

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 27 April, 1982

Time - 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. D. James Walding (St. Vital): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY T. STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Brandon West, the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Inkster.

MR. DON SCOTT (Inkster): Mr. Speaker, I beg to present the first report of the Standing Committee on Economic Development.

MR. CLERK, Jack Reeves: Your STANDING Committee on ECONOMIC DEVELOPMENT beg leave to present the following as their FIRST Report:

Your Committee met on Tuesday, April 27, 1982.

Your Committee agreed that a quorum for all future meetings of the Committee should consist of six (6) members.

Messrs. J.A. Petrie, Acting Chairman of the Board of Directors, and W.A. Moore, President and General Manager of McKenzie Steele Briggs Seeds, provided such information as was required by members of the Committee with respect to the Company.

The Financial Statement of McKenzie Steele Briggs Seeds for the year ended October 31, 1981, was adopted.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SCOTT: Mr. Speaker, I move, seconded by the Honourable Member for Radisson that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I'd just like to give information to the House and the Committee. Yesterday, I stated that the Capital Program would be tabled tonight at 8 o'clock. Now we've reached that item in the Estimates and if Committee is called this afternoon I intend to table it and

make a distribution to all the members of the House. Thank you.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach the Oral Questions may I direct the attention of honourable members to the gallery where there are 21 students of Grade 11 from the Ken Seaford School. This school is in the constituency of the Honourable Member for Kildonan under the direction of Mr. Cairns.

We also have 25 students of Grade 9 standing from the John Pritchard School. This school is in the constituency of the Honourable Member for River East and the students are under the direction of Mr. Kroeker.

I would also direct the attention of honourable members to the loge on my right, where we have former MLA, a well-known figure in this House, Mr. Russ Paulley, formerly of Transcona.

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

SPEAKER'S RULING

MR. SPEAKER: Before we reach Oral Questions I have a short statement to make to the House. On Friday, April 23, the Honourable Attorney-General rose in his place to raise a point of privilege, to object to remarks made by the Honourable Member for Pembina on the grounds that they were unparliamentary. Since the Honourable Attorney-General did not conclude his remarks with a substantive motion there was no point of privilege.

However, I did undertake to peruse Hansard to see whether the statements made by the Honourable Member for Pembina were unparliamentary. I conclude from reading Hansard that the words objected to were substantially those included in the phrase 'the muffled cadence of jackboots.' The phrase was used by an opposition member in 1970 and has been used in this House on several occasions since then. The phrase has become so well-known in this Chamber as to be almost a cliché.

Although the words refer to a respectable article of footwear dating back at least to the Duke of Wellington, the phrase is an emotional one and is heavily laden with connotation. The phrase has always been used in this House in a pejorative sense and although highly objectionable to some members previous Speakers have not ruled the phrase as unparliamentary or a breach of order.

Members are reminded that this House is a political forum where members attend to take part in political debate. The same right to speak to any matter before this House is afforded equally to all members. In view of the reasons given above I am unable to conclude that the remarks of the Honourable Member for Pembina are unparliamentary or a breach of order.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. STERLING LYON (Charleswood): Mr. Speaker, in view of the overwhelming victory last night in Saskatchewan by Mr. Premier-elect Grant Devine, and his 56 Progressive Conservative colleagues, and in view of that party's professed desire to de-emphasize the importance of Crown corporations in the Province of Saskatchewan such as the Saskatchewan Potash Corporation, will the First Minister now tell us whether it is his intention to pursue the abortive negotiations that he had started with Premier Blakeney with respect to potash developments in Manitoba as a joint venture between Sask Potash and, I suppose, Manitoba Potash?

HON. HOWARD R. PAWLEY (Selkirk): Mr. Speaker, I anticipate this government will carry on discussions and negotiations with any government in Canada in respect to any matter that may be of interest to Manitobans regardless of the political stripe of the particular government that is in power.

In regard to potash, the discussion involved market conditions, involved the potential of potash development on a joint basis if, indeed, it ever did come to that after negotiations had taken place with Saskatchewan Potash or with any other particular company. I do not know with what the attitude of the new government is concerned. We weren't even proceeding with ongoing negotiations pertaining to the matter that is raised.

MR. LYON: Well, Mr. Speaker, in view of the acute need in the Province of Manitoba for capital investment and for much-needed jobs for our people, will the First Minister and his government not now realize the folly of their allowing the Memorandum of Agreement between the Government of Manitoba and IMC to lapse on the 15th of December, 1981? Will they do everything within their power to re-instate that agreement so we can get on with that huge development which will mean jobs and opportunities for Manitobans?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUKE (Transcona): Mr. Speaker, despite the impression that the Leader of the Opposition is trying to create, the discussions with IMC are indeed proceeding. Mr. Speaker, that has very little to do with any type of Memorandum of Agreement.

Our discussions are proceeding as I have said before and they're proceeding I think, on good faith on our part, certainly I would hope on good faith on the part of IMC, to negotiate a deal that is fair to both sides, Mr. Speaker. We feel that the previous government wasn't doing that and I believe that the people of Manitoba felt that on November 17th. We have the responsibility and the mandate to negotiate a potash development or other developments with respect to not only the short term but the long term when you're involved in 25 or 35-year agreements. We are pursu-

ing that course of action prudently and responsibly, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Well, Mr. Speaker, a further question to the First Minister, arising out of the election results in Saskatchewan and out of the attitude which one expects will now become the policy in the Government of Saskatchewan, is it not a fact that the likelihood of IMC being able to expand its operation in Saskatchewan is now much greater under a free enterprise government than it was under a socialist government and hence, Manitoba's chances of getting an IMC potash mine in Manitoba are consequently going to be diminished unless this government gets off its haunches and works?

MR. SPEAKER: The Honourable the First Minister.

MR. PAWLEY: Mr. Speaker, what I do know, that in the election of 1978 when the Government of Saskatchewan had indeed sought a mandate subsequent to their becoming involved in the Crown Corporation development of potash, they received an overwhelming vote of confidence on the part of the people of Saskatchewan, therefore, Mr. Speaker, the results of the election yesterday have not one iota to do with potash development because the Saskatchewan Government received its mandate, a mandate of positive support for what they had done by way of resource development in 1978 after the significant moves had been undertaken by the Saskatchewan Government. So, Mr. Speaker, if the honourable member is seeking other explanation he would have to go other than to resource development.

I would trust, Mr. Speaker, that the new government in the Province of Saskatchewan would be not as irresponsible as that is being attributed to it by the Leader of the Opposition. I would think that the new government in the Province of Saskatchewan would want to work on the basic economic structure within the Province of Saskatchewan, would want to add to the billion dollar Heritage Fund that the former Government of Saskatchewan had built up as a result of its resource development. So, Mr. Speaker, I trust that the new government in Saskatchewan would not be as irresponsible as that as being suggested by the Leader of the Opposition.

MR. LYON: Mr. Speaker, will the First Minister then do everything within his power and within the power of his government to reinstate the Memorandum of Agreement which he allowed to lapse on the 15th of December, 1981 with IMC, which could have seen the start of development of that mine in Manitoba this year?

MR. PAWLEY: Mr. Speaker, I believe that this is again the rehash of some earlier questions the Leader of the Opposition was asking.

I want to simply state to the Leader of the Opposition, this government is continuing with negotiations. Mr. Speaker, those negotiations must be on a basis that is fair, not only to IMC — and the former govern-

ment was very anxious to ensure that there be generosity in that direction — but that there must be equity and fairness insofar as the people of the Province of Manitoba are concerned. Any agreement must indeed work both ways. My Minister is indeed working in respect to that agreement, but on fair terms, not on unfair terms insofar as the parties are concerned.

MR. LYON: Mr. Speaker, while everyone in this House would agree that we want to have a fair agreement, fair for the people of Manitoba, with IMC, and to have Manitoba's first potash mine, will the First Minister not concede that the actions of him and his government in the last five months have put into jeopardy that great potential of development of our first potash mine? Will they not give up their ideological hang-ups and get on with the negotiation? Will they, specifically, Mr. Speaker, resume the Memorandum of Agreement that they allowed to lapse on the 15th of December, 1981?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, one of the reasons why that Memorandum of Agreement ran into difficulty and why negotiations by the Conservative Government ran into difficulty with IMC, was that the Premier's former Special Assistant became legal counsel acting on behalf of IMC. Mr. Speaker, now I find that the Leader of the Opposition is undertaking the task of trying to negotiate on behalf of IMC and trying to jeopardize the negotiations that are geared to achieving a fair deal. I would hope that he would try and act on behalf of the people of Manitoba and not act solely and totally on behalf of IMC, Mr. Speaker.

We are negotiating in good faith. IMC is negotiating in good faith. We know, Mr. Speaker, as the Leader of the Opposition has indicated, that it is cheaper for any company to undertake an expansion of a mine as opposed to the building of a brand new mine. That affects the economics which we'll have to investigate, Mr. Speaker, which we do have to investigate. I hope the Leader of the Opposition isn't saying that what we should do is give up our royalties, put in investments which may not be completely secured, in order to somehow compensate for the fact that it costs a lot less to do an expansion of a mine if in fact the economics warrant it and the market is soft, Mr. Speaker. But if the economics warrant it, surely both parties should be able to reach a reasonable agreement to proceed with the development. That is the way we believe a prudent government would operate, Mr. Speaker.

MR. LYON: Well, Mr. Speaker, to the Minister of Mines and Energy and without in any way wanting to wallow in the gutter with him with respect to his usual attempts to impugn the characters of other people who are not here in the House to defend themselves and so on, without wanting to get into that at all. Is he now trying to tell the people of Manitoba what we have been saying for some months, that the chances of having a potash mine in Manitoba are greatly diminished over what they were five months ago?

MR. PARASIUK: Mr. Speaker, market conditions in the short term have an impact on the viability of any

project be it an Alsands Project or any project.

We believe that over the longer run the potash resource of Manitoba holds great promise. We are working to achieve that promise, Mr. Speaker, to the greatest benefit possible that Manitobans not only in the short run but also in the long run and therefore, the people of Manitoba can rest assured that we will negotiate in good faith and not panic as the previous government did as they approached an election.

They can be sure, Mr. Speaker, that just as the present Leader of the Opposition gave away massive resources; gave away monstrous amounts of money in his negotiations on the CFI deal which he again wants us to repeat — he wants us to repeat that disaster — this man who can't remember that he signed the deal on behalf of Manitoba that cost Manitoba taxpayers really tens of millions if not hundreds of millions of dollars, Mr. Speaker, he wants us to repeat his past mistakes and we don't want to do that. We want to negotiate a good deal, not a sellout deal as the Conservatives would have done. —(Interjection)—

MR. SPEAKER: Order please. Order please.
The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, I specifically addressed previous questions to the First Minister because this House and the people of Manitoba are becoming accustomed to the non-factual tirades of the Minister of Mines and Energy as he tries to scuttle his way into their good favour in preparation for taking over the leadership of that party. —(Interjection)—

MR. SPEAKER: Order please. Order please.

MR. LYON: Mr. Speaker, I address my question to the First Minister, whoever he may be, to the First Minister who sits in that chair. In view, Mr. Speaker, of the acute need in Manitoba for Capital investment and for the much-needed jobs that Capital investment will cause to be created and in view, Sir, of the specific promise the present Premier of Manitoba made during the course of last fall's election, "that orderly development of northern generating stations would commence immediately," can the First Minister confirm that his government is moving with all dispatch to conclude the Western Power Grid negotiations with Saskatchewan and Alberta so that, as planned by the previous government, construction on the Limestone site could start in 1982?

MR. PAWLEY: Mr. Speaker, again we seem to be getting back into the same old repetitious series of questions that the Leader of the Opposition is becoming famous for at this point and I feel somewhat embarrassed having to continue to repeat myself to repeated questions along the same theme.

Mr. Speaker, there are discussions that are continuing; they've been continuing at a responsible level. They have been not taking place over the last four weeks because of the Saskatchewan election, but they've been taking place involving Saskatchewan, Alberta and Manitoba and this government is acting responsibly as the people of the Province of Manitoba would expect it to act, not, Mr. Speaker, in a manner that we are attempting to complete any agreement, no

matter what the price is, for political reasons, even if it does involve jeopardizing the long-term interests of the Province of Manitoba.

We're working towards a fair deal on behalf of the people of the Province of Manitoba; those negotiations and discussions are under way. The Leader of the Opposition knows that to be the case. He continues to, apparently, desire to ask, Mr. Speaker, through you, repeated questions in this Chamber.

MR. LYON: Well, Mr. Speaker, I want to tell the First Minister that not only do we continue to ask, we will continue to ask until we get satisfaction from these people that they're doing their job. So, Mr. Speaker, I ask this question of the First Minister.

Will he and his government get off their haunches and get in touch with the new Premier-elect of Saskatchewan to make sure that they can resume the negotiations on the Power Grid so that, in turn, the people of Manitoba can start to see that huge development of Limestone start to take place in 1982 as was planned by the previous government?

MR. SPEAKER: The Honourable Minister of Health on a point of order.

MR. DESJARDINS: Mr. Speaker, it is my contention that, unless we've abandoned the Beauchesne Parliamentary Guide, that this mode of questioning is absolutely out of order and I'd like to quote, Sir, in Citation No. 171 there are about 12 reasons why it's out of order. "In making a question, observation which might lead to debate cannot be regarded as coming within the proper limits of a question. The purpose of a question is to obtain information and not to supply it to the House. A question, oral or written, must not be ironical, offensive, contain innuendos, satire or ridicule, . . . " Do you want some more? " . . . contain an expression of opinion. A question, oral or written, may not contain imputation." Mr. Speaker, a question, oral or written must not ask the government's opinion on matters of policy.

I say, Sir, if we keep on the way we've been going now we lose the complete control of this House and I regret that very much.

MR. SPEAKER: To the same point of order.

MR. LYON: Yes, Mr. Speaker, speaking to the same point of order, I only make the observation that in my years in this House since 1958, with the exception of about six or seven years, the honourable member who just read the quotation broke every one of those rules, every day, when he was in the Opposition.

MR. SPEAKER: The Honourable Minister of Health to the same point of order.

MR. DESJARDINS: Mr. Speaker, on the same point of order, that might be true. I think every day is stretching things when I had to go in the gutter to reach my friend to fight with him, that doesn't make it any different; it is not right. If I was breaking the rules, as he said, I was breaking the rules and he has not stopped breaking the rules ever since; he has seen this side and he can't take the licking. He doesn't

realize the election is finished and, Mr. Speaker, we'll lose complete control of this House if this is allowed and if this little dictator is allowed to go on as he is today.

MR. SPEAKER: The Honourable Leader of the Opposition to the same point of order.

MR. LYON: Mr. Speaker, speaking to the same point of order, I think the quality of the remarks that we last heard from the Member for St. Boniface expressed more eloquently than anything I could say how much attention should be paid by you, Sir, to anything he says about the Rules of this House.

MR. SPEAKER: The Honourable Minister of Health to the same point of order.

MR. DESJARDINS: I am not asking you to pay attention to me. I am not a genius like my honourable friend. I'm asking you to look at Citation No. 171 and rule on your own, Sir, after you finish perusing this document.

MR. SPEAKER: Order please. I thank both honourable members for their comments and I assure the Honourable Minister of Health that I have read the Citation which he quotes in this Chamber.

I do attempt to give honourable members as much latitude as possible, particularly in question period, but the level of decorum and the style of debate and questioning is up to the members themselves. It is what they wish to do that will, in fact, come to pass.

MR. LYON: Mr. Speaker, then to repute the question very simply to the First Minister, will he and his government contact, as soon as possible, the Premier-elect of Saskatchewan in order that they may begin again the negotiations on the Western Power Grid in order that Manitoba may have some hope of seeing Limestone start this year as was planned by the previous government?

MR. PAWLEY: Mr. Speaker, you know, the question is so very very simplistic it hardly warrants a response. This government, unlike some previous government in this province, would certainly act responsibly and would naturally contact the Saskatchewan Government after the swearing in of the new government. I'm really very much amazed, Mr. Speaker, that the Leader of the Opposition would apparently be so paranoid or so at a loss as to even pose such a question to any government, regardless of the political stripe.

MR. LYON: Well, Mr. Speaker, is the First Minister of this province saying to us and to the people of Manitoba that he is so lackadaisical about whether or not the Western Grid Agreement is pursued so that we can get Limestone under way and jobs created in Manitoba that he's going to wait around for another two or three weeks, whatever the time is, before he makes a civil contact with the new Premier of Saskatchewan to tell him that he wishes, as soon as the Premier is in office, to resume these important negotiations on behalf, not only of the people of Manitoba

but indeed on behalf of the people of western Canada?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, I'd be delighted to answer the question in a factual manner. I might say that I am responsible for carrying out the negotiations and I must say that I think that 33 New Democrats on this side of the House line up 100 percent behind our leader, Mr. Speaker. I know for certain, Mr. Speaker, that I can't say the same thing for the Conservative Party with respect to their leader.

But, Mr. Speaker, we had established a meeting with the Saskatchewan and Alberta Ministers on May 12. I hoped that the new Minister Responsible for Saskatchewan Power Corporation or the Minister Responsible for Negotiations on the Western Inter-Tie would see fit to proceed with the scheduling of the meeting on May 12, I hope that is the case, Mr. Speaker. We certainly will be in touch with the new Minister as soon as the Minister has been given the responsibility, when the new government is sworn in, Mr. Speaker. We will be acting, as I said, expeditiously to move as quickly as possible because the negotiations were under way it's not a matter of resuming them, they were under way, a meeting was scheduled.

I said I was very hopeful, Mr. Speaker, extremely hopeful that we could conclude an agreement by the summertime, Mr. Speaker. There has been an election, there has been a change in government, there are certain events that are beyond our control over the course of the last five weeks but certainly we hope to pursue the negotiations as expeditiously as possible.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable Minister of Labour, Civil Service and Population. In view of this government's preoccupation with mythical out-migration, can the Minister advise the House whether its appetite will be appeased by the possible occurrence during the next few months of a significant influx of unemployed political job seekers from Saskatchewan?

MR. SPEAKER: Oral Questions. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, because it's happened before and because it is important, can the Minister assure this House and assure Manitobans that the integrity of the Manitoba Civil Service will be protected against capricious hiring of political job seekers?

MR. SPEAKER: The Honourable Minister of Labour.

HON. VIC. SCHROEDER (Rossmere): I would like, Mr. Speaker, to inform the honourable member that this government, unlike the government he was a part of has respect for the Civil Service in this province. I want to inform the honourable member that this government unlike his government did not go around firing people before we were sworn into office. I want

to tell the honourable member that I do not expect the Saskatchewan Government to have the indecency that his government, the government that he was involved with had in firing its capable civil servants.

MR. SHERMAN: Mr. Speaker, it would no doubt be out of order for me to recount the range of hirings and firings and political patronage and nepotism that's been practised in five short months by this government since its election but that was not my question, Mr. Speaker, and the Minister has not answered my question.

I said, because it has happened before and it's on the record demonstrably between 1969 and 1977 and on the record in the past five months, can the Minister in charge of the Civil Service assure this House and assure Manitobans that the integrity of our Civil Service will be protected against a possible attraction for this government to which it has succumbed before to find jobs for unemployed political job-seekers from Saskatchewan?

MR. SCHROEDER: Mr. Speaker, it is obvious that members opposite are getting some vicarious pleasure out of the events in Saskatchewan yesterday. I can assure them that if they keep behaving the way they are right now vicarious pleasure about elections is all they're going to get for a long time to come.

The member stands up and impugns the characters of vast numbers of people that have been involved with the NDP over the years and some of whom are civil servants and I should say, as he well knows, that many of our civil servants have other political leanings as they have every right to have, we have no problem with that. It was that group that had a problem with it.

But I just want to point out to you, Mr. Speaker, the irony of this honourable member sitting beside his leader who was standing up just a little while ago talking about members on this side impugning the characters of people who weren't here and here he is with his huge paint brush trying to smear the whole Civil Service of Manitoba and Saskatchewan with his nonsense rhetoric.

MR. SHERMAN: Mr. Speaker, obviously the honourable member has not heard or not cared to pay attention to the question. No Civil Service has been impugned. If anybody has been impugned it has been the Minister for his evasiveness and his unwillingness to answer a direct question that goes to the very heart of the integrity of our Civil Service. Nobody is impugning the Civil Service unless he is doing so.

What we're asking for is some assurance in the wake of demonstrable experience over a considerable number of years that the integrity of our Civil Service will be protected against the hiring of unemployed political job-seekers from Saskatchewan which that government has done before and which we would not trust them not to do again, Mr. Speaker.

MR. SCHROEDER: Mr. Speaker, it's obvious that we must be running this government very well, indeed, if the opposition has nothing better to do than to ask that type of hypothetical question and I would like to refer the member to Citation No. 171 of Beauchesne.

"A question, oral or written, must not be hypothetical." And surely the hypothesis he bases this question on is an incorrect hypothesis, that somehow there is going to be the kind of bloodletting in Saskatchewan that occurred when that group took office here in Manitoba. We do not believe that the new Saskatchewan Government has not learned at all from history. I'm sure they've watched and seen what that group did when they were in government and they won't make the same mistake.

MR. SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER (Emerson): Thank you, Mr. Speaker, my question is to the Minister of Agriculture. Last night representatives of his department and appointed committee members for one of his beef committees were at a Vita meeting trying to sell the Beef Stabilization Program that he has appointed. In view of the total rejection of that program by the Southeast Beef Producers Association at that meeting last night, is the Minister now prepared to review and change his program that he has presented to the beef producers of Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Interlake): Mr. Speaker, the meetings that are being held by committee members in the various regions are there to seek the advice from producers and suggestions as to how the plan might be able to be implemented.

MR. DRIEDGER: Mr. Speaker, to the same Minister. The advice that was received was to scrap the program. The question I have to the Minister, how long is he going to subject the civil servants to the kind of public criticism regarding his program as was witnessed in Vita last night?

MR. URUSKI: Mr. Speaker, there is no one being subjected to any criticism but seeking the advice of producers on how to implement the plan. The member should well know that I was in Vita on Friday, Mr. Speaker, and we did have an open discussion and there were concerns raised. Obviously, there will be concerns raised when there's new programs being announced; that will happen no matter what kind of program is announced. But, at least, Mr. Speaker, there is consultation and the producers of Manitoba will be involved and are going to be involved over the next number of weeks and months in developing this program.

They will be consulted; they will be worked; they will have the opportunity to set the parameters of this program. That will be their role and that's the role of the people involved in regional committees and the staff throwing out options and sitting down and discussing this plan.

MR. DRIEDGER: To the same Minister, if he's going to pursue this kind of reasoning that he's asking for public input by the beef producers, is the Minister then going to allow the beef producers to vote on a

stabilization program?

MR. URUSKI: Mr. Speaker, the program has been announced. It is a voluntary program in terms of the program or the acceptance. But what we want to do is have producer input into the way the program will be worked in terms of support levels; in terms of number of animals; in terms of the contract; all those kinds of details and discussions have to be discussed and producers will be involved in this, and they are involved in this.

MR. DRIEDGER: Considering the statements that the Minister has made that they're looking for input from the beef producers, how come his people were then promoting the fact that three areas could not be changed, the six-year tie-in, the finishing of beef and the selling through a central commission?

MR. URUSKI: Mr. Speaker, the principles of the plan were set out by the government and I've indicated that before; the principles of the plan were discussed. I should mention to the honourable member, the specifics of the six-year limit of a contract was proposed to us by the Manitoba Cattle Producers Association in their brief to me in January. That was in the brief that was presented and it was accepted as a time frame that could be logically a system of collecting premiums and payouts; that it would take at least a six-year period to make some solvency in the fund and to make it realistic in terms of a time frame for the fund to be developed.

MR. DRIEDGER: Mr. Speaker, to the same Minister. In view of the fact that only 6.6 percent of the beef producers in Saskatchewan have signed up for that program over there and obviously almost total rejection of the program that this Minister has been establishing, will he now plan to go back to the beef producer groups and ask what they want and not tell them what they're supposed to be doing?

MR. URUSKI: Mr. Speaker, that is exactly what is going on. The discussions on the details of the plan are being worked out. There's been no preconceived ideas as to the specific aspects of the plan. The principles were established and, Mr. Speaker, that's what the discussions are going on about. Yes.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question is for the Minister of Energy and Mines. Has the Minister of Energy and Mines retained outside consultant or consultants to advise with respect to potash development in Manitoba?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, we have been using departmental people and people who have been involved with the Manitoba Mineral Resources Corporation to give us advice on potash. They had some involvement in past discussions. We've asked them to

undertake more homework, Mr. Speaker, and those are the people that we're using.

MR. RANSOM: Mr. Speaker, a further question to the Minister of Energy and Mines. Is Manitoba Hydro contemplating constructing hydro line from Manigotagan to Bloodvein in the immediate future?

MR. PARASIUK: Mr. Speaker, Manitoba Hydro has been working with the Federal Department of Indian Affairs and Northern Development to work out arrangements for a transmission line up the east side of Lake Winnipeg. Those discussions are taking place. I believe they are proceeding well and I will be making an announcement, or the Manitoba Hydro in conjunction I suppose with the Department of Indian Affairs would be making an announcement on that matter in the near future.

MR. RANSOM: Mr. Speaker, a supplementary to the Minister of Energy and Mines. In his discussions with the Department of Indian Affairs, will he try and assure that people have an opportunity, that there is a wide opportunity available to people wishing to participate in the clearing of that line from Manigotagan to Bloodvein and that it will not be restricted in a narrow sense to a small group of people?

MR. PARASIUK: Mr. Speaker, I certainly will take the suggestion of the member at heart and I will take this up with Manitoba Hydro and certainly pursue it with the department.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): I direct a question to the Honourable Minister of Natural Resources.

Mr. Speaker, while in Opposition the members opposite, particularly the Minister of Agriculture, continually pressed the then government for expansion of flood damage compensation and flood damage reduction works to those areas excluded from the designated areas. I'm sure the Minister of Agriculture recalls the position of the NDP at that time. My question to the Minister of Natural Resources is: Is that a pursuit of this government to extend to those communities that currently fall outside the designated flood protection, or have the priorities been changed in a more specific way to assume some of the federal responsibilities on such places as Indian reserves?

MR. SPEAKER: The Minister of Natural Resources.

HON. AL MACKLING (St. James): Mr. Speaker, the department has been busily engaged in dealing with problem areas that were left unsolved including protection for the valley dykes, the communities in the Red River Valley and that has been a problem that has been left with this administration. We're dealing with that despatch. There are other communities in this province that are similarly threatened with problems that have been there for a good many years that have not been dealt with.

MR. ENNS: Mr. Speaker, I'm well aware of those

areas. It was the effort and it was a commitment made by this government — a policy decision — to in fact commit provincial funds to the resolution of those problems. It was our hope and we had the support of the then Member for St. George in pursuing Ottawa to help us in that task. My question to the Honourable Minister, is that still a desirable aim and goal of the New Democratic Party administration now that they have the responsibility for government?

MR. MACKLING: Mr. Speaker, our desire is to provide the utmost protection for everyone in the Province of Manitoba who is threatened with flooding, whether they live on an Indian Reserve, whether they live in a community in the Red River Valley or whether they even live in communities that are represented by members on the other side of the House.

We are going to concern ourselves with protection of people and their property without looking at the constituency in which they reside.

MR. ENNS: We've grown somewhat cynical about when this administration or this party promises. My straightforward question to the Honourable Minister is, he now did not use the word "promise" but it is his "desire." We want to know what is his desire. Is his desire government policy, or a promise, or what?

MR. MACKLING: Mr. Speaker, I am a Minister and this government is not one that makes idle promises. What we do is undertake to provide fair and equitable treatment to every citizen in Manitoba, whether it is flood protection or development of projects in any part of this province.

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

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Speaker, my question is to the Honourable Minister of Community Services and Corrections. Is the Minister considering any changes in regulations, or practices, or directives as they relate to the operation of provincial jails in view of the new Charter of Rights?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD S. EVANS (Brandon-East): Thank you, Mr. Speaker. The member raises a major policy question and when policy changes are made they will be announced in due course.

MR. MERCIER: Mr. Speaker, has the Minister received, apparently a report prepared by the Federal Government on the effects of the Charter of Rights on the operation of jails?

MR. EVANS: If such a report has been prepared and forwarded to me I have not yet seen it, I have not yet had an opportunity to peruse it, but I have not seen it come into our office, Mr. Speaker.

MR. MERCIER: Mr. Speaker, when the Minister has an opportunity to review that report, is he prepared to consider utilizing the override provisions

of the new Constitution?

MR. SPEAKER: The Honourable Member for Roblin-Russell.

MR. J. WALLY MCKENZIE (Roblin-Russell): Mr. Speaker, I have a question for the Honourable Minister of Health. I wonder if the Minister could advise the House if his staff has been successful in isolating the source of possible carbon monoxide pollution at Grandview School which has caused so many problems to the students and the parents?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, the last information that I have is that the Department of Labour checked out the boilers and air-exchange system. The gas company has checked out the lines and valves. They have been monitoring things all night and continue to monitor. There is no trace of carbon monoxide at this time. The school will remain closed. Originally it had been stated that alternative space will be found for the children, but as of this date, there is a forced holiday on the children and we're going to continue to try to find out the cause.

MR. MCKENZIE: A supplementary to the Honourable Minister, Mr. Speaker. Will the decision as to when it's safe to reopen the school, will that be the decision of the Minister or will that be the decision of the Inter-Mountain School Division?

MR. DESJARDINS: Our department, Sir, will try to give as much information to try to make sure that there is no danger. The decision will be that of the school division who has the responsibility for schools.

MR. SPEAKER: Order please. The time for Oral Questions having expired, Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. ROLAND PENNER (Fort Rouge): Mr. Speaker, would you please call the adjourned debate on the proposed motion of the Honourable Minister of Transport on the Crow Rate Resolution?

ADJOURNED DEBATES CROW RATE RESOLUTION

MR. SPEAKER: The proposed Resolution of the Honourable Minister of Government Services standing in the name of the Honourable Member for Portage la Prairie.

MR. LLOYD HYDE (Portage la Prairie): Mr. Speaker, it seems difficult today to get very excited about the motion on the Order Paper proposed by the Honourable Minister of Transportation when the headlines of the morning paper read: "Saskatchewan Tories abolished by the NDP."

Mr. Speaker, to me that means that the socialist

stronghold in Canada just went down the tube. What a wonderful feeling it is to me and to the members on this side of the House. The Crow issue didn't even get off the ground, Mr. Speaker, it never became an issue in that election, either by the socialists nor by the victorious Tories, nor will the resolution proposed by the NDP Government of Manitoba have any real meaning to our national transportation system.

We on this side of the House respect the agricultural economy and we on this side of the House support and respect the farmers of this province and indeed, Mr. Speaker, all farmers across Canada.

Last Thursday, April 22nd, the debate on the motion proposed by the Honourable Minister of Transportation was standing in my name. On Friday, Mr. Speaker, I made it known to you that I was not prepared to speak on that issue.

MR. SPEAKER: Order please. I hope the Honourable Member for Portage la Prairie is not about to reflect on an action of this House, on an action of the Chair that happened in the past.

MR. HYDE: Mr. Speaker, I will abide by your ruling. Following your ruling, I wonder if I may continue and say how I was accused by the opposition of holding up the debate on this particular proposal. That was put by the Attorney-General and the House Leader.

The reason for me not wishing to speak on the issue at that time, Mr. Speaker, will be referred to later. After many harsh words tossed about on the government side of the House and on our side of the House by the Member for Pembina, the debate did continue.

I agreed for the most part to what was said by the Member for Pembina about the Honourable Minister, the Attorney-General's past political affiliation with the Communist Party. I'm sure, Mr. Speaker, the young American visitors in our galleries in great numbers that particular day must have been very impressed. I would like, Mr. Speaker, just to read a short paragraph from an article produced by Murray McNeil. I notice the Attorney-General is leaving the House I'm sorry for that because this is relating to his actions in this House, Mr. Speaker, —(Interjection)— deplorable is right.

I just want to read a short paragraph of that particular article pertaining to references of him being a party member of the Communist Party. The remarks infuriated the Mr. Penner who said for that member to talk to me - referring back to the Member for Pembina . . .

MR. SPEAKER: Order please. That matter was taken under consideration by the Speaker on Friday when it happened and it has been ruled upon in this House. I think the Honourable Member for Portage la Prairie would be reflecting on a decision already made if he were to continue to make those sort of remarks. We'll ask the Honourable Member for Portage la Prairie to rephrase the remarks he is making.

MR. HYDE: Well, Mr. Speaker, if you insist I may have to rephrase it but I tell you it was right here in print and it was part of the debate in this House on Friday last and I would like to continue with your permission.

MR. SPEAKER: Order please. The Honourable Government House Leader on a Point of Order.

MR. PENNER: You have made a ruling, Mr. Speaker, either your authority is going to be asserted in this House or this House will not have the decorum that you're asking for. You have made a ruling to the honourable member, if the honourable member is not willing to follow your ruling, let him leave the House.

MR. SPEAKER: Order please. The Honourable Member for Portage la Prairie.

MR. HYDE: I must be more general, I suppose, Mr. Speaker, but it's pretty difficult to stay. But I want to ask the question if I may to the Attorney-General and I won't debate it, Mr. Speaker.

MR. SPEAKER: Order please. Order please. I'm having some difficulty in hearing the Honourable Member for Portage la Prairie over the noise in the Chamber.

MR. HYDE: Mr. Speaker, I just want to ask this one question of the Attorney-General. When did he join His Majesty's Forces? I suggest to you, Sir, from the information that I have received, it was not till after Hitler invaded Russia, Mr. Speaker.

MR. SPEAKER: The Honourable Government House Leader on a Point of Order.

MR. PENNER: I have never heard in my life, anything so despicable, so rotten and so inaccurate. I joined His Majesty's Canadian Forces one day after I turned 18, the only time I could join it. And for you, Sir, to make that remark in this House shows how low you have stooped. —(Interjection)—

MR. SPEAKER: Order please. Order please. I realize the Honourable Member for Portage la Prairie is a politician and he is attempting to make political points within this Chamber. However, the remarks made by the Honourable Member for Portage la Prairie were of a personal nature and probably have little to do with the Resolution that is before the House. I would ask the Honourable Member for Portage la Prairie to bear that in mind in making his remarks. The Honourable Member for Portage la Prairie.

MR. HYDE: Thank you, Mr. Speaker. As I mentioned earlier there was a reason for me not wishing to speak last Friday in this House on the Resolution proposed. At that time being that the Honourable Minister of Highways and Transportation was calling a series of meetings to be held across this province, the first was to be held in Portage la Prairie just yesterday. The reason, as I understand, for calling these meetings was to relate to the public the benefits pertaining to the Crow rate.

Mr. Speaker, I wanted to be present at that meeting to hear what was said. Who was at the meeting? Would the hall be filled with imported members of the National Farmers Union? Who, incidentally there are few and far between in the Portage la Prairie area.

Well the meeting was a total flop, Mr. Speaker, it was a total flop. The number of people who attended

that meeting totaled 20. Of the 20 the Honourable Minister of Transportation, certainly he was there, they opened the meeting, there was seven bureaucrats there and news media, six interested people, three of that number were farmers, and two MLAs were in attendance. The report should indicate the interest held by the people in the Portage la Prairie area, Mr. Speaker.

At a recent well-attended meeting of the Central Plains Farm Business Association held in Portage where the Honourable Minister of Municipal Affairs was invited to speak, there was a Federal Technical Advisor, a Mr. Henry Ropers of the Department of Transportation and a CNR representative, Mr. Campbell. Mr. Speaker, the government's position was presented by the Minister of Municipal Affairs.

Mr. Speaker, that meeting was stacked, was stacked I want to emphasize that, it was stacked with people known to be members of the National Farmers Union who drove miles to be there to support the Minister's views. Their position on the issue was certainly predetermined. The Minister's presentation indicated this government would favour a totally subsidized transportation system, or free freight as it was referred to, similar to what Argentina has; Argentina where the inflation rate is well over 100 percent; where interest rates are 10 times or thereabouts what this country is experiencing today; where the economic and political conditions, Mr. Speaker, are in a turmoil and where the standards of living can't begin to compete with what our democratic society offers every Canadian in this country.

Mr. Speaker, I want to read into the records of this Legislative Assembly a Resolution passed by the Central Plains Farm Business Association following the meeting that the Minister of Municipal Affairs attended in Portage. It reads as such and, Mr. Speaker, if you so desire I will table this Resolution at my conclusion of reading it:

"WHEREAS the Central Plains Farm Business Association feels that the existing rail service does not meet our members' needs; and

"WHEREAS our members are willing to bear certain responsibilities in improving the system but want strong negotiations for substantial federal commitments for a better deal for western farmers.

"THEREFORE BE IT RESOLVED, members of the Central Plains Farm Business Association are willing to pay a portion of increased freight rates in exchange for guaranteed improved grain transportation."

Mr. Speaker, that Resolution is certainly indicative to the consensus I have had with farmers in my constituency of Portage la Prairie.

Mr. Speaker, the farmers of the three prairie provinces cannot and will not forget the late Sixties and Seventies when they had a large backlog of grain stored on their farms waiting for transportation to our seaports to fill the waiting ships at Vancouver Harbour. As many as 30 ships were waiting. I know what I'm saying, Mr. Speaker, because I was there and I saw that.

I saw the number of ships anchored in the harbour of Vancouver waiting for grain to be moved to that port for loading and getting to the people who are needing the food value of our grains —(Interjection)— A question was asked, who paid the waiting time? The

farmers did, Mr. Speaker. The farmers paid that and many many millions of dollars have been spent and lost by the farmers in demurrage waiting for our grain to get to the seaports. —(Interjection)— The farmers, that's right, the farmers paid that.

Millions of dollars were spent across the prairie provinces on storage facilities over the years to store the gluts of grain that will accumulate at times when we have problems with our transportation system between here and the ports of Vancouver and the Lakehead, Mr. Speaker. —(Interjection)— By whom? The farmer himself. He had to put up the cold hard cash to erect the bins that were needed when he could get the supply of bins. They weren't always available. —(Interjection)— Right.

Mr. Speaker, the prairie farmers will continue to lose millions of dollars in export sales unless the bottlenecks in our transportation system are not corrected. Yet this government is standing in the way of progress by supporting this Resolution; not standing behind the farmers' needs. I've farmed all my life with the exception of five years when I was defending something that I believed in. —(Interjection)— I'll indicate to you that it was well before that time. Yes, it is very important. It's too bad that members of your side of the House don't realize that, too. Most of the farmers in the Portage Plains that we —(Interjection)— I've farmed all my life and it is my belief and the belief of most of the farmers in the Portage Plains, that we should be ready to assume some reasonable responsibility, a proportion of the costs and to update our national transportation system where it will be second to none. So we will be able to meet our commitments to feed the people in need of our produce.

Mr. Speaker, not just farmers benefit from the movement of grain. Everybody along the system, labour, businessmen, my implement dealers of Portage la Prairie, implement dealers right across the province, they all benefit by that. The small businessman in Portage la Prairie, they all benefit when grain moves. I ask, should they not also help to modernize our transportation system?

It will be the responsibility of the railway companies, the government, the farmers and so on down the line to find and eliminate the congested points that are causing the slow movement of our grains to the points of export if we are to meet the predicted demands on our rail system; 35 million tonnes by 1990. I believe that to be the figure, Mr. Speaker. We must move on this issue.

So, Mr. Speaker, in conclusion I'm not without opinion on this crucial economic issue. I do wait with interest on the results from the Gilson's meetings which I am confident can be successful in the establishing of the new and revitalized approach to the transportation problems we are faced with today.

Mr. Speaker, unlike many of the members opposite, very few with any real experience in farming, I know how much money it could cost me, my constituents and the farmers generally in Manitoba if grain doesn't move. Mr. Speaker, I have more at stake as a grain producer than does the mover of this Resolution who does not grow grain at all.

Our First Minister or the Attorney-General who would have to be told if he was standing in a field of wheat or barley, flax or calona, just what it is all about.

They say they are the friends of farmers, but I say they don't understand that farmers' produce must move if the economy of the province and the rest of Canada is to improve.

Mr. Speaker, it is my and my sons' livelihood that is at stake and I don't kindly take to the suggestions from the members on that side of the House that I and my party are not protecting the farmers.

MR. SPEAKER: The Honourable Member for Thompson.

HON. STEVE ASHTON (Thompson): I move, seconded by the Member for Brandon West that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. ROLAND PENNER: Mr. Speaker, I move, seconded by the Honourable Minister of Health that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Health and the Honourable Member for The Pas in the Chair for the Department of Cultural Affairs and Historical Resources.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - CULTURAL AFFAIRS

MR. DEPUTY CHAIRMAN, Phil Eyer (River East): This Committee will come to order. Cultural Affairs and Historical Resources, Item 1. (b) General Administration, Departmental Executive, (1) Salaries
The Member for Kirkfield Park.

MRS. GERRIE HAMMOND (Kirkfield Park): Can we move Minister's Salary to the end as usual?

MR. DEPUTY CHAIRMAN: Yes, that's standard procedure. 1.(b)(1)
The Member for Kirkfield Park.

MRS. HAMMOND: Is the Minister planning to make a Statement at the beginning of the . . .

MR. DEPUTY CHAIRMAN: Mr. Minister.

HON. EUGENE KOSTYRA (Seven Oaks): Yes, I am. Mr. Chairman, in the fall of 1979, the previous administration, to its credit, established the Department of Cultural Affairs and Historical Resources as a separate portfolio of government exclusively concerned with culture and heritage programs

Mr. Chairman, you of course will recall that in the early 1970s the former NDP Administration established Cultural Affairs and later Historical Resources

as separate branches of the then Department of Tourism, Recreation, and Cultural Affairs. Mr. Chairman, this administration is deeply committed to cultural development in the province, as was noted in the Speech from the Throne. My colleagues and I are committed to ensuring greater accessibility to, and creating greater awareness of cultural opportunities which reflect the needs and aspirations of all Manitobans. As Minister of Cultural Affairs and Historical Resources I have had almost daily contact with many of the groups and individuals who make up Manitoba's cultural community and I am determined to continue to work closely with them to encourage and foster the development of cultural activity from the grass roots to the professional level.

Shortly after my appointment as Minister of Cultural Affairs and Historical Resources I stated that while the government's ability to increase funding for cultural and heritage programs might be limited in the short term, by virtue of the large provincial deficit left by the previous administration, we would increase the budget to at least match inflation. I am pleased to say that my department's Estimates provide for a nearly 15 percent increase in funding for cultural and heritage programs and, as such, will allow us to maintain the existing level of cultural activity in Manitoba, as well as to undertake new initiatives to honour the commitments we have made. The government's commitment to support and encourage the expression of our province's multicultural heritage was clearly established when it was stated in the Speech from the Throne that we would initiate a full-scale review of government multicultural policy and create a multicultural council.

Mr. Chairman, Manitoba's identity is firmly rooted in the multicultural nature of our population. Unfortunately our society's institutions have been slow to reflect and to respond to this reality. After intensive consultation with representatives of our many ethnic minorities, ranging from the Polish refugees, who arrived last week, to groups and individual citizens whose ancestors have been here 100s of years. We have become convinced that positive government action must be taken to safeguard the right of individual members of our ethnic minorities to a quality and dignity, as well as to protect the right of every ethnic group to maintain its own distinctive cultural heritage.

We have, in particular, developed a deep sense of responsibility to the many thousands of immigrant newcomers to our province and the difficulties that many of these newcomers have been experiencing adjusting to an unfamiliar home. We have come to appreciate their earnest desire to become part of our province's mainstream and we have realized that many have been handicapped due to linguistic and other barriers. We are committed to seeking ways to ensuring that no person is denied government services simply because of language barriers. To this end we have launched a review of government departments and agencies to study government's capabilities to respond to the needs of these newcomers.

We believe that government multicultural policy must be the result of continuing intensive consultation, consultative effort. We will, in the very near future, be sharing with all our ethno-cultural groups a discussion paper on the formation of a multicultural

council. We will ask them for their input to assist us in establishing a council that is fully representative of all the groups. We believe that such a council will help the government to reflect a deeper understanding of the cultural diversity of Manitoba and will over time be able to act as a conduit for the opinions, aspirations, needs and desires of all Manitobans interested in nurturing and preserving our cultural heritage. We are committed to ensuring that there are opportunities for all Manitoba people to participate and contribute fully to the life of our province.

Mr. Chairman, Manitoba is the only province that is both fully multicultural and official bilingual. As you know my department's Translation Services Branch has assumed the major responsibility for translating Manitoba Statutes into the French language. It is my firm belief that we are developing translation services of a high calibre in order to better meet the requirements of our society. While we have encountered some difficulty in recruiting legal translators, I'm pleased to say that with the invaluable assistance provided the Secretary of State in January of this year, three specialists joined our staff and efforts are being pursued to secure additional staff.

As well I would like to point out that some 65 pieces of legislation are at various levels of production and the measures have been taken to accelerate the translation process in the course of this new fiscal year. Mr. Chairman, the translation services has also begun to play an increasing important role in providing government the capability to communicate effectively with the general public in both official languages. I think that it is significant to note that my department's Annual Report was tabled in this House in both of the official languages, this being the first time that this has been done in the history of the Manitoba Legislature.

Mr. Chairman, as you know the Department of Cultural Affairs and Historic Resources works closely with the government-appointed Manitoba Arts Council and with the cultural community at large in order to encourage and to foster the development of cultural activity throughout Manitoba. The department's mandate is to serve as animator and to assist communities throughout the province in the establishment, maintenance and development of arts and cultural programs and facilities in recognition of the needs of local citizens as well as local artists and cultural organizations. The Manitoba Arts Council's mandate is to provide support to performing and creative artists with a view to promoting professionalism and public accessibility of their art. The department through its Cultural Development Branch assists rural, northern and remote communities throughout the province to organize and co-ordinate cultural activities within their communities and to share resources between communities.

Recently, I announced that the department in cooperation with the Secretary of State will be hosting the Canadian Heritage Festival which will be staged in part in Winnipeg and in part in Brandon and Selkirk in celebration of the centennials of these two communities. I'm particularly pleased to inform members of this House that my department will have in place a permanent Cultural Development Officer serving the needs of our northern communities. I'm sure that with

the permanency of this position the cultural life of our northern citizens will be enhanced in great measure.

I'm particularly gratified to note that my department in co-operation with the Manitoba Arts Council and Film Makers will undertake a full-scale review of film policies. I can assure you, Mr. Chairman, that this administration will enter into extensive consultation with film makers throughout the province to develop appropriate initiatives to stimulate the development of both the fledgling and professional film makers of our province.

Mr. Chairman, as I said earlier, the government is committed to maintaining the level of support to major cultural organizations in the province. As such, I am pleased to tell you that the province's grant to the Manitoba Arts Council will be increased by in excess of \$300,000 or over 35 percent for the upcoming fiscal year. This increase will enable the Manitoba Arts Council to provide a reasonable level of operating-grant support to our major performing arts groups, as well as which to provide for continued emphasis in programs which will provide for direct contact between professional artists and students and adults in our schools and communities, thereby encouraging increased awareness and understanding of the Arts. As well, the Arts Council will be expanding its Creative Arts Program in order to better develop an atmosphere where individual artists have the artistic and economic freedom to express the living culture of our local communities and province.

Mr. Chairman, in the area of public libraries we'll be looking at mechanism for dealing with the problems caused by shifting populations in some rural areas and the impacts on provincial-grant support to rural public libraries. We will be undertaking a review of the Capital Grants Program for rural libraries currently allocated from lottery funds.

The Estimates provide additional funds to support the Public Library Services centralized film service which mail 16 mm films to public libraries across the province. We expect improvements in our talking books service for the print-handicapped as a result of a co-operative agreement with the Winnipeg Public Library, which will give handicapped library users the ability to borrow audio books owned by the city or the province.

Mr. Chairman, I want to tell you that the preservation and interpretation of the extraordinarily rich and varied heritage of our province has been neglected. The failure to manage affectively our heritage resources has led not only to the irrevocable loss of information essential to understanding and appreciating our society, but also by extension, to a loss or damage of collective and individual identities. These identities are essential to the fabric of society and the quality of life in Manitoba.

The Department of Cultural Affairs and Historic Resources of the Provincial Archives, an historic resources branch, share responsibility with Manitoba's major heritage organizations and community archives and museums for enhancing the quality of life in Manitoba through the strengthening of community identities and ideals and through processes which stimulate or gratify aspirations for developing, understanding and appreciating our heritage and society. Proper management of our heritage resour-

ces includes the development of carefully and sensitively defined priorities, objectives and standards, the provision of leadership and support, and the establishment and encouragement of co-operative policies through all levels of government in the private sectors. It requires an understanding of the legislative and regulatory instruments of government and continual analysis and adoption of these instruments.

The budget of the Provincial Archives will increase by nearly \$200,000 or more than 30 percent for this next fiscal year. This will enable the archives to place more emphasis on preserving and making available significant documentation drawn from all aspects of our society, including cultural activities, labour, business, government and the many individuals and organizations which together, generate the unique evidence of our rich and varied experience. The additional resources will also help the archives provide advisory services and custodial and conservation practices to our many community archives, museums and libraries committed to the preservation and interpretation of our irreplaceable heritage.

The budget of the Historic Resources Branch will increase by over \$100,000 or more than 35 percent for this next fiscal year. This will enable the branch to place a stronger emphasis on the definition of the architectural or as-built heritage of this province. This will be done through an increased effort to determine the quantity and quality of architectural resources in this province with emphasis on studies of buildings in the City of Portage la Prairie and selected regional planning districts that have been formed under the auspices of the Department of Municipal Affairs.

The branch, in co-operation with the Arts Program will continue its work at St. Norbert Heritage Park and it is expected that Maison Bohemier will be physically restored and open to the general public in the early summer of 1984. It is also expected that Maison Turenne, the second house on that property, will be open to the public in the spring of 1986.

The search for endangered but significant structures will continue and I expect that at least one other structure will be added to that property.

Mr. Chairman, at this point I should tell you that both the Provincial Archives and the Historic Resources Branch, in co-operation with two of the provinces major heritage institutions, the Manitoba Museum of Man and Nature and the Winnipeg Art Gallery, will be consulting closely on the development of a Heritage conservation policy for the province. I would expect that we will have established this policy early in the new fiscal year and subsequently that we will be entering into negotiations with the Federal Government to cost-share the implementation of the necessary programs.

Mr. Chairman, I would also like to comment on the Heritage Working Groups Report which was commissioned and received by my predecessor in July, 1981. I have formed some general observations which I would like to share with you. The report pointed out the need for a strengthened mandate and better legislation and for the establishment of a Manitoba Heritage Commission as a means of focusing policy and program implementation. I believe that it is the government's responsibility to clearly establish policy and legislation and then identify the appropriate

delivery mechanisms. I am not convinced that the proposed commission would be an appropriate mechanism, particularly when the great majority of clients of this proposed commission are not in favour of its establishment.

The report also pointed out the obvious need for increased emphasis in programs for the preservation, protection and management of Manitoba's heritage. I think we have made some important steps towards this, particularly in funding for the Provincial Archives and Historical Resources Branch. The report emphasized the need to develop comprehensive resource management plans in archives, museums and historic resources. I intend to review these recommendations very carefully and will be making announcements in due course.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. HAMMOND: Thank you, Mr. Chairman. Are we on the salaries or can I go generally?

MR. CHAIRMAN: Generally.

MRS. HAMMOND: Generally. Well, I just wanted to mention that I'm pleased to hear that the government is planning to continue on the policies that were started by the previous administration and hopefully following the recommendations of the Cultural Policy Review Committee Report. The previous government was committed to having ongoing programs and funded from the tax base rather than lotteries. The government did embark on a three-year phase with a goal of reaching hopefully .5 percent of the provincial budget. Because of this commitment they were very successful in putting ongoing Cultural Affairs programs on a sound footing.

I wanted to touch on the multicultural policy development that the Minister had brought up and I have a few questions on the policy. Probably the first is the \$140,000 that was allotted to the program. Is that new funds or are these funds that were taken from other parts of the department's planned expenditures?

MR. KOSTYRA: Those are new funds.

MRS. HAMMOND: I know you mentioned what you're trying to achieve. I'm wondering what, I guess, freedoms that we're trying to protect that they don't have and I'm certainly not against the policy. How large a council was the Minister looking at? Will every ethno-cultural group be represented? Will they be chosen by the government or by the ethnic communities or will they be permitted to send their own representatives?

MR. KOSTYRA: At the present time we are discussing those various alternatives with the various ethnic communities. We understand there are about 50 different ethnic groups in the province and I would see a council formed to ensure there is representation from the broad community. The question as to how the council will be formed; in the past, when there did exist a council in the Province of Manitoba, it was appointed by Order-In-Council by the Lieutenant-Governor-in-Council. However, in doing the review for the formation of the Council Manitoba, we looked

at other jurisdictions and there seems to be a mix of ways that they are appointed. In some provinces like Alberta, they are appointed from the community and I think that in order to ensure the greatest support from the community that would be the direction we're going in, but we're into discussions with the various ethnic communities to see what their views are on the formation of the council.

MRS. HAMMOND: The question then, further to that, if there are more than one group or organization representing a certain community, will each be able to have a representative or, if not, who will do the choosing? I'm thinking in particular, I suppose, there are two, say, Irish groups, there are a couple of Chilean groups who ended up, I think, right out of Folklorama last time because they couldn't resolve their differences. I'm just wondering if there had been given any thought or were they talking to these communities to see if they could get together.

MR. KOSTYRA: Well, quite frankly, that's probably the most difficult area of dealing with the ethnic communities because of the diversity in some ethnic communities of various organizations. That's precisely the question we're putting to the community because if the appointments are going to be done by the community using that model for the appointment of a council, then the communities themselves and the various groups within the ethnic communities, are going to have to get together on the appointment for their one representative, let's say, to the council. So, that's the kind of questions we're giving to the community and asking them for suggestions as to ways to resolve it within their communities. Some, I think, would be very easy; others, the various organizations that represent the communities are formed for a particular reason or needs within that community and sometimes on political grounds which makes it much more difficult to get one representative. My hope is that the communities are going to get together and if we decide on going on that model, then get together and decide on a mechanism whereby they would appoint their representative to the council.

MR. DEPUTY CHAIRMAN, Phil Eyler (River East): The Member for Kirkfield Park.

MRS. HAMMOND: Has there been any thought, Mr. Chairman, to the fact that they may end up with two from one particular group? I'm thinking possibly that maybe the Ukrainian community - I'm not sure just where you're going to get one representative, possibly, from that area either.

MR. KOSTYRA: Well, that too is a possibility. I know in some forms of councils they have representatives appointed on the basis of the population of the various ethnic communities so that the communities that have the larger population within the province appoint more than one representative based on some form of representation by population. So, that model gives the ability to appoint more than one representative but we're not necessarily fixed on one model and that's the kind of consultation we're having with the ethnic communities right now, to see what they would

see as the best way of proceeding.

MRS. HAMMOND: Yes, Mr. Chairman, I guess the other question that comes to mind from that is, mainly when we think of the ethnic community we're dealing in Winnipeg. How do you see the rural areas participating on this sort of a council and possibly there again, you may have to run in duplications just to be able to get rural and northern participation.

MR. KOSTYRA: Well, it is another difficulty. However, there has been some progress within the ethnic community on that because there has been recently formed in the last year the Manitoba Folk Arts Council which is, indeed, a separate organization from the Winnipeg Folk Arts Council, where they've attempted to bring in representation from all areas of the province from the various ethnic communities. So, I would hope that some form of representation along those lines could be transferred into what we're hoping to have formed in the council.

MRS. HAMMOND: The other question: I guess I've been reading with interest what Mr. Corrin has been saying on the multicultural policy because he seems to have been the spokesman both in the newspaper and in Hansard. One of the things he was stating was that, hopefully, through the promotion of personal interchange encounters among various ethnic groups - I assume he's meaning people getting together and talking - I think that there's going to be a big problem to start with if that's the kind of language you're going to start using. It's going to be hard enough for people to get together if we're going to be using terms as personal interchange encounters. I think that getting together maybe, and rapping would be a better phrase than that. I have a great problem to start with when we're dealing in those terms. One of the questions I guess I have, and I could see it before and it still is, are the buildings that the different ethno-cultures are taking on to maintain and house - and what was the last one that just got a grant?

MR. KOSTYRA: The Lebanese Association.

MRS. HAMMOND: Yes, the Lebanese Association. I'm just wondering, Mr. Chairman, to the Minister, when people get locked in to buildings to maintain and to continue - and they may think at the time that it's a great thing but I see it just in community clubs in the areas - are we not hitting our groups, encouraging them to get into areas that say you and I will have difficulty ever meeting them because they are working so hard to keep up that particular area that they will have a hard time getting out of their own community. They're locking in their families and their children into these things also. Do you have any comment?

MR. KOSTYRA: Well, as the Member for Kirkfield Park is aware, there has been a grant program, a Capital grant program, available in the department for a number of years. We'll be getting to that area later, but out of lotteries, but there is a grant program available, it does provide some Capital assistance though the total allowable isn't that great. I suppose there could be a potential problem but I think that if one

looks at the various ethnic cultural groups that have facilities right now, that I think they're maintaining themselves very well with the kind of level of community support that they have with their various programs. I takes a great deal, knowing as she does that the assistance on the Capital side is very small, but they have to do a lot of fund raising on their own in order to even qualify for a grant and the various communities seem to pull together for that and continue on with respect to the continued operation of the program.

I know and I see the need for various groups to have their own facility. Many of them are into various programs for members of their association and their general community and they have difficulty using existing facilities. I suppose it's a problem that ought to be addressed with respect to the various school divisions, but there seems to be difficulty at times getting into schools, the costs of using the school facilities, just the nature of the facilities available make it difficult for them to have the kind of ongoing activities that they want, whether it's dance lessons for their dance groups or whatever, that they have difficulty using existing facilities and see the need to have their own.

I think the problem that the member talked about with respect to community clubs is a real one, but I haven't seen the same kind of problem within the ethnic groups, they seem to have a good deal of community support from their own community and are able to maintain their own facilities. I know in the case of groups from my ethnic background that there are a number of Polish organizations that have facilities in the north end of Winnipeg and some of them go back 50-60 years and they're still doing well.

MRS. HAMMOND: Thank you, Mr. Chairman. I'm just wondering then, when the council is set up, what sort of things are you seeing that they are going to try to accomplish? Was this something that has come from the communities to the government or is this something that the government is going out and trying to set policies and get this kind of input?

MR. KOSTYRA: No, this is something that has been brought to our attention by the various ethnic communities. It was as a result of that that our party, prior to forming office and prior to the election, had set up a multicultural policy statement and one of the suggestions that had come from the ethnic community was the re-establishment of the multicultural council that existed in the province in the mid and late 70s. They saw that as a council that could look at ways to advise government on multicultural policy with respect to the Department of Cultural Affairs and Historical Resources and also to provide, through the Minister, to other departments of government, ways that other departments of government could better serve the needs of the multicultural community, whether it be the Department of Education or other departments of government. So it was a basis of what representations were made to us by the ethnic community.

MRS. HAMMOND: Where will Folklorama fit into this structure? Will that be now sort of an offshoot of this policy or how are these groups going to be fitting in, or are they?

MR. KOSTYRA: Well, Folklorama is run by the Winnipeg Folk Arts Council and we certainly have no intention to interfere with that organization or what they're doing. There is some support provided to the various pavilions in Folklorama. The Advisory Council that will be established will be, as indicated, representing the various ethnic communities and, obviously, as part of the ethnic community, an umbrella organization of the ethnic community in some way. The Winnipeg Folk Arts Council would be, I'm sure, involved and I know, in talking with the Executive from there, they're very interested and supportive of the formation of this Council.

MRS. HAMMOND: Will the Winnipeg Folk Arts Council Executive then have any direct input into the makeup of the multicultural policy outside of say just the different ethnic communities that are involved.

MR. KOSTYRA: Well, with respect to, I think the question was, with respect to the makeup of the policy, one of the groups that we've been consulting with and will be consulting with in the future with respect to the formation of the council and the form it's going to take and the way the representation is going to be determined on the council. So they're certainly part of that process and we have already met with representatives of them. So they will be very much a part of the formation of the council.

MRS. HAMMOND: One of the statements that was made - I guess the Member for Ellice, sorry, I used his name before - in his speech he said that our government will not only safeguard an individual's or a group's right to retain their cultural heritage and language but, more importantly, we will add to this a commitment of government that they can do this without fear of forfeiting their equal place in society.

I wonder, maybe I shouldn't ask you but you're the Minister, through the Chairman, what this means?

MR. KOSTYRA: Well, I think as far as the comments of the Member for Ellice, and I believe that was in response to the Throne Speech Debate, that it would be best directed at him on these specific comments.

I presume what he may have been directing himself to was to allow and to ensure that all members of the various ethnic groups in the province will have equal rights and equal accessibility to government as other groups. There's a feeling within some, especially the new ethnic groups, that because of language difficulties they don't have accessibility to government. I would presume that may be what he was directing his comments to.

MRS. HAMMOND: As far as the cultural policy and preserving language, at least the multicultural policy, preserving language and culture, is the government saying that these communities will be able to, say, live in their own language comfortably in Canada as well as the, say, French/English community?

MR. KOSTYRA: Well, I don't really know what you mean by "live," what the Member for Kirkfield Park means by "live" in their own language. If she could just clarify that, I might be better able to answer it.

MRS. HAMMOND: Well, after reading everything on the multicultural policy and what your aims. I have a feeling that at least what I'm seeing out of it is that people are being told possibly that they can live comfortably in their own language and I'm wondering if you're giving them a false sense of security because that would be almost impossible. I mean, you'll do that in your own community and you'll do it at home but they'll really have to adapt very thoroughly in either English, I guess, or French, whatever. I'm just wondering what some of these policies and some of the things possibly that you're saying out in the communities, are they raising false hopes in this way, that someone can come here and, say, live in their own language comfortably because I don't see that happening.

MR. KOSTYRA: Well, I certainly have not been saying any comments of that sort when I've been meeting and speaking with the ethnic communities. Certainly, I think it's desirable and that the Member for Kirkfield Park would agree with me that you should ensure and allow that various ethnic groups can keep their own language alive; they are certainly part of the mosaic of the province and of Canada and certainly have to govern themselves accordingly with respect to the two official languages in Canada.

On the other hand, I think we want to ensure that the various ethnic cultures don't die and wither away and that they do have the ability and the possibility of keeping their own ethnic cultures alive, and that includes language. There is a support program through the department for linguistic support for the various communities and that's certainly the kind of things that I would like to see ensured and the possibility of, in certain areas of government, allowing information to be disseminated in various languages, at least, basic information with respect to basic rights of individuals in the province so that they can understand what our law is about because that's an area of difficulty.

MRS. HAMMOND: Yes, thank you. I'm certainly pleased to hear the Ministers say that. I'm very supportive of groups keeping their language and it's great to see young people, after a couple of generations, going back and learning their language and also their culture. I think this is very good. When I read some of the things that have been stated, and probably a lot of this has come through the newspaper, and reading what the Member for Ellice has to say has just made me wonder a bit about where the policy was heading and where the group was heading.

MR. KOSTYRA: Well, Mr. Chairperson, I believe I've answered that direct question.

MRS. HAMMOND: Yes, I'll get back to the Estimates here and my question is are there any changes in the Departmental Executive?

MR. KOSTYRA: With respect to the Departmental Executive, I presume the Member for Kirkfield Park is referring to any additional SMYs for the department? There is an increase of one staff man year which is an Administrative Secretary to the new position that was

established last year of Executive Director of Management Services. That is the only new position in the Departmental Executive.

MRS. HAMMOND: I was wanting to ask the Minister, through you, Mr. Chairman, the reason that Mr. Rene Prefontaine, the Deputy Minister, did not have his contract renewed, he's a well-respected Franco-Manitoban, he had both good contacts with the Federal Government and fluently bilingual, brought up in Manitoba and I would think there's not too many people with his expertise in both languages available that are familiar with government. I was wondering if the Minister might explain why he didn't keep Mr. Prefontaine?

MR. KOSTYRA: Well, Mr. Chairperson, I certainly agree with the comments by the Member for Kirkfield Park with respect to Mr. Rene Prefontaine. I think he did an excellent job as Deputy Minister of Cultural Affairs and Historic Resources the period of time that he was with the Government of Manitoba. Also, as the member should be aware of, he was on, as I understand it, was working for the Province of Manitoba as Deputy Minister on a federal-provincial exchange program that allows for exchange of senior personnel between two levels of government, between the Federal Government and the Provincial Government; so that senior personnel can move from one level of government to the other to both further their own careers and experiences and also to pass on the kind of experiences that they may have received at one level of government to the other level of government. On the basis of that exchange agreement, Mr. Prefontaine's agreement had lapsed at the end of February of this year. By mutual agreement between himself and the government he decided to go back to Ottawa, back to the Secretary of State's Department.

MRS. HAMMOND: Yes, I understand, well, I know you've been advertising for a new Deputy. Have you started interviews and are you down to the short list if you have?

MR. KOSTYRA: Yes, Mr. Chairperson, there has been, as the member stated, advertisement for a new Deputy Minister throughout Canada and within the Province of Manitoba and there was a great number of applicants for the position. Initial interviews have been held by staff from the Civil Service Commission, including the Chairperson, and I'm expecting a report within a matter of days on a short list of candidates for the position. I've not as of yet received that list.

MRS. HAMMOND: Yes, are there any hopes that it might be a Manitoban that's hired for this position? I would think that with the —(Interjection)— I'll continue if I may. What I am asking, with the great cultural diversity that we have and the number of people involved in cultural in Manitoba, I would hope that we would be able to hire in Manitoba.

MR. KOSTYRA: Well, as I indicated previously, Mr. Chairperson, the advertising was done across Canada and there was a number of applicants, as I recall, from Manitoba on the list of people that had applied

and there were a number of Manitobans that went into the interview process. We're looking for hopefully the best Deputy Minister that we could achieve for the department. It may well be a Manitoban or may well be someone from another part of Canada but we're looking to try to find the best person that would be able to lead the department. I don't know who is on the short list so I can't comment any further on that, but there were a number of people from the province that applied and a number that were interviewed.

MRS. HAMMOND: Mr. Chairman, the Minister said he hasn't looked at the short list but I wonder if he's assured himself that there may be some women on that list?

MR. KOSTYRA: I would hope so. I know, Mr. Chairman, that there were a number of women applied for the position and I would hope that some make the short list.

MRS. HAMMOND: Thank you, Mr. Chairman. I think that as far as 1.(b) is concerned, unless . . .

MR. CHAIRMAN: The Member for Assiniboia had his hand up awhile ago. Does he wish to speak on 1.(b)(1)?

MR. RURIK (Ric) NORDMAN (Assiniboia): Yes, Mr. Chairman, thank you. That \$140,000, it's an increase and I was just curious as to what the policy development would be?

MR. KOSTYRA: If the member is interested I can provide the kind of breakdown we see for the expenditures of the \$140,000 for the Multicultural Development. It's somewhat misnamed because part of it is for the actual development of the council, and some we envisioned for the operating costs of the council once it's established during this fiscal year, but we're looking at actual developmental costs of approximately \$55,000 and then the rest of the \$140,000, the \$85,000 as operating costs for the council for whatever part of this fiscal year that it would be in operation.

MR. NORDMAN: This is the council, Mr. Chairman, that the Minister was speaking of that they are in the process of formulating?

MR. KOSTYRA: Yes.

MR. NORDMAN: Just a couple of little questions here. On the bottom of that page I notice that the Film Classification Board has had no increase, in fact, it had a small decrease. Is there a reason for that?

MR. KOSTYRA: Mr. Chairperson, I am prepared to comment on that except we're dealing with 1.(b). If the member wants to jump . . .

MR. NORDMAN: I thought we were going through the whole thing. I could come back to all these individually; whatever you wish.

MR. CHAIRMAN: Could we set the ground rules now? I believe we started with a general statement

and a response to the general statement. If it's the rule of the Committee to proceed generally, then would you give me guidance or else could we decide to go item-by-item?

MR. CHAIRMAN: The Member for Minnedosa.

MR. DAVID R. (Dave) BLAKE (Minnedosa): Mr. Chairman, just on that, I have one or two questions, not of a critical nature but for information, and it may really fit in back here somewhere, but I think if we could generalize, unless we get into a hassle - I don't expect we'll do that - if we could generalize and everybody gets their questions answered, then bang, we're finished with it.

MR. CHAIRMAN: Is it agreed then that we go generally?

A MEMBER: Yes.

MR. CHAIRMAN: The Member for Assiniboia.

MR. NORDMAN: Mr. Chairman, on Page 38, under Provincial Archives, there's a fairly substantial increase in Salaries; also in Historic Resources, a fairly substantial increase in Salaries. Could I have an explanation of that?

MR. KOSTYRA: Mr. Chairman, I wonder if the Member for Assiniboia wanted his previous question answered first on the Film Classification Board?

MR. NORDMAN: Yes.

MR. KOSTYRA: Mr. Chairman, the reason for the decrease in expenditures with respect to the Film Classification Board - I think the question was on Salaries. There has been no reduction in actual positions. What has occurred is that there's been staffing change in one of the two Civil Service positions in the Film Classification Board and the new employee's salary is at the low end of the salary range where the previous incumbent was at the top of the salary range, so that has brought about the reduction.

MR. NORDMAN: Yes, and secondly, Mr. Chairman, on Provincial Archives and Historic Resources. The increases in the Salaries there; are we taking on a greater number of people for involvement in these two particular clauses?

MR. KOSTYRA: Yes, Mr. Chairman. As I indicated in my opening statement, the two areas of greatest expansion in our department are the Provincial Archives and Historic Resources. With respect to Provincial Archives, there is an increase of four staff which will be comprised of two additional assistant archivists who are required for manuscripts collection; a clerical position is required to provide for support services to these professionals, and a conservation technician is required primarily to operate special laboratory equipment.

MR. NORDMAN: My last question, Mr. Chairman. With regard to Acquisition/Construction of Physical

Assets, really, what does that entail?

MR. KOSTYRA: I can go through the whole area. It's a total, as indicated, of \$942,500 which is an overall increase of . . .

MR. NORDMAN: Yes, would part of this be the help that we will be giving to the Franco - in the purchase of that building for the Franco - I just can't recall the name - on Tache.

MR. KOSTYRA: Mr. Chairman, that building, as I understand it has already been purchased and what is within the Capital Estimates is for \$15,000 for Capital improvements to that centre. This also includes Capital improvements to the Manitoba Centennial Corporation and The Museum of Man and Nature, the Winnipeg Art Gallery, Brandon Centennial Auditorium, the Ukrainian Cultural and Education Centre and Capital programs under the Historic Resources Branch.

MR. NORDMAN: Thank you very much. That's all.

MR. CHAIRMAN: The Member for Minnedosa.

MR. BLAKE: A lot of the small rural towns are having extreme difficulty in keeping the little theatres going. There's just no money in them anymore. In a lot of cases, rather than close them up, they've had the local Chamber of Commerce or an interested local group band together and put in some funds and endeavour to keep the facility open to provide some entertainment in the communities. Such is the case at Rivers and I've handed some correspondence and financial statements to one of your departmental people with you, and they may be able to give me some guidance to take back to the committee that's running it. The local Chamber of Commerce at Rivers have taken on the operation of the theatre and it's a losing proposition, although they don't lose very much. They get a grant from the Chamber and they run a couple of shows a week and they sell all the confectionary and what-not they can but they end up coming up with a small loss each year. They're looking for some way, some grant or something to, rather, sustain that operation and to try and keep that cinema operating. I just wondered if the Minister might give me some direction to take back to them on where best they should apply for a grant, if there are any available, or what he might suggest they do to try and keep that facility operating.

MR. CHAIRMAN, Harry M. Harapiak (The Pas): Mr. Minister.

MR. KOSTYRA: Mr. Chairman, the situation that Mr. Blake, the Member for Minnedosa, is referring to, I received just today a copy of a letter that was addressed to him from Mr. Roy W. Carter and I wonder if the member would mind if I could that as notice and I'll reply to him within a day or two.

MR. BLAKE: That's fine, Mr. Chairman, I thought maybe he'd got the copy of that letter earlier. It's a pretty important little entertainment facility for that

town and if there is some way that they could receive some small assistance, I think it would be money very very well worthwhile spent.

MR. KOSTYRA: Yes, Mr. Chairman, as I indicated I will get back to the Member for Minnedosa shortly.

MR. BLAKE: That's fine, Mr. Chairman.

MR. CHAIRMAN: 1.(b)(1) Salaries—pass; 1.(b)(2) Other Expenditures—pass; 1(b)(3) Multicultural Policy Development—pass; 1.(c)(1) Planning and Development, Salaries.

The Member for Kirkfield Park.

MRS. HAMMOND: Yes, I noticed that the government is planning to spend essentially the same funds that the previous administration were planning to spend. Are there any changes in that department, Planning and Development?

MR. KOSTYRA: Yes, Mr. Chairman, there is an increase of one staff man year with the addition of \$24,100 for a Planning Program Analyst. The balance of the increase is just due to cost adjustments, \$13,600.

MRS. HAMMOND: No further questions there.

MR. CHAIRMAN: 1.(c)(1) Salaries—pass; 1.(c)(2) Other Expenditures—pass; 1(d) Finance and Administration, 1. Salaries.

Member for Kirkfield Park.

MRS. HAMMOND: Yes, I see. Are there any changes in Finance and Administration?

MR. KOSTYRA: Yes, Mr. Chairperson, there's an increase of one SMY for clerical assistance to handle increased workload and to help maintain an effective administrative support system to the department agencies. The increase of one position and the other expenditures are increasing by 10 percent which is within line for increases and operating costs for the expenditures.

MRS. HAMMOND: Yes, I notice that Finance and Administration administers the STEP Program. How many students are they planning to employ this summer?

MR. KOSTYRA: Mr. Chairman, we have an approximate figure of 40 to 45 STEP students that are hired. If the member desires, I can get the actual figure for her; they're not employed in this section but in other parts of the department like Historic Resources and Cultural Development.

MRS. HAMMOND: Thank you, no, I don't need a more definite figure than that. I just happened to have it marked down here. I'll get back to it then when we get to - I guess it would be under what, Cultural Grants or . . .

MR. KOSTYRA: It would be under Historical Resources and Cultural Development.

MR. CHAIRMAN: 1.(d)(1) Salaries—pass; 1.(d)(2) Other Expenditures—pass; 1(e) Translation Service, Salaries.

The Member for Kirkfield Park.

MRS. HAMMOND: Yes, I see that the funding is the same as was being recommended by the previous administration and I'm somewhat surprised considering that in the Throne Speech important improvements would be undertaken to French language services, both in the courts and provision of programs to the public, and that steps have been taken to quicken the pace of translating existing statutes into French. So, I had really expected to see probably a lot more money going into that particular section, but I understand that this government is running into the same problem that the former government had and that's getting qualified staff to make these improvements.

MR. KOSTYRA: Yes, Mr. Chairman, on the first point, while the overall increase isn't all that high there was a number of unfilled positions that just have been recently filled, which have increased the ability of the department to respond. Just on the last comment that you made — I may have missed something in between — there has been some difficulty in recruiting staff but most of the staff are in place at the present time.

MRS. HAMMOND: I guess interpreters would come under this section, Mr. Chairman. Was the department planning to hire interpreters to handle, I guess, the multicultural part of the program, or how was this going to be handled? I understand it's not just cultural affairs but this is all through government services that you would be providing this service? Am I correct?

MR. KOSTYRA: The department does provide some translation in other languages: in German, Spanish, Hungarian and Dutch. The whole area of interpretation or the providing of government information in various languages is under review by Executive Council.

MRS. HAMMOND: If it's under review, but have there been any cost projections done on, say, how this might affect the different departments and were these to be mainly oral interpretations, or was it to be written or both, or just how did you see this coming about?

MR. KOSTYRA: Well, Mr. Chairman, as I indicated, that is under review at Executive Council. One of the reasons for that is that various departments do at the present time provide for some information, some leaflets in various languages. I'm going off the subject but, I know in the Department of Consumer and Corporate Affairs which I'm also responsible for, we have some leaflets on some basic information for consumers in languages other than English or French. Part of the review and part of the reason, I believe, that it was decided to be in Executive Council was to see what is being provided throughout various departments of government, not only in the Department of Cultural Affairs and Historic Resources and then to review that and then to decide on any changes in direction or the means or ways that additional infor-

mation should be made available in languages other than English or French.

MRS. HAMMOND: I understand that there were to be some changes in the French also, is that a part of the review or is this something separate? Are there to be bilingual people in every department? How is that to be handled?

MR. KOSTYRA: Mr. Chairman, I am of the opinion that the policy statement that was made by the Premier with respect to the provision of services by government, with respect to both official languages, is that it would be made in areas where there is a concentration of the French-speaking population, both in areas of the province, such as urban regions of St. Vital, St. Boniface, St. Norbert, rural areas like the Seine River area, Red River Mountain and Whitehorse Plains School Divisions and towns like St. Lazare, Ste. Rose du Lac, St. George, Powerview and it would be provided on two levels, one through government offices and services in those areas where government offices serve the entire metropolitan Winnipeg area or the province as a whole and the actual documents and correspondence would be handled essentially through the Translation Services Branch.

MR. CHAIRMAN: 1.(e)(1) Salaries — The Member for Gladstone.

MRS. CHARLOTTE OLESON (Gladstone): I was just wondering, Mr. Chairman, how many people are employed in the Translation Services?

MR. KOSTYRA: Mr. Chairman, the staffing of the department provides for 15 permanent full-time positions.

MRS. OLESON: Also I was wondering have you got a time frame in which you're going to do the translations of the Statutes; are you doing the more urgent ones first; is it a long-range program and what would your cost projection be?

MR. KOSTYRA: Mr. Chairman, at the present time 10 Acts have been published and printed, there are an additional 15 Acts that are ready to be printed and a further 65 Acts that are in various stages of production, translation. There have been measures taken to accelerate the translation of Legislation with the emphasis on post-1979 Statutes, that is those that have been enacted after the Supreme Court ruling. We have, in fact, been directed to translate well over 900 pages of Statutes as well as a considerable amount of Regulations by September 30, 1982. That whole area is under active discussion between our branch and the Attorney-General.

MRS. OLESON: Thank you.

MR. CHAIRMAN: The Member for Minnedosa.

MR. BLAKE: Translation Services, would the funds here provide for the instant translation in the Legislature that the Premier mentioned on one occasion not long ago that was going to take place very shortly;

would there be provision for that on this Budget or would that be an additional cost?

MR. KOSTYRA: Mr. Chairman, that provision has been approved, in principle, and hopefully provisions will be made for that to happen, it won't be available this Session, but in one of the subsequent Sessions of the House.

MR. BLAKE: Do you have any indication of what the cost is going to be, I'm not urging it, mind you, the longer you can hold it off the better it'll be for the taxpayer.

MR. KOSTYRA: No, Mr. Chairman, I don't. I suppose some of those questions would have to be directed also to Government Services for the cost of the equipment but I certainly don't have that information at this time.

MRS. OLESON: I'm just wondering how many requests you've had for translated Acts, is there a great deal of interest in this program?

MR. KOSTYRA: Yes, Mr. Chairman, we don't really know how many requests there are we'd have to check with the Queen's Printer to find out what level of requests have been made for printed bills.

MR. CHAIRMAN: The hour is 4:30 we interrupt proceedings for Private Members' Hour. The Committee will resume again at 8 o'clock

SUPPLY — HEALTH

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): The Health Estimates.

The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Yes, Mr. Chairman, as I announced previously, I intend to release our Capital program at this time and I have a statement to make.

Mr. Chairman, the government has now approved the first phase of the Manitoba Health Services Commission's Five-Year Capital Program.

Approval is given for the immediate tendering of a number of projects at an estimated cost of \$21.5 million. The major projects in this group include:

Construction of approximately 28,000 square feet of new space at Winnipeg Municipal Hospitals to house day programs and other services for the hospital as well as renovations to parts of the King George Building.

The building at St. Boniface Hospital which will provide space and equipment for a new Cobalt Radiotherapy Unit, a new CAT Scanner, new space for diagnostic ultrasound and for a wide range of Oncology services.

A Blood Fractionation facility for the Rh Institute. This new facility will provide a range of blood components for the people of Manitoba and other provinces.

Major upgrading of Hamiota Hospital to complete the newly opened personal care home and elderly persons' housing unit.

In addition to the above, approval is given for

immediate tender call on a number of smaller projects associated mainly with plant upgrading and improvement of life safety standards in health facilities at an estimated cost of \$2.3 million.

Approval is also given for projects at an estimated cost of \$40 million for construction starts at various times during the current 1982/83 fiscal year. These projects are as follows:

A new 20-bed personal care home at Glenboro to replace the old 16-bed facility now in use. The new building will be juxtaposed to the hospital which is also slated to undergo renovations.

A new 20-bed personal care home at Reston along with major hospital upgrading.

A new 40-bed personal care home at Grunthal to replace the existing Menno home.

A new 60-bed personal care home at Steinbach to replace the existing Resthaven Home.

Construction of new space and upgrading of the present facility at Morden Tabor Home will provide for improved activity and day care space as well as life safety features for the building.

Replacement of the existing hospital at Arborg with a new building

Replacement and redevelopment of the hospital at Dauphin.

Upgrading of the existing hospital at St. Claude.

Construction of a new 20-bed Adolescent Psychiatric Unit including out-patient, day activities and education facilities at a location in central Winnipeg.

Construction of a new 20-bed Adult Psychiatric Rehabilitation Unit including day activity and out-patient space at the Grace Hospital.

Also approved for construction is an allowance of \$5.5 million to accommodate a number of facility upgradings, regeneration and life safety projects in various facilities throughout the year.

All health facility projects now under construction will continue in their present scope. Cost of construction for these projects is approximately \$84.1 million, including the new bed tower for the Health Sciences Centre Children's Hospital and the Service and Laboratory Building.

In summary, the aforementioned projects are estimated at a cost of \$153.4 million. The program in addition to the major hospital replacement and redevelopment will provide for 519 new personal care beds of which 337 are replacement of older facilities.

Approval of the foregoing projects while based on the specific needs of the facilities involved, will have a positive impact in stimulating the construction industry in Manitoba. Decisions are based on continuing consultation and collaboration between the Ministers of Health, Education, Labour and Economic Development.

A further sum of \$3.4 million has been approved for architectural planning during the current 1982/83 fiscal year. It is estimated these projects will cost \$88.1 million, if the construction proceeds, and will include the following:

Replacement of two Brandon personal care homes, Bullock Booth and Eventide, operated by the Salvation Army.

Replacement and renovation to older sections of Fairview Personal Care Home in Brandon.

Major upgrading to provide for improved activity

areas, day care space and life safety provisions at Carmen - Boyne Lodge, and Selkirk Betel Personal Care facilities.

Major hospital upgrading projects at Steinbach, Neepawa and Gladstone.

Personal care facilities including 30 beds at Lac du Bonnet and 20 beds and associated major hospital upgrading at Pine Falls.

The Misericordia Hospital phased redevelopment program as previously announced will continue architectural planning through the year.

The aforementioned projects, approved for architectural planning only, will be considered for construction at a later date after further review by government. This plan will provide government with maximum flexibility to expand or contract the process based on economic conditions of the province and the changing requirements of the health care system.

The Manitoba Health Services Commission capital program also includes approval-in-principle to finalize transfer negotiations between Canada and Manitoba with respect to the Deer Lodge Hospital. If concluded, transfer of this facility to Manitoba will include provisions for a major redevelopment of the present building at a cost in excess of \$30 million and it is expected that programming and architectural planning will commence during the current year.

In addition to the foregoing program approved by the government I have instructed Manitoba Health Services Commission to continue to work with communities in determining and refining the functional program of the following hospitals and personal care home projects.

Gillam - hospital upgrading; Brandon Personal Care Home - replace three time expired personal care homes; Portage Personal Care Home - replace a time expired personal care home; Red Cross Building - upgrading of existing building to alleviate crowded conditions and lack of storage facilities; Winnipeg - Bethania - construction of 50 personal care beds; Flin Flon Hospital - diagnostic unit upgrading; Virden Hospital - replacement of the existing 32-bed hospital; Brandon Hospital - development and upgrading; Municipal Hospitals - redevelopment of the older hospitals and some renovations with replacement beds for the care of the elderly; St. Boniface Hospital - the further phase of stage redevelopment program to upgrade and consolidate its services; Shoal Lake - renovation and expansion of the hospital; Laundry at the Health Sciences Centre - upgrading existing central laundry; Concordia Hospital - addition of 136 acute care beds plus expansion of emergency and outpatient departments; Winkler Salem Home - replacement of the 1956 section of the home; Grace General Hospital - hospital regeneration; Gimli Bethel - replacement with a new 80-bed hall; Grandview - upgrade existing hospital building; Gilbert Plains - replacement of the existing 20-bed hospital with a new 30-bed personal care home including clinic and emergency treatment space; Swan River - convert the existing 53-bed hospital to a 60-bed personal care home and build 20 personal care home beds in the district possibly at Benito. Elkhorn - new 20-bed personal care home with primary care home attached to the elderly persons housing unit. This will replace the existing hospital. Manitou - construction of a new

personal care home and renovation to existing hospital building.

In addition to these projects funds will be considered for planning for the ongoing program of health facility, regeneration, upgrading and life safety improvement each year. I want to make this quite clear, Mr. Chairman, these projects will be not approved by Cabinet, there is no money spent on planning at this time. The people will continue to work with the commission and these projects then will be submitted to Cabinet in subsequent years for consideration and if approved then will become part of the Manitoba Health Services Commission five-year capital program.

Mr. Chairman, I have some more detailed information on a few things that I mentioned, first of all the Health Sciences Centre, I can make the statement. A result of the review of the Manitoba Health Services Commission capital program, the government has approved the continuation of the construction presently under way on the new Children's Hospital bed tower and the new six-level main entry support services and laboratory services building. In addition government has instructed Manitoba Health Services Commission to take immediate steps to review the planning process of the centre and to finalize the functional planning for the balance of the redevelopment at the earliest possible date. The final redevelopment proposals are to be presented for review and approval by government as soon as possible.

The Rh Institute - the government has authorized the Manitoba Health Services Commission to approve the immediate calling of tenders to the Rh Institute building to be located on the Fort Garry Campus of the University of Manitoba. The Rh Institute is a non-profit organization whose major activities have been the collection of hyperimmune Rh and tetanus plasma, the development of intravenous Rh immune serum globulin, and researching through these associated fields.

The Manitoba Health Services Commissions has approved the development of a new facility to provide Western Canada with Blood Fractionation services, this plant to be located on the University of Manitoba site will use a relatively new process to extract components for plasma. These components are then used for specialized purposes such as albumin for burn victims or jaundiced new-borns, immune serum globulin for leukemia patients, cryoprecipitates for hemophiliacs, etc.

This process is known as the Column Ion Exchange Fractionation Process and enables the extraction of the various blood components at significantly lower production costs. Manitoba's Rh Institute has been a world leader in the development of the necessary technology to perfect this process; it has been assisted in meeting the costs of this vital research with federal-provincial funds provided through Enterprise Manitoba.

This project, Sir, will ensure a constant supply of plasma components to Manitoba residents. A substantial portion of the capital costs of the Rh Institute will be recovered through the sale of various components on a non-profit basis to other provinces.

Mr. Chairman, I now have a statement on the Deer Lodge Hospital. I've announced approval-in-principle

for the transfer of the Deer Lodge Hospital from the Department of Veterans Affairs to the Government of Manitoba. Negotiations to complete the transfer of Deer Lodge Hospital from the Federal Government to the province will resume immediately, details of which will be announced when the agreement is concluded. It is proposed that the hospital be administered by a separate board and be dedicated to the long-term care of the elderly with both personal care, extended treatment and ambulatory programs.

The concerns of veterans' groups will be given every consideration in completing these negotiations. Eligible veterans will have priority access to a significant number of beds in the hospital facility to ensure the continuing availability of care for this special group. It is anticipated that a major redevelopment of the present buildings will take place after transfer at an estimated cost of \$30 million, to be funded by the Federal Government. Functional and architectural planning will start immediately if agreement is concluded with the Federal Government, to ensure a modern and expanded facility to provide a high calibre of programs and services for our elderly.

You will note, Mr. Chairman, that I also in the kit that I said, there is a brief statement on Provincial Mental Health Centres. I don't intend to read it at this time. It's tabled, it was just added information because this information is going to all the members of the House and this was debated and covered during the Estimates while we looked at institutions. If there is any question we will try to discuss it again or try to answer some questions.

I'd like to make this statement also to explain and it might save some questions. I would like to give you an idea of the financing of the Health Facility Capital Programs. Since the change in legislation effective April 1, 1973, responsibility for the funding of approved health facility construction projects has been borne by the province, the exception being that the owner or sponsor of the facility is responsible for the cost of the necessary service planned.

Once a capital project has been approved the Manitoba Health Services Commission provides the necessary authority for the board to arrange a line of credit with a commercial lending agency for the required bridge or interim financing during the construction period. On completion of the construction long-term financing to the issue of debentures for mortgage financing, is arranged by the owner with the assistance of the Manitoba Health Services Commission. Repayment of the Capital debt including interest and principal is provided by the Manitoba Health Services Commission through the regular operation budget provided to the facilities concerned. Normally, repayment is provided over a period of 20 to 25 years in the case of hospitals depending on the size of the loan, and 35 years in the case of personal care home mortgage financing arrangements.

Mr. Chairman, I would suggest in order that we can start dealing with this immediately that we start with the line of Personal Care Homes followed by Hospitals and then that we finish with Medicare.

MR. SHERMAN: Well, Mr. Chairman, just a point. This doesn't constitute my response to the Minister's statement. It's my understanding we'll be dealing with

Medical Services today, that the Capital Program was going to be presented by the Minister and we'll have an opportunity to look at it for a brief period of time and that we'll be dealing with Medical Services today.

MR. DESJARDINS: I'm flexible. I accept that. There is no doubt that this is the exchange that my honourable friend and I had yesterday; that's what we decided at the time. I was going to table this tonight but I have no problem with that at all. Let's start with Medicare then, finish that, and then go to Personal Care Homes and finish with Hospitals? No problem.

MR. SHERMAN: Yes, Mr. Chairman, that would be very much appreciated. I do just want to say very briefly speaking on behalf of the Opposition, that I certainly appreciate the Minister's statement on the Capital Program and thank him for laying out the contents of that program in such detail and in such detail and in such range for us. I do though, with my colleagues, want to have a chance to look at it before getting right into those aspects of the Estimates. So, I appreciate the order in which we're now going to proceed. I know that some of my colleagues representing specific constituencies and specific communities in the province would also like to express their gratitude to the Minister for the announcements that have been made. We will do so in order at the time that we consider the Capital Program for both Hospital and Personal Care facilities. Thank you, Mr. Chairman.

MR. DESJARDINS: The understanding now, Mr. Chairman, is that then we start with the line on Medical Program and to try and expedite, give the information that probably the members are interested in. I would like to give what was voted last year and to break this down, voted this year and the increase.

Fee for Service was \$125,735,800 last year, this year it's \$159,193,800, for an increase of \$33,458,000; Prosthetic and Orthotic \$1,404,000 last year, \$1,892,500 this year, for an increase of \$488,500; Eyeglasses for the Elderly, this year \$370,000, an increase of \$370,000; Chiropractic last year \$4,978,000, this year \$6,118,800, for an increase of \$1,140,800; Optometric \$2,817,000 last year.

I was on Optometric, did you get all the others? Want me to go back or what?

MR. SHERMAN: Mr. Chairman, pick it up at Chiropractic. I'd appreciate it, Mr. Chairman.

MR. DESJARDINS: Chiropractic last year \$4,978,000, this year \$6,118,800, for an increase of \$1,140,800; Optometric last year \$2,817,000, this year \$3,977,300, for an increase of \$1,160,300; The Community Health Centres, Medical last year \$2,459,000, this year \$3,445,300, for an increase of \$986,300; Outreach last year \$1,979,000, this year \$2,517,500, for an increase of \$538,500; Sessional Fees and Medical Salaries last year \$1,479,400, this year \$2,148,400, for an increase of \$669,000; Physicians in Central Program last year \$200,000, this year \$230,000; the total last year \$141,052,200, this year \$179,893,600, for an increase of \$38,841,400.00.

I can start this information and try to provide the answers to other questions.

MR. SHERMAN: Mr. Chairman, I thank the Minister for those comparative figures. I would probably wish to refer to them in a few moments or during the course of the examination of the Medical Care Program in general.

First, I wish to ask him whether at this juncture he is anticipating resumption of the 1982-83 fee schedule negotiations with the Manitoba Medical Association at an early date?

MR. DESJARDINS: Mr. Chairman, I guess it would be repetition if I started from Day One, especially that I kept the House as well informed as I could. But, I could take the last round if I might call it this. We had a meeting approximately two weeks — I don't remember exactly when — let's say two or three weeks ago and at that time it was felt, those representing the Medical Association, the MMA, suggested that we give them a commitment, instead of one month — they call it a compromise — of three months. The rest would be the same. If we made that commitment, then they would stop striking and they would go back to bargaining without any strings attached.

Well, it might look that we were not ready to cooperate because we couldn't compromise with them. Mr. Chairman, at the previous meeting we had given them pretty well the bottom line. I'm talking about now, it's not compromise on fees, it is a question of time. I had said at the time that we had to protect ourselves to make sure that this would be done seriously and we would give it all the attention that it deserved and that we certainly intend to do. I repeated that the best I could do is make a commitment that they would have an answer by November 1st at the latest and I emphasize "at the latest." If it could be done before, fine. It was a very good meeting. Nothing was resolved, but I think that we understood them better; they understood us better. That was the feeling that everybody had and that was also expressed. When they left that meeting it wasn't in the same way that they left other meetings; they were disappointed that we did not go along with the three months, but they understood the position of the government; they didn't agree with us, but they seemed to respect that that was a decision that we had to make.

I certainly tried to emphasize that it didn't matter that much anyway because it would be in plenty of time if we could arrive at a decision on November 1st of this year and if the contract or the agreement, if it was negotiated, did not expire till March 1st, it would give them an awful long time, well a long time, and even if you go from November to the end of December no options would be taken away from them. If they didn't like our decision they could do what they felt they had to do. So when they left I was a little more optimistic.

It took a little while before I received an answer; the answer was this, that they were very disappointed that we didn't see their way fit and they repeated that they definitely insisted and they were going to fight until the end to get compulsory binding arbitration. But they did say that to show their goodwill, if it was our wish they would go back — they left this up to me. They claimed that I had stopped the negotiations, so they said that they would come back to negotiate without any strings attached. That was a first; that

certainly was good news.

Then, they seemed to understand, as I say, that although they didn't like it that we felt that we need at least the assurance or the protection of the time that I gave. But, to my surprise and my dismay, I don't know what that meant, they also said that between the 21st of May and next Monday, I guess, — they're holding their annual meeting this weekend — they would have certain strike action; they would do certain things and they reported from somebody representing the MMA that we were going to be punished.

Sir, I did not think that this thing was conducive to good negotiation. When you say there's no strings attached and say, well, we're going to negotiate, in the meantime we'll make you suffer or you will be punished. So, what I did is I wrote back and told them that I was very pleased that they were ready to negotiate with no strings attached. I also said that I thought that the last meeting we had had been a more positive meeting; it was a meeting where we understood each other better, but I also said that I was disappointed in their action. I also gave them the benefit of the doubt, I told them that it was felt that maybe they had gone so long without talking, to really getting an input from the general membership, that I felt that maybe they wanted to know what mandate they had and that they wanted to keep the thing going for a couple of weeks. Because of that to give them a chance to bring it to the attention of their membership and not to start negotiating in kind of a poison atmosphere, an idea where somebody's trying to punish you; we said yes, we'll accept; the Commission will get in touch with you after your meeting to set a date. I haven't had any reply from that at all. I don't know about a reply to my letter at this time but I certainly expect communication from them. I think their meeting is this Saturday and Sunday and I expect to hear from them.

MR. SHERMAN: Is there a job action of a kind taking place at the present time, Mr. Chairman?

MR. DESJARDINS: Yes, this is what they announced that from the 21st until the day after their meeting, for instance, I haven't got all this information here but that was circulated; it was published in the news media. They talked about not refilling prescriptions over the phone; they would have a visit and not fill in reports and the things they've been mentioning before; but they were not closing their offices, that was the only change.

I might say, Sir, that in the meantime the Special Committee of Cabinet, because we're committed to look at the question of compulsory binding arbitration with or without the MMA, I certainly expect that the MMA will make presentation, they'll be invited but they won't be the only ones. But, no matter what happens at this time, we will have a decision on that. It is the commitment that I am making now that I've received approval from Cabinet, we will make our decision known no later than November 1st. In the meantime, we have written through our committee and through the staff of the Commission, we have written to all other provinces and territories asking for their position on binding arbitration. We've asked the Federal Minister if they would want to put this on the agenda of the meeting of Ministers of Health to be

held starting May 24th in Ottawa. We have staff working on other information for the Committee of Cabinet to consider. There's many questions that I posed to them that were relayed to the Commission. For instance, I want somebody to work just on the positive, on the affirmative side of the question; that is somebody that feels that the advantages in other words of compulsory binding arbitration and somebody to take the opposite stand and give us all the problems and pitfalls. We want as much information as possible before we're asked to make the decision. We will certainly look also at the effect in the Health field to see if whatever we do, if we should do the same thing for the nurses and other groups. I would venture to say that we will look also to see if that's fair in the Health field should we look at trying to something for all the groups. I'm not saying that's going to be done, but we will look at all the possible angles. I'm sure it will be in time to make a decision by November 1st.

MR. SHERMAN: Does the Minister have any indications from his officials or from the College of Physicians and Surgeons of any decline in service, any difficulties of any significant nature for Manitoba health consumers or patients generally as a consequence of the job action that is being taken at the present time?

MR. DESJARDINS: In favour of the MMA and the medical profession in Manitoba, I think that they've been true to their word that they've tried to keep the same standards for their patients; they've certainly looked after the emergency cases. We've seen very little evidence of job action to date. We are continually monitoring the Commission and they've been instructed that the least problem, the first sign of any problem, to contact me immediately. The same relationship exists also with the College of Physicians and Surgeons. We have had very few complaints and things seem to be progressing fairly well and I think that's to the credit of the medical profession who would put their duty and their responsibility in looking after their patients first.

MR. SHERMAN: Mr. Chairman, I don't want to compromise the Commission's negotiating position but the budget presented by the Minister provides for a \$33-million increase in fee-for-service in '82-83 over 1981, if I copied down the figures that he provided correctly. I think he said we were going from \$125 million or \$126 million to \$159,193,000 in the vote request, for a \$33-million increase. That works out to approximately 25 percent. I haven't worked it out to the specific fraction, but taken on a base of \$126 million, it's not far off 25 percent.

Mr. Chairman, has the Commission or the negotiating team, acting on behalf of the Commission and the Minister, publicly advanced any proposal to the MMA on a fee schedule that reflects any such percentage increase in the fee schedule?

MR. DESJARDINS: Mr. Chairman, obviously I'm not going to break it down all the way at this time and I don't think I need an explanation for that, but the increase of — my honourable friend is right — \$33,458,000, there is a shortfall to start with of

\$11,000,597; the balance is for price in volume and I don't care to break it down at this time.

MR. SHERMAN: Mr. Chairman, with respect to the other increases cited by the Minister in the list of Medical Program costs with which he provided the committee a few moments ago, have those contracts been negotiated and concluded for 1982-83? For example, are the fees for prosthetic and orthotic devices and practitioners set for 1982-83 or are they still under negotiation? I would ask the same question with respect to the chiropractors and to the optometrists.

MR. DESJARDINS: We are in the process of negotiating with the chiropractors and the optometrists. The optometrists are practically finished; there was a meeting again last night. The chiropractors, so far, is going quite well and we should have something final very soon.

MR. SHERMAN: Are the fees for '82-83 in the prosthetic and orthotic field fixed, established now, with the suppliers of those medical devices?

MR. DESJARDINS: That also, Sir, is being negotiated. That's nearly terminated and also we are negotiating with eyeglasses; I think we've announced the program that we might come in with eyeglasses this year on the first phase of our program; this is being looked at this time also. We're advancing on all fronts. While nothing is finished yet, we're not too disturbed. I think we like to see everything done together with the medical profession also, as close as possible, but so far we are not getting too many serious problems. That could change, mind you, but it's looking fairly well.

MR. SHERMAN: So, these are Estimates, really, and of course, they're presented to the House as Estimates. They are calculations based on the nearest educated guess that you can make at the present time.

MR. DESJARDINS: Right.

MR. SHERMAN: Mr. Chairman, I'm not finished with the fee-for-service medical practitioner but I just wanted to deal with some of these individual categories as they confront us at this juncture. Has the Chiropractors Association requested legislation at the present time that is attracting government study and attention?

MR. DESJARDINS: Yes, they have, as a number of other professionals and para-medicals in the health field, and the decision has been made and the information is being relayed to them that we certainly don't intend to do anything in this Session. We didn't have the time; our legislation program was prepared. This will have to be considered and if we feel that it should be recommended to the Cabinet, it will come later. There is no commitment at this time and definitely, I can assure you, that there won't be any legislation on those this year.

MR. SHERMAN: Does that apply to the health field generally, Mr. Chairman? Does that apply to the optometrists too?

MR. DESJARDINS: The optometrists, I think the physiotherapists, the dieticians - all of them. Yes, that applies to everybody.

MR. SHERMAN: Mr. Chairman, could the Minister advise the committee as to any changes that are forthcoming in 1982-83 to the insured medical programs spectrum, any additions or deletions or refinements to any of the insured medical programs that are in place up to and including some of the more recent additions that were injected into the system by the previous government such as orthopedic shoes for persons under 18; hearing aids for persons under 18; surgery for cleft lip and palate repair; programs of that nature. Does the Minister's '82-83 program include any expansions of that insured program spectrum or any changes to existing parts of it?

MR. DESJARDINS: Mr. Chairman, and the committee will understand, that with the little time that we had and that with the added cost, this was not done. This will be considered during the year, but there is one thing that maybe I should announce at this time. It's not going to come as a big surprise. I think that in the interest of the Department of Health Estimates I mentioned that the Estimates include provision to ensure eyeglasses for the elderly. I am pleased to announce at this time the commencing on July 1st, 1982, the province will ensure eyeglasses for persons 65 years of age and over. This is in keeping with the government's plan to expand in services for the elderly. It is expected that the dental services and hearing aids for persons 65 years of age and over will be covered within the next two years.

The program for eyeglasses will be administered by the Manitoba Health Services Commission. Under the program, the Commission will pay 80 percent in excess of \$50 for standard frames and lens. It is estimated the cost will be approximately \$370,000 for this year. The Commission is presently developing the program and additional details will be announced before the program is implemented on July the 1st. I want to make sure that this is not exaggerated. This is not a very expensive program at this time; there might be some disappointment. We are modelling this pretty well on the Pharmacare. It is not connected as such with Pharmacare but there would be \$50 deductible and then a percentage and that will go for \$50 only for everybody.

Now that one at this year, it won't represent too much because when you have to pay the first \$50 and so on, the glasses do not necessarily cost that much money; that's for the service and so on, but as we increase this and include the dentures and the necessary work by a dentist and the hearing aid, it is our intention at this time to keep the same \$50 deductible for the three programs lumped together and the same percentage. So then it will be much more costly as we go along and it will be more of a service, I think, that our senior people mostly will profit by that, will see the difference. This year, as I say, it is a program that we expect will cost only \$370,000, so there might be some

disappointment. I've asked people to be patient and, of course, we look at the economy we have in front of us, but our intention is go along to make these services available to our people within. I would think that in three years, everything will be in place and then it will be only the one \$50 deductible for all the programs and if it's a family of two that'll go also.

MR. SHERMAN: When will the eyeglass program for the elderly come into effect, Mr. Chairman, and would the Minister repeat the 1982-83 projected cost of that program and is he able to project it on an annualized basis? Presumably, it won't be a full-year cost this year.

MR. DESJARDINS: Mr. Chairman, it should go. Well, we are going as fast as we can. It has approval of Cabinet and we hope to be ready to start on July the 1st, as I announced, and this amount of money that we are talking about now and we are asking for is only to finish the year and that would be \$370,000.00. I expect that possibility of having other programs next year but most certainly, at least, the dentures next year. It might take a little longer to get set for hearing aids and so on, and that could come in the third year, but it will be as we go along, as we add, there will be only one program based pretty well as far as the financing and the benefit based on the Pharmacare, but not Pharmacare. You know, I don't want to mislead that all this will be lumped in on only one deductible of \$50. Pharmacare will keep on the deductible of \$50 for that age bracket and then there will be another parallel program covering eyeglasses, hearing aids and dentures and that will be \$50 deductible also.

MR. SHERMAN: Where does the eyeglasses for the elderly program fit under the Medical Program spectrum, Mr. Chairman? Does it come under optometric, is it included in the optometric budget? And I ask that question because I think it is a legitimate question. The increase in the optometric budget may simply be sufficient to cover the increased contract with optometrists, in which case the program to which the Minister is referring would have to come under some other category such as fee-for-service. Could he advise the committee?

MR. DESJARDINS: I've separated that, when I gave the information but it will be just to show that this was a new program. This would be under prosthetic and orthotic. They originally voted last year \$1,404,000.00. We are asking \$1,892,500 plus the \$374,000 and that, of course, is an educated guess, but that is over and above the \$1,892,500.00.

MR. SHERMAN: I see. Just one second, Mr. Chairman, please. Is that \$374,000 in the \$179,893,600 in print that appears on this line?

MR. DESJARDINS: Yes, Mr. Chairman.

MR. SHERMAN: Mr. Chairman, some consideration at least at a quasi-official level has been given to the question of out-of-province medical expenses. I'm not sure to what extent the Minister was called upon to address that question when he was previously Min-

ister of Health under the Schreyer administration. Certainly, it came in front of our administration, at least, for discussion purposes and, in fact, was raised by the Opposition of that day, now the government, on a number of occasions during examination of Health Estimates in that four-year period. The previous government discussed with Mr. Edwards and Mr. McCaffrey and other officials of the Commission, the whole rationale for and viability of, and desirability of ensuring out-of-province medical expenses and also examined the down-sides and the difficulties of that question. No specific conclusion was reached, although I can advise the Minister that certainly the previous government and the previous Minister were looking at it fairly hard six months ago. Has the Minister addressed that question since assuming office?

MR. DESJARDINS: Mr. Chairman, that was brought to my attention by the two gentlemen previously mentioned. I felt again with the time that we had without reviewing all our program — I wanted a complete review, not just deal with one program at a time — that this would be dangerous and it could open up some gates and make it quite costly. So that was not included this year but I did instruct them to have another look at the legislation we have that under certain conditions the Minister could rule that some payments could be made depending on the financial situation, and we might be a little more lax with this at this time but that's all that has been done so far. This is one of the options that will be renewed before the next year.

MR. SHERMAN: Mr. Chairman, in a recent year, it might have been 1980 as I recall, requests that had come before the Commission for consideration for reimbursement of out-of-province medical expenses, largely medical expenses incurred by Manitobans in the United States, were adjudicated on their individual merits and pretty substantially met. I seem to recall that something close to 93 percent approval was granted on such requests. Requests in that year totalled something like \$290,000 or \$300,000 and some \$270,000 of that bill was picked up and paid by the Commission on behalf of those families making those requests. Can the Minister advise the committee where we stand in that situation at the present time, what the picture was for 1981?

MR. DESJARDINS: Mr. Chairman, there's no radical change in policy direction but I think under the direction of the former Minister, at his request, the Commission is much more flexible at this time. Again, I say that there is a way, under certain needs, that more of the cost could be paid, but the legislation that we have, a decision could be made and we are going in that direction. That's one we will have to be very careful before we change that too much because that could be very costly also. I know that we are going to do a little more of this, but in every chance that we have if we know of people that will leave the province, we suggest that they should take some health insurance. I know that I don't leave Canada at all now, no matter for how short a distance — I was supposed to leave for awhile; I had to cancel this because of pressure in the House — and I had the best insurance I can

buy because it could be very, very costly. I don't know if the members of the media are listening, but that could be advice that we tell the people of Manitoba before you go away, make sure that you're insured because we know how costly it is.

I've had examples and we've talked about the example in the past and I'm sure that the Member for Fort Garry had the same example of how costly it could be with somebody going to Hawaii or Jamaica or something and the bills they've had to pay. So, we can be more flexible. We haven't changed in policy and direction or some leeway. The Commission can set certain regulations but again, as I say, there's no substitute in being sure in getting your own health insurance before you leave Canada.

MR. SHERMAN: Some of these major expenses have been incurred, of course, with connection with techniques and procedures that can't be performed in Manitoba and, indeed, can't even be performed in Canada. I think, in particular, of bone marrow transplants for young cancer patients, leukemia victims and the like. There was consideration during fairly recent times given to the possible interest of the four western provinces combining under the leadership of specialists like Dr. Lionel Israels to promote the development and establishment of bone marrow transplant capability in Western Canada to serve the four western provinces.

I have no qualms about telling the Minister that when I looked at it and when we looked at it, although it was an intriguing prospect, the conclusions were that it would require funding that was probably unjustifiable in comparison to other services and other programs needed. My last recollection of the situation is that Dr. Israels and others had put the concept on hold simply because they had not been able to satisfy themselves that it was economically viable. Where is the status of that project with the present government, Mr. Chairman?

MR. DESJARDINS: Sorry, I misunderstood the question before although part of the answer is the same but, of course, the member is referring to people that the service is not provided here. It's the same policy as the direction that he gave the Commission in his days that there's more flexibility at the Commission at this time and there is provision and legislation that could be paid. Our problem is probably the same that he had. You know, when it's clear that this service is not available here, we try to meet this, but there's other areas where people feel that it's better to go to Rochester and better to go somewhere else, and we don't want to encourage that when we have some of the best doctors in the world in these areas. That would be quite costly if we go as far — it's okay to give choices to people, but that's pushing things a little too far if we're going to say that people everytime they want an operation they can go to Rochester or somewhere else. We don't want to encourage this. I'm talking about generally speaking, but if we don't offer the service here, we certainly will be much more flexible. As I say, I certainly won't change the advice and the direction that the former Minister has given the Commission.

MR. SHERMAN: Well, I agree with the Minister, Mr. Chairman, that there are serious aspects of the question that have to be looked at, that it opens up a number of other challenges and questions if one gets into guaranteed out-of-province medical coverage, but in the situation that I referred to, for example, with bone marrow transplant capability; that is a classic case in point of somebody having to leave Canada in order to get it done. Now, in those cases what the Minister is saying to me, although the Commission has not made any determination that there shall be automatic out-of-province coverage provided for expenses connected with such illnesses and such medical requirements, that the system of reviewing the Special Benefits Application is still in place and that there's not much deviation from the past. 90 percent of them are justifiable and are paid, is that correct?

MR. DEPUTY CHAIRMAN, Steve Ashton (Thompson): The Honourable Minister.

MR. DESJARDINS: That's correct, Mr. Chairman. Of course, the question of need also is a big factor in these until we have a final decision or a change in policy.

MR. SHERMAN: Mr. Chairman, where does the proposed concept of a Western Canadian capability for bone marrow transplant procedures sit at the present time? Is it on the back burner so to speak or has the Minister had it demonstrated to his satisfaction through the testimony and opinion of persons like Dr. Lionel Israels that it is not practical for the four Western Canadian provinces to attempt to move in that direction at this time?

MR. DESJARDINS: No, I don't think this decision has been made yet. I think there are still discussions at the level of the Federal Government with the western provinces. At one time, I think that Alberta showed some interest but there is nothing definite. I might say that, for the information, but I haven't been fortunate enough to assist in a meeting of the Provincial Ministers of Health, the territories and the Federal Government but this will be the first meeting that I will have a chance to attend in Ottawa later on next month.

MR. SHERMAN: Mr. Chairman, in this same connection a situation has been drawn to my attention by a Manitoban who feels that because of the flexibility that now seems to be practised by many operators of hotels and other accommodation facilities in the United States with respect to the exchange rate on the Canadian dollar, that some Canadians, and in this case Manitobans, are pretty vulnerable to excessive charges in the United States. The case in point that was brought to my attention involved a family charged an extra 3 cents on the dollar at a time when the official exchange rate was 22 cents according to them. I have not, I must confess, seen the official exchange rate at 22 cents which would mean that we were looking at 78-cent dollar. To my knowledge it hasn't dropped that far yet, but in any event, they claim that the exchange rate in the region in which they were staying relative to some medical procedures was 22 cents and at their place of accommoda-

tion, which was average, they were charged 25 cents on their Canadian dollars. They have raised with me the question of whether there is some protection that the Commission can consider that could be put in place for Manitobans who find themselves in that situation now where they have to go to the United States for certain medical procedures.

This was not so serious in years gone by when the difference between the two dollars was anywhere from 5 cents to 10 cents. Perhaps one merchant or one operator would charge 1 cent more or less than another, but now that we're into this range of broad difference and broad discount where the Canadian dollar trades at a level so much lower than the U.S. dollar, it seems that some of these discrepancies are creeping into practise and creeping into existence and working undue hardships on people in those situations. They're down there not through any objectives of tourism, but they're down there for medical or hospital attention. Has that problem been brought to the Commission's attention? Has the Commission considered what might be developed in the way of some umbrella of protection for these people?

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): The Honourable Minister.

MR. DESJARDINS: Mr. Chairman, yes, this problem was brought to the attention of the Commission and my attention. The situation is now that if it is medical, we pay only the equivalent of what we would pay in fees here. Hospital — we pay the expenses and that would include the exchange but not the exchange if somebody is rooked, unfortunately it is his responsibility, the official exchange on that day. Now, this is very difficult because it's not just an exchange with people in the health field, it's different governments that are involved. I don't think we have the solution at this time except that we suggest that they try to get the cost beforehand and try to make these arrangements, and it's always a good idea to check with the Commission before they leave to have these kind of services of health care and the Commission at the time might be able to assist them. I guess maybe some day it could be that some topic — I don't know if there's going to be a solution — could be introduced at the meeting when our federal counterpart is there. I don't if that's possible, that's reaching but I don't know of any other solution. There are some unscrupulous operators of hospitals and so on that feel that when they've got you at their mercy they're going to gouge you. There'll always be some people like that.

MR. SHERMAN: Would the Minister trade notes with his counterparts, his colleagues, the Health Ministers of other provinces, when he's talking to them at some time and examine the subject with them to see whether there is a common problem of this kind and whether there might be some common concerted action that could be taken?

MR. DESJARDINS: Yes, I'll accept this recommendation.

MR. SHERMAN: Thank you, Mr. Chairman, through you to the Minister, could the Minister advise the

committee as to how many physicians are registered with the Manitoba Health Services Commission in Manitoba at the present time or for the latest month for which he has figures and how that stacks up comparatively with the date one year previous? Perhaps he might also have figures on the number of physicians claiming from the Commission as distinct from those registered with the Commission and figures on the totals of opted-in and opted-out physicians in the province?

MR. DESJARDINS: Mr. Chairman, at this time, this was just the end of last month registered with the Manitoba Health Services Commission medical doctors 1,681.

MR. SHERMAN: 1,681, that was at the end of March?

MR. DESJARDINS: Right, now those that sent claims in March, 1,362; some of them could be on holidays, mind you. The total in March that opted out was 87 for an average of 5.1 percent.

MR. SHERMAN: 87 opted out, 5.1 percent of the total.

MR. DESJARDINS: That's 5.1 percent, that's the average of those registered, 1,681, not 1,362.

MR. SHERMAN: Right. Would the Minister have information as to how that opted-out total breaks down between specialties? Are they concentrated in a particular specialty such as, for example, radiology? Are they concentrated in a specific region of the province or is it a pretty general picture?

MR. DESJARDINS: Yes, I hope this doesn't hinder the plan or do anything but I think I can release it. In Internal Medicine, the total registered was 172; the number opted out is 12, for 7 percent. Pediatrics, none opted out. Psychiatry, that's the one with the largest, 84, there's 22 opted out for 26.2. Surgery, 169; 12 opted out for 7.1. Eye, Ear, Nose and Throat, 52; nine opted out for 17.3. Dermatology, well of course, the number is smaller; there's 10, 6 opted out for 60 percent.

MR. SHERMAN: That's Dermatology.

MR. DESJARDINS: Yes. Radiology, there's only one that has opted out of 55 and that one is not in active practice and do not submit claims, but he's still registered. Pathology, Lab., 22 total, three opted out and that, also, are three that are not submitting claims, not in active practice, but nevertheless the percentage is 13.6. Obstetrics and Gynecology, 62, four opted out, for 6.3. Anesthesiology, 57, or three opted out for 5 percent. General Practice, 925, 15 or 1.6. Physical Medicine, there are 5, none are opted out. The problem that we have is, well of course, Dermatology, because it is a highly specialized speciality, there are 6 out of 10; that could be costly, but the Psychiatry also is next. Those are the only two, I guess, that you could say is a problem, but then that percentage could be all in a small town or two or three small towns around. That's the problem we have but in all fairness and in all sincerity, it could be a problem. I've always

said that. If that was the major problem I was faced with when dealing with this, I would be very happy at this time.

MR. SHERMAN: Mr. Chairman, is there a specific region of the province that suffers from a heavier concentration — or I better rephrase that — not necessarily suffers from, but experiences a heavier concentration of opted-out physicians than others? At one time Westman had a higher concentration, particularly the City of Brandon.

MR. DESJARDINS: There is an improvement, but actually I guess around Brandon, that's still the highest.

A MEMBER: How many doctors in Brandon?

MR. DESJARDINS: About 70, and 13 are opted out, about 20 percent. I think that's the worst, if we're looking at highest percent, although that's improved quite a bit.

MR. SHERMAN: Mr. Chairman, could the Minister review, and I'm not asking him to go through every speciality, but generally, review the status of physician supply for us in the province? He has said that as of March 31st, 1982, there were 1,681 physicians registered with the Manitoba Health Services Commission which continues a trend which was in evidence at the time the previous government was in office of an increase in the number of physicians registered with MHSC and practising in Manitoba year by year during the past two to three years. There have been such increases recorded for the past two to three years and the trend is evident again in the figures just provided us by the Minister. But we've always also had the problem in Manitoba that 75 percent of our practitioners have been located in the City of Winnipeg and 25 percent of them have been spread throughout the rest of the province leading to under service in some rural and northern communities and certainly in some remote communities.

There was an encouraging indicator made available to me on my desk during the months in which I was unknowingly concluding my tenure as Minister of Health in late 1981 which demonstrated that our numbers of practitioners in rural Manitoba were up, and were up fairly significantly, and were up for the first time in a considerable number of years, not sufficient to change that 75-25 ratio by any means, but certainly a trend in the right direction. Could the Minister report to the committee, Mr. Chairman, on this whole question of physician supply and distribution, particularly inequities in distribution, and what the latest figures available to him would indicate?

MR. DESJARDINS: Mr. Chairman, I can't break down from year to year all the different specialities I did for 1982. I can give him an idea of the changes in the total physicians registered with the Manitoba Health Services Commission and I could go, let's say, from 1977, there were 1,589; the next year, 1,568; last year, 1,598; and in 1980, 1,620. So it's pretty consistent. I understand that we're pretty well dead on with the Canadian average as physicians per 1,000 population and so on.

As far as the physicians, the problem is the same thing, distribution, and that I would imagine would always be and that exists in every country of the world and in every province in Canada. We'd like to improve that, but I'm told there's not that much change in the rural area. We've won some, we've replaced some and then we're losing some. There might have been a bit of improvement but not that much; it's pretty well consistent.

I think the best in Manitoba — this is late though, this is 1978 — but all physicians, excluding interns in residence, there were 679 and the Canada average was 666. That's one per 1,000 people. All physicians, including interns and residents, 559 in Manitoba and that was right on, the average across Canada was 559. That was in '78. That's the latest we have. That always takes a little while before we can get this information. I'm told, if anything, there has been an improvement since 1978.

MR. SHERMAN: Are there identifiable areas in the province at the moment, Mr. Chairman, where there is a doctor shortage, and which the Minister and the Commission and the Standing Committee on Medical Manpower and the College of Physicians and Surgeons and the Placement Bureau of the MMA are seeking to address on a relatively urgent basis?

MR. DESJARDINS: Mr. Chairman, unfortunately, I haven't got the list. I can't pinpoint any, but I'm told that, yes, that problem exists, but it is in front of the Committee on Manpower at this time. They're dealing with it at this time.

MR. SHERMAN: I would appreciate it if at some point before we conclude the Estimates if the Minister could just have his officials check and identify for the committee any spots of a critical nature that they see in terms of physician placement and physician supply in the province at the present time.

Mr. Chairman, with respect to the overall supply of physicians and practitioners, the 1,681 registered with the Commission cited by the Minister a few moments ago, are there in that list continuing specialty shortages? There certainly have been in recent years, shortages in Manitoba and indeed in many parts of North America and generally across Canada with few exceptions, shortages of psychiatrists, shortages of anaesthesiologists, shortages of ophthalmologists, probably some shortages in radiology and perhaps one or two other specialties. Does the current list of 1,681, which does reflect an increase in number, indicate any improvement in that uneven line of supply? Are there specialties which previously were underfilled that now in the new list, a new total of 1,681, find themselves better filled or properly filled? I may want to leave that question with the Minister, Mr. Chairman, for discussion at eight o'clock.

MR. CHAIRMAN: The committee will come to order. The time being 4:30, it is time for Private Members' Hour; I'm interrupting proceedings and will return at the call of the House. Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Pri-

vate Members' Hour. The first resolution on the list this afternoon is No. 4, the proposed motion of the Honourable Member for Thompson standing in the name of the Honourable Member for Elmwood, who has two minutes remaining.

RES. 4 — INDEPENDENT CANADIAN ECONOMIC POLICY

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Thank you, Mr. Speaker. Mr. Speaker, I think it's important to note that the monetarist beliefs and policies were attempted in terms of actual implementation by the Progressive Conservative Party in Manitoba and that theory led to acute protracted restraint and led to the defeat of the Lyon administration.

I think what is happening, Mr. Speaker, is their views on the economy are similar, very similar to what we've seen in Saskatchewan. The Saskatchewan government is adopting a similar attitude to the Lyon administration in Manitoba and they've made promises of cutting out the gasoline tax, cutting out or reducing the sales tax and providing 13- $\frac{1}{4}$ or 13- $\frac{1}{2}$ percent mortgage rates. Mr. Speaker, they cannot deliver, they cannot deliver. Those are mega promises that they cannot deliver.

You know, we've been listening in this House to the members opposite, who have been telling us about all the promises that we made. Mr. Speaker, we were pikers, we were pikers in comparison, we didn't scratch the surface of the type of promises that were bought by the people of Saskatchewan yesterday. That was pie in the sky compared to the solid government and the prosperity that was brought about in that particular province.

Mr. Speaker, I simply say this to the members opposite. They can celebrate all they want about the victory in Saskatchewan and I think that is something to celebrate, but I have to remind them of one important factor. The party won in Saskatchewan and lost in Manitoba. I think that distinction must not be lost sight of. Mr. Speaker, it's four more years in Manitoba and that may seem to the honourable members like an eternity.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Speaker.

I rise to speak on this resolution and I've entitled it Reaganomics. In going through this resolution, one is quickly struck with a number of questions as one is of course if he attempts to analyze the economic situation that we find ourselves in at all. I think the main question is high interest rates and inflation and which causes which. Are they related at all and which should receive greater attention? Which is more destructive? And finally, can we control either one? I do not have some or indeed all the answers, but I have views and I know we had better be able to answer at least that fourth question. Can we control either one? We'd better be able to answer yes to that particular question.

Inflation — I've sat in this House going on for two months now and I very rarely hear the members opposite use that word "inflation." I hear of interest rates and I hear Reaganomics and I hear something about Margaret Thatcher and I hear everything, but I never ever hear reference made to the word "inflation." We always hear, though, the comment, the insane interest rate policy; Ottawa, London, Washington, and hand in glove with that goes the comment in quotes: "Insane Interest Rate Policy." As if lower interest rates in themselves will be our salvation and our solution to the problem.

I wonder why inflation is never mentioned, although I think the people that support the NDP cause, some of their greatest supporters, in my view at least, are certainly the ones that are ravaged the most when inflation rates are 12 to 15 percent. It always makes me curious. I ask the question why is not inflation mentioned? Why is no effort made to address it? I can tell you that those of us with older members in our families and those of us who have friends that are possibly not members of trade unions or who are in small businesses such as grain farming. They realize how uncontrollable inflation destroys the very will to cope by themselves and to walk from day to day on their own. It destroys that will and yet no mention of inflation; not from one member from there do I ever hear it mentioned.

As a Matter of fact, go through the proposed resolution and circle the mention of the comment "monetarist policies and inflation." It says inflation once and it mentions high interest rates and monetarism 12 times. I almost had to fold this paper and clip it in half to look at it to find the word inflation mentioned once. So, I give you that.

Inflation, what does it mean? Well, to quote an article and a short one that I read in the paper and I pulled out. It says, "Fredrick Shultz, former Vice Chairman of the Federal Reserve Board of Governors puts it this way. I don't think there's any question that the end result of inflation is loss of freedom and change in the political system, because inflation makes the government take over more and more. Inflation causes a breakdown on the free market or drives it underground. Why? To escape rising taxes."

Emerson Creed, Financial Editor of the London Free Press adds: "Canadians don't seem to know whether they want inflation and all its painful distortions or high interest rates and all the painful distortions required to reduce inflation. They would be foolish indeed to choose inflation because it would blow up in their faces and destroy the economy as well as reducing freedom."

Strange comment. What do they mean by reducing freedom? This nation in this part of our world that seems to enjoy so much of it. Well, I think we can look at Argentina possibly to see what they mean by freedom. There's freedom in Argentina, but is there economic freedom when you realize it takes a million Argentine pesos to buy a hat? I can tell you that —(Interjection)— That's a small one at that. I can tell you that I was part of an international company that had an office in Buenos Aires and our people that were posted there from time to time, not one of them, of course, would take their pay cheques in Argentine currency and this was some six years ago, because to

have that cheque and not be able to convert it to American or indeed to Canadian dollars in the period of two days saw it deflate something like one or two percent. That's a country that's free, but is it really free in an economic sense?

We say that can't happen here, that we have tremendous natural wealth, and I agree with that our natural resources and the wealth that's involved, it'll pull us through this particular crisis we're in. But, don't forget also that Argentina is a very natural resource wealthy country.

Inflation — a terrible curse. At least I think it is, and I would hope that the members opposite would feel that way also, and to that end I'll have to say I can't seriously take any comment from members opposite on the economy, indeed on this resolution; indeed on any attempt to try to discuss logically some of the problems we have in an economic sense; that they do not acknowledge the fact that inflation is root cause and is a very tremendous contributor to every problem we have.

So, what are the causes of inflation? If you believe as I do that inflation is the root cause of high interest rates, we maybe then should try and determine what the causes of inflation are and see whether we can ever change those influences. I guess the next question is, and it ties into this proposed resolution, is why is President Reagan a monetarist and why does he believe that restricting the money supply is one area of that whole theory? Why is it needed so desperately?

I think it has something to do with viewing other nations in the world and watching other economic systems where there is no money, there's no food and where there are no amenities of life; just work on one hand; and on the other hand there is possibly a system where there's lots of money but still there are no amenities, just hard work. Again, I refer to free countries like Argentina.

When you consider which system you want when you look around the world, I think you come to the conclusion that the systems that we have in North America and indeed Western Europe are those that we would want. You believe that Canada has to be the best place in the world to live and again you ask yourself why do we want to upset the economic system by allowing the government to expand its role — that's really where it's at, isn't it? — to expand its role, to what end, to what logical end? To see the government not creating any wealth, but in fact taxing the people and spending in the area of 30 or 40 percent of the total national contribution to the economic system. To what end?

All of us now are now so dependent on government, so addicted to that Keynesian approach. We all know what that is; that's the approach where you pour money at every problem. As government, everyone that comes to your door knocking with a cause, money, that's the philosophy. Where is it leading?

Well, Mr. Speaker, I submit that it's to the point where we're losing complete control. It seems like the government is always trying to stimulate and I suggest that leads to one end and one end only; it leads to addiction where we require larger and larger doses of government support, or what is worse, if we aren't become addicted we're incapacitated and it takes away our will to work, our will to strive and our will to

prosper and our will to care. It takes away our own concern and our deep-rooted love also for democracy.

So I believe that these are some of the things that President Reagan sees and I think a comment on the U.S. situation probably would be appropriate. It says, this was a comment on the U.S. situation, it says, "The competition for government grants has turned American from a land of opportunity to a land of entitlement. What characterizes the militant interest groups that coalesced in the 60s is a notion that they are entitled to government funds simply by the right of existence. Programs whose original intent was to provide resource in times of distress are now viewed the subsidies for any group clever enough to apply for them. This comment not only applies, to those special interest groups, indeed it applies to the business community also. Companies that once prided themselves in their scientific and technological innovation, as well as their bottom line profits, now regularly look to the government to protect them from better made products, for more efficient producers in foreign countries. Government has been asked to step in with everything from traditional tariff barriers to loan guarantees."

That's not only a symptom of what's happening in the States but I think we can all recognize it is something that's occurring here in Canada also. I would ask you, Mr. Speaker, were truer words ever spoken as we attempt to analyse our own society. When will Canada, and I guess we'll ask the question, when will Canada have a leader that will say publicly and I quote: "Governments over the past 20 years have eaten beyond their ability to pay for the meals and now it is time to pick up the check and pay the restaurant owner."

I think you heard President Reagan say probably in a much better way and I wonder if the people in Canada and the United States and indeed in the ND Party in Manitoba, I wonder if they are prepared to pick up the tab or are they going to shove it off to the next generation. When I was out campaigning and speaking to the high schools in the area, an 18-year-old, of course, doesn't realize what is coming his way by way of a vote. He knows it's important, he's been told it's important, but an 18-year-old that votes today or that will be voting in the next election, and no doubt will be voting for the party of the colour of this flower I'm wearing. I challenged those 18-year-olds, I asked them if, in fact, they knew the decisions that were made in this House today that, in fact, would be eating 2/3 or at least 1/2 of their income 20 years hence. Do people realize that? I don't think so. I don't think so. Because this government and many governments like it feel that you throw dollars at a problem and it solves everything. How do you pay for it? You don't worry about that you pass that on to the next generation.

So back to the causes of inflation. Obviously I have everyone's attention and I'll continue. Obviously the No. 1 cause, as I understand it, is government expenditure beyond the ability of the nation to produce wealth. Not to create money, that's easy. Any government can create money but to produce wealth as a nation is certainly a different story. Why in Canada is 23 percent of our government revenue going towards servicing the debt? What better things could we do with that 23 percent? What about the Manitoba debt of

\$4 billion, what about it? It increased what, a half a billion under our tenure? How did it move up to 3-½ billion. How did it do it?

Yet this NDP government will sit here and criticize us for attempting the budget three years out of four? Makes no sense. And how do governments attempt to support this addiction to spending and being all things to all people? By printing money, more dollars, after a fixed pie of goods and that means inflation.

My predecessor, Warner Jorgenson, wrote something in the paper the other day, I think the House would love to hear it. I says, "A Charter of Rights is included as part of the constitutional amendment in order to ensure that civil rights were upheld. A Charter of Rights that contained a provision that would prevent governments from counterfeiting would be the most significant advance in economic sanity that would happen to any nation. Its most rewarding feature would be to prevent free spending politicians from engaging in the present practice of auctioneering during elections. The socialists would fight to the last man to prevent that from happening, because it would prevent them from diluting the currency and deluding the electorate."

And who are the borrowers of the world today and who can and, indeed, must offer the going rates of interest? Who's out there wanting this money? Who has the security to continue to borrow? Is it the small businessman? No. Is it the individual? No. Is it the large company with massive asset portfolio? To a degree yes, particularly if that company is a partner in an energy development with the government. Or is it the government itself; all shapes all sizes, federal, provincial, municipal? Is that who's out today borrowing the money? Of course it is, because they're the ones with the guarantees, they're the ones that have the security, they're the ones that have the wealth, people's wealth. Governments cannot back away from the lending market and there are plenty of savers that love to borrow to a government at very little risk.

So it is the government which is mostly responsible for high interest rates because they must be all things to all people, because they're the ones that can't say no and they will not, as yet at least, say no to all the groups and people who say help.

Of course, how does government attempt to pay back? Even though they'll attempt to pay back some of it, it isn't all pushed to generations down the track. They say well, we'll have to increase the rate of taxation because it only is fair that we attempt to pay for the largest part of the expenditures of the day. What does taxation do? I read it earlier, it just is built into prices and the vicious circle begins again. At least I've seen one person, besides the former government, attempt to stand up and say this is enough. I've seen one President Reagan at least try to break that vicious circle. Are there people that are hurt? Yes, there are. Are there unemployed? Yes, there are. But the suffering is at least spread among everyone. How many homes and business people do you know today that are being taken away from business people who have used that as security in their businesses? Do you know any? I do, many, many. I know the NDP want the rich to be hurt too and I say they are, because the old saying, of course, that there's only one thing a socialist hates more than the slums and all it stands for and

you know what that is, it's a person who makes his way out of the slums and becomes middle class. That's the only thing that you hate more than the slums and what it stands for.

So the conclusion, Mr. Speaker, theories, theories, either neo-Keynesian or monetarism that have worked in previous situations, I agree, may not work now and I again hearken to something that the words of the First Minister who believes that when times are tough, governments should be there to help and I agree, but I've seen this government through 12 or, pardon me, eight, nine years now, through good times and bad times always, always trying to stimulate, never ever saving for that day, that day like today.

So we know that interest rates should break soon in the United States. We're aware that interest rates in the United States should hopefully break soon. We're well aware that inflation has to a degree been broken and we would hope that interest rates are to follow and if they do not break, possibly some tax exempt system should be devised to knock them out of their locked in position. But I do feel that any Canadian attempts to isolate ourselves from U.S. interest rate policies would be a total disaster and I know there are members and colleagues of our party who will speak to that end a little further on.

Just one final comment, Mr. Speaker, one minute. Do I have that long? Half a minute? It says: "Reaganomics may not improve the panacea that President Reagan claims, but skepticism about the farther shores of supply side theory should not blind people to the obvious need to pare down notions of what government can reasonably be expected to do. It is the government's spending after all, not private sector spending that has over the past 50 years been the country's chief source of inflation. For half a century Americans have been governed by the belief that money and more money provides the natural solution to every social problem. Still it is obvious that not only are the problems still there but they appear to increase, not decrease, in almost direct proportion to the amount of monies spent on it."

Thank you very much.

MR. SPEAKER: The Honourable Member for River East.

MR. PHIL EYLER (River East): Thank you, Mr. Speaker. I think it is probably particularly appropriate today to discuss Reaganomics in light of some of the events to the west of us yesterday. I must confess that the area is immense; it's hard to know where to start. It's full of circular logic; it just circles back on itself again and again. The Member for Morris has talked about deficits, he's talked about inflation, how we never talk about these things and I suppose I could go into these two related factors. I'm prepared to acknowledge a limited connection between government deficits and inflation.

Mr. Speaker, the amount by which government expenditures exceeds government revenue does create inflation if it is expended solely on goods and services. If we stimulate demand for goods and services and by spending that money divert money from savings and investment which produces the productive capacity to produce those goods and services,

that creates inflation. The point that so many Reaganists often overlook is that government deficits don't go solely into goods and services expenditures, they also go into productive investment. If the government invests money in Hydro or if it invests money in oil and gas, this money produces revenue and it makes no difference whether the person who spends that money is the government or if it's a private producer.

Mr. Speaker, when we're talking about government deficits we have to distinguish between that amount of the deficit which is used for goods and services and that amount which is used for productive investment. If you look at the consolidated debt of Manitoba, you will see that of that \$4.6 billion, \$3 billion is self-liquidating debt incurred on behalf of Manitoba Hydro Electric Board and Manitoba Telephone System. Most of our debt is not related to inflationary deficits, Mr. Speaker, most of our debt goes into productive investment for economic development.

There's another aspect of Reaganomics which is rather perverse and it's somewhat popular nowadays and that is the so-called laffer curve. For Hansard, that's l-a-f-f-e-r, and it is laughable, really. The primary supposition here is that if government reduces taxes, it will stimulate consumption, stimulate the economy and more people will pay money in taxes; therefore, taxes will increase. Circular logic — reduce taxes and you get more taxes. Now, what we've seen in Saskatchewan, and I think this is really interesting, they're really going to reduce taxes out there. They had a balanced Budget under Blakeney, but they're going to reduce personal income taxes by 10 percent which is going to cost them \$118 million; they're going to eliminate the gasoline tax which is going to cost another \$139 million; they're going to eliminate the education and sales tax which is going to cost another \$320 million.

Mr. Speaker, that's a lot more of a promise than this government every made and we're always attacked on our expensive promises and how much we're spending, and here they are throwing away their money. Not only are they going to reduce taxes, Mr. Speaker, they're going to increase expenditures. They're going to spend \$150 million subsidizing mortgages down to 13.25 percent whether the people who have that need the assistance or not. They're going to spend \$315 million subsidizing farm purchases. Tory promises in this election have amounted to \$1 billion, Mr. Speaker, \$1 billion. Where are they going to get that money?

Let's talk about deficits. If you look at the Tory deficits, there isn't one single item in this which is related to productive investment. It's purely giveaway; nothing in here for economic development.

This is what the Free Press has to say about the Tory promises in Saskatchewan. In the paper today, "Mr. Devine also brings with him the promises he made during the campaign. It was so promising a campaign, in fact, that Saskatchewan voters must have known that the era of fiscal frugality that marked the Blakeney years was about to come to the end." How about that, Mr. Speaker? The Free Press endorsing an NDP Government in Saskatchewan. Further to the quote, "It is unlikely that these promises can be carried out within the confines of a Budget balanced as neatly as the one introduced by Mr. Blakeney less

than a month before he called the election."

Mr. Speaker, it may well be that the electors of Saskatchewan have been responding to "Devine" guidance but they're going to regret it four years down the road. I would like to contrast this reasonable Free Press editorial with a very ridiculous Free Press editorial. I draw your attention to Tuesday, April 13th, 1982. This is where it's entitled, "Paying for the Promises," Mr. Speaker. "Manitoba's NDP Government promised so much, the expenditures are going to be so terrific, not near as much as a billion, but a real burden for this province." They're speculating here about the rise in the sales tax and I quote, "An increase of one percentage point in the retail sales tax will provide about 51 million in new revenue." Keep that in mind, 51 million for each percentage point in sales tax. Then he proceeds to go on, "The proceeds from increasing the sales tax from 5 to 6 percent would just raise the money the government plans to invest in its own oil company." Mr. Speaker, that is the most irresponsible and absurd statement the Free Press could make. It knows very well that the money that this government has promised to put into oil is \$5 million a year, not \$50 million a year.

Further, Mr. Speaker, "About 60 percent of the proceeds would be eaten up by the cost of an interest-free loan to the province's credit unions. That also makes no sense whatsoever, 60 percent, it's not given away; it's an interest-free loan. The real cost is minimal. Further in the quote, "About half would go to interest-rate relief." Half of what? Half of 51 million? It's a two-year program; it would be a quarter. The Free Press has deliberately gone out of its way to exaggerate the expenditures of the Manitoba Government, the promises and to relate it to a hypothetical increase in salestax and to make the government look like it's recklessly spending money. Recklessly spending money when the Conservatives in Saskatchewan are promising to spend a billion dollars. I don't know who wrote this but it has all the hallmarks of a person who likes to invent Hansard debates.

Mr. Speaker, the Member for Morris also likes to talk about monetary policy. Well, the Federal Government hasn't borne up very well on that. They've only exacerbated the problem in Manitoba and Canada as a whole. Another Conservative economist here, Mr. McCallum from the University, "Monetary policy by creating unprecedented interest rate differentials in 1975-76 and thereby maintaining the exchange rate at totally unrealistic levels delayed the recovery of the country's competitive position. If monetary policy had permitted an earlier exchange rate depreciation, there would have been no increase in unemployment rates between 1975 and 1978. The unemployment rate would have been 6.9 percent in 1978 rather than 8.4 percent. Furthermore it cannot be argued that the earlier exchange rate depreciation would have contributed to inflation through higher import prices since only the timing of the depreciation would have changed." — (Interjection) — Mr. Speaker, the Member for Morris asks my solution. I'll give it to him later.

Mr. Speaker, the Federal Government has had an irresponsible monetary policy for many many years. By raising exchange rates it has contributed to inflation; raising exchange rates has expanded the money supply. Mr. Speaker, there are two sets of multipliers

in the banking system. I'm sure the Member for Morris is aware of banking multipliers. The Member for Minnedosa has been related to banking; he would probably be able to explain the concept to the people over there. The problem is that most people looking at monetary policy, they think of the government as printing money and every time the government prints money, it creates inflation. They remember the problems of post World War I Germany when inflation was at 100s of percent a day, a week, and that's what they have when they think of printing money.

Mr. Speaker, the members opposite know very well that when the government prints money, 90 percent of the increase in the money supply is created by the banking system and not the government. It's the banking system and its money multipliers built into that system which are expanding the money supply. They are the ones that create inflation. Furthermore, Mr. Speaker, the Federal Government has complete control over this if it would only exercise its options. The Federal Government through The Bank Act can regulate the reserve rates which the bank must keep for their deposits. If the reserve rate is, say, 10 percent — make it simple for the Member for Morris — the multiplier is the reciprocal of the reserve rate; therefore, a 10-percent reserve rate is going to give you a multiplier of 10. A reserve rate of 8 percent will give you a multiplier of 12; 5 percent will give you a multiplier of 20. The lower the reserve rate, the higher the multiplier. Mr. Speaker, only last year The Bank Act was changed so the Federal Government could reduce the reserve rates of the banks in Canada and this in itself creates inflation by expanding the money supply.

The problem, Mr. Speaker, is the Federal Government has not been able to co-ordinate monetary policy and fiscal policy in a way that will provide solutions to Canada's problems. We have deficits and that is the problem. Government deficits are an acknowledged problem; I recognize that it's a problem. The solution is not to cut back expenditures in government. The solution is to find new sources of revenue and those sources of revenue can come from the ownership of major excessive profit industries such as oil and gas or the resource sector. —(Interjection)— Mr. Speaker, the Leader of the Opposition says it's Russian, no, it's Canadian. When Pierre Trudeau instructed Petrocan to buy out Phillips Petroleum a few years ago, nobody in this Legislature hopped and screamed as loud as the Leader of the Opposition. He said it was an unproductive investment and yet only a few months later when Hudson's Bay Company was bought out by Thompson he was silent. He didn't care; that was unproductive but he didn't care. Those were his friends, Mr. Speaker, lining their pockets with profits instead of the people of Manitoba.

Mr. Speaker, the money to supply all of these private buy-outs can be easily acquired, all you have to do is print the money. It can be done. Print the money, raise the exchange rates on the reserve rates for the banks to prevent the expansion of the money supply. You won't have inflationary pressures if you buy out these industries. It can be done without any real debt. —(Interjection)— Sure, okay, not real debt. The money that you print is debt but it's interest-free debt. That dollar bill in your pocket is a liability of the Government of Canada but it bears no interest charge.

So, Mr. Speaker, if you print the money, increase the reserve rates on the bank, cut back on your profits and their loans and buy out some of these Canadian oil and gas companies, Reaganomics wouldn't have a chance in this country. We would have a nice balanced-budget economy and we would have prosperity and profits, profits for private enterprise as well, because we aren't saying we should expropriate everybody. There's plenty of room for private incentive, but there are certain key sectors of the economy which have to be considered as utilities. That party over there, 80 years ago, recognized that telephones were a utility; they recognized that hydro-electricity is a power and a utility. Why can't they recognize that oil and gas is just as much a utility?

Mr. Speaker, Reaganomics is totally corrupt. It doesn't have a leg to stand on. It's a useless philosophy; it is proving itself useless in the States right now. Reagan has got increasing deficits just like this government had four years ago. They thought they were going to balance the Budget. Brave words, but no success. Instead of balancing the Budget, they had increasing deficits and those deficits didn't produce anything in the economy. They weren't deficits incurred for production or investment; they were simply goods and services.

Mr. Speaker, I think it is pretty obvious that everyone in this House should support a resolution condemning Reaganomics, whether it's practised by Liberals or Conservatives or Americans. It is a useless bankrupt philosophy and it has no place in a modern world.

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

MR. DAVID R. (Dave) BLAKE (Minnedosa): We are certainly not ready for the question, Mr. Speaker, after listening to something like that. It is always enlightening, Mr. Speaker, to listen to members of the opposite side. I know that they are smarting a little bit after last night because the programs under their sisters to the west of us where there are 25 or some Crown corporations that have been pouring money into the coffers of the province provide all of these social services and these things that we hear so much about here that are so great for the people, they're helping the underprivileged, the downtrodden, the poor and the aged. When the statistics are in, Mr. Speaker, there is more being done in this province for the underprivileged and the aged and the hospitalized, the disadvantaged, than there has been done in the west with all of the funds they've got coming in. So where has the money been going? The money must have been going somewhere. It has been going into a bureaucratic jungle of civil servants that is probably 14 times bigger than it is here.

In Saskatchewan, one example would be their Public Insurance Corporation where their premium total is about 130 million or 140 million, about the same as Manitoba, and they got roughly 400 or 500 employees more. So when you politicize the civil service like that, no wonder the Leader of our party is a bit concerned when the disaster strikes, like it did last night, and there's going to be such an exodus of unemployed civil servants out there, or hangers on of government

whatever they might be called, that it's going to pretty tough job to try and absorb them by this government and a few others, Mr. Speaker.

But it's just interesting to look at the resolution that's been brought down, Mr. Speaker, by the Member for Thompson, who I'm afraid has got a long way to go before he understands some of the things that are trying to be accomplished by the financial policies across the line and a few other places, because in the resolution — "Whereas the adoption of dogmatic monetaristic policies has led to a level of unemployment of over \$3 million in the United Kingdom."

The system in the United Kingdom had built a reasonably economy over there until those that follow his particular line of thinking got control and as the saying goes, brought poor old Britain to her knees. It's only now that they're trying to pick up the pieces and get a handle on things and they are making pretty good progress, thank you, given an opportunity to bring that country back into some type of productivity where they can compete on markets that are available to them.

We have heard not much about inflation, as the Member for Morris said, it's been touched on once or twice. The members over there seem to feel that they can solve it by juggling the interest rate around. Their Premier is on record as saying he favours a 75-cent dollar. I wonder if he's taken the time to really figure out what a 75-cent dollar would mean as far as this province goes; not just solving the problem, but as far as this province goes. I would have thought that when they go attacking policies such as is being followed across the line or in the United Kingdom to endeavor to bring inflation under control and get some sense back into the economy and get it rolling again, that they would maybe sit back and pay attention to it. We've heard them ramble on, the Minister of Economic Development the other day said that she was going to encourage all of the companies that make profits to maintain the profits within this province. Well, where would be in Manitoba had that been a policy of all the corporations that have made money elsewhere? We wouldn't have an INCO in Thompson; we wouldn't have a Hudson Bay Mining and Smelting; there would be no development here whatsoever if you didn't have that foreign capital coming in.

These are the ones that stand up and ridicule it, such as the Member for River East has just done, ridicule the policies of that government, and yet when they need a couple of \$100 million they run down there to borrow it. You can't have it both ways. We've got them running around trying to co-operate with the United States and find some solution to holding up the Garrison Project. You're not going to get much co-operation with them by going around bashing them. Banks have made a little bit of money over the years. Probably very astute fiscal management and capable administration has enabled them to make a bit of a profit. At least they've got some capital investment in the country. You know, so many of the members opposite, the only capital investment they know is they got a scribbler and a pencil and they're in business. That's about the total of experience for 50 percent of them over there. They wouldn't understand profit and loss or capital investment, depreciation. It's amazing, Mr. Speaker, that they can stand up and

ramble through whereas and these policies of being copied in Canada resulting in the highest level of unemployment since the Depression of the '30s.

Certainly, unemployment is high. It's probably going to get higher, it's not going to go away. It's a system that's prevailing in our sphere of influence today. You're not going to change it in Manitoba. The First Minister gets up and rallies away and rants and raves about us favouring high interest rates. Nothing you can do about high interest in Manitoba. You can rant and rave about it, but you're not going to change it unless the policies change down in Ottawa; you know that and I know it. So, what's good this resolution going to do? — (Interjection) — Ah, you know how much influence you're going to have down there, you haven't even got any in Saskatchewan anymore.

But for someone as inexperienced and as naive as the Member for Thompson to bring this in. I don't know who talked him into it over there on that side, Mr. Speaker, but it's just unbelievable that this resolution should hit the floor of this House and we have to stand here and debate it, because it's absolutely ridiculous. — (Interjection) — We don't want to get into the Crow debate right now.

Mr. Speaker, the Member for River East touched on interest rates and it's a well known fact that at one time, maybe thirty years ago when you raised the interest rate, you slowed down borrowing. People said, well, it's going to cost me too much to borrow, so I won't borrow, so that slowed down the economy to a degree that it had some effect on the overall economy. But that has gradually changed over the years. Now a philosophy developed, how much a month is it going to cost me, as long as I can afford the monthly payment, I'll buy it. Consequently, interest rates have started to creep up and they've got to the point where that system just didn't dampen down the economy anymore. The government kept on printing money to meet the demand and when you stop doing that, you have to ration money. So, you've got the choice of having high interest rates or having no money. If you want to buy a new fridge or something, the bank says sorry, or the credit union, wherever you go to, says sorry, no money; we're very limited, maybe, come back next week, we might scrape up a couple or \$300 to let you buy your fridge. That's not going to help the economy that much either, so you've got the two lines of thought. You have to decide which is the best way to go.

They've thought across the line that high interest was the way to go to kind of slow things down and eventually cut unemployment, cut inflation and get the country back on the rails again, because regardless of what they say and how much they rally against our friends across the line, Mr. Speaker. Their system has built one of the strongest economies in the free world and they're carrying most of the free world on their back now, so you can't tell me that those policies have just got to be thrown away with the wind and adopt some stupid outdated socialist philosophy like they have.

Mr. Speaker, quoting from the Premier's speech to the Chamber of Commerce in Brandon, "Surely it's past time for Canada to show by its actions that the economic madness practiced in Washington has few friends here." What a statement for the First Minister

of this province to make when he's trying to negotiate on the Garrison, he's down borrowing money by the millions, and to knock his friends like that. "I'll deliver later," gloomy Pawley says. There are just so many things that have got involved in this resolution, Mr. Speaker. You just don't know which WHEREAS to take first. Quoting from a newspaper article, Mr. Speaker, "Similarly overmanned restrictive practices and uneconomic wage demands can price workers out of jobs."

Yet it is bankers and multinationals which get blamed, not socialist policies and unions, labour monopolies, which keep failing industries artificially alive and the economy threadbare and economic socialism is a proven failure, be it goods, industry, technology, material welfare, or human rights. It's been proven across the border from us, Mr. Speaker. Here was a promise with lots of wealth in their natural resources, supposedly well managed Crown corporations pumping in a lot of money into the coffers and yet it has failed. They have been thrown out in a defeat that hasn't been seen probably since God knows when. —(Interjection)— No, the defeat on the 17th was relatively a mild one, Mr. Speaker. This is the equivalent to having two, three people sitting over here, what's happened here to your socialist friends out there —(Interjection)— Next election? You won't talk about the next election. Old landslide over there, Mr. Speaker, talking about an election. You'll be long gone, young fellow. You're a one-term-er. You are a one-term member. You'll be long gone.

MR. SPEAKER: Order please. Would the honourable member kindly address his remarks to the Chair and not to other members directly.

MR. BLAKE: Sorry, Mr. Speaker. I accept your admonition. I got a little exercised at that great parliamentarian and economist over there from the riding of Thompson.

Mr. Speaker, it's just unbelievable that we would get into a resolution that is going to take the time of this House and keep us going for I don't know how many more days on it. We'll get to another WHEREAS here. "And WHEREAS these monetaristic policies have emphasized government cutbacks and the establishment of record high interest rates." Well, the Member for River East piled on about our cutbacks and our foolish policies that were practised when we were in government that has caused all the problems we've got today. What caused yours across the other side of the border? You weren't following these policies, Mr. Speaker. They weren't following these policies.

So, it is just something that has to be put to an amendment, Mr. Speaker, and get something that possibly we'll be able to vote on that makes some sense out of a resolution that is really senseless now because, as I mentioned before, the old system is still with us. It's been proven. All you have to do is adjust it and fine tune it to meet some of the changing situations that we face in a troubled economy today.

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

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr.

Speaker, this resolution is probably one of the most surprising I've ever read in my life, but it does really adapt itself to the monetary policies of the NDP party. I recall, Mr. Speaker, when Morton Schulman made the statement in an interview that was published in the paper in Winnipeg where he referred to the Member for St. Johns, Mr. Cherniack, when he was Minister of Finance as a financial ignoramus, made it very clear in his statement that was absolutely true. Mr. Cherniack, having more power in this party than any other person, even all of those sitting opposite, obviously has thrown his influence to the Member for Thompson who presented this resolution and certainly has thrown his influence with a large blanket over the Member for Inkster and unfortunately, Mr. Speaker, the present Minister of Finance is becoming the same category that Mr. Schulman has stated.

Mr. Speaker, you know, I always like to bring this little thing out once in a while. It is a Hansard from 1971, June the 25th, and Mr. Evans, the Minister of Economic Development at that time —(Interjection)— yes, yes. Now, let me just tell you what a financial wizard he was when Mr. Evans said, "Another example is Saunders Aircraft, a company that but for the grace of a few people and myself and my department, could have gone to Quebec." You know, Mr. Speaker, I wish the member had have not quite worked so hard to lose \$40 million of the people of Manitoba's money. —(Interjection)— Well, at CFI, maybe we could just read about that. —(Interjection)— I find it very strange that you should mention that.

Mr. Speaker, in 1970, June the 23rd, Mr. Schreyer stood up in this House with Mr. Reiser sitting right up there in the gallery and made this statement: "Mr. Speaker, I have a brief statement of information for the honourable members which I would like to read:

Representatives of MP Industrial Mills Limited have met with officials of the Government of Manitoba, the Manitoba Development Fund and Arthur D. Little Incorporated for the purpose of reviewing the status of MP Paper Mill project at The Pas.

"At the result of these meetings, satisfactory assurances have been given and additional certification procedures will be followed to ensure that the balance of the MDF loan monies available will be paid to suppliers and contractors towards the cost of completion of the project. The monies advanced will be deposited in a trust fund for the foregoing purpose."

Mr. Speaker, Mr. Schreyer, after he took government, sat down and renegotiated the whole procedures of CFI. The Minister of Energy keeps talking about CFI agreements and I'm not sure whether he was the Minister, the member in charge of priorities and plannings for the Schreyer government at that time, but he was one of the people that gave advice to the Schreyer government and the Schreyer government were the ones that negotiated the new arrangements on MP. You sit over there on the other side and disgracefully, disgracefully try to move away, move away from the arrangements that were put in place by Premier Schreyer, now the Governor-General of this country. —(Interjection)— Mr. Speaker, he says "Tell us how Reaganomics works." I started out by saying that Reaganomics, as far as I'm concerned, fits in the category of financial ignoramus. That's what Mr. Schulman said, that's what Mr. Schulman said about the

policies of Mr. Cherniack and Mr. Cherniack's financial policies are what are taking place in this government at the present time. I didn't bring up CFI, Mr. Speaker. It's been brought up today when I was speaking and it's been brought up several times.

Mr. Speaker, it would be rather good if honourable members, —(Interjection)— Mr. Speaker, if I refer to the whole story, I would refer the honourable member to a book by Mr. Walter Newman, passed away now, it's in the library, I refer you to it; I believe it's named "When Kasser came to Northern Manitoba"; I'll think you'll find it very interesting and after the member reads it, Mr. Speaker, he'll be very embarrassed about some of his comments that he makes across the House at the present time, which is the problem of the younger gentlemen on the other side, who display completely, even by the look on their faces, and they can talk about me not smiling as much as they like, but displayed by the look on their faces that they try to walk around impressing people that they know everything. Did you ever see a salesman at a store trying to sell something and the storekeeper's tying him in knots because the fellow doesn't know what he's talking about? Mr. Speaker, I refer to the honourable gentlemen opposite in that back row, who don't know what they are talking about most of the time, because they haven't taken the time to look at that.

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The Member for Kildonan who talks about economics, who is probably lost more businesses than anybody else in this room, now starts to talk about finances. Kildonan, Elmwood, pardon me. Well the Member for Kildonan hasn't, the Member for Elmwood I mean.

Mr. Speaker, the resolution reads "AND WHEREAS in particular the adoption of this approach by the previous Conservative Government of this province and their support of this approach at the Federal level has caused Manitoba economy to slip to the point that it was stagnant over the last four years."

Mr. Speaker, I say that is a downright misleading statement and when I get the chance to speak again, I will prove it to you all.

MR. SPEAKER: Order please. Order please. The time being 5:30, when we next reach this resolution, the honourable member will have 13 minutes remaining.

The Honourable Minister of Finance.

MR. SCHROEDER: Thank you, Mr. Speaker. On the understanding that the Committees of Supply will be meeting this evening, I move, seconded by the Minister of Northern Affairs, that the House do now adjourn until 2:00 p.m. tomorrow afternoon.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday)