

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 30 July, 1986.

Time — 2:00 p.m.

MR. CLERK, W. Remnant: It is my duty to inform the House that Madam Speaker is unavoidably absent and would ask the Deputy Speaker to take the Chair, in accordance with the Statutes.

OPENING PRAYER by Mr. Deputy Speaker.

PRESENTING PETITIONS

MR. DEPUTY SPEAKER, C. Santos: The Member for Portage.

MR. E. CONNERY: Thank you, Mr. Deputy Speaker. I beg to present the petition of Gloria Valdine Keeling, Donald Athol Stewart, David Burton Cameron, James Alexander Knight and William Watson Devine, praying for the passing of an act to incorporate the Portage District General Hospital Foundation.

MR. DEPUTY SPEAKER: Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. DEPUTY SPEAKER: The Member for Kildonan.

MR. M. DOLIN: Mr. Deputy Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again.

I move, seconded by the Member for Thompson, that the Report of the Committee be received.

MOTION presented and carried.

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

ORAL QUESTIONS

MTX - Discriminatory hiring practices - Saudi Arabia

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Deputy Speaker. My question is for the Minister responsible for the Manitoba Telephone System.

I wonder if he can inform the House why he refused to meet yesterday with the League for Human Rights of B'Nai B'Rith Canada.

MR. DEPUTY SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Mr. Deputy Speaker, I did not refuse to meet with anyone. There are people who are

doing some political grandstanding on this issue. They're not prepared to wait for the assembly of facts and the reporting in this House of facts.

Mr. Smordin for one - at my invitation, those groups met me in my office so that I could talk to them. They then established another agenda and established, apparently, another meeting.

I had an understanding with them that they and I would exchange some documentation, and then the media reported that I was ducking a meeting. No such thing occurred, Mr. Deputy Speaker.

MR. G. FILMON: Mr. Deputy Speaker, I regret that the Minister is implying that groups who have a legitimate concern for human rights are grandstanding on a particular issue. I regret that very much, Mr. Deputy Speaker.

My further question then to the Minister is: Is he prepared to meet at a later time with this group who have asked to meet specifically to discuss Ontario legislation and other items that were not discussed during the previous meeting?

HON. A. MACKLING: Mr. Deputy Speaker, I've indicated to that group that I'm prepared to receive constructive advice in respect to proposed legislation, but I am appalled that the proposed example or model we are to look at would be completely worthless in Manitoba.

I think that we do need some guidelines - maybe they're legislative guidelines. I will be looking, and this government will be looking at guidelines that would be more effective, perhaps looking at the American example. But the Ontario example, the Ontario legislation doesn't provide any answer to the questions that are raised in this House and by people outside.

MR. G. FILMON: Mr. Deputy Speaker, in view of the fact that the Minister is concerned that the information provided doesn't give adequate answers and there still are major concerns by various human rights groups about discriminatory hiring practices, I wonder if the Premier will agree to the public inquiry into the operations and hiring practices of MTX that these groups have been asking for.

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, as we've already indicated, this matter has been referred to the Canadian Human Rights Commission.

The Canadian Human Rights Commission will be advising us as to their course of action pertaining to this matter.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, I wonder if the Premier would not reconsider that position, in view of

the concerns that are being raised by many different groups, human rights groups, Jewish groups, women's organizations with respect to the potential that the laws and the standards that we set for ourselves here in Manitoba are not being met by companies that we have invested in and set up to operate in Saudi Arabia. Would he not agree to a public airing of all those concerns?

HON. H. PAWLEY: Mr. Deputy Speaker, it is because of that concern that we have in respect to the allegations pertaining to the alleged discriminatory practices that we've referred this matter to the Canadian Human Rights Commission for such action as they deem to be fit. When we've received advice from them as to their course of action, then we'll so advise.

Telecommunications equipment returned from Saudi Arabia

MR. G. FILMON: Mr. Deputy Speaker, my further question to the Minister responsible for the Telephone System is: Has he investigated and does he have information with respect to the telecommunications equipment which may have landed in Canada, and is being held in a bonded warehouse here in Winnipeg from Saudi Arabia?

HON. A. MACKLING: Mr. Deputy Speaker, I have information. I've asked for further information on it, because the information I received was not as complete as I wanted. The information that I have received indicates that there is some dispute with the Federal Government in respect to whether or not there is a customs duty to be paid on that return shipment. It's a considerable amount of money that's involved by way of a customs assessment or customs excise assessment. Therefore, there is argument about it.

I have asked for further information as to the date when it's been brought back, and I would like to know whether or not there couldn't be a disposition of the equipment while the issue is still being argued with the Federal Government. I haven't had that answer yet.

MR. G. FILMON: I wonder if the Minister could indicate what is the value of the equipment that's being held in this bonded warehouse.

HON. A. MACKLING: Mr. Deputy Speaker, I will be supplying that information, including the other information I've indicated, in due course.

MR. G. FILMON: I wonder what the cost of keeping this equipment in that warehouse is on a per diem basis.

HON. A. MACKLING: Mr. Deputy Speaker, I will certainly include that in the information I give later.

While I have the floor, Mr. Deputy Speaker, I would like to make it very clear that this Minister and this government have indicated to the Telephone System, to MTX that there is no discrimination tolerated in Manitoba. There can be no compliance with any discriminatory practice. Now that is very clear.

There is a reference to the Human Rights Commission in Canada to determine whether or not the

arrangements that we have, resulting from the joint venture, provide for discriminatory practice here, and we will abide by that decision.

Withdrawal from Saudi Arabia

MR. G. FILMON: Mr. Deputy Speaker, then my final question is, given the strong statement of principle that the Minister is making, when is he going to do something about it and stop the operations of MTX in Saudi Arabia?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, I regret very much that the Leader of the Opposition appears to have forgotten what he was advised last week, and which in fact he had indicated that he supported last week, and that was, because of the serious allegations and because of the position of this government that we will not tolerate discrimination whether it be Jews, women or any other minority group, it was for that reason the Leader of the Opposition applauded that we take this matter out of the political arena and ensure that the Canadian Human Rights Commission, chaired by Gordon Fairweather, who is a former Conservative Member of Parliament, well respected by all Canadians, give us a full report.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Given the position that the Premier is taking and the strong language he's using, when is he going to withdraw the investment from Saudi Arabia?

HON. H. PAWLEY: Mr. Deputy Speaker, I just answered the question that the Leader of the Opposition has just again asked for the second or third time.

Potash mine, Man.- status of

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

MR. L. DERKACH: Thank you, Mr. Deputy Speaker. My question this afternoon is to the Minister of Energy and Mines regarding the potash development in Western Manitoba.

I wish to say at the outset, Mr. Deputy Speaker, that neither my colleagues nor I are opposed to the development of a potash mine in Western Manitoba, provided that this venture is done on a sound economic basis.

My question to the Minister is, since he has now decided to proceed with the potash development in Western Manitoba and specifically the Russell area, I would like to know from the Minister if he would advise the House whether the decision to proceed with the development of the potash mine was based on the North American market requirements or was it based on the third world market requirements?

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

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker.

Firstly, with respect to that preamble, the leader of the Conservatives just a few days ago in the House suggested that it was something that should not occur, and the Member for Sturgeon Creek could read those words back. But if they have . . .

MR. DEPUTY SPEAKER: The point of order being . . .

MR. G. FILMON: On a point of order, I will not allow the Minister of Industry, Trade and Technology to put on the record a falsehood. I have not said that we are opposed to the investment in a mine provided that it's economically viable to do so.

HON. V. SCHROEDER: Mr. Deputy Speaker, it reminds me of the statement the Leader of the Opposition made about a month ago saying that he hadn't opposed our hiring policies at . . .

MR. DEPUTY SPEAKER: The Honourable Minister is supposed to answer a question from the Member for Roblin-Russell.

HON. V. SCHROEDER: Mr. Deputy Speaker, there was a preamble which indicated a change in Conservative policy and if that's a change then that's fine, we certainly welcome that on this side. I would tell the House, however, that we have not made a decision to develop the mine. What we are doing is the pre-development exploration; we're doing the determination as to the cost, the engineering feasibility as well as the sales feasibility. There has been no final decision taken.

MR. L. DERKACH: Mr. Deputy Speaker, there has not been a change on this side of the House with respect to the development of the mine in the Russell area, and the Minister is absolutely wrong in his statement and I wish he would withdraw that.

But in light of the fact, Mr. Deputy Speaker, that the Minister is indicating to us that they are still considering or making some more tests, will he then table for the House the economic analysis or the economic plan on which the decision will be made, and will he also be able then table for the House the f.o.b. mine price for potash which will be necessary in order for this venture to be viable?

HON. V. SCHROEDER: Mr. Deputy Speaker, the f.o.b. price of this particular product will need to be, indeed, a little bit less than that which would have been the case with respect to the mine which the previous government was prepared to invest a fairly significant amount of money in, because this mine happens to have a greater percentage of quality ore than the particular ore body which they had discovered. This orebody happens to be about 10 percent better in terms of ore quality.

As well as that, it is closer to the surface of the earth and therefore the costs of developing this mine are considerably less than the proposal which the previous government had had and in which it said it was going to have an equity position. So that what we're talking about here is a mine which if we proceed with it very clearly will be one of higher quality, of less cost, than

the one that the Conservatives were suggesting and at the same time their Energy critic in this House criticized this particular development during this Session. Their leader suggested just several days ago that Canamax had stopped participation, stopped working, stopped exploration, said they weren't going to do anything more. That's what the Leader of the Opposition said just several days ago in this House. But, as with the case of the Limestone hiring policies, he forgets so very quickly.

MR. DEPUTY SPEAKER: The Member for Roblin-Russell on a final supplementary.

MR. L. DERKACH: Thank you, Mr. Deputy Speaker. I'm just saddened by the fact that the Minister of Energy and Mines cannot answer a question directly but has to skate around it and politicize it.

Mr. Deputy Speaker, I'm wondering whether this government has now secured definite markets for the potash from the Manitoba mine, the potential Manitoba mine, and is the Manitoba Government still proceeding with looking for a partner in this venture?

HON. V. SCHROEDER: Mr. Deputy Speaker, we already have a partner. We are having further discussions with respect to other potential partners and we've had a number of people through within the last several weeks, indeed, in terms of the sales aspect, people from the Far East, people from India, Korea, the United States, around the world basically. — (Interjection) — Well, I'm not sure whether there is anybody from there, but we're prepared to take on all comers who are prepared to pay the price.

New Home Warranty Program - Flair Homes

MR. DEPUTY SPEAKER: The Member for Kildonan.

MR. M. DOLIN: Thank you, Mr. Deputy Speaker. My question is to the Minister of Consumer Affairs, among other things, and it relates to the New Home Warranty Program.

Recently it was reported in the newspaper some problems with Flair Homes on the streets off Jefferson Avenue with leaking basements in new homes. I have also seen homes built by this same organization where there was a light standard in the middle of a driveway, where there were cracked fireplace things. I'd like to ask the Minister what coverage these people can expect or what assistance from the New Home Warranty Program?

MR. DEPUTY SPEAKER: The Honourable Minister.

HON. A. MACKLING: Mr. Deputy Speaker, I thank the honourable member for that question.

I certainly will ask my Consumers Branch to give me advice in respect to what role our branch plays in respect to that kind of issue. I would like to indicate that I know Flair Homes has built many homes under the Homes in Manitoba Program. I think that they have been good homes. I hope that this isn't an extensive problem, both for the homeowners' sakes and for the company, but certainly I'll look into that question and report to the House.

MTX - Telecommunications equipment returned from Saudi Arabia

HON. A. MACKLING: While I'm on my feet, I have, since answering the earlier question by the Leader of the Opposition, received the further information I'd requested in respect to the equipment in the warehouse and wish to advise as follows: It was shipped from Canada to Saudi Arabia in September, 1984. It was returned in about February of this year.

The reason for the time lag was that MTX was trying, unsuccessfully, to find another customer in Saudi Arabia.

We have an argument with the Federal Government that, inasmuch as this equipment was being returned to the point of origin and, in light of the exports that MTX makes to Saudi Arabia, that we should only have to pay a preferential rate of tax.

The preferential rate of tax would be \$7,800, but at the rate the Federal Government would seek, it's \$94,500, because the equipment value is \$270,000.00. The type of the equipment is categorized as all Time-Plex equipment. Maybe you'd want a further description of that. It's sophisticated telephonic equipment. The difference in the customs argument, Mr. Deputy Speaker, is \$86,700.00.

New Warranty Program - Flair Homes

MR. DEPUTY SPEAKER: Does the Honourable Member for Kildonan have a supplementary question?

MR. M. DOLIN: With my apologies to the Leader of the Opposition, I'm sure, who's burning to ask many questions about the second part of the Minister's answer, I do have a supplementary.

The supplementary, Mr. Minister is: Will departmental officials be meeting with representatives from Flair Homes to see what they can do to sort out this problem?

MR. DEPUTY SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Thank you, Mr. Deputy Speaker. I will ask departmental officials if we do have that kind of a role, if it's within the ambit of the Consumers Bureau to certainly meet with Flair Homes staff and discuss the problem.

MR. M. DOLIN: A supplementary, Mr. Deputy Speaker. Would the Minister and/or departmental staff be willing to meet with representatives of the affected homeowners to assist them in taking appropriate action to solve these problems?

HON. A. MACKLING: Yes, Mr. Deputy Speaker, whether those homeowners are in the constituency of the honourable member or any other constituency.

MTX - Telecommunications equipment returned from Saudi Arabia

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, I wonder if the Minister responsible for the Telephone System could indicate why the equipment was rejected in Saudi Arabia and returned to Canada.

MR. DEPUTY SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Thank you, Mr. Deputy Speaker. Earlier I'd indicated that, at the committee hearing, the Chief Executive Officer of MTX had confirmed that the economy of Saudi Arabia has been suffering from the readjustment of oil revenues that it receives and there is a very substantial downturn in the economy of that country, a problem that is not unknown to other parts of our own country.

So because of those economic dislocations, some of the anticipated buoyant operations of MTX have not been what they were expected to be. As a result, there has been less productivity in that operation. The MTX board had already determined that we were going to be downsizing that MTX operation in Saudi Arabia and diversifying elsewhere.

MR. G. FILMON: Mr. Deputy Speaker, the Minister said earlier that the equipment was shipped in '84. That's a full year, more than a full year before the downturn in the oil prices, before the downturn in the world oil economy.

My question to the Minister is: Is he indicating to us that equipment was shipped without having a customer or an order in Saudi Arabia; that there was no order fixed and yet \$270,000 worth of equipment was sent over there on speculation?

HON. A. MACKLING: Mr. Deputy Speaker, I'm indicating that the anticipated sale of that product did not materialize and the product therefore was surplus to MTX there and had to be returned. It was returned in February of '86.

MR. G. FILMON: Mr. Deputy Speaker, is the Minister saying that MTX purchased \$270,000 of equipment on speculation without an order and sent it over to Saudi Arabia without having any commitment for it?

HON. A. MACKLING: Mr. Deputy Speaker, if the honourable member had recalled the information I gave to the committee, in the four years that MTX has been operative in Saudi Arabia, it has marketed \$8.8 million worth of equipment in Saudi Arabia. So an order of \$270,000 wouldn't be out of the ordinary, Mr. Deputy Speaker.

MR. G. FILMON: I am quite prepared to accept that an order of that magnitude isn't out of the ordinary but was there was an order for that equipment or was it sent over without an order and without a commitment?

HON. A. MACKLING: Mr. Deputy Speaker, I'm sure the Honourable Leader of the Opposition likes to hear himself repeat the same question. I've indicated that MTX in Saudi Arabia has felt the repercussions during the period from '84 to '86, during the period in which this equipment was shipped there to be sold, of the

downturn in the economy of Saudi Arabia. As a result of that, the request for that equipment obviously was negated and the equipment became surplus.

MR. G. FILMON: Does the Minister support the position or the practice of MTX of sending expensive equipment over to Saudi Arabia without any orders, on speculation? Is that government-supported practice and policy?

HON. A. MACKLING: Mr. Deputy Speaker, this Minister and this government does not anticipate that MTX is going to be sending equipment over in idle speculation of marketing. But I'm sure that when the committee meets, and the honourable member can ask the Chief Executive Officer, there will be a full explanation that there was a request for this equipment. It was anticipated to be marketed during that period, but the anticipated market disappeared.

MTX - Withdrawal from Saudi Arabia

MR. DEPUTY SPEAKER: The Member for Arthur.

MR. J. DOWNEY: Mr. Deputy Speaker, I have one question to the Premier.

Mr. Deputy Speaker, through you to the Premier, yesterday we in Health Estimates were told by the Minister of Health, or asked by the Minister of Health, for help to obtain funds to help run the Department of Health.

Will the First Minister, on behalf of those thousands of people waiting for elective surgery in Brandon Hospital, on behalf of those beds that are going to close because of a shortage of funds, will he take ahold of the government and his department and those corporations that are frittering the taxpayers' money away in Saudi Arabia? Will he withdraw those funds so that we can have the kind of care and the kind of needs looked after in this province? Will he carry out his responsibility as Premier?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, no one in Manitoba is fooled by that kind of political grandstanding in this Legislature just witnessed by members of this House, by the Member for Arthur. This government has provided funding, insofar as health care is concerned, that is comparable with funding that is available insofar as all provinces are concerned.

Cheap grandstanding, Mr. Deputy Speaker, does not fool anybody.

Bill 33 - changes to Section 45

MR. J. DOWNEY: Mr. Deputy Speaker, I have a question to the Minister of Municipal Affairs.

Just recently, the Minister of Municipal Affairs toured throughout the province, meeting with the different municipalities. I ask the Minister why he did not consult with those municipal corporations during those meetings dealing with Bill 33 when it came to Section 45? Why did he not discuss it with them, Mr. Deputy

Speaker, because there is strict opposition to it? Why did he not discuss that major change in the Municipal Act?

MR. DEPUTY SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Yes, thank you, Mr. Deputy Speaker.

The bill is still before this House and there will be ample opportunity for anyone to make comments on proposed bills.

MR. J. DOWNEY: Mr. Deputy Speaker, will the Minister immediately contact the President of the Union of Municipalities and the executive to fully explain to them the implications of Section 45, Bill 33? Will he immediately call a meeting with them so they can clearly understand and can base their opposition or put their opposition to him as Minister? Will he call that meeting immediately?

HON. J. BUCKLASCHUK: I should advise the Member for Arthur that the Union of Manitoba Municipalities and the Manitoba Association of Urban Municipalities know that the door is always open to them and they hardly need the bidding of the Member for Arthur to ask for me to meet with them.

Border town merchants - Man./Sask.

MR. DEPUTY SPEAKER: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Deputy Speaker. My question is to the Finance Minister.

On Friday, May 23, the Minister of Finance, several of his colleagues, and members of the Opposition met with businessmen who had businesses on the border towns of Saskatchewan with regard to the adverse effects of the reduction of the sales tax in that province on their businesses here in Manitoba. Has the Finance Minister made any decisions with regard to our sales tax for these businesses?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Mr. Deputy Speaker. No.

MRS. S. CARSTAIRS: Mr. Deputy Speaker, I didn't hear a word the Minister said.

MR. DEPUTY SPEAKER: The Minister answered no. The Honourable Minister of Finance.

HON. E. KOSTYRA: There was only one word: No.

MRS. S. CARSTAIRS: A supplementary question to the same Minister, Mr. Deputy Speaker.

Will the Minister give some serious consideration, in light of the fact that this week all of the dailies, and in the Brandon Sun, there will be advertisements placed by the Chambers of Commerce of Saskatchewan urging

Manitobans to shop in Saskatchewan because of the benefits of shopping there as opposed to Manitoba?

HON. E. KOSTYRA: The government is giving serious consideration to that issue. Just, I think it was a week-and-a-half ago or two weeks ago from another question of members opposite on the same subject, I indicated that the government was still monitoring the situation with respect to the border communities.

I did indicate at that time that the preliminary figures for the one month of experience of the change in Saskatchewan indicated that there was no decrease in the amount of sales tax revenue to those merchants in those communities.

It is our intention to monitor that further and to review the requests once we have additional information.

Drainage improvement - funding for

MR. DEPUTY SPEAKER: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Deputy Speaker. I direct my question to the Minister in charge of Natural Resources.

Mr. Deputy Speaker, the wet sands soils classification zone, south of Portage, north and northwest of Carman, have experienced tremendous agricultural floodings over the past two years now. Indeed, thousands of acres of those soil zones had to be harvested this Spring. Local authorities have been told by Natural Resources staff that monies are available so that people there can organize themselves into conservation districts.

My question to the Minister of Natural Resources: Will monies flow out of his department this year in support of increased and improved drainage within that area, particularly in support of improving the Overhill Drain?

MR. DEPUTY SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Thank you, Mr. Deputy Speaker.

I am sure the Member for Morris is aware that I did meet two days ago with representatives from the three municipalities involved. We had planned this meeting for some time, and there had been consultation with the people in the area, the municipalities, with respect to the possibility of formation of a conservation district. It was my understanding that they were coming forth to this meeting, indicating their preparedness to form a conservation district.

Unfortunately, during the course of the meeting, the discussion seemed to break down amongst the municipalities, and they were not able to put forth a commitment, an indication that they were unified in their approach to the formation of a conservation district. So my advice to them was to return to their respective municipal jurisdictions, clarify their positions and, if they could in fact come to an agreement to participate in a conservation district, that we would fulfill our commitment.

MR. C. MANNES: Mr. Deputy Speaker, given that there were millions of dollars of crop losses within that area and that there are major claims on the crop

insurance corporations, and further, given that a large portion of the potatoes needed to satisfy the requirements of the Carnation plant come from those specific soil zones, I would ask the Minister whether he is prepared to take any lead in that matter. Secondly, can he tell us for the record whether there will be funds in place once the people representing the various municipalities come to an agreement? Will there be funds eligible to flow this fall in support of improving the drainage?

SOME HONOURABLE MEMBERS: Oh, oh!

HON. L. HARAPIAK: Mr. Deputy Speaker, I agree fully with the Member for Morris that the farmers in the area are facing a very difficult situation. I have been in the area. I've had the opportunity to view the area from an aircraft, having been taken up by some of the farmers, so I am fully aware of the seriousness of the situation. We did indicate our preparedness to have funds flow for the project. We had indicated to the people who were present, given the time that is required to do a survey and a design, we did not want to leave a false impression indicating that if there was an agreement to enter into a conservation district, that in a weeks time they would be able to move some of the earth to deal with their problem. There is still need for a survey; there is still need for the design.

So they will, in all likelihood, have to be patient for some time. There is a possibility, if they move forward with their agreement, that some construction could take place this fall, but I would have to say in all seriousness that only a small portion of that would happen this fall given the time that is required to do the survey and the design. But I have to indicate to the House, as was indicated in that meeting, this is not a new problem. This problem has been under review for some 20 years. Whatever process was being used up to this point to resolve the problem obviously has not worked, and we appear to be on the verge of a solution. So I would ask them to proceed with their discussions at the municipality, and come forth to us with their commitment to this project.

Manitoba Hydro - hiring of non-union members

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

HON. V. SCHROEDER: Thank you, Mr. Deputy Speaker.

First, there was a question yesterday from the Member for Lakeside with respect to hiring practices at Limestone. I can tell the House that there have been no changes with respect to the union hiring clause in 20 years, from the Churchill Diversion through Kettle Rapids, Jenpeg and today, excepting of course for the Northern Native Hiring Clause, which has been changed in 1985, and which we've had discussions about.

As well, Mr. Deputy Speaker, the Leader of the Opposition was up earlier on a point of order saying that he was not opposed to the development of potash in this province and I said that, within the last week-and-a-half, he had said in this House that he opposed what we were doing.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Read the whole thing - it's a lie.

MR. G. MERCIER: Mr. Deputy Speaker, I ask you to bring the Minister of Industry and Technology to order, and warn him that further abuse of the Rules will not be tolerated.

MR. DEPUTY SPEAKER: All the members know that question period is for asking information and replying to requests for information.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: The Honourable House Leader.

HON. J. COWAN: Mr. Deputy Speaker, from his seat, the Leader of the Opposition distinctly yelled across the House and I quote him, "That's a lie." He is aware, you are aware, all members in this House are aware that is unparliamentary, and that he should take this opportunity to immediately withdraw that allegation.

MR. DEPUTY SPEAKER: On the same point of order, the Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, indeed, the Premier was making a statement to me across the way off the record, which I said was a lie, and that's exactly right. What he was saying to me and shouting across the way was not correct.

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, I don't know whether the Leader of the Opposition is suggesting that I accused him of lying. If that is the case, I did not, but the Leader of Opposition clearly, quite audible to myself and others in the vicinity of myself, said that is a lie. He was very, very clear, heard by all members of this Chamber. Yet, on Page 2135, as the Minister has pointed out very, very clearly, of Hansard, the statements by the Leader of the Opposition earlier this afternoon are blatantly untrue.

MR. DEPUTY SPEAKER: All the members of the House know that comments on the point of order should be strictly relevant to the point of order.

The Honourable Leader of the Opposition on the point of order.

HON. J. COWAN: Yes, and relevant to the point of order, the Leader of the Opposition has now indicated and put on the record very clearly that he, in fact, did shout across the House that that is a lie. It matters not the reason for him shouting across the House; it is unparliamentary for any reason, and he should, like a parliamentary person that he is, withdraw that statement and retract any allegation that he has made in respect to comments that were made by members of this side of the House, whether on their feet or off their feet.

MR. DEPUTY SPEAKER: The Leader of the Opposition on the point of order.

MR. G. FILMON: Mr. Deputy Speaker, the Minister of Industry, Trade and Technology, in conversation with the Premier, looked over at me and said, "You're a liar." I said, "That's a lie," and indeed it is, and I won't retract that. As long as he's allowed to say that; indeed, I will say that.

MR. DEPUTY SPEAKER: The Government House Leader on the point of order.

HON. J. COWAN: Yes, Mr. Deputy Speaker, the Leader of the Opposition knows full well that if he has heard a comment which he wishes to put on the record or take offence to, he has every opportunity to do that and, as a matter of fact, a responsibility, according to the rulings of many Speakers of many different Houses including the Speaker of this House as recently as of a couple of weeks ago, that we, as members of this House, have a responsibility to maintain decorum and to maintain order.

He had that opportunity available to him if, in fact, the comments which he suggests were said were said. He chose not to do that and instead he chose to yell across the House, that is a lie. He chose later to stand up and put those comments on the record. He has, Mr. Deputy Speaker, no decision left to him now except to withdraw those comments which everyone in this House knows are unparliamentary and cannot be let stand on the record.

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I want the Leader of the Opposition to clarify whether or not he was alleging I shouted toward him, "You're a liar." The first indication was from the Leader of the Opposition I had accused him of lying which is blatantly untrue. I want verification from the Leader of the Opposition.

MR. DEPUTY SPEAKER: I thank all the honourable members for their comments. I'd like to peruse Hansard, therefore, I'm taking this question under advisement and then I will report back to the House.

55-Plus Program

MR. DEPUTY SPEAKER: The Member for Springfield.

MR. G. ROCH: Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Member for Springfield has the floor.

Order please, order please.
The Member for Springfield.

MR. G. ROCH: Mr. Deputy Speaker, my question is to the Minister of Economic Security.

In view of the fact the 55-Plus Program was designed as, and I quote, "A provincial income supplement program providing quarterly benefits to Manitobans who are 55 years of age and over and whose incomes

are within certain levels," Mr. Deputy Speaker, as an example of eligibility, one of the booklet's criteria states persons that who, I quote again, "are single and have a total annual income of \$8,244.25 or less."

It goes on further to state that, for example, in the benefit area, "Maximum benefits of \$94 are paid quarterly to single persons with incomes of \$7,572.24 or less."

Yet, under Section D, this same booklet states, and I can quote it too, Mr. Deputy Speaker, "Provincial social allowances recipients receiving a 55-Plus supplement" - I'm learning from you, Gerry - "will have their social allowance benefits reduced by an equal amount."

My question to the Minister then is why is this government discriminating against certain segments of low income people especially those who may need it the most?

MR. DEPUTY SPEAKER: The Honourable Minister of Income Security.

HON. L. EVANS: Yes, Mr. Deputy Speaker, we are not discriminating against any particular group as the honourable member suggests. We have in Manitoba a basic social allowance program to provide the basic needs of people who have no other source of income. Those people can apply for 55-Plus and get assistance out of that program, but they should understand we have to look at the assistance they are being provided under the basic welfare program.

We look at their needs, calculate their needs, and provide them with the amount of income which is allowed under that program. So if they get any other source of income, whether it be 55-Plus or whatever, that simply has to be taken into account.

MR. G. ROCH: Well, Mr. Minister, why would a 59-year-old widow who was forced on to social assistance through no fault of her own and who is currently selling her house because she can no longer afford to maintain it, and who only receives \$2,364 a year annually from this government - the only income she has - why should a person such as her not be eligible for the 55-Plus Program? Technically she's eligible but it'll be reduced dollar for dollar. It doesn't help her. She's making less than 8,000.00.

HON. L. EVANS: Mr. Deputy Speaker, we are providing in Manitoba to the best of our ability a basic income for people who have no other sources of income. That is the basic program that's available for everyone. We have to take into account any other sources of income whether it be a supplementary pension program or whatever.

However, having said that, if the honourable member would like to send me the particulars of that individual's case, we can certainly look into it and just see if there is anything we can do. I would need to have those particulars from the honourable member.

MR. DEPUTY SPEAKER: The Member for Springfield on a final supplementary.

MR. G. ROCH: Mr. Deputy Speaker, I'd like to thank the Minister for wanting to cooperate with me, but I

would then like to ask him if the particulars show, in fact, she is not eligible for it, would this government be prepared to amend the 55-Plus Program so it does not discriminate against certain segments of the population, especially those who need it the most?

HON. L. EVANS: Well, as I indicated, Mr. Deputy Speaker, that individual can apply under 55-Plus and get the full benefits of 55-Plus. There's no discrimination on that side, but what we have is a provincial-wide social welfare program that takes into account all sources of income. Under that basic program we have, under an arrangement with the Federal Government which we cost-share with the Federal Government under the Canada Assistance Program, we have to look at all sources of income, whether it's 55-Plus or whatever. Unless the member is suggesting a major change in that program, the program is established and we have to operate it as it is now agreed to with the Federal Government.

MR. DEPUTY SPEAKER: The Member for Springfield, another question?

MR. G. ROCH: A supplementary.

The booklet definitely says, "Provincial social allowance recipients receiving the 55-Plus supplement will have their social allowance benefits Reduced" - and that's capitalized - "Reduced by an equal amount." Therefore, to me that is discrimination. Will this end, yes or no?

HON. L. EVANS: Mr. Deputy Speaker, I believe I've answered that question. We have a basic social assistance program in this province which pays out, incidentally, over \$150 million a year to people who are in dire circumstances and we believe we're maintaining a fairly reasonable program and we intend to carry on in that fashion, but we have to look at all sources of income no matter whether it's 55-Plus or Canada Pension Plan or whatever in order to treat everybody equitably under that basic program.

MR. DEPUTY SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: May I take this opportunity to announce to everyone and extend welcome to the former Speaker of this House, Mr. Peter Fox.

COMMITTEE CHANGES

MR. DEPUTY SPEAKER: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker. I have a change on Economic Development; Pankratz for Downey and Johnston for Manness.

ORDERS OF THE DAY HOUSE BUSINESS

MR. DEPUTY SPEAKER: The Honourable House Leader.

HON. J. COWAN: Mr. Deputy Speaker, this is to confirm on a matter of House Business the Standing Committee on Economic Development will review Flyer, MDC, and William Clare tomorrow at ten o'clock continuing on beyond at another meeting if required, starting out with a review of Flyer Industries.

For today's order of business, Mr. Deputy Speaker, I'd like you to call Bills No. 38 and 45 for Second Reading first, and then I will upon completion of those Second Readings ask you to call the adjourned debates in a specified order.

SECOND READING

BILL NO. 38 - THE SECURITIES ACT

HON. A. MACKLING presented Bill No. 38, An Act to amend The Securities Act; Loi modifiant la Loi sur les valeurs mobilières, for Second Reading.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Thank you, Mr. Deputy Speaker. Bill 38, An Act to amend The Securities Act, provides for the repeal of Part 9, The Securities Act, relating to takeover bids and its replacement with a comprehensive new set of rules relating to takeover bids and issuer bids.

The proposed amendment is the result of examination by several provincial and federal securities regulators of a report on Ontario's takeover bid legislation, released in September 1983. That report was prepared at the request of the Ontario Commission in 1982 by a committee of senior Securities Law Practitioners and was the subject of a further formal study by industry representatives released in November 1983. I have sent copies of these remarks to critics.

Thank you, Mr. Deputy Speaker, I have the encouragement of the Honourable Member for Sturgeon Creek to press on.

The proposed amendments are based upon these two reports, together with comments from interested parties. They have been agreed to by the Securities Administrators of Alberta, British Columbia, Ontario and Quebec, as well as our own Securities Commission.

To a substantial extent, they also have the concurrence of the Director under the Canada Business Corporations Act. Alberta and Quebec have enacted but not yet proclaimed legislation substantially similar to our proposed amendments. In British Columbia, their new act, which is as yet unproclaimed, is expected to be complemented by similar takeover provisions which will appear as regulations under the Statute.

It is our understanding that a similar bill, earlier exposed in the Ontario Legislature, is to be redrafted so as to embody certain desirable amendments, and reintroduced there this fall. We have already incorporated there - that's the Ontario proposed amendments - in this bill, now before the House, so that our provisions we expect will be virtually identical to those in the Ontario bill except for a few additional sections in the Manitoba bill necessitated by other minor differences in our legislation.

I should mention too, that Ontario is also working closely with Quebec and Alberta in effecting the proposed changes. In the result, if the amendments proposed by this bill are enacted in Manitoba, our legislation will become substantially uniform with the legislation of the provinces previously referred to.

The maintenance of uniformity is extremely important in the area of takeover bid legislation, especially with the securities markets becoming increasingly national and international in nature.

Mr. Deputy Speaker, before I go on to outline in a general way the more important provisions of the proposed takeover bid legislation, let me make some comments with respect to this area of our legislation as it existed prior to these proposed amendments. The takeover bid provisions have, except for minor amendments, remained virtually unchanged since the enactment of the current Securities Act in 1968.

Ontario made one major change in 1980: the so-called follow-up offer obligation but it has proved to be a most troublesome concept to administer; was not copied by other provinces; and is now being dropped by Ontario in favour of a new approach to the continuing problems of securing equity for all shareholders of a target company, and reducing the number of difficult interpretive questions that have risen in this field.

The primary objective of takeover bid legislation is to ensure that shareholders of the target company receive adequate disclosure as to the terms of the offer; and secondly, that all shareholders are treated equally. Accordingly, takeover bid legislation in the past has prescribed detailed rules relating to disclosure, the forms of the offer, the length of time it can remain open, when shares can be deposited and withdrawn, and when shares must be taken up and paid for.

Takeover bid legislation has always recognized that there are certain situations where compliance with the technical rules respecting takeover bids is not required and would result in a great deal of unnecessary expense without affording any additional protection to shareholders of the target company. Consequently, there are exemptions for takeovers of private companies: takeover bids made through the facilities of a stock exchange; takeover bids where there are only a minimal number of shareholders in a particular province; and finally, takeover bids that substantially involve a private agreement between a limited number of parties.

In that regard, since 1969, there has been an exemption from the takeover bid rules for an offer made to less than 15 shareholders of a company and which is not available to shareholders generally. In such situations, no compliance with takeover bid provisions is required and the offer is an exempt offer.

It was the apparent abuse or unfairness of this private agreement exemption, in situations where a premium offer was made to the controlling shareholders of a corporation, that prompted Ontario to introduce the follow-up offer obligation referred to earlier. That obligation required a person who acquired control through an exempt agreement, and at a significant premium over the price in the marketplace, to make a follow-up offer within 180 days to all shareholders of the public corporation holding the same class of shares.

The consideration in the follow-up offer had to be equal in value to that offered in the private agreements.

The object was to insure that the minority shareholders would share equally in the premium with controlling shareholders and I would specify that control is equated in the legislation with 20 percent or more of the voting securities of a public corporation.

While the principle of insuring equal treatment of controlling and minority shareholders was sound, the problems created by the follow-up offer obligation were numerous. In particular, there were instances where companies which had purchased controlling interest at a premium subsequently had insufficient resources to make the follow-up offer. The result was that lengthy disputes arose as to whether or not it was mandatory to make the follow-up offer and indeed, where the company was short of funds, it was impossible to enforce the making of the follow-up offer.

In addition, there were problems in determining whether or not the premium paid was in fact a premium of a size that triggered the obligation to make a follow-up offer. As well, the legislation contained a concept of equivalent consideration and problems arose in determining what constituted equivalent consideration in specific cases; problems which were not easy to resolve.

The proposed amendments, Mr. Deputy Speaker, are largely designed to set out a new framework to protect minority shareholders where an attempt is made to achieve control over a public corporation through a private offer to controlling shareholders, without running into follow-up offer obligations and the many problems spawned by that concept. This is achieved in a proposed bill primarily, by restricting the availability of the private agreement exception.

Under the proposed legislation a person can only make an exempt private agreement with five persons or fewer, rather than the 15 permitted in the current legislation. If the offer price paid the vendors exceeds the market price by more than 15 percent, the private agreement exemption will not be available. The transaction would be unlawful and could be enjoined by a court. The acquisition at a price greater than 15 percent above market price must be made, if at all, through a single offer to all shareholders for an identical consideration; the allowable 15 percent premium in an offer made to five persons or less, recognizing that controlling shares may have some value in excess of the market price. However, if a person is willing to pay more than a 15 percent premium for a controlling interest, the theory is that shares in the marketplace are probably underpriced and consequently, it would be inappropriate that the controlling shareholders be paid a larger premium without minority shareholders being able to participate and tender shares under a bid.

As indicated earlier, this is perhaps the change of greatest substance which is effected in the proposed amendments. This provision, as outlined, has been advanced as the most equitable way of resolving the issue of equal treatment of controlling shareholders and minority shareholders in takeover bid situations, while at the same time allowing a person the ability to acquire control by private agreement.

In addition, provision is made for an early warning system whereby when an offeror's holdings in a class of voting securities reaches 10 percent, but not the 20 percent required for a takeover bid, the offeror will be

required to make public disclosure of the fact. This provision is designed to alert the marketplace to the assembly of substantial holdings that might lead to a takeover bid.

There are also provisions designed to prevent collusion by different parties in making separate offers to achieve a control position without complying with the takeover bid requirements. In this regard, an offeror and those acting jointly or in concert with him will be treated as one offeror.

Among the other significant changes in the takeover provisions are the following:

(a) restrictions on conditions in a takeover bid are removed;

(b) amendments are made to the rules governing takeover bids and issuer bids; for example, the right of withdrawal of securities deposited under a bid has been extended to 21 days which then becomes the earliest date upon which the offeror can take up and pay for the shares. If the offer remains open for more than 45 days, a depositing shareholder can after the 45th day withdraw any deposited securities not taken up and paid for. Under current legislation, shares could only be withdrawn during the first seven days of the bid and the offeror, if the bid was for all shares, could start taking up and paying for deposited shares at that time. However, if the bid was for less than all shares, no shares could be taken up until the expiry of 21 days.

In the proposed legislation the rules are the same, whether the bid is made for some or all shares of the target company, and the offeror is given greater flexibility in structuring his takeover bid;

(c) new remedial powers are conferred on the Commission and the Court of Queen's Bench in regulating takeover and issuer bids.

It must also be noted that the proposed amendments apply to takeover bids and issuer bids. Our current legislation has minimal application to issuer bids; that is, offers by a company to acquire its own securities, but extensive issuer bid provisions have existed in the Provinces of Ontario, Quebec, and Alberta for some time. With the enactment of the proposed amendments, companies making issuer bids to Manitoba shareholders will become subject to the same issuer bid provisions that apply in other jurisdictions.

Mr. Deputy Speaker, this bill when enacted and when complemented as anticipated by similar legislation in other provinces will create a substantially improved, regulatory scheme for takeover bids and issuer bids. That scheme will protect the bona fide interests of all shareholders of a public corporation, both minority and majority shareholders, while at the same time giving offerors greater flexibility in structuring bids. By our enactment of legislation in this area which conforms with that in other provinces mentioned, Manitoba shareholders will not only be excluded from bids made in other jurisdictions and Manitoba shareholders will enjoy the same rights and protections as shareholders in those other provinces. With all of that, Mr. Deputy Speaker, I commend this bill to the members of the House.

As I indicated earlier, I have sent copies of these remarks and hopefully they have found their way to the Opposition critic. Thank you.

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

MR. G. MERCIER: Mr. Deputy Speaker, I move, seconded by the Member for Morris, that debate be adjourned.

MOTION presented and carried.

BILL NO. 45 - THE CIVIL SERVICE SUPERANNUATION ACT

HON. E. KOSTYRA presented Bill No. 45, An Act to amend The Civil Service Superannuation Act; Loi modifiant la Loi sur la pension de la fonction publique, for Second Reading.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Mr. Deputy Speaker. I'm pleased to introduce Bill No. 45, An Act to amend The Civil Service Superannuation Act, and I have provided a copy of my extensive speaking notes to the Opposition House Leader.

I wish to draw members' attention to the one benefit improvement incorporated in this bill. Commencing September 1 of this year, an individual's pension will be calculated using the best five year's earning rather than the current six years. Pensions will increase about 3.5 percent once the new formula comes into effect. This improvement comes after lengthy discussions with employee representatives and brings the Manitoba plan into line with most Canadian public sector plans and the Manitoba Teachers Pension Plan. Contribution rates will remain unchanged since employees will finance their share of improvements from the fund's surplus. In addition, the fund will forgive participating employers their costs associated with this improvement for a three year period and employee representatives have agreed to the removal of potential government obligations for fund deficiencies.

The bill also contains a number of amendments of administrative or housekeeping nature; amendments which clarify the meaning of certain terms or certain anomalies.

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

MR. G. MERCIER: Mr. Deputy Speaker, I move, seconded by the Member for Morris that debate be adjourned.

MOTION presented and carried.

HOUSE BUSINESS

MR. DEPUTY SPEAKER: The Honourable House Leader.

HON. J. COWAN: Yes, thank you, Mr. Deputy Speaker. Before advising you of the order in which the bills are to be called today, I'd like to correct an earlier statement I made regarding the Economic Development Committee.

It's my understanding that the Opposition would prefer William Clare, MDC and Flyer called in that order, rather than the reverse order which was given to you earlier. So we are agreeable to that. The committee would then consider William Clare first, MDC second, and Flyer third.

I'd also like to indicate that if required today, to carry on with these Adjourned Debate on Second Readings of the bills. I understand there is an inclination on the parts of all members to forego Private Members' Hour and if that time is required — (Interjection) — Sorry?

Well, can you please call, Mr. Deputy Speaker, the Adjourned Debate in the following order - and I'd looked to the Opposition House Leader to correct me if I've gotten these requests out of order, inadvertently so - Bills No. 26, 27, 34, 35, 36, 5, 11, 15, 31, 41 and Bill No. 4.

ADJOURNED DEBATE ON SECOND READING

BILL NO. 26 - THE PUBLIC TRUSTEE ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 26, An Act to amend The Public Trustees Act, standing in the name of the Member for Emerson.

MR. A. DRIEDGER: Mr. Deputy Speaker, I stood the bill for the Member for St. Norbert.

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

MR. G. MERCIER: Thank you, Mr. Deputy Speaker. We've had an opportunity to review the bill and the Minister's remarks and we're prepared to pass this bill onto committee for public representation.

QUESTION put, MOTION carried.

BILL NO. 27 - THE LIQUOR CONTROL ACT

MR. DEPUTY SPEAKER: Adjourned Debate on Second Reading of Bill No. 27, on the proposed motion of the Honourable Attorney-General, An Act to amend The Liquor Control Act, standing in the name of the Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Speaker. We have reviewed this bill. I note there appears to be a conflict with the Manitoba Medical Association and the Alcoholism Foundation of Manitoba with respect to their differing views on whether the definition of alcohol should be lesser than 1 percent.

It would be helpful to members of the Opposition, if the Attorney-General could provide us with the view of the Alcoholism Foundation. Perhaps it might be appropriate if they wished to invite them to the committee when the bill is considered.

Perhaps the Attorney-General could also give us an undertaking that he will inform the Manitoba Medical Association when the bill will be dealt with in committee so that committee can have the benefit of the views of both organizations with respect to this matter,

because there certainly does appear to be on the surface of it a legitimate concern by the Manitoba Medical Association with respect to the sale of alcoholic beverages containing less than 1 percent alcohol, but which are available to young children.

Mr. Deputy Speaker, I think if we had the views of both organizations, the committee might have a better understanding of the problem and the legislation will eventually come back to the House.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, Mr. Deputy Speaker, that's a good suggestion. I will send the Opposition critic, the Member for St. Norbert, the AFM brief today, or at the latest tomorrow, and I will contact both groups with respect to the fact that this will be slated for committee and they will be notified when committee is called.

QUESTION put, MOTION carried.

BILL NO. 34 - THE CONSTITUTIONAL QUESTIONS ACT

MR. DEPUTY SPEAKER: On the Adjourned Debate on Bill No. 34, on the proposed motion of the Honourable Attorney-General, the Constitutional Questions Act, standing in the name of the Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Speaker.

We also again had an opportunity to review the provisions of this act and I would only ask that perhaps the Attorney-General could, when he's concluding debate on the matter, indicate who has reviewed the drafting of this bill, what parties have been involved in it, the Bar Association, the judges, etc. I certainly would expect that would have been the case and would like to have that confirmed by the Attorney-General.

MR. DEPUTY SPEAKER: Does the Attorney-General wish to conclude debate?

HON. R. PENNER: Yes, Mr. Deputy Speaker.

The bill was prepared essentially in the Constitutional Law Branch and reviewed by Legislative Counsel, but before being finalized, draft copies were sent to the Chief Justice of the Court of Appeal and the Chief Justice of the Court of Queen's Bench.

The Chief Justice of the Court of Queen's Bench indicated that he had no problem at all with the bill. The Chief Justice of the Court of Appeal, through Mr. Justice Philp, raised a question about one term and that was clarified but with the rest of the bill they had no problem. So that's the consultative process which was used.

QUESTION put, MOTION carried.

BILL NO. 35 - THE INTERNATIONAL COMMERCIAL ARBITRATION ACT

MR. DEPUTY SPEAKER: On Adjourned Debate on Second Reading on the proposed motion of the

Honourable Attorney-General, Bill No. 35, The International Commercial Arbitration Act, standing in the name of the Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Speaker.

Again we've had an opportunity to review this act and the background paper which the Attorney-General was kind enough to supply me with and we're prepared to pass the bill on to committee.

QUESTION put, MOTION carried.

BILL 36 - THE REAL PROPERTY ACT AND VARIOUS OTHER ACTS AMENDMENT ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 36, The Real Property Act and The Various Other Acts Amendment Act, standing in the name of the Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Speaker.

Again we've had an opportunity to review this matter and a detailed explanation of the various sections of this bill. It would certainly appear at first glance, Mr. Deputy Speaker, there will be many improvements in the system, and certainly the system does need improving.

As has been mentioned in the House, Mr. Deputy Speaker, there is now a situation in the Land Titles Office where there are lengthy delays in the processing of transfers of land and mortgage and land title documents. It is a system that must be improved when registrations are being delayed now by certainly up to five weeks. The computerized system, no doubt, when fully in effect will help to resolve that matter.

There are some definite improvements contained in this bill. There are at the same time some detailed questions that we would like to ask in committee.

We are prepared now, Mr. Deputy Speaker, to pass the bill onto committee for those questions to be answered. We do note that the bill has been reviewed and there would appear to have been good consultation with the Bar Association and various committees, and we think that's very appropriate.

QUESTION put, MOTION carried.

BILL NO. 5 - THE TRADE PRACTICES INQUIRY ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs, Bill No. 5, An Act to amend The Trade Practice Inquiry Act, standing in the name of the Member for Fort Garry.

MR. C. BIRT: Thank you, Mr. Deputy Speaker.

I have a few comments on the particular section that is the essence of the amendment to The Trade Practices Inquiry Act and I've had an opportunity to review some other legislation to see if a similar power is contained as is found in Section 5(1) of the proposed amendment.

I have also contacted the Legislative Counsel's office to see if this particular principle is contained in any

other specific legislation in Manitoba. I have been unsuccessful in attempting to find something and I'm advised that to their knowledge this would be the first time this type of principle is contained in legislation. However, I must admit to the House that my research hasn't been exhausted.

But the concern that I have, and if this is the first time, and I think it is, it is setting a dangerous precedent as far as legislative power and ministerial discretion is concerned. I'm referring to the phrase: "Where the Minister has reason to believe that any of the conditions set out in section 3 may exist in a trade . . . "and that raises two fundamental problems.

One problem is the question of "may exist in a trade." It doesn't say, exist in a trade - "may." It means the Minister can say, I think I believe something may be occurring. This would trigger an inquiry. It shifts the burden of proof, not from a fact-finding situation, but it shifts the onus to the individual concerned who may be the recipient of the so-called inquiry. Because when you look at what the act covers and the investigative powers in the act, it relates to a wide range of activities in the marketplace that you can find in Manitoba.

It talks about misleading or misrepresenting in the advertising of selling, offering for sale, or otherwise dealing in articles or products or the manufacturing selling, offering for sale or otherwise dealing in improperly adulterated or diluted articles of products. Clearly, all of this, the intent of the act, is to make enquiries where a complaint is lodged concerning some particular aspect of some trade operation. What we have now is not a response to a complaint by citizens who may have some concerns, is a political belief, no matter how well-meaning it is held that something is wrong.

So the Minister says I think something may be wrong in a particular industry, such as, Mr. Jones operating a small gas station at the corner of Broadway and Osborne, for example. That would then trigger an inquiry. That inquiry must show that the Minister was correct and then the onus shifts to the individual to prove that he didn't. It's like saying, when did you stop beating your wife? Firstly, the individual under examination must prove (a) that he was beating his wife, and then give evidence when he stopped beating his wife.

Mr. Deputy Speaker, the fundamental premise is there is a shift in onus, in other words, a reverse onus, being introduced by this legislation. That reverse onus clause, as we see by the Charter of Rights, is now being struck down in the various statutes in this country, yet here we have being introduced a reverse onus clause that, quite frankly, does nothing to promote respect for the law; does nothing to protect or enhance the image of the Legislature or government, and then brings it down to a whim of a politician. That probably is the most damning part of this whole thing.

If the Minister wishes to institute an investigation, do it. But usually there has to be some justification. Now we must rely on a whim. No matter how balanced or unbalanced that particular person might be, he can bring forward a whim and say, you prove to me that I am wrong; clearly a violation of how our parliamentary system operates; clearly a violation of our system of justice in this country; clearly an abdication of responsibility of accountable government. We now have

political power vested in a Minister with a whim or an urge to do something, for whatever reason at whatever time.

It's frightening when the whole process of government at one time used to be serving the people; now the people are becoming subservient to the government. This does nothing to curtail the authority or the control of government. In fact, in the last 20 years in the democracies of the Western World, a process of countervailing controls over government and politicians have been put into place. This Minister is trying to dismantle those controls and bring about persecution and perhaps destruction of individuals because of a whim; a whim, which I might add, is trying to buy favour or save face for a politician who made an extraordinary promise during an election. He was going to roll back the price of gasoline. Yet now we have a whim going to be enshrined in legislation and that whim will produce nothing but ill times for the people of Manitoba.

When you look at the whole gambit of trade in this province that this Minister can now express his whim, Mr. Deputy Speaker, his prejudices can start interfering with good judgment because we're dealing with a whim; not substance, no reason, nothing more than political cheap gainsmanship.

Unfortunately, Mr. Deputy Speaker, for a Minister who has always cried fowl about intrusion on individuals' rights and liberties, a Minister who has championed the cause of the underdog all his life, I find it rather surprising that he would bring such a large sledgehammer to prop up a political promise made in ill-conceived time with great haste and without thought. It's actually rather saddening to see a Minister with his record, as it relates to the rights of individuals, introducing something like this, because he may not wish to unleash this whim on the public or the individual, some other Minister might.

For the reasons that my leader and others on this side have expressed so far on this debate, and for the reasons I have indicated, I will not be supporting this bill and I will do everything that I can to try and defeat it.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Deputy Speaker.

I, too, have a few comments I'd like to place on the record in regard to this bill. I think in any Session there are a few number of bills which properly define some of the distinct differences between the major parties in this Legislature. I think there are a number of bills this Session which are clearly in that category and this is certainly one of them. I think all one has to do is to review some of the comments that have been made today by the Member for Fort Garry, and also by the Leader of the Opposition, to see exactly what those contrasts are.

I think, Mr. Deputy Speaker, if one looks at it, the Opposition has clearly made up their mind in advance in regard to the trade practices in a series of areas including, most specifically, that of gasoline. They made some pretty bold statements about a study that was conducted in Manitoba a couple of years ago and about a federal study, Mr. Deputy Speaker, which they indicate

there are no problems in that particular industry. I would take issue with that. I would certainly take issue with any suggestion that that study in Manitoba indicated that because I am probably more familiar with that than anyone, being one of those that asked for that study in the first place.

Mr. Deputy Speaker, the study was made public, for the Member for Gladstone, and it's unfortunate that the Leader of the Opposition did not, at that time, take the opportunity to read it because, if he had, he certainly would have said that study indicated that the pricing structure of the oil companies in Manitoba is justified, because it did not. Basically that study was a study which attempted to look at some of the causes. It made no real conclusions about ways in which to deal with the pricing structure. It really basically just analysed the way the pricing structure is.

I would submit, too, that is also the problem that the Leader of the Opposition had in regard to the federal study. I would note for the record that the Leader of the Opposition referred, not to the study itself during debate, but an editorial on the study in the *Globe and Mail*. Well, surely, Mr. Deputy Speaker, if the Leader of the Opposition is going to refer to a study such as that, he should refer directly to it and not an editorial. Basically what he was doing was recycling somebody else's opinion of the matter.

I think if one look at it, certainly if one looks at that Manitoba study, certainly if one looks at the present situation in regard to gasoline pricing, I think it will be apparent to anyone that there are problems.

I would note, for the record, that today there was an article in the *Free Press* reporting the fact that the Motor League and the Consumers Association, both indicated it was their opinion that gasoline prices are too high in this province. Now that's not the NDP; that's not the provincial government. Those are two independent organizations. Both have come to the conclusion, that I think many other people in this province have, and that is that the pricing structure we have at the present time is not fair.

I'm surprised, Mr. Deputy Speaker, given the number of rural members on the opposite side, that they're not reflecting that in their comments because concern about gasoline pricing is not restricted to Northern Manitoba, although certainly it's a major concern up there. I think it's something that exists also in rural Manitoba and also in the City of Winnipeg. I don't think the average person in the City of Winnipeg, Mr. Deputy Speaker, I don't think if you look at the situation, that the average person in Manitoba feels that the oil industry has a fair pricing structure.

That's where we start. I think the next thing we do is we deal with it, as is being done at the present time, with a detailed study, not only of what the problem is, but possible solutions to that problem. I think that's the way to proceed; not as the Leader of the Opposition did to assume that because the NDP is somehow concerned about this, that because he's in the Opposition he should indicate that he feels there's no problem in the gasoline industry, because I don't think that's the case, Mr. Deputy Speaker.

Nor do I think it appropriate for members opposite to try and tie this into the election statements in regard to the gasoline prices, because if one looks at the record, I think one will find that the Premier, during

the election, stated that action would be taken if the price did not drop by 9.5 cents a litre and the price did drop by 9.5 cents a litre.

He indicated beyond that he wouldn't have stopped there, that he would bring in this investigation to deal with other questions such as the question of pricing in rural and Northern Manitoba, Mr. Deputy Speaker, and that's being done as well. So what this bill is really doing is not anything related to any of the sort of suggestions from members of the Opposition, but it's basically attempting to build in a better remedy if there are problems, not just in the gasoline sector but in other areas as well.

So, really, this is the next stage. If a problem is identified by the study, then this provides the remedy, and I think that's important because if you look at the situation that's occurred in regard to the particular industry, the gasoline industry, the oil industry, I think you'll find that the clear jurisdiction has been at the federal level, but a series of Federal Governments have refused to deal with the complaints about the pricing in that particular industry. So what we're left with at the provincial level is we don't have the direct jurisdiction, but we do have some ways of attempting to deal with the problem. That's where this bill falls in. I see it as providing a remedy where there are clearly unfair practices in trade.

I would say, Mr. Deputy Speaker, that I'm surprised in a way that members opposite don't support it, because they often talk about the free enterprise system. Surely, Mr. Deputy Speaker, the key to the free enterprise system that they often talk about is making sure that there's fair and proper competition. Surely that is the case.

The Member for Fort Garry suggests I don't understand what that term means. I can indicate I do understand it. I don't feel that is best served, Mr. Deputy Speaker, when you have oligopolies which engage in price fixing and other techniques, which basically mean that the consumers face no real competition when they purchase that commodity. That's not free enterprise. That is not a competitive economy, Mr. Deputy Speaker.

In fact, that's been the history of the oil industry, right back to the beginning of this century. It's something I think we have to finally and ultimately deal with at some time, as we do in other areas where monopolies or oligopolies have basically dominated those industries to the point where consumers are clearly not getting a fair shake.

So, Mr. Deputy Speaker, as I indicated, I did want to put these comments on the record. I wanted to indicate clearly that I support this legislation. I wanted to indicate clearly that I support the initiatives of this government in investigating the pricing practices in the oil industry, as I would support in other industries where there are allegations in regard to improper pricing or other trade practices.

I would hope that the members opposite would reconsider their stand, put aside their obvious political gut reaction of coming to the defence of these industries. We've seen it in the case of the banks, in The Family Farm Protection Act. We've seen it in this case in regard to the oil companies. Mr. Deputy Speaker, surely they can put aside their own gut reaction to come to the defence of those industries, and see that perhaps they're not as perfect as they make them out

to be. Perhaps they could talk to some of their constituents, some of my constituents who feel that those industries are not treating them fairly. Perhaps, they could join with us and attempt to deal with it.

I think, in the case of the oil industry, we've had various studies federally. We've had this most recent study provincially. I think there's a golden opportunity to straighten out that industry to ensure that rural and Northern Manitobans, in particular, get far better treatment, to ensure that all Manitobans, in the City of Winnipeg, as well, get better treatment. That's what I'm saying; that's what this government is saying, Mr. Deputy Speaker; that's what the Motor League is saying; and the Consumers' Association are saying. I would say, it's what most ordinary Manitobans are saying as well, regardless of what the members of the Opposition say. They want to get the bottom of this. They are supportive of this kind of legislation and I think they're behind us 100 percent.

So with that, Mr. Deputy Speaker, I, for one, fully support this bill.

MR. DEPUTY SPEAKER: The Member for Minnedosa.

MR. D. BLAKE: Mr. Deputy Speaker, I hadn't intended to speak on this bill until the Member for Thompson stirred me to make one or two remarks before the Minister closes debate and passes it on to committee.

I think our leader, in the initial remarks, placed our position on the record abundantly clearly in our opposition to this bill because once you get a government agency poking around in the marketplace, we all know what that's going to lead to. It's going to lead absolutely nowhere.

I sympathize with the Member for Thompson on the gas prices in the North, but he had instituted a study some couple of years ago on the gas prices. It accomplished absolutely nothing, but cost the taxpayers some money.

The Premier went around at election time and said gas prices will be down by 9-point-some cents by April 2. Everyone knew that. The gas companies could have told you, once the fuel was out of the pipeline, that they would have been down 9 cents by the 1st of April. Everyone knew that, except maybe the gullible voters that the Premier was able to convince. Certainly, it was cheap politics.

He could have reduced it another 9 cents by taking the Provincial Government tax off gasoline prices. I know the member represents an area a little further north than Flin Flon, but I was just in Flin Flon last week and you can buy gas in Flin Flon cheaper than you can buy it in my hometown of Minnedosa. You know the reason for that? I'm sure the Member for Thompson knows the reason for that, Mr. Deputy Speaker. It's close to the border. In Saskatchewan, the Conservative Government out there had the good foresight to give the motoring public a break by taking their tax off and reducing the gas prices, 33 cents in Regina where I was a few weeks ago. It's pretty nice, compared with 47 cents, 47.9 cents. Gas in Swan River, which is represented by the Minister of Natural Resources, is cheaper than it is in my hometown.

So don't go on about the unfair pricing of the gas companies. I don't sympathize with the gas companies

at all. I think gas prices are a way too high and could have been brought down.

He even mentioned the banks, indicating that there was no competition among the banks. Well, he hasn't been studying the banking industry very much over the last 20 years, Mr. Deputy Speaker, or he would understand a little bit more about the competition.

So I say that the remarks of the Member for Thompson were entirely off-base. They have no bearing on the relativity of this bill whatsoever. We certainly, on this side, are not wavering from our position in opposing this bill all the way, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: Does the Minister wish to close debate?

The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Thank you, Mr. Deputy Speaker.

First of all, I would like to say that I genuinely appreciate the comments of the members who have spoken on this bill, and I include those who have spoken, given their views, against the bill. I sincerely appreciate the view of the Member for Thompson, because he

. . .

MR. A. DRIEDGER: You're the only one.

HON. A. MACKLING: Well, the Honourable Member for Emerson says, I would be the only one. I would like to remind the Member for Emerson that he used to call the Honourable Member for Thompson "landslide," because of the relatively small margin of the Member for Thompson's victory in 1981. He no longer calls him "landslide," Mr. Deputy Speaker, because of the overwhelming endorsement the Member for Thompson received in the election in 1986.

Mr. Deputy Speaker, the Member for Thompson is on record in respect to a genuine concern about what appears to be a very marked difference between energy prices in the North and energy prices in the rest of the Province of Manitoba. In part, that is explainable by the transportation costs, but there still are very, very genuine concerns about the margins of the prices involved. I think a recent demonstration of a co-op that was established in Thompson has indicated that it is possible to market energy at a much lesser cost.

Now, the Honourable Member for Fort Garry and the Honourable Leader of the Opposition both indicated very negative concerns in respect to this legislation. They indicated the toughness of the legislation and, with that concern of the toughness of the legislation, I have no quarrel. It is legislation that is designed and fashioned to be very strong and very interventionist.

As I've indicated, intervention by government in marketing should not be taken lightly. But on the other hand, government and society should not shy away from exercising the right of government to intervene on the public behalf to defend the larger public interests. Honourable members know the concerns that, not only I, but many Canadians, Manitobans, members of this House, have evidenced from time to time in respect to the growing concentration of economic power in the marketplace. In some areas of activity, society has long recognized that it's appropriate for relatively few

corporations to have the control of the market, and to live with that, and because of the high costs involved in establishing the enterprise and marketing the goods involved. And so we've come to take for granted and respect the regulation of certain types of product, certain things in society, which are either monopolies or near monopolies in their manufacture and distribution. Those arrangements can be very beneficial.

But, Mr. Deputy Speaker, when we do that, we do recognize that there's a right of intervention. Honourable members may say, yes, there is a right of intervention of society in some areas and not in others. I admit that there is room for argument as to where and when you intervene. But Mr. Deputy Speaker, there is no question, and the people of Canada and the people are no exception, they are extremely concerned at the concentration, the ever-smaller concentration in the Western World, and certainly that applies in Canada, of ownership and control of resources in the sector we're talking about, the gas and oil industry. We know that a Federal Government in Ottawa, a Liberal Federal Government, sought to at least get some greater measure of Canadian participation and control in the marketplace through their intervention of the introduction of Petro-Canada, and that infusion in the marketplace was as a result of a determined request - it was a demand - by the NDP, our party in Ottawa, insisting that Canadians at least have a greater measure of control and ownership of their vital resources. Because we know that most of our resources, while they're found in Canada, are under the ownership of people who do not live here.

It was high time that there be a greater measure of control of those goods, the production of oil and gas and all the by-products that flow from it, by Canadians, so that we would have a greater measure of determination of the results of those resources, the exploitation of those resources. So we were naturally gratified that at long last a Federal Government had advanced a plan to acquire, for Canadians to acquire, some greater measure of control of those resources, and they did that through Petrocan.

But we've seen what's happened. A Federal Government in Ottawa, under new direction and leadership, has indicated that that organization is to just play the game, along with the other multinational oil companies. Don't compete, don't try to bring greater benefit to Canadians generally, but just play the game. Play the game. And so the prices appear to be the same across Canada, regardless of the fact that the citizens of Canada, the shareholders of Canada, own that Petrocan corporation.

We've seen the new Federal Government in Ottawa scrap the Foreign Review Agency so that again there can be a takeover of any resources in Canada; we've seen, Mr. Deputy Speaker, a surprising degree of integration in the prices that happened to flow, almost like magic, across the country, and so we have - oh I know the oil companies claim that they're competitive, that they watch each other's prices closely and they will match any discount that another company brings - but there doesn't seem to be any determination, any will on the part of Petro-Canada to show some leadership. Because there can be no question at all that the cost of the raw material, the crude oil, has come down. But the retail prices haven't followed in a progressive fashion, the reduction in crude oil prices.

I know the oil companies argue, well, it takes longer, they argue that it takes 90 days for the flow-through of the crude, whereas they had agreed with the Federal Government on a 60-day flow-through when the prices were going up. And they were quite happy with the profits when crude oil prices were going up, to have the prices go up just as quickly, but we don't see the same reduction in prices in the same pace as they occurred, the increase in prices occurred when crude was on the way up.

Mr. Deputy Speaker, there should be no question in the minds of members opposite that the public of Manitoba expects that governments should be in a position to exert the public will. Now, honourable members may say, well, Mr. Minister, be very careful before you invoke the act. Because if you invoke the act and enforce regulation and it doesn't work, you're going to pay a political penalty, and we'll say, we told you so. But Mr. Deputy Speaker, the honourable members opposite have not even been that astute. They have said no to this bill. I expect that at committee they may change their mind, or maybe on Third Reading they may change their mind, for this reason: What they're saying is that the people of Manitoba, through their government, should not have the right to intervene on their behalf in an industry that is highly controlled by a limited number of multinational corporations. That's what they're saying, Mr. Deputy Speaker.

I'm saying that they better think carefully about their posture in respect to that, because they will be perceived as the defenders of the interests of the big oil companies and Mr. Deputy Speaker, I think they should rethink their position.

Mr. Deputy Speaker, I know the Honourable Member for Sturgeon Creek thinks that I am giving him idle advice. I am not. I believe that the Honourable Member for Sturgeon Creek was in government, and he sincerely believed that the people he represented, and the people of Manitoba expected he, as a member of the government, to intervene . . .

MR. DEPUTY SPEAKER: Point of order being raised.

MR. D. BLAKE: On a point of order, Mr. Deputy Speaker, I just wondered if the Minister was closing debate on the bill or was he filibustering his bill?

MR. DEPUTY SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

That is not a point of order.

MR. D. BLAKE: Oh, sorry.

MR. DEPUTY SPEAKER: The Minister is closing debate.

HON. A. MACKLING: Thank you, Mr. Deputy Speaker.

I appreciate the intervention, the jocular intervention of the Honourable Member for Minnesoda, because I know in doing so, he relieves the stress that I've put him under by pointing out the fallacy of his position on this bill.

I was pointing out that I sincerely believe that if the Honourable Member for Sturgeon Creek was in government and he knew that the people he represented

and the people of Manitoba expected of him and his government to be in a position to intervene in the marketplace where the public felt that they were not getting fair treatment, that he would subscribe to that intervention. Because Mr. Deputy Speaker, it's fair enough for members opposite to criticize on the basis of political posturing, but when they're honest with themselves and honest with the people that they represent, they would admit that as government, they must be in a position to protect the public interest. That's what this bill seeks to do.

As I pointed out, Mr. Deputy Speaker, both in or outside of this Chamber, the powers of this bill are powers that are not to be used lightly. They are to be — (Interjection) — Mr. Deputy Speaker, I know that honourable members wanted to hear my remarks, I have resisted the temptation to reply in kind to their jibes. Mr. Deputy Speaker, I expect that during the interval between the passage of this bill at Second Reading and the determination at the committee and before that at Third Reading, that honourable members will want to reflect on their position and hopefully they will agree with me that it is right and proper that government be in a position to wield the will of the public in making intervention, if it appears it is in the public interest to do so. That's what this bill is all about. That's why I commend it to the unanimous endorsement of members in this House. I expect that they'll have some soul-searching, and they will change their view in the interval.

Thank you, Mr. Deputy Speaker.

QUESTION put, MOTION carried.

MR. G. MERCIER: On division.

MR. DEPUTY SPEAKER: This is on division. The motion is carried on division, and so ordered.

BILL NO. 11 - THE PLANNING ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 11, An Act to amend The Planning Act, standing in the name of the Member for Minnedosa.

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

We have perused this bill and, as my colleague, the Member for Arthur, explained in his remarks, the bill was presented in a very understandable fashion with some very detailed explanations that we appreciate. We have forwarded the bill to some of the municipal planning people, and have received to date no negative comments, although I imagine there will be some appearances at committee stage when we may receive some further objection or some further information that may change our position on it. But we have no objections at this time, Mr. Deputy Speaker, to allow the bill to pass onto committee and proceed from there.

QUESTION put, MOTION carried.

BILL NO. 15 - THE HIGHWAY TRAFFIC ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Minister of Highways, Bill No. 15, An

Act to amend The Highway Traffic Act, standing in the name of the Member for Minnedosa.

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

Likewise, we have no objections to passing this bill onto committee. There are a large number of housekeeping changes in the bill that will be helpful.

We're surprised that the Minister, although he doesn't have to include it in the act, I would mention at this time that we're surprised that nothing has been done to increase the speed limits on our first-class highways that the Minister has mentioned from time to time was going to be done this summer. We're by and largely through the tourist season now, and nothing has been accomplished. I realize he doesn't need this bill to accomplish that, but I'm surprised that hasn't been done at this present time.

There will be some representation made at the committee stage, Mr. Deputy Speaker, and we may have some further comments to make at that time or on the Third Reading. But in the meantime, we'll pass the bill onto committee for further hearings.

MR. DEPUTY SPEAKER: Does the Minister of Highways wish to conclude debate on this bill?

QUESTION put, MOTION carried.

BILL NO. 31 - THE SOCIAL ALLOWANCES ACT, THE MUNICIPAL ACT AND THE MENTAL HEALTH ACT IN RELATION TO LIENS

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Minister of Economic Development and Employment Opportunities, Bill No. 31, An Act to amend The Social Allowances Act, the Municipal Act and The Mental Health Act in relation to liens, standing in the name of the Member for Emerson.

MR. A. DRIEDGER: Mr. Deputy Speaker, I stood the bill for the Member for Gladstone.

MR. DEPUTY SPEAKER: The Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Deputy Speaker.

I am pleased to speak on Bill 31 today. This act, as I understand it, will eliminate an inequity with regard to people on social assistance who own property. There has been inequity in the placement of liens in that some municipalities register liens and others do not, and also that, as the matter now stands, liens discriminate against those who own property in that they have to repay social assistance amounts, but people who do not own property, of course, are exempt from that. That has been a continuing inequity across the years.

The legislation, of course, is a result of the fact that the Federal Government has said it will withdraw its considerable support of social assistance to the province if this registration of liens continues. While the bill is proceeding through the House, I wonder if the Minister could take seriously what I mentioned the other day in question period. I suggested a moratorium on the registration of liens while this legislation is going

through the House. It could cause a great deal of problem to be registering liens at this time and it seems rather counter-productive in that, as soon as the bill is proclaimed or 90 days thereafter, I believe it is, they will be exempt from paying this. So it seems to me that it would be pointless to be registering it at this time or pursuing it actively in any case. They could put it on hold for the interim.

Of course, that brings up the fact, too, that even by the passing of this bill, we're creating an inequity in the fact that there are some people who have conscientiously paid their liens and others who have not. The ones who have not, it will be forgiven them. I'm not suggesting, of course, that we go back in time and repay all these, but I think the Minister should realize that there will be some people who will be very unhappy about this, because they've gone ahead and paid theirs and others have not.

Another point I would like to raise, perhaps when the Minister is closing debate, he would clarify for us the line with regard to registration of liens to do with maintenance. We'd hope that a spouse who receives maintenance will not be put into a more difficult position if the paying spouse is delinquent, by having a lien put on the property which they're either paying a mortgage on or living on. It would be creating an even greater difficulty for someone who is already having problems. So I would hope that the Minister will clarify that clause of the act for us.

I would just like to add that it's very odd that an NDP Government would be the last Provincial Government in Canada to put forward a bill like this to eliminate an injustice. They have said that there is an injustice and it's strange that they haven't acted before on this. Members on this side of the House have raised the matter several times, expressing the need for the legislation, and we wonder why it's been so long in coming.

I am prepared, unless there's anyone else who wishes to speak on this bill, that it could be sent to committee.

MR. DEPUTY SPEAKER: The Member for Inkster.

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

This legislation — (Interjection) —

A MEMBER: Oh, freedom of speech, you guys.

MR. D. SCOTT: I find it amazing that members of the Opposition do not feel that members on the government side of the House are allowed to participate in debate on legislation proposed before this Legislature. A week or so ago, they tried to put closure on their own motions. Some of their logic just absolutely befuddles me, Mr. Deputy Speaker.

This bill dealing with welfare liens in particular, Mr. Deputy Speaker, is addressing a situation that came to my attention the first time a couple of years ago when a constituent of mine, who some decade ago had been on social assistance. She, having in the past eight or nine years, re-entered the work force, re-established her life for herself and her small child, decided to purchase a home. Up to that time she was still in a rental accommodation; she decided to purchase her own home. — (Interjection) —

And yes, I mentioned this last year and I've talked to my own colleagues about it for a year or so before that. I'm speaking here today because I'm pleased that finally the legislation has come forward before this House. This legislation if it can stop, and it will stop, the addressing of new liens against individuals, made not simply against those who own property but was against people's names the liens put, this lady they have no property. But when she acquired property, before she could register the property, she had to sign that the City of Winnipeg had a charge against that property prior to herself - prior to herself - and I never heard any members opposite calling for this change in the past, never had they called for a change. But I can recall members opposite calling for the dismissal of liens against people who have been on social assistance, and for both a discharge in the previous ones and for the future not to allow any new liens to come forward.

Mr. Deputy Speaker, I intend to be quite short. I'm pleased the legislation has come forward. I do feel still that there can be some inconsistencies in the legislation because of past people. It is my understanding that the existing liens are not being discounted and cancelled at this time.

A MEMBER: They should be.

MR. D. SCOTT: I believe they should be, and I think that's a shortcoming in this legislation.

A MEMBER: How much would it cost?

MR. D. SCOTT: Well, the member opposite said, how much would it cost. Well, for the member's information, I don't think it's been proper and it's certainly been against the Canada Assistance Plan that the city or municipalities were able to put liens against property. The Canada Assistance Plan for years has not allowed that. I think since about 1977. — (Interjection) — Well speak to yourselves as well because your party was in office when the Canada Assistance Plan was changed in 1978 and you did nothing about it.

MR. DEPUTY SPEAKER: The member should address the Chair.

MR. D. SCOTT: So the members opposite can't claim any sanctity on this issue either because they were in office when the negotiations were taking place and finalized with the Canada Assistance Plan, disallowing the registration of liens against individuals who are on social assistance, and registering against their persons and against the property.

So, Mr. Deputy Speaker, while I support the legislation I do believe that we should be going back to 1977, and any liens that have been in existence since 1977 when the Canada Assistance Plan disallowed it, all those liens should be cancelled as well.

I hope that perhaps after the benefit of this legislation is before us, and the people realize the benefit of it, I would hope that the cities, that the municipalities across the province and the Government of Manitoba for any interest it may have in recovering funds from the liens that the municipalities collect, that all those

municipalities will drop the liens that they have outstanding that they will not any longer be able to put against people on social assistance.

I would urge the members opposite to support me in that and to urge their municipalities, be it the City of Winnipeg or other municipalities, to withdraw their liens which are of substantial cost to the municipalities to continue. Every couple of years, I believe, they have to go and reregister them. That's a substantial cost to the municipality in administering that, plus to the Department of the Attorney-General for maintaining those thousands of records. The dollar amount is not all that significant. It amounts to hundreds of thousands of dollars a year. That's why it's been collected over a year.

When you consider the distress that puts upon those people who once they get off social assistance, when they get back on their feet and they start participating in the general economic structure we live within and participate in the economy, the first thing they have is a bill to the government for past services rendered by the government when they're on social assistance. So I would urge the municipalities to voluntarily withdraw those, and if they don't I'll be back urging the Minister next year to make a change in the legislation that wipes them all out so that none of them can be collected.

Thank you very much, Mr. Deputy Speaker.

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

MR. G. MERCIER: Thank you, Mr. Deputy Speaker.

I rise to speak briefly to this matter to correct the record and the statements that the Member for Inkster has just placed on the record.

Mr. Deputy Speaker, I raised this particular issue early in the last Session with the present Minister who was then the Minister, as a result of which, this matter received some publicity. He can attest to the fact if he wishes when he concludes debate that I have forwarded him letters received from people all over Manitoba with respect to this matter, and I truly believe that what has happened is an inequity; that it has punished wrongly people who have improved themselves in purchasing a home and then have become stuck with paying off the social assistance liens.

We're glad the legislation is finally in the House. We wish that it would have been in the House last year, but to the Member for Inkster, it was his government who didn't bring it in last year when we asked for it.

MR. DEPUTY SPEAKER: The Honourable Minister of Employment Services and Economic Security will be closing debate.

HON. L. EVANS: Thank you, Mr. Deputy Speaker.

In closing debate, I'd like to make just a few remarks in response to those remarks made this afternoon. Very briefly, the Member for Gladstone suggested we should put a moratorium on liens right now to prevent municipalities from right this moment, this week placing new liens on property. I hope I didn't misinterpret the member's position. I would suggest that most municipalities, I believe, have heard of our move in this respect and I would assume they wouldn't want to do that because they heard about it.

But regardless, we are writing to every single municipal government in Manitoba advising them that the bill is before the House giving them the basic information of the bill — (Interjection) — I would like to point out to the honourable member, the moratorium we're talking about a municipal government action. To place a moratorium would mean that we would have to bring a bill into the House to put a moratorium over the actions or to effect the moratorium at the municipal level. So I don't know whether there's an expeditious way - well, there's no expeditious way of carrying that out.

I think the fact that we are doing a number of things in this legislation, but we're doing two things, (1) we are disallowing any liens to be placed in the future for debt purposes, but we're also wiping out nearly 40,000 existing liens, and I'm afraid my colleague, the Member for Inkster maybe did not realize that this legislation also wipes out existing liens, and our best estimate that it's at least \$100 million that we're wiping out through this legislation.

I would add, of course, and I believe the members do appreciate - there will continue to be liens placed for limited purposes. We've explained this but this is the liens that we placed now under the present provincial social allowance system which I think is accepted by all sides of the House, both sides of the House, and certainly it's acceptable to Ottawa.

With regard to the question of those who have conscientiously paid back liens owing a year or two ago, or many years ago, what about them versus those who haven't paid? Well, it is just an administrative impossibility to deal with that problem because how far back do you go? Do you go back and pay people who have cleared their debts a year ago or three years ago or five-and-a-half years ago - just how far back do you go? We just don't have all that information.

Furthermore, we would be then requiring the municipalities to be paid back to those individuals and there may be some problems there as well.

With regard to the question of liens for maintenance purposes, it is not our intention - I want to assure the Member for Gladstone - to make it difficult for the welfare recipient. The action is directed against the errant spouse, so I think our approach here should be acceptable to the Member for Gladstone.

The last point I would make is with regard to the question of why wasn't it done sooner? Indeed, we are the last province in Canada. My understanding from staff is that, in 1979, the Federal Government approached the Province of Manitoba about the matter, suggesting that it wasn't in keeping with the spirit and intent of the Canada Assistance Plan and the Government of the Day took it under advisement but, for whatever reason, action wasn't taken.

At any rate, I believe that past governments have been reluctant to move on this because we do have a two-tier system in Manitoba, unlike seven other provinces where there's a one-tier system. Because we have a two-tier system, we're dealing with another level of government. I believe past governments have been reluctant to require municipalities to move in a certain way.

I'm trying to explain why governments, collectively, historically, have not moved. I don't have the full, last answer to this, I don't have all the truth on the matter,

but I would assume there was that reluctance to interfere with the municipal level of government.

I think we're at a point now that the municipalities have recognized that a change has to come about. The municipal governments have been advised last year that we were moving in this direction and, generally, my understanding is there is an acceptance that we have to move. Of course, they do understand that it is required under the federal-provincial agreement, under the Canada Assistance Program.

I thank the members for their comments and I look forward to expeditious passage of this legislation.

Thank you.

QUESTION put, MOTION carried.

BILL NO. 41 - THE PRIVATE TRADE-SCHOOLS ACT

MR. DEPUTY SPEAKER: Adjourned Debate on Second Reading on Bill No. 41.

On the proposed motion of the Honourable Minister of Education, Bill No. 41, An Act to amend The Private Trade-Schools Act, standing in the name of the Member for Fort Garry.

MR. C. BIRT: Thank you, Mr. Deputy Speaker.

I've had an opportunity to review the proposed amendments and I've had some discussions with the Minister on this particular bill, as well as representatives of the association dealing with the trade schools in Manitoba, the Manitoba Association of Career Colleges.

There's only one concern that I have as it relates to the parameters of the bill. It really serves two functions. It's, in some respects, merely an updating of the old bill that has been in existence for some considerable time; and the second part of it is to broaden the definition of the act for greater coverage, basically to try and target the type of training programs that may be sponsored under the Job Strategy Program. I have no quarrel with that because anyone who is to offer training in this province that is to lead to employment should have to meet certain basic standards and qualify and provide a good product to those who will be paying sums of money and expecting something in return that will further their economic enhancement.

The only concern I have - and I expressed it as a question to the Minister when he gave Second Reading - was that perhaps the definition was too wide and it might include some areas or some occupations or groups that were trying to do employment upgrading, rather than training for the creation of jobs or job employment, but the area covered was on-the-job training or professional upgrading.

The Minister made some reference that it doesn't apply to those professions who are covered by their own bills and I can appreciate that, but the one or two examples that I would refer to is, say, the computer programmers in the Province of Manitoba. I believe they have an association and they may wish to offer some form of professional development for their own members; travel agents association, the same thing; and it's possible that type of activity might be included in this legislation.

I don't think that's the intention and I would ask that the Minister give careful consideration to the definition

to ensure that it doesn't cover that type of training for people who are already employed and are merely looking to upgrade their own skills for their own professional development.

As far as one or two other things, I've talked to, as I say, the representatives of the association. They would like to be consulted on the development of the regulations and the Minister has advised me that they will because it's important that they have their cooperation to make this act and the regulations work smoothly.

The only other concern that I would raise at this time is that, in Estimates, we were discussing the role of the review of the high schools in Manitoba, and the Minister's going to be making announcements on it. I'm just curious to know whether or not the function of the technical schools or private vocational schools in Manitoba will be included in that review or may become involved in it, because it may have some bearing on delivery of educational services in the province, though I can appreciate this is private and out of the norm of the review that the Minister is contemplating, but they may just have a role and it might be of interest to look at what is being potentially offered under this new Canadian Job Strategies.

Mr. Deputy Speaker, with those comments, I'm prepared to move that this bill move on to committee.

MR. DEPUTY SPEAKER: Does the Minister wish to close debate?

The Honourable Minister of Education.

HON. J. STORIE: I just want to indicate to the Member for Fort Garry that I've listened very carefully to his remarks and noted the couple of major concerns, or concerns that he had, and can indicate two things, that one, certainly with reference to his first point, it was not the intention to include those instances where training was for membership, within membership, within organizations, for upward mobility or other purposes in the act, and we will try, through regulations, to clarify that quite succinctly.

The second point is that there will be quite broad consultation and I have indicated to the member and, I believe, to the Association of Private Trade Schools, that there will be opportunity for discussion with myself and amendment, should it be necessary, at committee stage.

Having made those remarks, I would like the bill to move on to committee.

QUESTION put, MOTION carried.

BILL NO. 4 - THE FAMILY FARM PROTECTION ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Minister of Agriculture, Bill No. 4, The Family Farm Protection Act, standing in the name of the Member for Arthur.

MR. J. DOWNEY: Mr. Deputy Speaker, before I start, it's my understanding that I will have my full opportunity to speak 40 minutes and that we will not be shutting down at 4:30 p.m.

MR. DEPUTY SPEAKER: Is that agreeable to the House? (Agreed)

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

I rise today to speak on Bill No. 4, The Family Farm Protection Act, and want to make it very clear at the outset, having been a Minister of Agriculture in the province, and having been proud to have been in that capacity, that when one introduces legislation, it should be based on, No. 1, the need of the farm community, the best interests of the public at large; and thirdly, the best political interests and the best interests of the group which are involved.

I would, at the outset, request that the Ministers who are around the Minister of Agriculture and who may have not taken a close look at what the implications of this legislation are, that they do so, because we have the Minister of Agriculture introducing legislation today that is not dealing with the problem that is before the farm community. As well, Mr. Deputy Speaker, at the outset I want to say that the farm community is in difficulty, they are in severe economic difficulties. This bill, Bill No. 4 is not dealing with anywhere near the problems that have to be dealt with. I will in my comments at the latter part of my speech, Mr. Deputy Speaker, try to address some positive ideas that I have that may well assist the farm community, not only in Manitoba but would have broader national implications. Because I think it's leadership today, it's positive recommendations that have to be put forward to address what is a national crisis and that is the incomes for all farmers.

This legislation - and let's just review briefly the history as to why it is here. I will refer you, Mr. Deputy Speaker, and members of this Assembly and the public at large to the Order Paper of March 25, 1985. That's well over a year ago this last March, Mr. Deputy Speaker, that the Minister of Agriculture in the Province of Manitoba put on the Order Paper a bill known as The Family Farm Protection Act. That was in 1985, Mr. Deputy Speaker; there was no bill ever tabled in the Legislature; there was not one legislative document put before this Assembly. Mr. Deputy Speaker, if it was so urgent, if it is such a major problem why didn't the introduction of that legislation take place.

The Minister of Agriculture and I'll demonstrate, was doing nothing but playing politics with the lives of the farm community, for his own political betterment was his objective. He put on the Order Paper this type of legislation or the title of this legislation with not one scrap of paper, not one document, not one idea as to where he was going with it, but he had the political idea to put a very catchy name before the public. That was March 1985. So one has to really question the sincerity of the Minister dealing with the problem, the agriculture financial crisis that was out there. It was all again window dressing and using the farm community for his own political betterment. Let's look at the election data of 1986, March of 1986 and I'll read one part of it, the Farm Aid Program.

"Because of weak commodity prices, increased input costs and adverse weather, farmers right across Canada are in severe financial difficulty. In Manitoba the NDP plans are to expand the role of the mediation panels between farmers and lenders. We will use the courts

to review the impending foreclosures and if conditions warrant, if conditions warrant we will declare a general moratorium on repossession of farm property." Again political propaganda.

Well, we now see the end product of what all that political motivation is, Mr. Deputy Speaker. But again, Mr. Deputy Speaker, the Minister of Agriculture, the Premier of this province and all his colleagues have missed the target. Why, Mr. Deputy Speaker, have we had record numbers of bankruptcies? And what have we seen him do about it, Mr. Deputy Speaker?

Let's look at the Manitoba Agricultural Credit Corporation record. Directly under his jurisdiction, page after page, and I refer to the Manitoba Co-Operator, this copy happens to be November of 1985; a full page ad of MACC farms for sale, and it's the same thing this spring, pages of Manitoba Agricultural Credit Corporation farms for sale. Mr. Deputy Speaker, those farmers didn't walk into MACC and say we want to give up our farm operations, take them off our hands. It was the Minister of Agriculture who was foreclosing on them. In fact, I know of two instances in the last while of two farmers in the area of Roblin-Russell where he had sent one of his special aides out to look at in detail some of the things they might be able to do on their behalf, he walked away shaking his head and the recommendation was to continue the foreclosure on them. He could deal directly with it, Mr. Deputy Speaker, if he had the will to really deal with the problem. What does he do? He introduces legislation as I said that will further cause hardship and problems to those farmers.

Mr. Deputy Speaker, I hope the Minister of Finance and some of those other individuals that are in Cabinet, some of the members who represent the fringe rural areas or some of the rural areas around the city would pay attention to it. He's working with a double standard. Can you tell me, members of this Assembly should be well aware of the fact, the Minister of Agriculture has recently said to all members of the Beef Commission, all participants of the Beef Commission an ultimatum. He's saying, "We now have a deficit of some \$30-some-million and we said we would help you for four years, but now that there's such a deficit there we now have to start working towards the recovery of some of the funds."

Mr. Deputy Speaker, he can't have it both ways. On one hand, he's saying he's going to stop the credit unions and the banks from foreclosing on farmers because their collection of money - what does he do with the Beef Commission? He turns around and says you have to pay back the funds that we've given you over the past four years by increasing their premiums or lowering their support level. I ask his colleagues, I ask members of this Legislature how can he in true spirit of fairness stand there and introduce a piece of legislation that he, in fact, is not going to adhere to himself. I would hope that he would address this particular issue dealing with the closing of the bill, when and if it ever comes about because I don't expect to see it ever hit the committee stage, Mr. Deputy Speaker.

He is telling the farm community that they have to pay back funds that he gave them through the Beef Commission because there's a deficit. But he's saying to the credit unions, you've lent money to the farmers, now I'm introducing legislation that prohibits you from

taking that money back. Where is the consistency, where is the fairness in this Minister of Agriculture's approach to the operation of government? I ask members of the Treasury Bench, is that the kind of government that you really are? On one hand you say banks or credit unions can't collect their funds back, but yet you're giving him support in the attack on some 4,500 beef producers that have to pay their money back. If they don't respond they'll have to pay a commission charge of 18 percent. That, Mr. Deputy Speaker, is an increase from 12 percent to 18 percent.

Yes, Mr. Deputy Speaker, the argument is pretty weak when the Minister goes to his colleagues and says I want support, I want support to go to the farm community saying I want to collect that money back yet I'm going to make it so the credit unions and those other financing organizations can't get their money back. I honestly, Mr. Deputy Speaker, can't understand how a Minister can save face in the agriculture community and do that.

He made a lot, Mr. Deputy Speaker, he made a lot about his meetings throughout Manitoba. He made a speech, he went throughout Manitoba; he's had two tours throughout Manitoba dealing with the financial crisis. He comes back saying he's got support from the majority of Manitobans. First of all, Mr. Deputy Speaker, he didn't give every Manitoba farmer the opportunity to address the questionnaire. He said, if you come to a meeting and you pick up the questionnaire and I'll take it back; certainly every farmer will put down that they've got concerns about the banks and the financing. But I'll you, and I want the record to clearly show, and I don't mind saying this, that I have personally, personally had farmers who have negotiated a settlement with the banks and the credit unions. The bank said if you pay back the amount of money that you get from your machinery sale and the assets which you sell at your auction, then we will write off the rest of the loan. That's happened, it's happened at the credit union level, it's happened at the bank level. They haven't needed legislators to come along and say, we're not going to interfere in the contract, in the negotiations, and if you don't agree we will write down that debt, because the government, the Cabinet decided that that's the way it shall be.

It has worked, Mr. Deputy Speaker, over the last few years; they've worked their way out of this thing and I am prepared to bring witnesses forward that are now on a good way of life, making a reasonable income, still living in their community, have saved face, Mr. Deputy Speaker. They didn't go before any major tribunal or they didn't go before debt moratorium. It was worked out on a good relationship. I know of three specific instances that I'm sure would come before any committee and act as a witness. I'm sure many other members could do the same thing. So it's not addressing the problem that the Minister is trying to get at.

What is the problem, Mr. Deputy Speaker? What is the problem? The bottom line is that there just isn't enough money for the production of food in this country. I have to say, as a consumer as well, that I am not against a cheap food policy. I don't like the word cheap, but I am not against or opposed to a cheap food policy because I think we have a land of plenty; we have the ability to produce; and we have the ability to produce

in abundance. But if we don't get our act together; if society doesn't get their act together and we don't have this kind of irresponsible legislation put in our way, and our time should be spent productively looking at other options, Mr. Deputy Speaker, then we will in fact see a failure of that system.

Are you doing a farmer a favour in today's society when the rest of society seems to be advancing to some degree? Are you doing a farmer or an individual a favour by saying you're going to freeze the debt; that you're going to say that lump of debt is going to be left on that farmer's back for the rest of their lives; or are you going to allow a normal process to take place?

You know, there has been a lot said about whose responsibility it is. I give compliments right now to the Federal Government. I believe they have introduced the kind of legislation nationally that will cover the needs of the farmers who are in distress situations, as far as the negotiations in bankruptcy situations are concerned. The Minister of Agriculture again plays a great political game. He calls it the toothless tiger. Well, Mr. Deputy Speaker, I would far sooner have a toothless tiger that's out there working on behalf of the farmers than a dangerous piece of irresponsible legislation that's going to, number one, put the cost of financing up to every farmer, if in fact they can get financing.

Let's look briefly at the history of what has happened with this kind of legislation. Let's look, as well, at what has happened with the debt that the farm community are carrying on their backs. In 1984 in Manitoba, the total debt on farms was \$1.822 billion; that's the debt. That's gone from 10 years previous, \$563 million, a substantial increase.

Financing is a major part of farm operations. I don't think that we have to be alarmed about the majority of farmers paying that debt back. There's a very small percentage of it that's in any high-risk situation. I would say a third of the farmers are in severe financial stress. I would say the other two-thirds are having a difficult time and will have a difficult time showing or justifying their investment in farming but you can't just walk away from it.

Mr. Deputy Speaker, what we have seen following the 1930's is a complete freeze on farm lending. My parents, my uncles and relatives who were involved in the farming business were set back for many years because of the legislation that was introduced following the 1930's, because you couldn't borrow a nickel to take advantage of land that was selling at a reasonable price or carrying on food production. The Member for - I'm not sure just where it is now - Transcona, I'm sure, remembers the same impact. It didn't hurt, as far as those individuals in their long-term business planning, because they didn't get caught in the kind of situation that we got caught in today. I'm sure the Member for Lac du Bonnet remembers some of the same historical things that took place. So you're not doing a favour by restricting the kind of operating credit that is needed for the farm community. It is the wrong kind of legislation.

Let us deal with some of the options. I want to spend a considerable amount of time on my comments today because we have been warned of some of the things that are going to take place with our production base. I'll tell the members as to why I think that we're in that situation.

Let's deal with some of the objectives that I think we should be working towards. I believe the number one objective should be a fair and equitable return to the agricultural producers as far as the production of food is concerned. Every time you turn around, every time we open a newspaper, we see farmers faced with a continuation of high input costs, whether it's fertilizers, whether it's taxation.

Let's deal for a minute about taxation. The Minister could have moved aggressively, supported by - if the Member for Lac du Bonnet would live up to his former obligations and his former requests, as a reeve of the municipality, as part of the Union of Municipalities, to take some of the education taxes off the farmland, a direct move that would be of some assistance. But the whole objective has to be, to be able to give a fair return to the producers.

Yes, number two, who are we selling it to? We have to be able to sell it to the consuming public, who have to be able to afford to buy it. That's the whole objective. Without that, there is no use of us even talking; we're in a stand-off position.

We have to, Mr. Deputy Speaker, be prepared to develop a policy and a program that will create a fund to preserve the family farm unit. We don't have to put ourselves in a position, as farm producers, of confrontation with those individuals.

I want to make a specific reference in my comments to the Senate Committee's Report on Soil Conservation because this ties in, as far as I'm concerned, with the whole question as to where we're at dealing with the preservation of our farm community and soil conservation. It has been pointed out in the Senate report, and I'll make direct reference to it. I'll make a direct quote from some of the individuals who made representation to the Committee report.

This individual happens to be a good friend of mine. He's the former Minister of Agriculture from New Brunswick and I'll quote directly from the Senate report of which he was a witness at that committee hearing. "If the farmer is selling his product at less than the cost of production, he has no energy left to go beyond that. If we can bring about profitability in our farming operations, we can then point out to the farmer a better way of carrying out his operation."

That's where it's at, Mr. Deputy Speaker. The farm community, because of the tough economic conditions that they have been facing, have not been able to carry out the proper conservation practices that have to be carried out to preserve our farm soils.

Let me make another reference in this same committee report dealing with why we have to deal with it for the long-term needs of our children and the preservation of a cheap food policy. This witness is Ken Emberley and he's from Manitoba. The heading is "Ignoring the Limits." "This is soil that belongs to our children and its loss guarantees that they cannot be as prosperous as we are, regardless of all the fancy footwork of economists, tax experts, chemists and agricultural experts."

We've had pointed out to us by this Committee; we've had pointed out to us by the different conservation districts and groups in our society, that we have to deal with it. I put the question to the members of this Assembly: Is it the responsibility of the farm community to carry out farm conservation? To some degree it is,

but they are being forced to carry out a maximum production to stay alive in the business.

I would suggest as well, Mr. Deputy Speaker, that if we're going to preserve the family farm, that we disregard, that we say to the Minister of Agriculture, withdraw this bill and put your energies in the direction of starting to use something that is called a family farm preservation act, a Canadian soil and water conservation act, or a Manitoba soil and conservation act, that will work to preserve the farm community.

I think that it wouldn't be difficult to get the environmentalists on side. I don't think it would be difficult to get the conservationists on side and least of all, I think it would be very, very important and not that difficult to get the consumers on side. When one looks, Mr. Deputy Speaker, at what our society does today and how they eat, I would suggest that if there was a proposal put forward on a promotional, on an educational basis to the consuming public that a percentage of the non-essential food items were to go into a family farm preservation fund and a conservation fund, that in fact there wouldn't be a major objection to it. If they don't take from the non-essential food purchases, the non-essentials in life, Mr. Deputy Speaker, then we won't have the kind of productive base or the productive mechanism in the family farm we now have to carry out those activities of production of food.

I hope the Minister is listening and I hope he takes seriously my comments. I believe, if sold in a proper manner, society would pay on the non-essential food items. I say this with this kind of evidence before the House, I say this before this Assembly and this House, because when any one of the members here, any one of society go out to eat in today's world, it is only expected you pay 10 percent tip to whom? To the person who serves you the food. I'm not against that. In fact, I tip. Why don't we start paying attention to the people who are producing? The Member for Inkster may laugh at this. He takes it lightly because I'll tell you, he'll still be laughing with a hungry stomach if he doesn't pay attention to it.

What I'm saying, Mr. Deputy Speaker, is this: society as a whole if approached properly would not be opposed to a small percentage of what they now pay for non-essential - and I say non-essential food items - to put into a fund that would, in fact, work toward the preservation of the soils and of the family farm.

How do I propose to do that, Mr. Deputy Speaker? I propose to do it in this manner; that the proper funding being developed, that you would go to the farm person who is extremely depressed because of heavy debt - he/her or the person in society - and make them the offer that they'll be able to put a percentage of their acreage or all of their acreage into what is called a set-aside program as they've done in the United States; that you would, in fact, put land at \$25 an acre in a set-aside program where they could get a cash flow; where they wouldn't be encouraged to grow more wheat at less money to cause world problems that are now being caused.

I'm saying we need a program that you can go to a farmer who is depressed and you say look I'm not going to bring legislation in that will freeze a lump of debt on your back, but I'm going to offer you a proposal you can sign your acreage up, live on your farm, do

other work involved in the conservation of soils, preservation of your family on that farm, and I will pay you \$25 an acre. — (Interjection) —

Mr. Deputy Speaker, what is our problem today? It's lower prices. We're saying we're going to solve the problem by increasing production? What is our biggest problem with pricing today? It's the international trade war that the Manitoba and Canadian farmers are faced with. We're alienating our friends in the United States by saying you reduce your wheat acreage by 40 million acres, we'll increase ours by 30, and we're mad at you because you go into the markets and cut the markets and subsidize your sales to Russia and China; we're mad at them because they do that, yet what cooperation have we given them in the elimination of some of the production? Absolutely none, Mr. Deputy Speaker.

I'm saying it is time for cooperation not only on the side of the farmer. I'm saying it's time the total society started to recognize if we don't deal in a joint way with the conservation of our soils, with the preservation of our farm community and providing of a cash fund - it's the cash flow they need, Mr. Deputy Speaker, it's not debt moratorium, freezing a lump of debt on their backs - that's not what we need, particularly when we have a national government who has brought a review panel system into place that well covers, in my estimation and the estimation of the majority of farmers, the needs of the farmers when it comes to the debt situation.

Yes, Mr. Deputy Speaker, that is being covered by the National Government. Talk about the effects, the side benefits that could be generated from that kind of a program. The first thing you're able to do is you say to that person who is in the business of losing money in the farm industry, we will create a cash flow which will help get you out of the situation you're in. Society are saying we aren't upset about paying a 10 percent gratuity to the person who delivers the food to us in a reasonable manner in a restaurant. Why should they be upset if they said we would pay a smaller percentage than that on the non-essential food purchases? Who in society would be opposed to that?

I would ask some of the consumers who are sitting in this Assembly to speak on behalf of the consumers. I'm sure there wouldn't be one person who would stand today and say they would be opposed, in principle, to a contribution off the non-essential food items that are bought in our society today; to go to a fund that would provide cash to No. 1., preserve the family farm and keep them in business on those farms and No. 2, conserve the soils so in five years if we've run into a situation where the production of wheat is essential to maintain what I call a cheap-food policy, then that land can be put back into production.

What consumer, what person who is responsible would be opposed to that kind of an approach? I challenge this Assembly. I challenge the Minister of Agriculture to stand and say I am wrong in what I am proposing. I'm doing it on the basis of sound recommendations. I would recommend every member of this Assembly take a look at the Senate report on the soil conservations.

The Minister may take lightly what I'm saying. Well, he's taking lightly soil conservation because it's one of the areas he cut in his financial budget as far as his ministry is concerned.

I am saying, Mr. Deputy Speaker, there are millions if not billions of dollars available in society to preserve a cheap-food policy. I'm saying at the same time the preservation of that cheap-food policy is taking place that we will conserve our agricultural base, but even more importantly, we will preserve the family farm in a way which is meaningful. It is not a legislative solution that will answer the problem. It is not debt moratorium and a convoluted system of putting you through hoops and the people who are supporting agriculture through hoops and breaking down that relationship that will solve the problem.

The Minister of Agriculture and the New Democratic Party are misguided in what they are doing. They are misguided to the extent that it will only blow up in their face and blow up in the face of the farmers who are legitimately struggling to survive.

I'm sorry, Mr. Deputy Speaker, if I've bored you with these comments here this afternoon. I know you look somewhat tired and you were stretching your lips, but I feel extremely serious about the proposal I've made.

I do think, and I hope the Minister will, No. 1, back off from this legislation because it is bad legislation, and it is our responsibility as Her Majesty's Loyal Opposition to point that out, and we cannot in any way, shape or form support the legislation that is before us.

If he were to reconsider and say the comments I made today had some merit to them and there was reason for further discussion, I think he would be well advised to carry out those discussions. No. 2, I would hope he would go to his Cabinet colleagues and to his caucus and say he's prepared to back down and be prepared to, under the same heading, to save his political reputation to some degree, that he is prepared to change the content of the act and bring in The Family Farm Preservation Act and The Manitoba Conservation Act at the same time; accomplishing two major objectives.

And No. 3, in the best interests of the consumers he is representing and his government represents, he in fact does it on their behalf because if he doesn't, we won't have the kind of resource to produce the kind of food or the family farm mechanism that is now available that is working so efficiently. — (Interjection) —

Well, the Minister immediately grabs on bailing out the Federal Government. This could be done at a provincial level. There isn't any reason why — (Interjection) — that's correct - if there were some leadership, that Manitobans would quite willingly, every consumer would give quite willingly into a fund on the non-essential food purchases. I know it, Mr. Deputy Speaker. I don't even have to ask them, I know they would through a small contribution, because what is it doing? It's conserving the base and it's preserving those people who are going to do it. But to introduce debt moratorium that is going to do nothing but add a further burden to the system and to the negotiations and the needs of the farmers is irresponsible. It's irresponsible to the farmers, it's irresponsible to society and it's irresponsible to the consumers.

I thank you, Mr. Deputy Speaker, for the opportunity to put those comments on the record. I would hope, in some small way, that the Minister takes the comments seriously, that he makes a full assessment of what I have said, and that he would pull the bill and bring

forward something under the title of family farm protection that would, in fact, be meaningful and have some substance that would create a cash flow to give those people who are in extreme difficulties, to say to them, over a five-year period, here is \$25 an acre, if you divert the use of your soils, if you divert the use of your farm for production other than wheat or some cultivated crops, to go into a set-aside program where the land could be used for the production of grasses, hays, used for the production of red meats, which we're all looking for an increased production in. It has a lot of merit.

The Minister looks at me with some frown on his face as to why do we want an increase in red meats. Look at the employment creation that he talked about through his ill-conceived Beef Stabilization Program. Has that caused him anything but problems? Is it going to cause him anything but problems? Has it maintained the beef herd? Has it given society any assurance that there are going to be numbers of livestock around to be eaten for meat? No, it hasn't. The whole approach has not worked. The whole approach that he has adapted has not worked.

I conclude my remarks, Mr. Deputy Speaker, at this time with a strong recommendation to, not only the Minister, but to all members of this House, that they look at the soil-at-risk proposal from the Canadian Senate, even though it may not wash well with some of those people that that's who prepared it, but it is a document that has a lot of fact. There are a lot of warnings there for consumers and I think if we adopted a combination of this type of thinking with the preservation of our family farm through a cash fund developed out of our society that are willing to pay, if approached properly, then we'd be doing a lot more good than passing Bill 4.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Deputy Speaker. I move, seconded by the Honourable Member for Gladstone, that debate on this bill be adjourned.

MOTION presented and carried.

COMMITTEE CHANGES

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Mr. Deputy Speaker, I think there is an inclination upon the members call it . . .

MR. DEPUTY SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I have two committee changes, Mr. Deputy Speaker. On Committee of Economic Development, the Member for Thompson for the Member for Elmwood; and the Member for Seven Oaks for the Member for The Pas.

MR. DEPUTY SPEAKER: The Government House Leader.

HON. J. COWAN: That having been done, it now appears to be 5:30 p.m.

MR. DEPUTY SPEAKER: Is that agreed? (Agreed) Do I hear a motion to adjourn?

It seems, by leave, there is an agreement to call it 5:30 p.m. This House stands adjourned and will stand adjourned until tomorrow at 2:00 p.m. (Thursday).