefore to the House for its approval.

Mr. Speaker, I wonder if I may, by leave, while I'm on my feet, indicate to the

(MR. ENNS cont'd.) honourable members that inadvertently in Bill 96, that is the Agricultural Credit Development Corporation Bill, I was informed by the Legislative Counsel that a page was missed out in the final printing of the Bill. For that reason, I have asked the Clerk to distribute new copies of the Bill. The page that was absent is not of any substance, major substance, it deals with more of the regulatory rules, regulations of how the Corporation shall be set up. The Clerk will be distributing these bills and I would ask the honourable members to discard the bills previously distributed. Thank you.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Bill No. 53. The Honourable Member for St. John's.

MR. CHERNIACK: Mr. Speaker, I adjourned the debate for the Honourable Member for Wellington.

MR. PETURSSON: Mr. Chairman, I thank the Honourable Member for St. John's for having adjourned debate on this particular Bill; I was unavoidably absent at the time. Not having heard the Honourable Minister of Health make his presentation on this Bill I may be asking questions that he has already covered and I ask his forbearance in that event.

Generally, the Bill appears to me to be a needful one, what with the progress that the medical fraternity is making in matters with which the Bill deals, the transplant of various parts of one body to another body and dealing with the question of the authority under which direction is given for the use of various parts of the body upon the death of one person.

The question, the first one that occurs to me in connection with this is in Section 2, direction by the person before death indicating those who have the recognition, or recognized as having the right or the authority as being over the age of 18. In (b) section of clause 1 in Section 2 it is indicated there that a person may direct that any part of his body, or a specified part of his body, and I would ask the Honourable the Minister whether he would also include the terms "or the whole body", because it is known that the Department of Anatomy does receive whole bodies for purposes of study of dissection and so on. If this has been covered, then of course again I apologize for bringing it up.

The person who gives direction - this also is included over the page on the next section under No. 3, Section 1 (e), where the direction is referred to there of "any part of the body or specified part of the body", and again I would ask whether the suggestion that the whole body be also used as part of the matters over which the person would have control to direct.

I wonder at the same time, with the discretions that are allowed an individual to direct the use of parts of the body, I wonder if this would include such things as the person determining the disposal of his body, or burying or cremation, because this also enters into the question of disposal of the body. As I understand it, under the present - is it the Anatomy Act or is it the Funeral Act - a person is not recognized as having control of his own body or control of the disposal of it after his death. Something is being done in this Act which would give that authority although it is not being pressed. If there are any who oppose the use of the body or parts of the body, as indicated in this Act, then the use of parts or of the body will not be followed through, if my understanding of the Act is correct. It is understandable that this is a very very sensitive area, a very sensitive field, because for people who survive the death of a person it involves emotion and stress of one kind or another on the part of those who survive, and their feelings may become and are deeply involved in the death of one whom they know or of one to whom they are related, and therefore it is understandable that the Act is very careful of the feelings or the wishes of those who survive the death of a person.

In (b) of clause 3 in Section 3, the effective direction that is indicated is that if any living survivors have objection, then the direction will not be pursued or it will not be followed through. There is nothing compulsory which compels the survivors, the persons lawfully in possession of the body, to use the term set out in the Act, to follow through with the direction given by the person who is willing his body or parts of it to the Department of Anatomy.

I wonder if the Honourable the Minister would take a look on Page 3, Section 3 (1), and (a), (b), (c), (d), and (e) where reference is made to the person lawfully in possession of the body, whether he would not add that (e) subsection also under 3, part (2) - I don't know whether I'm being clear - where the same claimants are mentioned as under (a), (b), (c) and (d) but the (e) under 3 (2) is omitted, whether he would not include also there the (e) part where it says, "if none, the person lawfully in possession of the body."

Under the old Anatomy Act reference was made to a "preferred claimant". This term is being omitted from this Act, and of course the reference to the person lawfully in possession

(MR. PETURSSON cont'd.) of the body does mean preferred claimant, or whether there should be any reference made to that particular description in this Act as well.

Then over the page - on Page 4 in Section 4 (2), it says, "where after death a part of the body has been removed in accordance with this Act, forthwith after the removal of the part the body shall be returned to the custody and control" and so on. Now bodies which under Anatomy Act have been passed on to the Department of Anatomy, when the Department of Anatomy has used the body for its purposes, either in whole or probably in part - the Department of Anatomy has received a body and used it - there is an agreement, it seems to me, whether with the Medical College or simply a recognition by the Medical College itself or the Department of Anatomy, that at the end of a year the body then is disposed of - it is usually buried unless there is special direction for cremation - whether the Department of Anatomy would, where only a part of the body is taken, if there is a passage of time between the removal of that part or the use of the body or the use of a part of the body, whether the Department of Anatomy or the Medical College would not then also see to the disposal of the body rather than return it to the custody and the control of the person who would have had custody and control of the body if no direction had been made under the Act.

I feel that this phase could be looked into so that once a person has willed his body and the body has been accepted for whatever purposes have been set out, whether the Department of Anatomy would not also at the same time see that this body were properly disposed of.

MR. SPEAKER: Order please. I am sure the honourable gentleman has probably a good deal more to say. It is now 12:30. Does the honourable member feel

MR. PETURSSON: I think -- I don't know that I would finish within 2 or 3 minutes; I would wish to continue for perhaps another 5 or 10.

MR. LYON: Mr. Speaker, this afternoon's order of business is that we are required to be in Law Amendments at 2:30 or shortly thereafter, so I would suggest that it would probably be better if we adjourned now and came back to Orders of the Day and then went after Orders of the Day into Law Amendments Committee, hopefully to finish in there within an hour possibly because there is not too much on the agenda, come back into the House and continue with second readings. I would move, seconded by the Honourable the Minister of Welfare, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Tuesday afternoon.