

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 21 March, 1985.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. S. USKIW: Mr. Speaker, I just wish to table the current outlook re the spring runoff situation in Manitoba.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I would like to table the Annual Report of the Department of Health for the calendar year 1984.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Thank you, Mr. Speaker. I beg leave to table the 61st Annual Report of the Manitoba Liquor Control Commission for fiscal '83-84. This was previously circulated to members when the House was not in Session but I am formally tabling it now.

MR. SPEAKER: The Honourable Minister of Business Development.

HON. J. STORIE: Mr. Speaker, it's my privilege to table the Annual Report for the Manitoba Horse Racing Commission for the year 1983-84.

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

HON. W. PARASIUK: Mr. Speaker, I would like to table the Annual Report of the Manitoba Hydro-Electric Board for the year ended March 31, 1984.

I would like to table the Annual Report of the Manitoba Energy Authority for the year ending March 31, 1984.

I would like to table - and I apologize for this - only four copies of the Mineral Resources Division Annual Report; one for the Leader of the Opposition, one for the opposition clerk, one for the Clerk's Office and one for the library. We were late in getting some figures in from Ottawa. The complete printing will be done in I think two or three weeks and I will table the rest at that time. This is for the Manitoba Energy Resources Annual Report, year 1983-84.

MR. SPEAKER: The Honourable Minister for the Environment.

HON. G. LECUYER: Thank you, Mr. Speaker. I have an updated statement on the Carman situation, Mr. Speaker.

I would like to update the House on the status of the clean-up operations at Carman.

I have been informed by my staff that as of last night an alternate water supply is now in place for the community. A pipeline and pumping system has been hooked up to the town's water treatment plant to provide water from further upstream on the Boyne River. Our department has analyzed the river water where this pumping operation is located and tests confirm that it is free of any of the chemical. The previous intake will remain closed until after the clean-up.

Mr. Speaker, I would also like to inform the House that test results on the town's drinking water have indicated no trace of the chemical "Dinoseb".

In terms of the actual clean-up operation itself, Mr. Speaker, yesterday our department cleaned up a substantial portion of the chemical that was sitting on top of the river ice. We will be continuing our pumping and clean-up operations today on both the river bank itself and on the river bank property.

Last night, Mr. Speaker, members of my department, EMO and the Department of Health met with Carman Town Council as well as three local physicians. The meeting was called by my staff to fully update the community on the extent of the clean-up and the recommendation of the Department of Health that anybody who may have come into direct contact with the chemical should see their family physician for a medical examination. We have been informed that some children and several employees of the town may have come in direct contact with the chemical, and as a result officials of the Department of Health have recommended that they consult their doctor as a precautionary measure.

Mr. Speaker, I would also like to indicate to the House that our department, in co-operation with the Town of Carman, is setting up an information office to respond to public inquiries about the clean-up operation. This office will be opening up sometime this afternoon in the Town Hall of Carman.

I would further like to report to my colleagues that our investigation as to the source of the chemical is continuing and as of today, officials of my department will be meeting with the RCMP in Carman to request their assistance in the investigation.

Mr. Speaker, I would like to clarify for the members opposite why there was an apparent time delay. On February 21st, when the first report of the chemical was received, it was cleaned up by the town under the supervision of the local public health inspector. On March 1st, when the second area of contamination was discovered on the river bank property, it was cleaned up immediately, then on March 12th, when the chemical was discovered on the river ice, we initiated an emergency clean-up operation.

Our investigation to date has revealed two distinct possibilities: (1) the chemical may have been dumped

on the river bank property and on top of the river ice after each of the clean-up operations had occurred; or (2) that the two other locations where the chemical subsequently was found may have been concealed by snow and ice. Town officials and staff of my department could find no trace of further contamination after each clean-up operation on February 21st and March 1st.

Mr. Speaker, I will keep the House informed of any further development. Thank you.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, this is not my normal critic role. My colleague, the MLA for Radisson, is not with us unfortunately this afternoon, so I will take the opportunity to reply to the Minister's statement.

I thank him for a part of the information. I was in Carman this morning and EMO has very effectively set up an alternate water supply for the Town of Carman. They have a pipeline established bringing water some 600, 800 feet upstream from the chemical contamination site and that water supply is effective, working well and not contaminated.

There has been a number of confusing reports in the media that rail cars were bringing water into Carman, etc., etc., and that did not happen, Mr. Speaker. They are using river water in their normal treatment plant process.

Mr. Speaker, the Minister indicates some confusion in terms of reporting the chemical spill and the departmental involvement in the clean-up and I think this, Sir, is where I certainly have some questions on the department's role in this chemical spill. I posed the question to the Minister yesterday in question period as to when the February 21st contamination was noticed and the clean-up was undertaken, whether there was an analysis done on the contaminant. That appears, Sir, not to have been done.

That raises two very important questions, Mr. Speaker, without knowing what chemical was contaminating the snow in the environs of the Boyne River, which serves the community of Carman for their water supply, without knowing what chemical that was, how could a disposal recommendation have been made? It's my understanding that the disposal of that February 21st clean-up was in the local landfill site. That's hardly, Sir, a recommended procedure that the Department of Environment has taken in the past, nor should it be a procedure they undertake.

Mr. Speaker, the area under which the chemical was discovered is on the slope of the Boyne River. There is no other place for the snowmelt to go but into the river. That would indicate to me that when departmental staff and members of staff of this government on February 21st were notified and on-site and discovered an unidentified chemical contaminant, that it immediately should have caused them to undertake the actions on February 21st that they apparently have undertaken in the last week. There is a three-to-four week delay here, Sir, that I think does not leave the departmental officials and this government accountable for their actions. There is absolutely no question when one investigates the site of the original spill that it had implications of affecting the quality of water for the Town of Carman, because the slope drained it directly

into the river at a point some 600 or 700 feet upstream from the water intake for the Town of Carman.

Until the Minister provides the answer as to how his department could only discover on approximately the 19th of March what chemical they were dealing with, after being on-site February 21st for a preliminary clean-up, until he answers that question, Sir, the handling of this up until the 19th of March is very questionable by the department.

I have no quarrel, Sir, with the handling that EMO has undertaken since the 20th of March. They have put in an emergency line; the water supply is secure. There has been very little disruption and very little anxiety in the Town of Carman. But, Sir, the Minister and his department knew or had knowledge - government officials had knowledge as early as the 21st of February - that there was a potential chemical spill upstream from the water supply. It took until the 19th or 20th of March to discover what chemical that was. And I might remind you, Sir, since you were sitting on this side of the House, that had any other government undertaken such an inordinate delay in discovering what the chemical was upstream from a water intake, the Honourable Member for Churchill would have called in every environmental expert across the North American continent and blamed the government for irresponsible action and it turns up they are protecting the government.

Now, Mr. Speaker, this happened with this government and this Minister in charge of the Department of Environment. From February 21st until approximately the 19th of March, they did not identify a chemical and, Mr. Speaker, they disposed of a chemical, a contaminant in a landfill site without knowing what it was. Now, Mr. Speaker, that is not proper handling of this situation by the department.

Currently, they are cleaning off the river ice, and they've got this product in barrels on the river ice to be removed presumably. But, Mr. Speaker, until the Minister answers these basic questions as to the lack of action and the lack of identification of that chemical from February 21st until about the 19th of March, his departmental record of action in this case deserves a lot of hard questioning.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. S. USKIW introduced Bill No. 13, An Act to amend The Water Resources Administration Act.

HON. R. PENNER introduced Bill No. 21, An Act to amend The Financial Administration Act.

HON. A. ANSTETT introduced Bill No. 22, An Act to amend The Municipal Boundaries Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of honourable members to the gallery. We have 22 students of Grade 9 standing from the General Wolfe Junior High School under the direction of Mr. Salfert. The school is in the constituency of the Honourable Member for Ellice.

In the loge to my left is a former member of the Assembly, Mr. McGill.

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

Also prior to Oral Question period, I have a statement for the House.

SPEAKER'S RULING

MR. SPEAKER: On Wednesday, March 20th, the Honourable Member for Turtle Mountain rose in his place to raise a question regarding the circumstances concerning the time allocated to him during his remarks on the Throne Speech Debate on March 19th.

I undertook to look into the matter and report back to the House. I have reviewed the relevant records, Hansard transcript, the Clerk's diary and the master tape.

The Honourable Member for Turtle Mountain is entitled under Rule 33 to speak for a maximum of 40 minutes within the time allocated for the Throne Speech Debate.

It is the practice of the Chair to make working notes on a scratch pad of the time that a member begins speaking, noting interruptions such as points of order, and questions, etc., so as to assign the full time due to a member speaking. The working notes are usually discarded at the end of the day.

By chance, the working notes of Tuesday evening were not discarded and are available for reference as to the times of members speaking. Those notes indicate that the Honourable Member for Turtle Mountain began his remarks at 8:37 p.m., and was followed by the Minister of Energy and Mines at 9:18 p.m., allowing one minute for a question by another member which indicates an elapsed time of 41 minutes.

The Honourable Member for Turtle Mountain will recall that he was given the "five-minute" signal at 9:13 p.m., a few minutes before the Honourable Minister of Energy and Mines inquired of the Chair how much time remained of the Honourable Member for Turtle Mountain's speaking time.

In further examination of Hansard records, the master-logger tape which operates with a 24-hour digital clock, indicates that the Honourable Member for Turtle Mountain concluded his remarks at 9:17 p.m., consistent with the Chair's timing. However, the Hansard clock indicates that the Honourable Member for Turtle Mountain began his remarks at 8:42 p.m., a difference of five minutes, which was confirmed by the Clerk's diary.

Therefore, I can only conclude that I was in error in noting the commencement of the member's time. I accept full responsibility for the mistake and extend a complete apology to the honourable member and to the House.

Having made that apology, I must observe that any suggestion that the Chair was influenced by another member is entirely without foundation, and any reflection on the Chair is entirely out of order.

ORAL QUESTIONS

Governor of North Dakota - discussions with

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker.

My question is for the Premier. Given the news reports of a more conciliatory tone on the part of the government officials of North Dakota towards Manitoba and various disputes that we have between us, I am wondering if the Premier had contacted leaders of the Government of North Dakota in an effort, perhaps, to set up discussions that might serve to bring together both sides in discussing items of mutual concern and interest.

MR. SPEAKER: The Honourable the First Minister.

HON. H. PAWLEY: The Leader of the Opposition, for his question - yes, I had already contacted and spoken and met personally with the Governor of North Dakota some two or three weeks ago.

MR. G. FILMON: Mr. Speaker, I wonder if the Premier could indicate whether the discussions that are held might lead towards a meeting with some leaders of this Legislature and the North Dakota Legislature and perhaps an opportunity to further discuss some of the concerns that we might have mutually amongst us.

HON. H. PAWLEY: The meeting that I held with Governor Sinner indeed did lead to a meeting involving two members of my Treasury Bench with the leadership in the North Dakota House and Senate. That meeting took place approximately 10 days ago and I trust, Mr. Speaker, it was a contributing factor toward the more conciliatory approach that the Leader of the Opposition has referred to.

Yes, in my meeting with Governor Sinner, we did discuss the possibility for political leadership in North Dakota to come together with political leadership in the Province of Manitoba, to have discussions in many areas of common concern involving North Dakota and Manitoba, for instance, issues pertaining to the exchange of tourism business as well as issues pertaining to . . .

One problem that they feel very strongly about, and yet it is outside our jurisdiction, yet is a matter I feel that we ought to discuss, the impact of the low Canadian dollar, and that negative impact upon the economy of North Dakota in relationship to its proximity to Manitoba.

Health care institutions - zero percent increases in salary components

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, my question is for the Minister of Health. In view of the fact that it's reported that his Deputy Minister has sent a letter to health care institutions in the province indicating, specifically, that they will be limited to a zero percent increase in salary component for the hospitals under their jurisdiction, does that indicate that the freeze on layoffs has been removed from the hospitals in the province as a result of that move?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, first of all I would like to make a correction, I doubt if it's the Deputy Minister that sent the letter. I think it was an interview with the Deputy Minister. The letter was sent by the Manitoba Health Services Commission.

The letter is intended as a signal that they will be hard-bargaining, there's no doubt about that. I think that the people in the hospitals, and the message has to go out to Manitobans that if they want to protect wages and so on something will have to give, especially when one of our partners, the founding partners of the Medicare and hospitalization, is not living up to expectancy in the funds that we are receiving. I think the message has to go out.

Now, I could say that the same thing, the same direction that I issued a year or so ago - a couple of years ago - still exist that nobody will be laid off until this has been approved by the Commission. It has to be subject to the Commission, unless this is someone who has been hired by some hospital over and above the guidelines in the allowance of the Manitoba Health Services Commission.

MR. G. FILMON: Mr. Speaker, given that the Minister, therefore, and his department have indicated that there will be no increase in the funding for the salary component, and given as well that there are no layoffs to be allowed, and given as well that many of these organizations, many of these hospitals have ongoing contracts in a final year of which they do have commitments for salary increases, how does the Minister suggest that they can meet these and where will the cuts come?

HON. L. DESJARDINS: The contracts that have been approved by the Commission - they should have been approved - will be lived up to and that should be added to the base, if it hasn't been done already.

Hydro rates - farm and residential increase

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to the Minister of Energy. On Page 15 of the National Energy Board Report, it indicates that during the course of the hearings, the Manitoba Hydro's council projected a 70 percent increase for hydro rates by the year 1993 for large industrial customers.

My question to the Minister is: in view of the fact that it's understood that farm and residential rates are considerably higher, what would the comparable increase be for farm and residential customers of Manitoba Hydro?

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

HON. W. PARASIUK: Mr. Speaker, I'm just trying to find the exact reference to the . . .

MR. H. ENNS: It's Clause 517 in the middle of Page 15.

HON. W. PARASIUK: What was indicated - there are the normal projections for hydro rate increases that will take place, I think I indicated in the Legislature, whereby Hydro indicated that hydro rate increases would increase at a level which they believe will be less than the rate of inflation, which in economic terms means that in real terms there will be a decrease in hydro rates relative to increases in other prices within the country.

The rates for residential and home consumer users, Mr. Speaker, would therefore be in the same type of proportion, but I think that's a matter that could be dealt with in detail at the Public Utilities Committee. But I certainly will take the question as notice and get the specific answer on that, but I wouldn't think that it would be out of line with the proportionate type of increase that was indicated on Page 15 of the report.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I am genuinely seeking information and I do not want to be accused of spreading wrong information. I would simply ask the Minister then, I could be right or I would be right by talking about a 100 percent increase for residential and farm use ratepayers of Manitoba Hydro by the year 1993.

HON. W. PARASIUK: No, Mr. Speaker, that would depend upon the rate of inflation, and I would think that it would certainly not be in the order of 100 percent, as the member is now trying to indicate.

Municipal taxes - possible reduction

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

MR. G. MERCIER: Mr. Speaker, I have a question for the Premier. Using as an example, an average home assessed at \$7,000 in the Winnipeg School Division No. 1, the total taxes on that home from 1977 to 1981 increased under a Conservative Government by \$78.03. In four years under the NDP, the total taxes on that same home have increased by \$344.32, four-and-a-half times the total increase under a Conservative Government for a similar period.

My question, Mr. Speaker, to the Premier is: in view of the NDP election promise signed by the Premier in 1981 to ease the municipal tax burden, and in view of the fact that this is the last year in government for the NDP - thank God, Mr. Speaker! - when will the government reduce and ease the burden of municipal taxes on the public of Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I want to make no apology for the level of assistance that has been given to the City of Winnipeg since the election of this government. In fact, Mr. Speaker, if we were treated as well by the Federal Government by way of transfer payments as this government has treated the City of Winnipeg, we would be dancing in the front of this Legislature.

We are, as of present information, liable to a 15 percent cut in transfer payments from the Federal Government in respect to equalization, Mr. Speaker. That has not happened insofar as transfer payments from the Province of Manitoba to the City of Winnipeg. In fact I believe, Mr. Speaker, there is an increase of some approximately \$3 million - I'm subject to being corrected - this year in payments to the City of Winnipeg as opposed to last year.

Mr. Speaker, we can assist to a certain extent, but we can only to a reasonable level hold the hands of municipal leadership. Municipal leadership must bear responsibility insofar as their management of the affairs of their municipality, city, town or village. So I think that the honourable member might prefer to consider addressing his question to some of his friends and colleagues at City Hall.

Ambulance and transit increases

MR. G. MERCIER: Mr. Speaker, this government has failed miserably in maintaining its promises to the people of Manitoba in 1981. Mr. Speaker, in view of the Premier's election promise and statement in 1981 where he said: "The city is cutting back and raising the price of essential services such as ambulances and buses . . .", could the Premier confirm that since 1981 ambulance charges to the people of Winnipeg have risen by 33 percent, from \$75 to \$100, and transit fares have increased by 33 percent, from 60 cents to 80 cents for adults? Could he confirm that those increases have taken place under this NDP Government that promised to ease the tax burden and condemned increases in prices of essential services such as ambulances and buses, and he signed the statement?

MR. SPEAKER: Order please. Would the honourable member like to rephrase his question to deal with matters which are entirely within the administrative competence of the government?

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, the Premier in the election of 1981 stated that the city was cutting back essential services and raising the prices of ambulances and buses. Could he confirm that ambulance user fees have risen by 33 percent, from \$75 to \$100, under his NDP Government, and that adult bus fares have increased by 33 percent, from 60 cents to 80 cents per adult?

MR. SPEAKER: Order please, order please. That is the same question.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, obviously the Premier does not wish to answer these questions which are very embarrassing to him.

Tascona, Cathy - financial assistance

MR. SPEAKER: Order please, order please. Order please. The question was ruled out of order by the Chair, and not by the First Minister.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, a supplementary question to the Minister of Sports. I have a constituent, one Cathy Tascona, who is one of 10 women picked for the Canadian Powerlifting Team to attend world championships in Vienna, Austria in May of 1985. She is the first and only woman ever to be selected from Manitoba. Could the Minister of Sports brush aside the regulations and bureaucracy in his department, and provide some financial assistance to assist Cathy Tascona in attending the world championships?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, there is nothing I'd like as much. But I can just see tomorrow morning people saying that I brushed aside all this bureaucratic interference to help people in my constituency, why can't I do something in their constituency and I would be in big trouble.

Mr. Speaker, let's be fair. There is only so much money that can be spent on sports. I remember that from the last 10 years ago when I first accepted the responsibility for Sports, there was a total of about \$30,000 spent in this province, and now there are millions of dollars. We cannot possibly deal with every individual and every team as such. There are hundreds literally, and my friend knows that, hundreds of teams. And furthermore we did not take the revenue from the Lottery and put it in the Consolidated Fund where we could, as some people say, help the City of Winnipeg, help the hospitals and so on. We gave out a large part of that to go to the Sports Federation so they can answer some of these needs. I would hope that they will be able to do something.

Now as far as the rules and so on and to say that we will make one exception, although we'd like to do it very much, I think it would be improper.

Swan River Curling Rink - Jobs Fund assistance

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Mr. Speaker, I direct this question to the Premier. Approximately a week before the opening of the Session, my constituency had the distinct honour of having received a visit from the Premier and at least one of his Cabinet Ministers, at which time the Premier participated in the official opening of phase one of the new curling rink. I would ask the Minister at this time if he could advise the House as to whether he received an official invitation to participate in the Jobs Fund assisted construction of the curling rink, or did he request to be present there to — (Interjection) — open the rink?

MR. SPEAKER: Order please, order please.
The Honourable the First Minister.

HON. H. PAWLEY: Mr. Speaker, I don't really know. All that I know I had the very distinct pleasure of attending at a very warm and hospitable opening of the Swan River Curling Rink expansion, along with the Honourable Member for Swan River, and I thought we

enjoyed the evening. I know the people in Swan River appreciated very much the contribution by the Manitoba Government by way of the Jobs Fund insofar as the curling rink expansion and all that I can say, Mr. Speaker, is that everybody was very pleased that evening mutually.

MR. D. GOURLAY: Thank you, Mr. Speaker.

A further question to the Premier. Can the Premier advise the House whether he had sent an invitation to members of the NDP party in the Swan River constituency at taxpayers' expense to attend the official opening of the curling rink in Swan River?

HON. H. PAWLEY: Mr. Speaker, I don't know whether or not who was contacted. Mr. Speaker, I must just mention by way of interest, unlike the impression the honourable member appears to have, I felt there was general pleasure of the fact that there had indeed been Jobs Fund contribution to the Swan River Curling Rink, and that the Manitoba Government in co-operation with the Town of Swan River and the Swan River Curling Club had succeeded in ensuring - after some 18 months, I believe it was - that the curling rink in Swan River be back in operation.

MR. D. GOURLAY: I wonder if the Premier would advise the House if it is the policy of his government to have NDP rallies at official openings at all Jobs Fund assisted projects in Manitoba.

HON. H. PAWLEY: Mr. Speaker, I can understand the honourable member's sensitivity because obviously at the opening of the curling rink there was a great deal of expression of support for the efforts of this government. — (Interjection) — Mr. Speaker, probably to the honourable member's chagrin, there were some very good things said about this government, about the Jobs Fund activity.

Mr. Speaker, there was a community reception in which municipal people, business people, people from different clubs and organizations within Swan River were invited to attend. I'm sure approximately 42 percent were NDP and maybe 58 percent were Conservative, if we were to go by the results of the last election in Swan River.

Wife abuse - TV and radio commercials and ads

MR. SPEAKER: Order please.

The Honourable Member for Elmwood.

MR. R. DOERN: Thank you, Mr. Speaker.

I'd like to direct a question to the Deputy Premier and Minister of Community Services concerning the flood of TV and radio commercials on wife abuse and I'm referring specifically to the remarks of the coordinator, Bernice Sutherland. — (Interjection) — Well, I don't find this a laughing matter, maybe the honourable member does.

Mr. Speaker, there have been a number of statements made in recent days and most recently by the coordinator of the program that, rather than countering what they are intended to counter, that they may be

increasing rather than reducing the level of wife abuse in the community. And Mrs. Sutherland is saying perhaps the ads are counter-productive. I want to ask the Minister whether she can confirm that finding or comment on it?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, I would like to see some report from the questioner as to what exactly was said. My understanding is that the ads are leading to more reporting, and I haven't heard any suggestion that they are influencing the numbers of abuse cases that are there.

MR. R. DOERN: I refer the Honourable Minister to the Free Press of yesterday and CKY of two days ago. — (Interjection) — Well, you have a subscription, why don't you tell us?

Mr. Speaker, I would like to ask the Minister whether, in view of these statements which have been quoted on the radio, reported in the press by Mrs. Sutherland, there is in fact a danger that the ads may be counter-productive and whether she would make an immediate reassessment of them and if so, revise the ads or withdraw them and replace them with something more suitable?

HON. M. SMITH: Mr. Speaker, I think I've answered the question. I will, however, speak to the individual and determine what her assessment and opinion is. I will also consult with other people who are carefully monitoring the impact of the ad campaign.

Swan River Curling Club - Opening reception

MR. SPEAKER: The Honourable the First Minister.

HON. H. PAWLEY: Mr. Speaker, I do want to provide a more precise answer to the momentous question that was posed to me a few moments ago by my friend the Honourable Member for Swan River. Mr. Speaker, I am informed indeed by the Honourable Member for Northern Affairs that he was invited to participate in the opening of the Swan River Curling Club. The Honourable Member for The Pas, the Minister of Northern Affairs, indicated that regrettably he'd be unable to attend on the particular day they had fixed but indicated that he'd be present with the Premier one week after that particular date, and would it be all right that the opening take place at that point, to which the local people were delighted to reschedule the event so that the Minister of Northern Affairs and the Premier would be able to attend that particular event.

Mr. Speaker, at that event there was a community reception which included leaders of municipalities, businesses, community organizations, whatnot, and in the afternoon there was an excellent opportunity, too, to meet with people within the community. Mr. Speaker, in fact I am thinking I may have made a mistake a few moments ago when I suggested 58 percent Conservative and 42 percent NDP, it may be reverse now in view of the last three years in the Swan River constituency.

Flood Assistance Program - Bellsite-Garland area

HON. H. PAWLEY: Mr. Speaker, and further, I took a question as notice from the Honourable Member for Swan River about a week ago pertaining to boundaries, extension of certain areas in the Bellsite-Garland area of Swan River. The Minister of Agriculture has that matter presently under review. In fact his regional directors in the Northwest and the Interlake have compiled an inventory of all possible area extensions, and we are receptive to the alteration of those boundaries subject to, of course - and it is a Canada-Manitoba agreement, federal - sensitivity to the concerns of the farmers in that area that may have been left out as a result of the particular boundaries. It is my understanding the Minister of Agriculture will be making representations to the Federal Government in Ottawa pertaining to possible changes with respect to the boundary since it is a 50-50 agreement.

I believe I should add by way of note and just caution the honourable member that we're not overly optimistic because a similar effort on the part of the Saskatchewan Government to change its boundaries in areas that were affected by drought was not successful. But Mr. Speaker, we're going to attempt to obtain federal support for the change of the boundary because I do think that there are farmers in the area that ought to have been excluded and we hope that the Federal Government will be sensitive to the very real concerns of farmers that were excluded by way of the boundaries that were prepared under the Canada-Manitoba agreement. From our point of view, we are prepared to do our part. We await a response from the Federal Government.

Morgentaler Clinic - prevention of abortions

MR. SPEAKER: The Honourable Member for Pembina.

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

My question is for the Attorney-General. It is stated by Henry Morgentaler that he intends to open this abortion clinic this Saturday. My question to the Attorney-General, as the chief law officer of the province, what action does he intend to take to prevent Henry Morgentaler from performing abortions at his clinic in Winnipeg in contravention of the Criminal Code?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Whether or not the actions of Dr. Morgentaler or anyone else are in contravention of the Criminal Code are for the courts to determine and it would be improper for me to attempt at a judgment outside of the judicial system. That is why we have judges; that is why we have juries; that is why we have the presumption of innocence which pertains to anyone in the land and that's the way it ought to be and I am sure the Member for Pembina will agree with that.

I am satisfied by information supplied to me by my senior law officers and, indeed, that the similar information has been supplied to the Attorney-General of Ontario, that there is no injunctive remedy which

can be taken under the Criminal Code. However, that issue is before the courts tomorrow, I believe, and it may be that a different conclusion is arrived at by a Judge of the Court of Queen's Bench and, of course, we will abide by any such decisions which are made in the judicial process.

So I hope that my answer to the Member for Pembina gives him the information which he requires. If there were - well, I think I've gone as far as I can in the circumstances. The issue is before the courts tomorrow and the courts will determine whether indeed there is some steps of the kind that he seems to indicate which can be taken. As I say, I have been satisfied by my senior law officers, as has the Attorney-General of Ontario, that no such injunctive relief is available under the Criminal Code or criminal law generally.

MR. D. ORCHARD: Mr. Speaker, the Attorney-General didn't exactly answer the question as to what action he would take to assure Manitobans that he wouldn't allow the resumption of operations by Morgentaler this Saturday.

Bill No. 2 - Extra fee billing

MR. D. ORCHARD: I would pose a question to the Minister of Health, Sir.

In introducing Bill No. 2 yesterday, the Minister of Health indicated, in answer to questions, that medical practitioners operating as an opted-out practitioner could do so providing their fee schedule did not exceed the fee schedule as prescribed by MHSC.

If medical practitioners operate in excess of the fee schedules prescribed, will they be barred from medical practice in the Province of Manitoba under the constituents of this Bill No. 2?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: To make sure that I understand the question, Mr. Speaker, if they charge more than the rate that has been allowed, well they won't be; it will be an offence and they will have to pay a fine. Now that is the main thing. What's going to happen, I can't tell you, but it certainly will be an offence and they would have to pay the fine. It would be done illegally.

Why I answered this way is that I, Mr. Speaker, do not issue a licences to doctors. This is done by the College of Physicians and Surgeons through legislation that we have here. But, without hesitation, I am saying that this would be done if they are doing it illegally and they won't be covered at all.

MR. D. ORCHARD: Mr. Speaker, a supplementary to the Minister of Health.

If the medical practitioner who has opted out for his billing procedure, if he does not comply with all of the regulations for that medical procedure, will he be barred from acting as a medical practitioner in the province?

MR. SPEAKER: Order please. I do think that the Honourable Member for Pembina's questions have to do with a bill which is before the House and is subject to a debate at a different time.

If the honourable member has concerns and wishes to put forward an opinion on the bill, he should do so when the bill is next before the House.

Tax imposition on non-residential property owners

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ANSTETT: Yes, Mr. Speaker, the Minister of Education took a question from the Honourable Member for St. Norbert as notice yesterday, which related to the notification from the Public Schools Finance Board on the City of Winnipeg. That notification found its basis in the equalized assessment for the City of Winnipeg and for the whole province, which is prepared by my department, and I am responding on the Minister's behalf to the member.

That equalized assessment is not reflective of the downward adjustments made by the Municipal Board last January in accordance with the provisions of Bill 105 passed at our 1983 Session - I might note unanimously by this House - which froze the equalized assessments at the 1983 values pending the implementation of the MARC recommendations respecting assessment reforms. So there have been neither adjustments upwards for added assessment or found assessment of which something in the neighbourhood of \$4 million in additional revenue to the City of Winnipeg this year on which no upward adjustment is made in equalization; similarly, no downward adjustment in Winnipeg or in several other communities across the province where adjustments one way or the other might have been warranted on the basis of reassessment over the last couple of years.

Opted-out practitioners - provincial barring

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. ORCHARD: Mr. Speaker, on a point of order.

MR. SPEAKER: The Honourable Member for Pembina on a point of order.

MR. D. ORCHARD: Mr. Speaker, I believe I asked an initial question to the Minister of Health and you expressed some concern about my first supplementary. I believe I have a second supplementary under normal question of a Minister.

MR. SPEAKER: Order please. I am not sure that a supplementary question can be properly in order if the original question was out of order. If the honourable member has another question, he may pose it.

The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. Under circumstances of no extra billing in the Province of Manitoba, could the Minister of Health inform me today whether opted-out medical practitioners who have violated any regulation to the profession will be barred from practice in the province?

MR. SPEAKER: Order please, order please. That is the same question I ruled out of order just now.

Trade-offs with North Dakota

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Mr. Speaker, I had a question to the Minister of Natural Resources.

In their meetings with the officials from the State of North Dakota, were there any trade-offs offered by the Province of Manitoba to placate the North Dakotans in regard to fish exports, the MANDAN line or any other matters?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. S. USKIW: Mr. Speaker, the meeting that was held some one week ago, thereabouts, was really a public relations exercise on the part of elected people on both sides of the border; something that we believe should have been ongoing for many many years for the benefit of all of us, and it's part of a new process that is under way at the moment.

We did not get involved in negotiations of any kind other than that we wanted to have meetings more frequently to deal with matters of mutual concern and, therefore, we have agreed in principle that those meetings will be held probably once or twice a year both here in Manitoba and in North Dakota.

Road restrictions effective date

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Speaker. My question is to the Honourable Minister responsible for Highways and Transportation.

In view of the evidence of possibly an early spring break-up, I wonder if he can inform the House when the road restrictions will be placed in effect and what he has in mind as far as road restrictions this year are concerned?

MR. SPEAKER: The Honourable Minister of Highways.

HON. J. PLOHMAN: Well, Mr. Speaker, I will take that as notice and report to the House as early as possible.

MR. D. BLAKE: I wonder if the Minister could inform the House what restrictions are now in force as far as wide loads on the highways are concerned.

HON. J. PLOHMAN: Mr. Speaker, again I will take that question as notice.

Road restrictions on wide loads re mobile homes

MR. D. BLAKE: I am sure the Minister may be aware that the road restrictions now restricting 16-foot wide loads from moving mobile homes, if the restrictions remain in force, there will be two mobile home plants that will be shut down and the mobile plants now that

have 12 to 15 units to be moved will be unable to move those units into place.

I wonder if he might consider those regulations. These loads are not overweight loads by any stretch of the imagination; they are carried on 16-wheel trailer units, and they're well within the load limits. I would like the Minister to reconsider that restriction, and allow these people to move the units that have been sold, and the dealers are in the process of selling now, to move them into place.

MR. SPEAKER: The Honourable Minister of Highways.

HON. J. PLOHMAN: Mr. Speaker, I just would say on that that I don't believe there have been any special changes that have been made to those regulations this past year. If there has been, I will look into it for the honourable member. I know that there are special permits that could be issued for situations that might develop of an emergency nature, and they would be considered.

Henderson Highways Day Care Centre - physical and verbal abuse problems

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Speaker. My question is to the Minister of Community Services. Can the Minister tell this House whether the problem of physical and verbal abuse at the Henderson Highway Day Care Centre has been resolved?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, the situation with the day care at Henderson Highway is undergoing, I guess you would say, a process whereby the people in our department responsible for regulating and supervising are working with the board and with the staff to develop a healthy program and one that can be considered to meet these standards.

They've been given provisional licences. There has been significant improvement to date, but still some unresolved problems and, if we cannot resolve all these problems within the period of one year, because we've only been supervising this group since June 1st of last year, there will be no more licence granted to that day care.

Henderson Highway Day Care Centre - meeting

MR. A. BROWN: My question is to the same Minister. The Parent Adviser Committee of the Henderson Highway Day Care Centre requested a meeting with the Minister. I wonder, can the Minister tell me whether this meeting has been held and, if not, does she know when it will be held.

HON. M. SMITH: Mr. Speaker, the situation at this day care is that they have not complied with the usual

expectation that there be a parent board, because they were operating with a church board when we took over regulating. We've been working by persuasion to get more parents onto the board.

Our co-ordinator asked for a meeting with the Director of the Centre and with the Board and with the Parent Advisory Council and, at the meeting, the Parent Advisory Council had not been invited to attend so, in fact, the initiative to meet with the Parent Advisory Council has been coming from our office. I will certainly be available to meet with the Advisory Council but, waiting for that, we've asked the co-ordinator to increase their supervision and contact with the centre.

Vicon - location of head office

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, my question is to the Minister of Industry and Technology. He stated that the officials of the government and the Steelworkers Union and the officials from Vicon would be meeting on Tuesday the 12th to start discussions again regarding Vicon placing their operation in Manitoba. Can the Minister inform the House what progress has been made in those discussions?

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker. The discussions were between the union and the company, and I believe there was some assistance from representatives of the Department of Labour with respect to that particular meeting. I understand that those meetings are still continuing.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN, P. EYLER: We are considering the resolution granting Interim Supply.
The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman. I have a question for the Minister of Finance relating to the

Municipal Tax Sharing Agreements. Is it correct that the money paid to the municipalities under the tax sharing agreement is done so under legislation, and it is not a matter of yearly discretion on the part of the government in its Budget?

MR. CHAIRMAN: The Minister of Finance.

HON. V. SCHROEDER: The legislation, as I understand it, requires that an amount, whatever is estimated, be sent to the municipalities, but it is up to the government to determine how that is calculated; that is, there is urban service, rural service - I'm not sure. I don't think there's a rural service category, but there are different categories. There are a number of opportunities to change the distribution as to how the money goes, No. 1.

No. 2, I don't believe there is anything in the legislation that says that there is a specific date on which it has to be done, based on specific figures at a specific time. Over a period of time, you review it and occasionally there are overpayments and there are underpayments, and that sometimes has to do with what happens in future years as well.

MR. B. RANSOM: Perhaps if the Minister of Municipal Affairs was going to respond to the same question, Mr. Chairman, I yield the floor.

MR. CHAIRMAN: The Minister of Municipal Affairs.

HON. A. ANSTETT: Yes, Mr. Chairman, the statutory provision relates to the dedication of the given percentages, 2.2 percent of income tax and 1 percent of corporate taxable income. The actual distribution is determined under a Lieutenant-Governor-in-Council Order. Those orders vary from year to year, depending both upon the amount and the distribution.

There is an Urban Services Supplement for municipalities larger than 5,000, and one for municipalities smaller than 5,000. Those two amounts are different, in addition, there is a base amount.

All of that, in effect, could be changed in any given year as well, but that basic formula has been in place for quite a number of years, I understand virtually since the inception of the program back in 1976, and it's only the amounts that have been varied. Some years the Urban Services Supplement have been increased, as well as the base; other years, only the base. That is what is discretionary. The dedication of the funds for municipal purposes is provided for in the act, but no distribution is statutory.

MR. B. RANSOM: A further question then to the Minister of Municipal Affairs. He said, 2.2 percent of personal income tax revenues. Does he mean 2.2 percent or 2.2 percentage points of the amount of tax that's due?

HON. A. ANSTETT: The latter.

MR. B. RANSOM: It's the latter, the Minister indicates, Mr. Chairman. So my further question to the Minister then is that when he says there is a further 13.6 million for local government general support, is that 13.6 million

based on the cost sharing, based on the 2.2 points and the 1 percentage of corporate income tax, or is that something that the government has indeed budgeted for, that sort of increase, on a discretionary basis?

HON. A. ANSTETT: If I can understand the Honourable Member for Turtle Mountain's question, I believe he is asking the nature of the budgetary provision for the additional amount of local government support which is intended to offset the health and education levy, which is paid out actually at a level of about 1.55 percent of payroll costs, slightly more than . . . That is a budgetary item, it's provided in the Estimates; that does not come from the provincial-municipal tax sharing statutory arrangement. There are two separate amounts referred to. One is paid in July as an offset for provincial-municipal tax sharing. The other is paid in late September, which is the offset on the health and education levy so that the burden of that levy is not imposed upon local government.

MR. B. RANSOM: When the announcement was made that there will be 33.2 million for municipalities under the Tax Sharing Pact - I understand that it is based on the 2.2 points of personal income tax and 1 percent of corporate income tax - how much of an increase does that represent over what was due under that formula last year?

HON. A. ANSTETT: 9.7 percent.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Chairman. I would like to take this opportunity to speak for a few moments about the burden that this government has placed on homeowners in this city and throughout this province.

Mr. Chairman, I can recall, as Minister of Urban Affairs for four years under our government, being in Committee of Supply. The former Member of St. Johns said to me, "Does the Minister and the government feel in any way responsible for the level of real property taxation?" I replied: "Yes, I do and we do." And we were responsible, Mr. Chairman. The Member for St. Johns said he was glad to hear that because he felt, as I did, that the Provincial Government bore responsibility for the level of real property taxation in this province and obviously the NDP felt the same way, Mr. Chairman, because in 1981 in their election document signed by the Premier, they promised to ". . . ease the property tax burden." Now, Mr. Chairman, I want to repeat some of the statistics I used in the question period which, unfortunately and regrettably the Premier did not respond to.

A MEMBER: Because they were wrong.

MR. G. MERCIER: They're not wrong, Mr. Chairman. In the City of Winnipeg School Division No. 1 for an average home assessed at \$7,000, the net increase in taxes was \$78.03. Those were statistics, Mr. Chairman, that were prepared by the department whilst I was the Minister. Mr. Chairman since the NDP has been in power, with the increase in taxes approved by the City

of Winnipeg Council yesterday, there has been a net increase on that home, over four years of NDP Government, of \$344.32, four-and-one-half times the increase that occurred under a Conservative Government for a similar time period. This comes from a government, Mr. Chairman, that promised to ease the property tax burden.

We can recall, those of us who were in the House at the time, Mr. Chairman, the NDP in opposition criticizing us for increases that had taken place in ambulance services, ambulance user charges and transit. Mr. Chairman, the ambulance user charges have increased by 33 percent since this government took office for a total amount of \$25, from \$75 to \$100.00. The adult bus fares have increased by 33.33 percent, from 60 cents to 80 cents for adult fares, Mr. Chairman. So much for the promises of the New Democratic Party in the election of 1981.

They have not provided, Mr. Chairman, any relief to the homeowners of the Winnipeg School Division or other divisions. I regrettably note that in my constituency, the Fort Garry School Division increase and the Seine River School Division increase, both of which apply to parts of my constituency, have been raised very considerably this year. On an average home assessed at \$7,000 in Fort Garry, it's \$77.80; and in the Seine River, \$71.60, Mr. Chairman. So I think that this government has betrayed homeowners in this city by not doing anything to ease the property tax burden. In fact, they have harshly increased the property tax burden.

Mr. Chairman, this government has introduced Interim Supply at this particular time, and I want to make a comment on that, because I think what they have done demonstrates either their incompetence or an attempt to manipulate on the part of this government by doing so at this time. They decided a long time, Mr. Chairman, when the House was going to be. They knew that they would need some Interim Supply; yet they called the Budget for this evening. Only two afternoons of debate on Interim Supply are allowed. It's going to have to continue into the month of April, because it's not going to pass today.

Then what will they be saying in April when the members of the opposition want to continue debating the numerous areas of contention and concern that we have with respect to the administration of the affairs of this province by this government? They're going to say, look, we're under pressure. You've got to pass this. They are trying to manipulate this House. They're either trying to manipulate it, or they are incompetent.

I for one, Mr. Chairman, don't care how long we have to debate Interim Supply in April. It is not going to be our responsibility that it won't be passed. It is the responsibility of this government for incompetently once again mismanaging the affairs of this province, Mr. Chairman.

So let the Government House Leader and the Minister of Finance be aware now, the position at least I believe that should be taken on this particular side. We're not going to pass it until we have finished talking about all the areas of incompetence of this government, Mr. Chairman, and that means we can go on for an awful long time.

Mr. Chairman, we have in this province an extreme crisis. We have 48,000 unemployed persons in this

province. It's always interesting when you look at that figure, which is 20,000 more than when this government took office, to note — (Interjection) —

MR. CHAIRMAN: Order please.

MR. G. MERCIER: It's always interesting to note, Mr. Chairman, how many are not included. Native persons in this province are not included in the unemployment figures. I believe the figure is about 45,000.

The Government House Leader says, and it's the same in every other province, Mr. Chairman. I would ask the Government House Leader to examine the statistics about where Native people live in this country.

HON. A. ANSTETT: That's right. Saskatchewan first, Manitoba second.

MR. G. MERCIER: That's right, Saskatchewan first, Manitoba second.

Mr. Chairman, we have a significant number of people, 80-90 percent probably of Native people are unemployed at the present time, so you have to add that to the number of unemployed people. You have to add, Mr. Chairman, the number of welfare recipients — (Interjection) — able-bodied welfare recipients, the Member for Turtle Mountain reminds me. That is very significant, the Member for Turtle Mountain went over those figures the other day. You have to add to that figure, Mr. Chairman, the numbers of discouraged workers, people who have given up looking for a job. So it's not just that 48,000 people, it's a figure that's much much larger and, therefore, makes the situation that much worse in this province.

What is the NDP answer? The NDP answer, Mr. Chairman, supported by massive expenditures on advertising, on the addition of political aides and communicators, is Limestone. Forgetting all the arguments, Mr. Chairman, about the cost to the hydro consumer as a result of the advancement of construction, forgetting about those - for the purpose of this argument, I am not going to address that particular area - at its peak it will provide 1,400 jobs and when it's all over, apparently, there will only be some 40 people who will be required to operate that particular facility.

So, Mr. Chairman, that is not the answer to the unemployment problem in Manitoba. What is required in Manitoba is a long-term plan to establish a climate for investment in this province which will create permanent jobs for the young and middle aged and older workers of this province because Limestone is not going to solve their problems, Mr. Chairman. That is the area where this government, Mr. Chairman, is the weakest because we have seen, for example, the decrease in manufacturing that has taken place in this province; that the Conference Board refers to the fact that manufacturing in Manitoba, unlike other provinces, has not gotten out of the recession levels, unlike other provinces.

There perhaps is a growth in the service sector but, Mr. Chairman, if you examine what people earn in the manufacturing sector, compared to the average earnings in the service sector, there is quite a difference. In the manufacturing sector in 1983 the average weekly

earning was some \$378 per week; in the service sector it was nearly \$100 less per week. What is happening is we are losing the better paying jobs in Manitoba and, if there is any replacement, they are in the service sector which are lower paying jobs. So that's not doing very much, Mr. Chairman, for workers in Manitoba.

Mr. Chairman, the members opposite, the Premier, and the First Minister talk about an increasing percentage of investment in Manitoba. But what has happened, Mr. Chairman, is investment went so low under the NDP that any increase is bound to have a significant increase percentage-wise. But what is really happening to Manitoba, the important figure, is that Manitoba's share of Canadian private investment has dropped significantly. That's why we are not creating the permanent, better paying kinds of jobs that Manitoba should be producing for the workers of this particular province.

Why is that taking place, Mr. Chairman? That's taking place because of the burdens that this government has placed on the private sector, the payroll tax, the sales tax, the removal of the hydro freeze, the labour legislation, and we see that just recently in the case of Vicon and Co-op Implements.

I stand here and predict now, Mr. Chairman, that unless the Minister of Industry makes an extremely substantial grant to Vicon to locate in Manitoba to overcome the adverse effects of the payroll tax, and at assuming the existing collective agreement which is required by their labour legislation, Vicon is going to locate elsewhere and not in Manitoba. They will only be here if this Minister of Industry makes a substantial grant to buy those jobs for Manitoba to overcome what they've done by instituting the payroll tax, by their labour legislation.

Well, Mr. Chairman, we'll see what happens. — (Interjection) — I don't know what Saskatchewan is offering. I can tell you what . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please.

MR. G. MERCIER: I can tell the Minister of Industry, Mr. Chairman, what Saskatchewan is not offering. They are not offering a payroll tax and they are not offering the labour legislation.

Mr. Chairman, this side of the House realizes the importance of jobs and we are not prepared to drive jobs out of this province.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please. Order. The member is ready to proceed?
The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Chairman. I regret very much that the Minister of Industry left the House after speaking from his seat because he should have stayed here. He should have stayed here, Mr. Chairman, to listen to this debate and become a part of this debate because what we are talking about is what apparently members . . .

POINT OF ORDER

MR. CHAIRMAN: Order please. The Member for Wolseley on a point of order.

MS. M. PHILLIPS: Yes, Mr. Chairman, it's my understanding that a member is not supposed to refer to a member's absence or presence in the House.

MR. CHAIRMAN: Order please, order please, order please. The Member for Wolseley has a point of order. The rules of the House apply in committee.
The Member for St. Norbert.

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

MR. CHAIRMAN: The Member for Arthur on a point of order.

MR. J. DOWNEY: Does the same non-smoking rule apply in that same ruling?

MR. CHAIRMAN: The rules regarding smoking have not been passed yet.
The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Chairman. It remains to be seen what will happen with respect to Vicon and whether they locate in the Province of Manitoba, Mr. Chairman. We on this side hope that they do locate in Manitoba because this government needs all the help it can get in providing jobs to people in Manitoba.

What I am saying, Mr. Chairman, is expressing the deep and serious concern on the part of this House for the level of unemployment in this province which is caused, certainly in part, by what this government has done to discourage investment and the establishment of jobs in this province.

What I am saying is that the Minister of Industry is going to have to offer a very significant grant to Vicon to overcome the payroll tax and to overcome their labour legislation to have them locate in this province.

Mr. Chairman, what we are saying on this side of the House is that there is going to have to be long-term planning to create a climate in this province that will create permanent jobs for the workers of Manitoba. That has not occurred, and there are some very worrisome signs and statistics that leave me certainly with the impression that the effects of the government's actions over the past three-and-a-half years are now coming home to roost, and are causing some very very serious problems for the workers of Manitoba.

Limestone, forgetting about all the arguments about the cost to the consumer of the advancement, is not going to solve those problems, Mr. Chairman, is not going to solve those problems.

I thank you, Mr. Chairman, for the opportunity to make a few remarks at this particular stage of this Interim Supply.

MR. CHAIRMAN: The Minister of Municipal Affairs.

HON. A. ANSTETT: Mr. Chairman, I don't intend to speak at any length, but I think a few of the comments made by the Honourable Member for St. Norbert warrant reply.

The first point that he made reflected on the ability of this House to deal with debate on a variety of items in which the opposition has interest. I want to suggest to the honourable member that there will be, during the first month that this House is in Session, more opportunity for wide-ranging debate than there has been in many of the years in which he has been a member of this House.

Mr. Chairman, we have had since the 7th of March debate on the Throne Speech in which members have an opportunity for a wide-ranging debate on virtually any topic of interest. We yesterday engaged in the Interim Supply Debate which provides the same opportunity . . .

MR. B. RANSOM: We can't ask questions.

HON. A. ANSTETT: . . . are doing the same today.

The Member for Turtle Mountain says from his seat, we can't ask questions there. Well certainly the purpose of the House beyond question period is to provide for debate. If anything, Interim Supply provides the same opportunity for debate, as members wish to avail themselves of that opportunity, as the Throne Speech or the Budget. The Budget Debate will begin tonight, and will last eight additional days. Honourable members opposite will have that opportunity to debate at length.

It's very seldom, except during the last couple of years, and last year was the first year in which the Throne Speech and Budget were essentially back-to-back, providing virtually a month of complete cover-the-waterfront debate. For the honourable member to suggest that somehow the plans of the Minister of Finance to introduce his Budget tomorrow and the failure of the government to have asked for Interim Supply at an earlier time when the House was in the Throne Speech Debate, shows a real misunderstanding of what the purpose of Supply is.

MR. G. MERCIER: Call the House earlier.

HON. A. ANSTETT: The member says, call the House earlier. Mr. Chairman, we've been waiting for two weeks in view of the demands of honourable members opposite during the winter to call the House, and we still haven't had from them a question period which was even interesting to the point where all of these dramatic issues they wanted to explore with the government, this hammering the government was going to be getting just has not occurred. I've been wondering where they're keeping their dry powder, because everything they've used so far is wet and fizzled. So to suggest for a minute that there was some need to get Interim earlier shows a real misunderstanding of the purpose of Interim Supply.

MR. H. ENNS: It shows a hell of a lot of arrogance on your part.

HON. A. ANSTETT: I won't reply to the Member for Lakeside, other than to suggest that the House this year started at or about the time it normally starts if you go back over the last 20 years and take an average Session start date, give a week or two. We were well within that normal range of start dates.

Furthermore, Mr. Chairman, I find it somewhat ridiculous for the Member for St. Norbert, who has on this side been Government House Leader, to suggest that the only opportunity that members opposite have to do this great criticism of the government, which he claims is coming and for which we've been patiently waiting for two full weeks, is Interim Supply. I might expect that from some members opposite but from one who has been House Leader, I know that he's very much aware of the rules and of all of the tremendous opportunities available to engage in debate in this House, and doesn't need to trump up that excuse.

But, Mr. Chairman, he did make another criticism which I had heard before with regard to the levels of municipal taxation. I found it rather interesting. He added the current year city budget which had not been done in a brochure he distributed around his constituency, and of which I was privileged to receive a copy, in which he compared property tax increases during the Progressive Conservative Government years from 1978 through 1981 property tax years to the present administration, 1982 tax year through 1984 tax year and we don't have all the final budgets for municipalities for 1985.

Mr. Chairman, I would like you and members of the House to take note of some comparison figures that I have had compiled showing the levels of tax increases in those years. Mr. Chairman, to avoid any suggestion that there was any bias to the City of Winnipeg, I also selected from the standard sample used by the Department of Municipal Affairs, it's a sample that has been placed for many years and also used by the Member for St. Norbert when he occupied that same portfolio, a standard sample of 24 municipalities outside the City of Winnipeg and the City of Winnipeg.

Mr. Chairman, the figures are as follows: From 1978 to 1981 inclusive, property taxes in those 25 selected municipal jurisdictions went up 21.3 percent - 1978 to 1981. From 1982-84 they went up 10.7 percent, almost exactly half of the figure that they went up from 1978-81, inclusive. Well I suggest the Member for St. Norbert do as my Premier suggested to his Leader of the Opposition, and that is, do some more research or get a new researcher.

Mr. Chairman, just in case the member doesn't like those facts . . .

MR. CHAIRMAN: Order please.

HON. A. ANSTETT: . . . he can consult the statistical summary prepared when he was Minister of Municipal Affairs for '78 and '79, and that same summary prepared by the Member for Swan River when he was Minister under his authority in '80 and '81, and the comparative documents prepared in the same format for every year since then. That's where that data comes from - 21.3 percent for '78 to '81 inclusive; 10.7, one-tenth of a percentage point more than half, barely 51 percent of the total during the Tory years.

Now, just so we don't want to be too selective here, let's look at what it was just in the City of Winnipeg. In the City of Winnipeg, the '78 to '81 increase, 11.5 percent; '82 to '84, 9.8 percent.

A MEMBER: Do '81 to '84.

HON. A. ANSTETT: '81?

A MEMBER: Yes, you're missing a year.

HON. A. ANSTETT: You would like 1981?

A MEMBER: You're not basing it on the continuous . . .

HON. A. ANSTETT: I see. The honourable member suggests that 1981, a year when his government, he was Minister of Finance and bears a great deal of the culpability for these figures.

In 1981 the Honourable Member for Turtle Mountain was Minister of Finance on this side of the Chamber for 10 of the 12 months of the year and was the Minister responsible at the time all of these municipalities struck their budgets. For some reason, and I've noticed this with a few of the other statistical calculations, the 1981 calendar or fiscal year, the Member for Turtle Mountain always wants to credit to this government because it was his "bad news" year. Well, Mr. Chairman, we on this side will never let the Member for Turtle Mountain deny the credit for the disaster he was as Minister of Finance in that year in particular.

Mr. Chairman, I repeat just so the member knows what I said. From 1978 to 1981 the increase in the City of Winnipeg was 11.5 percent; from '82 to '84 inclusive, 9.8 percent. The Honourable Member for Turtle Mountain has a penchant for being wrong.

The Honourable Member for Turtle Mountain on Tuesday night, if I may digress, Mr. Chairman, suggested — (Interjection) —

MR. CHAIRMAN: The Member for St. Norbert on a point of order.

MR. G. MERCIER: Yes, Mr. Chairman. Would the Honourable Government House Leader table the documents he's referring to?

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

HON. A. ANSTETT: Mr. Chairman, I'm reading from a staff memorandum. I'm prepared to table the document when I'm finished. I'd like the original back though. But the honourable member is certainly entitled to have a copy.

The Honourable Member for Turtle Mountain has a penchant for being wrong, I started to say, Mr. Chairman. I'm being gentle when I suggest that Mr. Chairman. I could say things that implied that he provided some mental direction, but I'm not going to go that far.

On Tuesday night he suggested that it was an NDP campaign from '77 to '81 to create this slogan, "Will the last person to leave Manitoba turn out the lights?" — (Interjection) — Yes. You see, he either has a very faulty memory or he forgets that that cartoon was used in Progressive Conservative campaign literature in the 1977 election campaign, and only two years later when people were leaving Manitoba en masse was their own cartoon turned around on them and now he's wincing at the cuts. It's always a loud protest when one is hoisted on one's own petard.

Mr. Chairman, the average increase in the 24 non-Winnipeg jurisdictions, because I said I would provide the honourable member with the complete table, the average increase for the non-Winnipeg, 24 in the sample, was 21.7 percent, '78 to '81 inclusive; and 10.8 percent, '82 to '84 inclusive. So the data upon which the honourable member relies, of which I don't know the base, leaves some doubt as to the suggestion that property taxes in the Province of Manitoba, certainly within this sample which at least four Ministers have considered representative of the province as a whole including two on the other side, leaves some doubt as to the accuracy of the statistics that he used in this House this afternoon or that he spread throughout his constituency and I suspect some of his colleagues did as well throughout their constituencies suggesting that property taxes have increased more under this administration than under theirs when, Sir, just the opposite is the truth.

Mr. Chairman, I may wish to participate again if I hear more ridiculous statements from members opposite. I think part of our obligation on this side is to listen, look for constructive criticism, and heed it. But, Sir, we also have an obligation to rebut nonsense and to ensure that the facts are on the record. We will attest to that at every opportunity.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: I welcome the opportunity to rebut ridiculous statements and the Minister of Municipal Affairs, of course, is the author of a great many ridiculous statements, but there happens to be one before us at the moment that I'd like to deal with this afternoon, Mr. Chairman.

I've spoken over the past week or two in the course of the Throne Speech debate about the duplicity that's practised by this government, the double speech and the double dealing. How they say one thing and do another.

Talk about how the Minister of Education calls a press conference and says that she's going to be working towards 90 percent of educational funding and then she, two weeks later, announces that educational funding is going up to by 2 percent, half of inflation and therefore moving further away from 90 percent funding. That's the kind of thing we've been dealing with.

Now just yesterday, Mr. Chairman, the Minister of Municipal Affairs put out a press release; a press release dealing with the tax-sharing pact that the municipalities have with the government. Now we just confirmed through questions earlier in this Session this afternoon that indeed the amount of money that goes to the municipalities is set in law, 2.2 percentage points of the personal income tax, 1 percent of the corporate tax. The Minister of Municipal Affairs — (Interjection) — Mr. Chairman, the Minister of Municipal Affairs now is changing from what he had confirmed before, but it really doesn't matter — (Interjection) —

MR. CHAIRMAN: Order please. The Minister of Municipal Affairs on a point of order.

HON. A. ANSTETT: The member is saying from his stance speaking that I said it was 1 percent of

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corporation or corporate tax. I know for the record, Sir, because I'm very clear on the point, that there's quite a difference between that and what I did say, which was 1 percent of corporate taxable income. The member knows there's a substantial difference. He can check the record. He can verify that from the statute itself. He should know better.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, the point that I want to make is simply confirmed by the Minister. The amount of money going to the municipalities is set in the statute. The Minister of Municipal Affairs just reconfirmed it again. And he said that it's up 9.7 percent this year over last year. Why then does he put out a press release that says that it's going up 9.7 percent because of this government's commitment to municipalities? It has nothing to do with the government's commitment to municipalities. The press release says: "In 1984 tax-sharing payments increased 3 percent. This year's increase of 9.7 percent . . ."—(Interjection) —

MR. CHAIRMAN: Order please. The Member for Turtle Mountain.

MR. B. RANSOM: The press release says, Mr. Chairman, "In 1984 tax-sharing payments increased 3 percent. This year's increase of 9.7 percent is" - and this is in quotes to quote the Minister of Municipal Affairs - "dramatically higher than all other grants provided this year to local governments, school boards and other public agencies, such as hospitals". Mr. Anstett said, "It reflects our commitment to assist municipalities keep mill rate increases to a minimum." That is an outright misrepresentation of the truth.

He had no choice, Mr. Chairman, he had no choice except under the law to pass that amount of money on to the municipalities, and what he wants to do is put out a press release that tries to indicate to the people of Manitoba that somehow he made the discretionary move to increase this. That's simply not true, Mr. Chairman. It's not true. This, from the Minister of Municipal Affairs, that said it's the responsibility of members to refute ridiculous statements when they hear them. Well, there's a ridiculous statement, that the Minister of Municipal Affairs has put out through the propaganda arm of this government. It's just one more example of the kind of distortion that takes place through the millions of dollars that the government is spending on its propaganda; that's what their priority is.

Mr. Chairman, there are some other points that I would like to deal briefly with, and perhaps we can get some answers. Maybe the Minister of Finance would answer if the Minister responsible for Energy and Mines is unavailable to answer some of these questions.

The members opposite don't seem to understand why we have some concerns about the Hydro scheduling, the fact that the government is proceeding with the construction of Limestone Generating Station at this time. Mr. Chairman, I would like to point out some of the history related to the Limestone project; the fact, for example, that construction was once before started in the spring of 1976. That construction was

undertaken on the basis that experts had made a recommendation that because of expected growth load, it was going to be required; that there would be an in-service date, I think at that time, of 1983. The Limestone Generating Station was going to be required by 1983, and so construction was undertaken in May of 1976.

Now, it's evident from the Tritschler Report that there was some question at that time as to whether construction should have started in 1976 or not, that is, could have gone to 1977, a six-year span of time during which the plant could have been built. I think I can provide a quotation from the Tritschler Report that says: "In May of 1976, when the Board formally committed Hydro to construction of Limestone for a 1983 in-service date, there was already concern within Hydro and government about the continued downturn in demand for electricity. Under these circumstances, the board should have insisted on further analysis of the costs and risks of deferring commitment, recognizing that a six-year construction schedule was considered possible."

There was a six-year construction schedule that was possible then, but the government chose to go with a seven-year construction schedule. The consequence of that was that they committed about \$90 million to the construction of the cofferdam. Then, in the summer of 1977, due to a downturn in the expected growth of demand for electricity, the government decided to suspend construction of Limestone, only one year after making the decision to go ahead.

Now we'll see, Mr. Chairman, that had they worked on the shorter period of time for construction, if they'd worked on six years instead of seven years, then they would never have begun the construction, they would never have put that \$90 million into the cofferdam because, by the summer of 1977, it was already evident that they could not proceed with the construction. Indeed, it was deferred at that point. Subsequently in 1978, the decision was made final that it would have to remain suspended in accordance with the decision of the Hydro Board in the summer of 1977.

It's also interesting that at the time it was suspended in 1977, the expected in-service date had then moved from 1983 to 1987. By 1979, when the Tritschler Report was completed, the expected in-service date had been set back a further two years to 1989. By this point in time and over the last couple of years the expected in-service date has been set back even further to 1993.

So it's very evident on the basis of experience in this province that the best estimates that have been made available to the government, to the Legislature, to the committee have been wrong. They have been wrong more often than they have been right. That would indicate to me at least, Mr. Chairman, that the wisest course of action is to proceed with a short period of construction because it allows you to be able to estimate more accurately what the requirement is going to be from that power dam.

If they had done that, if they had delayed construction in 1976 and said we'll go with a six-year construction period instead of seven, they would never have committed that cofferdam. The taxpayers of Manitoba, the Hydro ratepayers, would not have been paying interest on a \$90-million cofferdam that has been there now for nine years. That's quite a lot of interest. The Minister of Finance will know that \$90 million over nine

years at today's interest rates, or the interest rates it's been since that time, will more than have doubled.

That one decision has cost Hydro ratepayers over \$100 million, right there. The whole revenue that Manitoba Hydro had, and the Minister just tabled the report today, \$352 million from sales within the province. So the cost of that one decision alone has been equal to about a third of the revenue that Manitoba Hydro gets from in-province sales.

So is it any wonder that we express concern about this decision that when we have been told in the committee that for a 1993 in-service date - it's estimated when Limestone will be needed for Manitoba - that construction could have begun in '86 or '87, '87 really was what they were telling us two years ago?

Then the government went to the National Energy Board and they made a request. Their submission was for a one-year advancement. We questioned the advisability of that, but in fact what they're going for is a two-year advancement. It's a two-year advancement, Mr. Chairman. So there's the concern, so why we think that there may be a risk being run here, an unnecessary risk being run, and we think that it's being run basically because it fits in with the government's election schedule. Because there is no objective body that reviews that decision, make no mistake. The National Energy Board did not review and approve of the government's construction schedule. What the National Energy Board approved was the government's request to sell power. That has been approved, but not the construction schedule.

It is an interesting comment that comes out in the Winnipeg Free Press today which isn't a direct quotation from the Minister of Energy, but it is at least an indication of the reasoning. I know that I have heard this reasoning put forward before, and so I would like to deal with it to some extent. That is what the Minister supposedly has said, that the project will not be completed until 1990, and that the interest bills won't have to be paid until the revenue starts to roll in, which only means that the interest costs are being capitalized. Sure, they're not being paid in the year that the first borrowing takes place and the cost is incurred.

There are many people who would argue that that should be the case, that it really does reflect the true cost but they're not. They eventually will be paid and if the plant is built two years before it's required, if it starts two years before it's required and it's completed two years before it's required, at the other end of that construction schedule you have a plant in place two years earlier than you needed it and you have the whole cost committed for two years earlier than you need it if, in fact, it turns out that construction was begun one year or two years earlier; the point being that that's the risk that is being run; that if it started a year too early, you really have committed \$3 billion a year too early and the interest cost on that, Mr. Chairman, is likely to be \$350 million, \$375 million. So, sure, there's going to be a cost there; that's the potential risk that's being run.

There is one other point that the Minister of Energy and Mines raises occasionally - and I have heard this one made by other members and I would certainly hope that we would not hear it from the Minister of Finance because it's such a ridiculous position to be putting forward - and that is that it's going to be cheaper to

construct it now than it will a year or two years from now. But what a stupid argument, Mr. Chairman! When inflation is running at less than five and interest rates are running at what, 13 percent; so that the increase, the gap between inflationary increases in the cost of building the dam and the cost of the capital that has to go into it is 8 percent. So that for every year that the dam is built before it's needed, there really is a cost of 8 percent involved.

Just to illustrate that point further, if we look at the Tritschler Report again, it had some interesting information in it that has to do with the cost escalation. I would like to ask the Minister of Finance what he would think of this proposition. It says here that ". . . the design and engineering for the Limestone project has been somewhat variable as indicated by the projected cost of the development. An initial cost estimate of some \$400 million had been increased to \$750 million by the time the project was presented to the board for approval in 1975. Even this estimate proved to be much too low and a revised estimate some two years later projected a cost of \$1,138,000,000.00."

So that means that by the time the project was suspended in 1977, the projected cost at that time was already getting up in the range of 1.1 billion to 1.2 billion.

Now, if the argument of it's cheaper to build now than next year holds presently, then surely it would hold also that they should have proceeded and built it because it would only cost 1.2 billion instead of the 2.5 billion or 3 billion that it's going to cost by the time they complete it. Does the Minister of Finance think that would have been a wise thing to do? Does he think that would have saved money? Perhaps if the Minister of Finance could indicate whether he would accept that kind of argument or not.

MR. CHAIRMAN: Order please. Are you ready for the question?

The Minister of Finance.

HON. V. SCHROEDER: Mr. Chairman, I have a fair amount to say about this. I am pleased to see that the Member for Turtle Mountain finally, at least, is talking about hydro-electric development. It's unfortunate that he is just staying in the past and not talking at all about the future, but at least there is one member opposite who is wanting to talk about Hydro and is not making the ridiculous claims that have been made by some people on that side.

The member asks, should we have built it because it was cheaper? I don't have the answer to that; I don't know what kind of revenue we could have gotten on the other side. I presume that was looked at by Hydro and it was determined that there wasn't sufficient possibility for interruptible sales or any other kinds of sales in those years, and times have changed considerably.

One difference that we have today, Mr. Chairman, a very significant difference between what we had then and what we have now is it's not only Manitoba Hydro who has gone over the numbers; it's not only the NDP that have gone over the numbers; it's also the National Energy Board that have gone over the numbers; and

they tell us that they have found nothing to contradict the findings of Manitoba Hydro. They have looked at load growth rates; they have looked at the reasonableness of projections for interruptible sales on the two-year versus one-year advancement and they make it very clear that it is not up to them to say yes or no to how we build our dams.

But what they do say is, that according to their calculation we are going to have more net revenue for Manitoba Hydro by building two years early than if we build one year early in order to complete the sale to NSP. That is very clear; that is what they say. They say that we will have net revenue benefits to Manitoba Hydro greater by going two years early than if we don't go two years early.

The members opposite say the experts have been wrong in that. Yes, they have. The experts have been wrong on both sides of the questions. The experts have been wrong, I remember back in the early 1970s when I was involved somewhat with the natural gas issue at which time we had people like - and this was before the energy price explosion - we had people making fun of Tommy Douglas, the Imperial Oil people having cartoons about us and the world drowning in oil in the year 3,000 or something like that, and saying that this man was predicting doom and gloom and it was just nonsense. A couple of years later suddenly the price of oil jumped from \$2 a barrel to \$20 or something like that - I don't have the exact numbers - but the experts were wrong on the other side and in the last couple of years, last year and this year, what are the load growths for Hydro for last year, 7 percent?

HON. W. PARASIUK: They are up 4.5 percent and they say with normal weather conditions to 6 percent.

HON. V. SCHROEDER: Normalized for weather, 6 percent. What are we calculating - 3.1 or 3.2 percent over the period coming up. What are the people who are analyzing this industry saying about needs? That probably we are underestimating right now as we were overestimating in the 1970s. So there we have the possibility on the other side.

The Honourable Member for Turtle Mountain has talked a great deal about Limestone and the decision. I wasn't around then; I am not prepared to defend him. I only point out that he cannot just add the cost of that cofferdam, the \$90 million and the interest costs, and say that it wouldn't have been spent now. It is true that there may be differences. It is true that it may have cost us money - I don't have the numbers - but it is also true that if we built it today it would cost us more money. How much money it cost us, I don't have the numbers, but it's something that we could factually determine.

I don't suggest that we build part of the plant ahead of time in order to avoid inflation, but I do suggest that occasionally there are things that are happening out there . . .

A MEMBER: Why do you go out and campaign on that basis then?

A MEMBER: Because your Minister of Mines and Energy is spreading it all over the country.

HON. V. SCHROEDER: Well, I'm sure Wilson will have his shot at it. He is delighted that we have turned to discussing this very important issue. — (Interjection) — Jim got me off my train of thought there for a second. I have been busy thinking about other things this afternoon, but again I want to say I'm delighted that we are back onto this kind of topic. I remember now what I was going to say.

A couple of days ago, there was an announcement in the Press with respect to the speed-up of Hydro Quebec and its next set of projects. It may be that it's related to an election, but on the other hand you have Bourassa saying that he wants to get that economy going with some hydro-electric deals. The government and Hydro now are saying that they are beginning to gear up for the next project which would, as I understand it, be a much larger project than what we're going on.

The point being this, that right now we are the only show in town in North America. That's a fact; nobody else is building a hydro-electric dam. That means that we're in a position now to be able to deal with the companies that produce the turbines and generators, etc. They are hungry right now. They are looking at this project and saying, boy, we really would like to do this because we want to keep our people busy and so on. That is a part of the equation that has to be put forward.

The Member for Morris, I really wish, would read the National Energy Board decision, so that he would understand a little bit about what is happening here and maybe not make such stupid comments. I refer to Page 25, "The Disposition of the Issue." "The Board is required . . ." — (Interjection) — This is what the board is required to do.

MR. CHAIRMAN: Order please.

HON. V. SCHROEDER: The board has a responsibility, and the responsibility it puts succinctly. "The Board is required to satisfy itself that the power to be exported is surplus to reasonably foreseeable Canadian requirements, and that the price to be charged is just and reasonable in relation to the public interest." That is what that board was charged with doing. After hearing all of the evidence, it came to the conclusion that indeed the whole sale was just and reasonable.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. V. SCHROEDER: The board's finding is that there is a high degree of certainty that the firm export will yield net benefits to Canada under either the two-year or one-year advancement. That's what they said. "The Board is satisfied that the revenues from this export will accrue to the benefit of Manitoba and Canada." Those are the kinds of things the board says after going through very carefully, and it came to the conclusion that the price charged would be significantly greater than that charged to similar kinds of users in Canada. — (Interjection) — Of course not. The Member for Lakeside denied that the other day, but he has been denying also that it would have benefits to Manitoba. He suggested the board didn't say that when, in fact, the board did say that. He suggested it would be cheap

power to the United States when in fact the board said that it would be at significantly greater rates to the United States.

The board has carefully examined the cases representing both the Sales Sequence and the 500-megawatt Only Sequence.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please. Order. The Minister of Finance.

HON. V. SCHROEDER: Again, here we are. We have a decision that says, yes, it will be a benefit to Manitoba - yes. I would hope that the Member for Morris will take the time to read that decision so he will not again have so ill-informed a set of comments.

The National Energy Board said there would be a profit of \$20 million extra by going two years ahead.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please. The Member for Pembina will have his opportunity. We will be anticipating his response at the proper time. Order. The Minister of Finance.

HON. V. SCHROEDER: I said that the board had used the words "significantly greater." I was wrong. It is "substantially greater." I believe those words have some similarity. They said the board is aware that the export price would be substantially greater than the rates paid by the applicant's large, industrial customers.

You see, the concerns raised by the members opposite to the mining community - for instance, the Mining Association of Manitoba contacted us and said they were concerned. We have sat down with them, and we think we are able to allay their fears and point out that indeed if we went the way the Tories would have us go that they would be paying more for their hydro-electric power. They would absolutely have to pay more, because the board has found that there is the profit that Wilson Parasiuk said there would be; that there is more profit proceeding two years ahead instead of one year ahead for Manitoba Hydro; and, if we didn't have that sale, they know that we would have to commence building the Limestone a year or two from now anyway. We would then fund it out of the taxpayers' pockets in Manitoba. That \$1.7 billion would come out of the taxpayer's pocket here, rather than out of the industrial customers, Northern States Power in Minnesota.

That is exactly what the Member for Lakeside would want us to do. He would want us to play Chicken Little, say, no, no, no, we won't sell this power. He would like to distort the fact that there is - they keep saying, well, why do they have the dam in place in 1990 when they're only starting to sell at the end of 1992, 1993?

They can understand a little bit about Hydro. I don't believe that they are so ignorant as not to know that the in-service refers to the first generators; that we don't have them all installed until the end of 1992, presuming that everything goes on schedule; and that there will be work proceeding during that time. Of course, we could delay it if we didn't have the sale,

but if we didn't have the sale we would lose the \$1.7 billion in profits. That's something that I think has to be addressed by members opposite.

They have been found wrong on every single issue. The National Energy Board, an independent body, has said they found nothing wrong with Hydro's calculations, absolutely nothing wrong with Hydro's calculations. And there they are.

MR. B. RANSOM: They didn't look at advancement. It wasn't their mandate.

HON. V. SCHROEDER: Oh, I'm sorry. The Member for Turtle Mountain says, "They didn't look at advancement." Read that paper, Sir, Page 27: "The Board has carefully examined the cases representing both the Sale Sequence and the 500-megawatt Only Sequence cases. The evaluation of the 500-megawatt Only Sequence case, assuming only the one-year advancement required to meet the proposed firm export sale shows that the excess of Manitoba Hydro's revenues over its costs is expected to exceed \$365 million." That's 1984 dollars. They go on: "The Board notes that for the Sale Sequence, from Manitoba Hydro's perspective, the excess of revenues over costs for the two-year advancement would be about \$20 million more than for the one-year advancement. From the perspective of Canada as a whole, corresponding benefits would be of a similar range as those for the one-year advancement."

Now, there we are, ". . . excess of revenues over costs for the two-year advancement would be about \$20 million more than for the one-year advancement." One-year advancement is at the \$365 million, 1984 dollars. Let it not be said that that board did not examine the two-year option. They did examine it and they found it to be right, and they found it to be profitable for the people of Manitoba. Read the document if you have to. Read the document.

MR. CHAIRMAN: Order please, order please. Order please.

The Minister of Finance.

HON. V. SCHROEDER: Well, I've been accused of not being a socialist anymore.

A MEMBER: He's a funny looking socialist; that's the reason.

A MEMBER: But nobody ever said you never made a mistake.

HON. V. SCHROEDER: That is true, and I would be the first to admit when I make mistakes and I would like to see other people, especially people on that side, stand up and admit when they make mistakes.

There's that suggestion out there that just maybe we didn't get the best price and I've already covered the fact that Mark Eliesen, this individual that brings up apoplexy in members opposite, Mark Eliesen and Hydro and Wilson Parasiuk have been told by the National Energy Board they got the best price possible - that's bargaining - didn't get anything less than what was possible, and I am very very impressed with that.

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Those people work hard and they deserve our thanks. They deserve our thanks.

The Member for Turtle Mountain had indicated they didn't look at the two-year advancement. There is another quote on Page 28, the cost recovery analysis - 7.3.1 - "In the Board's cost recovery analysis the approach taken, as in the applicant's analysis, was to determine the difference in net revenues to Manitoba Hydro between the export sale and the no-export sale cases." Okay, that's how they determined it.

What would the cost be to Hydro if they have the sale? What would the cost be to Hydro if they don't have the sale? And what would be the benefits, of course? What do they say? "The results of the Board's analysis" - not Hydro's analysis - "the Board's analysis for the Sale Sequence showed that Manitoba Hydro could be expected to derive net" - not gross - "net revenues of about \$385 million from the two-year advancement case." There can be no doubt that that board looked very carefully at the two-year advancement case and found that Hydro had proven its point.

And where were the Conservatives at the time? They were sitting there not daring to ask a question. They were sitting there and saying oh, the sky is falling in, the sky is falling in, the know-nothing-bunch, who wouldn't ask the question in order to clarify things because they knew - I believe they knew - that every time they asked a question we had the correct answers for them. There has never been a case in Manitoba history where we have proven more clearly, where any government has proven more clearly, the benefit of this particular sale.

As I said the other day, the Tories weren't prepared to go through that kind of grilling on their Saskatchewan-Alberta deal. That's when they were going to just sell their power at cost, no profit. There wouldn't have been this \$485 million 1984 dollars; 1.7 billion in as-received dollars - no siree, Bob. They thought that just the advancement of hydro construction would be sufficient benefit to Manitoba for them to start. They didn't want a profit from King Peter - and when I say King Peter that is not meant with disrespect - I have great respect for the Premier of Alberta. He did a good job of negotiating. I don't believe there is any National Energy Board anywhere in the world that would have said that we got the best possible price on that particular deal. No siree! But that's what the Energy Board said with respect to Mark Eliesen, Wilson Parasiuk and Manitoba Hydro, the best possible price. That's tremendous; that's real bargaining.

The board goes on and continues again - it's Page 28 - "The results of the Board's analysis for the 500 megawatt Only Sequence, which is associated with a one-year advancement of Limestone, shows that Manitoba Hydro could be expected to derive net revenues of some \$365 million." - 365 compared to 385.

What would anyone as a responsible legislator do? Go two years and get an extra \$20 million or one year and lose the \$20 million? Conservatives say they are always bold in action and that is after having used all of the reasonable sensitivity analyses that have been done by the experts for Hydro and have been done by the experts for the National Energy Board.

A MEMBER: The same experts that did it in '76.

A MEMBER: Who are they selling at 20 million?

A MEMBER: The same experts that did it in 1981, Brian, you were prepared to go then.

HON. V. SCHROEDER: Well, there's a bigger risk of doing something where you have a fixed cost and if you go above the fixed cost you start losing because you can't put it in your rate base. I don't think that the Member for Turtle Mountain understands the contract they entered into. They entered into a contract under which Limestone was valued at a fixed amount - I think it was 1.1 billion or \$928 million - and if it came in about that, that wasn't in the rate base and we would have to pay interest on that year after year after year without having any possibility of profits out of that sale. That's the kind of negotiating they did and now they are sitting there like Chicken Littles trying to pick holes. I don't mind them trying to pick holes. I accept the right of the Member for Turtle Mountain to pick holes; I do not accept the right of the Member for Lakeside to deliberately distort what has been said in this report. I don't believe that he has that right. That right he doesn't have; no member has.

MR. B. RANSOM: Have you estimated the cost, Vic?

HON. V. SCHROEDER: Mr. Chairman, the Member for Turtle Mountain asked, did I estimate the costs. We estimate costs continuously. Sometimes we're wrong; sometimes we're right. Just for example, when the Member for Turtle Mountain was Minister of Finance, he brought in a Provincial Budget which incidentally had in '81-82 a much higher rate percentage increase in growth in expenditures than in any year since then. But in that year he brought in a Budget and he had certain numbers, and he was wrong. The next year I came in with a set of numbers and I was wrong. Two years running we had numbers where we had underestimated the amount of the budgetary requirements of the Province of Manitoba. In the next couple of years, notwithstanding the predictions of the Member for Turtle Mountain who said for '83-84, I believe, we would have a deficit of \$1 billion, we were at \$434 million. That's what you . . .

MR. B. RANSOM: Show me where I said that.

HON. V. SCHROEDER: I believe it was December 10, 1982. I will find the quote in Hansard for you and I will bring it back. You said it would be about \$1 billion, the deficit, and that will be grist for another speech. I'll look forward to that.

Anyway, I said it would \$579 million. All of those people opposite stood up. The Member for Pembina stood up, had the gall to say he was betting his bottom dollar that the deficit would be far higher than 579. He never sent his bottom dollar anywhere. He lost. We came in at \$434 million. The point is they go both ways. Sometimes we're wrong because we have overestimated a deficit; sometimes we're wrong because we've underestimated a deficit. We have to go with our best possible poll.

In this particular instance, with what we believe at this stage to be a conservative estimate - a fairly

conservative estimate of loan growth - 3.1 percent in a year of 6 percent adjusted growth. If it was adjusted for normal weather, we would have had a 6 percent growth rate in Hydro this year, and we are saying we will only have 3 percent.

The experts in New York are telling us that across North America the numbers will have to be adjusted upward, that the numbers are simply too low. Yet the members opposite are simply arguing the other side of the case continuously, notwithstanding the fact that the National Energy Board has now come along and said that they found nothing wrong with anything that Manitoba Hydro had done in terms of instant analyses, nothing wrong whatsoever.

It's obvious to me that we are going to have to read and reread and reread some more of this report because just today we had the Member for Turtle Mountain say he had not realized that they had actually looked at the two-year advancement case. I'm glad that he picked something up today. I'm sure that there are members . . .

MR. B. RANSOM: I said they had no mandate, you didn't even apply for that.

HON. V. SCHROEDER: They did, they checked the arithmetic, they set up a formal paper.

A MEMBER: They checked the arithmetic, that's the issue.

HON. V. SCHROEDER: Look at these guys skate and slide.
Skating, sliding all over the place.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. V. SCHROEDER: Mr. Chairman, what was the mandate of the board?

MR. CHAIRMAN: Order please, order please. Order please.

HON. V. SCHROEDER: Well let's read the whole thing. "The Board's assessment of the export proposal has not, however, turned up anything to suggest that the utilities generation expansion decisions are wrong." So don't you try to suggest that they . . .

MR. H. ENNS: We have enough reason, we have a Tritschler judicial inquiry to show how wrong you were in '76, and the people of Manitoba are still paying for it.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. V. SCHROEDER: Another one of your Tory hacks, flax and bagmen-type of approach. Our hydro rates are the lowest in North America, as the result of good solid planning by an NDP administration, as opposed to a bunch of Tories, including the Member for Lakeside, who were going to flood half of Manitoba, and give the other half away.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please. Order please.

HON. V. SCHROEDER: You want to get into history? Don't be ridiculous. They were going to flood half of it and give the other half away, and we were lucky, the people of Manitoba were very fortunate to get rid of that group of incompetent, know-nothing people.

A MEMBER: That's what's been substantiated.

MR. CHAIRMAN: Order please, order please. I called the Member for Lakeside to order.
The Minister of Finance.

HON. V. SCHROEDER: Interesting, very interesting. The board's mandate was to satisfy itself that the power to be exported is surplus to reasonably foreseeable Canadian requirements, and that the price to be charged is just and reasonable in relation to the public interest; that was their mandate.

In pursuing that mandate they looked at the two-year advancement case, and the one-year advancement case, and found that if we advanced it by two years we'd get a net \$20 million extra profit beyond what we would get if we advanced it for one year, and there is this group of crybabies trying to convince the taxpayers of Manitoba that we should do it on the one-year basis, or not sell it at all.

A MEMBER: Tell us who you're selling it to.

HON. V. SCHROEDER: Tell us who you're selling it to? Oh my goodness, my goodness!

A MEMBER: Who? Who?

HON. V. SCHROEDER: There, again, that demonstrates that, although they were physically at the hearings, they really were sitting there as the fellows, "See no evil; hear no evil; speak no evil." They wouldn't ask questions because they knew that they would be proven wrong; they didn't want to hear anything, because then they would know that they were incorrect when they made speeches; they didn't want to see any of the graphs and exhibits that were put forward, because that again would give them too much knowledge so that they couldn't, from their ignorance and darkness, come to the Legislature and make any kind of uninformed statement.

MR. CHAIRMAN: Order please, order please. The hour is 4:30, time for Private Members' Hour.
Committee rise.

Mr. Speaker, the Committee of Supply has considered certain resolutions, directed me to report progress and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Mr. Speaker, I move, seconded by the Member for Inkster, that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: The time being 4:30 p.m., Private Members' Hour. Proposed Resolutions, the Honourable Member for Elmwood.

In the absence of the honourable member, Resolution No. 2, the Honourable Member for Riel.

RES. NO. 2 - ABOLITION OF THE SENATE

MRS. D. DODICK: Mr. Speaker, I move, seconded by the Member for Concordia,

WHEREAS the fundamental purposes of the Constitution of Canada is to protect the basic rights of Canadians in a free and democratic Canada;

WHEREAS Canadians adhere to the principle of democracy, and desire that their legislative institutions be democratic;

WHEREAS democratic rights of Canadians are protected in the Constitution of Canada and have their clearest expression in the House of Commons and the Provincial Legislatures;

WHEREAS the Senate of Canada enjoys legislative powers, but exercises these powers without popular mandate;

WHEREAS the Senate of Canada is a product of an earlier period when democracy had not yet matured in Canada;

THEREFORE BE IT RESOLVED that this Legislative Assembly request the Government of Canada and the Governments of the Provinces to act as expeditiously as possible to abolish the Senate of Canada.

MOTION presented.

MR. SPEAKER: The Honourable Member for Riel.

MRS. D. DODICK: Mr. Speaker, I am very pleased to be the sponsor of this resolution. As members of both sides will agree, the Canadian Senate has been a costly waste of taxpayers' money for over 100 years.

At the creation of the Senate, it was decided that appointees had to possess 4,000 worth of real property above any debts or liabilities, net assets of at least 4,000, and be at least 30 years of age. Clearly, the Senate in 1867 was not meant to be either democratic or to represent Canadians from all walks of life.

I might add, Mr. Speaker, that those who suggest that's all history, the Senate needs reform, etc., that some other things have changed since 1867. Women now have the vote. Finally, after nearly 100 years, Natives have the vote and here, in our Legislature, we have the first Treaty Indian elected to the Manitoba Legislature, the Honourable Member for Rupertsland.

The world has changed remarkably since 1867, as has this country. The Canadian Senate, by contrast, has changed very little. We now have 104 senators whose fortunes have raised their salaries to \$63,000 per year. I note they have no longer been appointed for life. Apparently after 118 years this is the only real reform that the Senate has accepted.

What do these senators do for their taxpayers' money? Well, from what I see, very little except for

minor debates and trivial announcements. The Senate originates nothing, and it only acts or reflects briefly on bills sent to it by the House of Commons. In practice, this means that during the average five-month House of Commons Session, the Senate has literally nothing of consequence to do for at least three months.

Of course, even when the Senate sits, it doesn't necessarily act. It often merely sits out of routine. For instance, I looked up the Senate Hansard the other day and found it met for about 15 minutes, and then adjourned for two weeks until March 12th. I guess the strain of filling three afternoons a week of idle chatter was too much and they really needed a break.

On January 22nd, the Senate got some publicity and sudden interest when the Liberal-dominating members stalled a money bill previously passed by all three parties in the House of Commons. The reason the Senate stalled the bill was obvious. The Senate is the only place in the country where the Liberal party is still a majority, and some of those recently-appointed bagmen and spent-party hacks think they are still running the country.

This is, of course, nonsense. The Senate has no more relevance to modern Canada than the federal Liberal Party, both are replicas of another era.

Just two years ago, the federal Liberals commissioned yet another study on Senate Reform. The report and the commission generated much publicity and interest as Senators travelled across the country talking of reforms and regional presentations and elected Senate and all of the different programs. Once again, an army of academic and politicians debated the pros and the cons of a Senate Reform. I don't know how many of the Senators travelled to England and Australia to study their governments, but I suspect a few got some fancy trips. It seems to be a stimulation of the federal Royal Commissions that no commission is complete without a few trips to Europe.

Regardless, by mid-1984, the report was ready for the archives and federal Liberals were ready to act. Accordingly, in the logic that explains why there are only two elected Liberals, federal or provincial west of Lake Superior, the Liberals appointed a gallery of hacks and bagmen to the Senate; so many, in fact, that Trudeau got his successor, John Turner, to dole out the last batch of patronage after the election was called so that the Liberals would not lose their majority in the House of Commons.

When the Senate was created, Canada was a sparsely populated country with poor transportation, communications and weak provincial governments. These conditions no longer exist. Provincial representation in the federal Cabinet has always been more important than Senators alleged regional representation. The Senate, recognizing its lack of mandate, has in recent years ratified without changing most bills and amending others slightly with the agreement of the House of Commons. Its former role as alleged regional representation has been effectively replaced by the regular federal-provincial conferences.

Transportation and communication technologies have changed and have eased the need for the Senate to represent these isolated regions. Canada is now a mature democratic and, as such, should abolish the legacy of another era. In maintaining the funding for the collection of an appointed political hack at \$63,000

each, plus expenses, while preaching restraint is an affront of common sense.

The Canadian Senate currently cost taxpayers over \$35 million a year. — (Interjection) — Numerous times we have heard defenders of the Senate, defend it by claiming that all that was necessary was a few mild reforms. This, in my opinion, is avoiding the real issue. It is not merely the term of tenure of the Senators that is repugnant, but the idea of an Upper House.

An elected Senate would be able to obstruct the will of the House of Commons and have unnecessary powers more suitable for the provinces. An elected Senate would diminish the role of the House of Commons and the role of the federal-provincial consultations. Far from strengthening regional presentation, it would make government more difficult and result in more frequent elections as the governing party in the House of Commons would have its legislation stalled regularly on partisan reasons by a Senate bent on defeating it.

Talk of reforming the Senate has been a regular stalling tactic of both major parties. When their patronage appointments were criticized, but the will to actually do something rather than appoint another study has never existed.

Tuesday, less than a month from when he suggested in the House of Commons that he was serious about abolishing the Senate, the Conservative Prime Minister appointed another Senator. So much for talk about Reform.

On Monday, the federal Conservatives announced 13 new directors for Air Canada. The list and their qualifications read like a typical list of new Senators. The Chairman of the P.C. Canada Fund and the main Tory fund-raising body, a leading Tory organizer in Quebec, an organizer of the 1984 Conservative election campaign in British Columbia, the chief Conservative organizer for Eastern Quebec in the election campaign, and the director of the Conservative federal and provincial campaigns in Nova Scotia last year, party organizers from Winnipeg and Regina, and the director of the advertising for the Conservative in 1982 provincial election, none has any experience or previous connection with the transportation business.

One told a reporter that she was qualified for the Air Canada appointment because she knows how to drive a car well. For their work, they will receive \$300 per sitting day, free flights and \$250 per day expenses. Clearly, they and the other 170 or so recent appointments of the Conservatives point out that the best new reason for abolition of the Senate. The Conservatives have now many other opportunities for patronage which didn't exist in 1867 and so they don't need the Senate. Thank you.

MR. SPEAKER: The Honourable Member for Virден.

MR. H. GRAHAM: Thank you very much, Mr. Speaker. I hear the remarks of the Honourable Member for St. James, the erstwhile member for St. James.

Mr. Speaker, what we have heard, I suppose, one would could very easily imagine that speech being written in Ottawa in the NDP Research Office because what you're getting today, Mr. Speaker, is not so much a story about the Senate, but a story about the NDP.

And this shows you the blind-blinkered thinking of this gang that's sitting over there proposing to be a government who have no original thoughts of their own whatsoever. They follow blindly the dictates of the national party, because the national party says that we have to abolish the Senate, we will stand up in this House and we will say that we have to abolish the Senate.

Mr. Speaker, it is somewhat amusing that in the course of her remarks she made mention of the Honourable Member for Rupertsland, because it was just a couple of days ago, Mr. Speaker, that I hear a spokesman for the Indian people who has said that they had a great deal of reservations about the abolition of the Senate because, in their culture, they had always respected the elders and the wisdom of sombre second-thought was very important to their culture and to their own well-being. So I don't know whether the Honourable Member for Rupertsland is in agreement with his own people, or whether he is, again, going to follow the blind dictates of the party that he is espoused, and because Ottawa has told him to put this forward; they are following the dictates of Ottawa in this particular thing.

Mr. Speaker, I don't know, I doubt very much the honourable member that introduced this resolution ever sat in the gallery and listened to any of the Senate deliberations. I doubt very much if she ever attended any of the committees that the Senate holds; I would doubt it. But I think she would believe anything that she received from the NDP research office in Ottawa and would accept it as blind gospel, because I think that is all they are doing.

I would hope, Mr. Speaker, that anybody that brings a resolution of this nature in the House would do a little research, would make themselves familiar with what they are talking about before they introduce a resolution that has a significant impact on this country and would have quite a significant - I would consider it probably not beneficial - impact on our democratic system. Admittedly, the Senate is an appointed body, but there has been a great deal of thought and there have been significant proposals put forward towards Senate Reform.

I find it rather strange, Mr. Speaker, that when a committee visited this Legislature a year or so ago, dealing with the subject of Senate Reform, that this government refused to meet with them. Mr. Speaker . . .

MR. SPEAKER: Order please. The Honourable Minister of Municipal Affairs on a point of order.

HON. A. ANSTETT: Yes, Mr. Speaker, I don't believe the Member for Virден would want on the record a statement which is incorrect and of which I have personal knowledge, Sir.

I can advise him that I was delegated as Government House Leader on behalf of the government to meet with that committee and I met with them extensively.

MR. SPEAKER: The Honourable Member for Virден.

MR. H. GRAHAM: Mr. Speaker, then I will withdraw the remark.

But I can only tell you, Mr. Speaker, that I was quite surprised when I received a letter from that same committee in which they indicated that this government had indicated to them that they were not willing to meet with them. Now if they change their mind afterwards, then I have to accept what the Minister has said.

The other thing, I don't know whether the Minister - and it was rather strange that he couched his words very carefully - he said he did meet them. He did not say that he participated in their deliberations; he did not say that he offered them any recommendations.

HON. A. ANSTETT: What does "meet extensively" mean?

MR. H. GRAHAM: I would ask you. You will have ample opportunity in this debate to tell us what the proposals of your party were to that committee. I would enjoy listening to hear what you have to say on that.

HON. A. ANSTETT: They are in the resolution.

MR. H. GRAHAM: The resolution is before the House right now. You have the opportunity. I'll sit down and let you stand up and tell us what proposals you put forward to that committee when they came to this Legislative Building.

Mr. Speaker, to me there's an even greater danger in the proposal put forward by a member of the government's side because what it does - what does it say? It says that anything we are opposed to should be abolished, especially when it starts to have an influence in a field where we might possibly have an interest. They cannot stand to have anyone operating in a field where they may want to operate. I suppose it is typical of their philosophy that you abolish all opposition, that you trample it into the ground and then you are the only voice that the people can listen to. I would suppose that you would be extremely happy to operate in an environment where you had total control, no one else was allowed to speak, there would be no other House where any other point of view could be put forward. I would suppose that you would be very happy in that environment.

Well, Mr. Speaker, I wouldn't be and I don't think the people of this province would be happy in that. But so far, we are indeed very fortunate that the socialists in this country have not yet had total control. If that ever happened, I can tell you that the Senate would not be the only thing that would be abolished in this country and that is the scare that is there.

So, Mr. Speaker, I think I can talk for the Honourable Member for Ste. Rose too. I notice that he's not seeking re-election to this Assembly and I am not seeking re-election to this Assembly, nor do I wish to be appointed to any other Assembly. I think the Member for Ste. Rose has that same feeling, he doesn't want to. So he has no particular point to gain on that.

But it does disturb me, Mr. Speaker. It disturbs me a great deal to see the thinking of this particular group being manifested in little things like a resolution like this. It shows you a little bit of the philosophy of this government, just a little bit, but it shows you enough that you can go away very clearly convinced that if they were in position of total power, that they would

eliminate anything else that had a possibility of getting in their way.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Thank you, Mr. Speaker. I don't intend to debate this resolution for very long, other than to observe that I thought for years it was the position of the New Democratic Party to either reform the Senate or abolish it. I don't know what happened to the attitude on the part of members opposite in terms of possible preservation of the Senate with additions and deletions.

HON. A. ANSTETT: It was never reformed.

MR. R. DOERN: Well, the honourable member, the House Leader, Mr. Speaker, wouldn't know because he's a Johnny-come-lately and his knowledge of the New Democratic Party only extends a couple of years. It will also only extend a couple of months into the future and I hardly think he counts as an authority on the previous attitude of the party. As I recall it, it is either reform or abolition, or there are some, Mr. Speaker, in the New Democratic Party who would consider that proposition. Very few, if any, would wholly embrace the Senate.

But I want to ask some questions. I want to pose some questions to the members opposite and say: Do they also believe that the position of Lieutenant-Governor should be abolished? Because that is also part of the legislative process; that is also associated with the monarchy and the Constitution; but in particular I would like to ask honourable members to give their position on the role and the office of Governor General. That would be an interesting one, Mr. Speaker, to see whether they want to abolish that position as well.

It's an institution; it's part of the legislative process; it's non-elected. There are times, Mr. Speaker, when the Governor General can, in effect, decide the fate of the Government of Canada.

I simply say to the members opposite that I want to recall to them a very amusing exchange between Prime Minister Joe Clark and the Leader of the New Democratic Party, Ed Broadbent, when at a Christmas party a few years ago, and Mr. Clark was the Prime Minister, said to Ed Broadbent: "Do you believe in Santa Claus?" This was in fact, Mr. Speaker, December, I guess, of about 1979 if I recall the date correctly, shortly after Premier Schreyer had resigned from his position as Leader of the New Democratic Party in Manitoba and it was announced that he would be the next Governor General of Canada. There was a Christmas party, the annual Christmas party in the House of Commons and Prime Minister Clark said to Mr. Broadbent: "Do you believe in Santa Claus?" Mr. Broadbent replied: "Don't rush us, Joe. We just started believing in the Governor General."

So, Mr. Speaker, if Mr. Broadbent had just started to believe in the Governor General's position and if Mr. Schreyer obviously believed in the Governor General's position, it would be very interesting to know whether members opposite would now also throw out, along with the Senate, the Governor General's position and the Lieutenant-Governor of Canada.

Thank you.

MR. SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Speaker. I must say the fact that we have to debate this resolution in the year, 1985, is something that amazes me. I cannot see how this institution that we are discussing today, the Senate, has survived such a lengthy period of time without being abolished. I must say, in this 1985, well over 100 years since Confederation and since this body was established, that surely we can as legislators here, all democratically elected, respecting the democratic process, agree that this institution has to be abolished.

In the debate today, I would like to show a number of things about the Senate. First of all, that it hasn't met its original purpose; second of all, that it's costly; third and perhaps most importantly, that it is non-democratic in nature; fourth, it has interfered in the democratic process on a number of occasions; and fifth and finally, that this body should be abolished and abolished as soon as possible.

Now let's look at the purpose of this institution when it was first established. There is a number of rationales that are given for the original purpose. One which is commonly referred to is the "need for a sober second thought." That's a quote that Sir John A. Macdonald made at the time of Confederation, Mr. Speaker, and it is one that's often repeated following that establishment of the Senate in that period. But it's not the prime reason and for that matter, it is not the only reason that was established, as is often thought.

One of the other reasons that was probably more of concern at that time was the need to have some body to protect the interests of the provinces. In one sense, the Senate was basically modeled after the American Senate which did have a role, and continues to have a role in terms of the protection of the interests of various states.

But there is a third reason, Mr. Speaker, which is perhaps not stated as clearly as the other two, but which is probably the more important of the three reasons; and that was it was intended in that period to be a break on democracy. You know, lest anyone think that is just some theoretician's analysis, Mr. Speaker, I think all one has to do is look at some of the quotes that have been made over the years by various individuals to see that it was a clear purpose of the establishment of the Senate.

One of the clearest examples of this is a quote from one Senator James Loughheed at the beginning of this century. He said that: "The Senate is a bulwark against the clamour and caprice of the mob." The same gentleman in 1918 said: "If the Senate of Canada stands for anything, it must stand as a bulwark against the clamour and agitation and the caprice of the public upon all such questions as this."

So in other words, Mr. Speaker, some when this was established in 1867 and some through to the 20th Century and I would submit, even some today would have us believe that the people of this country cannot be trusted; that the democratic process that is in place to elect members to the House of Commons does not result in the type of decisions that we'd like to see from this type of process.

Well, Mr. Speaker, let's take those three reasons that I have just outlined as for the purpose of the Senate.

The need for sober, second thought - well, Mr. Speaker, in recent years the Senate has basically not done much in that regard. They have had a number of task forces, Royal Commission-type of activities. They have done some research in that sense, but I would submit that that could just as easily be done under the auspices of the House of Commons or of a specific Royal Commission. I see absolutely no purpose in that.

Second, let's talk about protection of provincial rights. I would submit, Sir, that that function has been, by and large, taken up by the Premiers of the various provinces and in fact by federal-provincial conferences in recent years. The Senate has basically done very little, if anything, to protect provincial rights in this regard. An obvious reason for this is, it's not appointed by the provinces. It is appointed by the government in power, so it clearly reflects the interests of the government in power or previous governments in power, and not that of the provinces.

In terms of the need to put a break on democracy, Mr. Speaker, well I would suggest that in this 1985 when we have universal suffrage for men and women over the age of 18 that we don't need a Senate, a Senate which was originally established on a very discriminatory basis whereby membership in the Senate was restricted to men owning more than \$4,000 worth of property, which was quite an extensive amount in those days.

Well I don't think there is any reason for it in that sense, any of those particular reasons, but let's go one step further and look at if there is any semblance of a democratic institution in that body. Well I would suggest, Mr. Speaker, the answer is clearly, no. Over the years, it's developed into an institution that parties have used as the highest level of patronage. They have appointed former M.P.s and party hacks of all types to that body to the point today where there are some 72 Liberals out of its composition who make up the vast majority in that institution.

While some limits have been put on in terms of age service, the age at which people have to retire, they have people in that institution who range up to the age of 94 years old. So it certainly has not lost its previous image of being perhaps in the words of one Senator in 1950, being the "highest class of pensioners in Canada."

Well, Mr. Speaker, it's clearly not met its purposes. It is clearly non-democratic. Let's address the question of whether it has had any negative impact. Well I would submit, Sir, that it has. There have been a number of incidents in Canadian history where the Senate, a non-democratic body, has sought to thwart the will of the House of Commons, a democratic body. You can go back a number of years. For example, after 1911 when a Conservative Government was elected following a number of years of Liberal rule, several bills which were introduced by the then Prime Minister Robert Borden were vetoed by the Upper House. But it's not a matter of ancient history, Mr. Speaker.

As recently as 1958, Prime Minister John Diefenbaker's attempt to dismiss James Coyne, the then Governor of the Bank of Canada, was stalled in the Senate by a lengthy and embarrassing set of hearings. So even as recently as 1958, the Senate has attempted to thwart the will of the popularly-elected government.

Today of course, Mr. Speaker, we're faced with a similar situation. We have a Senate which is dominated

by Liberals threatening to thwart the House of Commons which is dominated by the Conservatives in a number of their actions. They have threatened, for example, to thwart any action to take away universality in social benefits. While I agree with universality, Mr. Speaker, I have no agreements with the Senate, an unelected body, in attempting to enforce its will on a legitimately-elected government. And of course the recent case of the Senate delaying a moneybill proving that, if it so desires it can thwart the will of a popularly-elected government.

Well, Mr. Speaker, there clearly is a problem with the Senate. Where does the question of reform lay then? Calls for reform aren't new. You can go back to the 1860s and the 1870s to see some of the initial calls for reform, for example, in 1874, Edward Blake, no relation to the Blake in this legislature, I am sure, but he said "I do not believe it is consistent with the true notion of popular government that we should have a Senate selected by the administration of the day and holding their seats for life." So there was a call in that period very clearly for reform and it's a call that's been made over the years. It's been perhaps a cyclical question, Mr. Speaker. It is a question that rises in some decades and perhaps it's less prominent in others, but it has been continuously been made for a number of years.

In the 1920s for example, there was an incident whereby individuals were appointed to the Senate after being dismissed from the Customs Department following a scandal in that department. And this, of course, brought up the question again of reform of the Senate. I thought the words of one, J. S. Woodsworth, who is I am sure, familiar to members on this side of the House, as well as to members opposite, were a rather interesting comment on the level of esteem with which that institution was held in those days. He said, Sir, that for ruining a life, 6 months with the option of a fine; for stealing an automobile, two years; for criticizing the government, 20 years. A pretty fair indication, let me say of the relative values according to standards which now exist. All right, given these penalties, what is the penalty for debauching a government department, the senatorship. And that, Sir, was at a time when the question came as to reform in the Senate.

There have been various people throughout the years who have called for that, Sir. A number of them might be of interest to members of this Legislature, one John N. Turner, in an article "The Senate of Canada, A Political Conundrum", made a call for the abolition of the Senate in the early 1960s. But there was some success, Sir, in reforming such institutions, not the Senate but other similar Upper Houses during that period. In particular, in every province in this country, the Senate has, or the equivalent of the Senate has been abolished.

Now the most recent case was in Quebec in 1968, but in other provinces which have had Senates or Upper Houses, each and every one of them has abolished them. In B.C. this was abolished at the entry of that province to Confederation in 1871. In New Brunswick it was abolished in 1892; in Prince Edward Island in 1893; Nova Scotia, 1928 and in Newfoundland in 1949 when that province entered Confederation.

Three provinces of course never had an Upper House; so in each and every province in this country the Upper

House has been abolished. In Manitoba, that abolition occurred, Sir, not recently, but in 1876. In fact, during that period of time, there had been a proposal for a couple of years for the abolition of the Legislative Council, an appointed body, an Upper House. Of course, the Legislative Council was not that happy with it initially but in 1876 that very same body voted itself out of existence. It was a fairly close vote, since the Speaker had to cast the deciding vote, but nonetheless that body voted, to quote itself, out of existence.

I would suggest, Sir, that there is the perfect example for the Senate of Canada to follow in 1985. After more than 100 years of Confederation, it is clear that that anachronistic body has no function whatsoever in Canada. I would say, Sir, that they should not wait for the Prime Minister of Canada or various provinces to propose their abolition, but they should voluntarily abolish themselves.

There will be some who will attempt to raise red herrings in regard to this matter. I know the previous member who spoke will say, what about reform? I would say, Sir, that reform, based on the present Senate is impossible. You cannot make a fundamentally non-democratic institution democratic; it's impossible, and that is why I, for one, oppose the reforms that have been proposed by the present Prime Minister. The reforms he's talking about basically would reduce the power of the Senate - certainly, but so long as it has any power to thwart the will of a popularly elected government, I think that is too much power.

The previous speaker to that attempted to throw in some other red herrings, Sir, about abolition and socialist governments. I can tell him that there will be a socialist government in this country. That time is going to come; the New Democratic Party will form government, but I tell you, if that New Democratic Government was to make as one of its first moves the abolition of the Senate, it would be applauded by people across this country because that institution costs in the neighbourhood of \$35 million and it doesn't do anything which is of value to this country.

The people of Canada are sick and tired of such an abuse of patronage. One of the main points of Mr. Mulroney during the election was his criticism of Liberal patronage appointments. I think one of the most damaging blows to the Liberal Party in that last election was the veritable orgy of appointments to the Senate made by Pierre Trudeau and made by John Turner on the direction of Pierre Trudeau; and Brian Mulroney was very strong in his condemnation during debates, in speeches throughout this country. What was the verdict of the people of Canada? Did they say, John Turner, you were right to appoint those Liberal hacks to the Senate? No, they said Brian Mulroney, you were right for criticizing

But where's the action; where's the action now on that patronage? We've already seen that Mr. Mulroney, despite some rhetorical suggestions that he might abolish the Senate, has not committed himself to that goal. He's appointed one Senator already, continuing the process of appointing people to a non-democratic body in a non-democratic way and he's shown, Sir, that in other areas he too believes in patronage, the most recent case being the appointment to the board of Air Canada. Where's that commitment that he made in the election to stop the flow of patronage? Where

is it? Well, I suggest, Sir, that it's disappearing because the Tory version of reforming the Senate is to replace Liberals with Conservatives because they are have the same outlook, both those parties, in regard to this type of institution. It's typical of the old-line parties; they will talk reform out of one side of their mouth but on the other side of the mouth, if it suits them, they will use that institution to the fullest.

I would say, Sir, getting back to the time when a New Democratic Government will be elected in this country, that we will not do that. I would point out that there is not one New Democrat in the Senate, that New Democrats who've been offered Senatorships have refused it; they refused to lower themselves to sitting in such a useless and non-democratic institution, and that we as a government would not suit convenience by appointing New Democrats to the Senate. We would, Sir, abolish that Senate and as soon as possible; so let the Member for Virden, let the member talk about the socialists abolishing the Senate, as if it scares people. I'll tell them, talk to people in this country, talk to them about their views about the abuse of patronage that we see in the Senate. Talk to them about what they feel about the Senate and they will not be scared by what the Member for Virden says. They would, in fact, congratulate any government which would abolish the Senate.

Sir, in conclusion, as we stand here in 1985, debating the Senate, debating the value of that institution, I think it's more and more clear that we have to clearly accept that it is useless, it is non-democratic, has no place in modern society. We should follow the example set in Manitoba over 100 years ago, in fact, 109 years ago, when legislators, faced with a similar situation, faced with similar arguments, took the initiative, Sir, and abolished their Upper House, and when that abolition was not only made by the Lower Chamber, by the Legislature, but when it was actively made by the Upper House itself; so I would say that in 1985, surely we as a democratically elected body can take up this call. Surely every member of the Conservative Party who has been democratically elected, who I'm sure has great respect for democracy and the democratic system can agree that there is no roll for the Senate, absolutely no roll for the Senate, certainly in its present form and, I would submit, in any form at all.

So as we debate this issue, Sir, I think it really, truly is an issue on which we should all be able to agree and I will be very disappointed if we cannot receive bipartisan support for it, because who in their right mind could defend such an anachronism as the Senate.

Thank you, Sir.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I want to place on the record so that there should be no suggestion of a conflict of interest that, as one who aspires to become a senator one of these days, I would not want it read back to me, Sir, that I am speaking on my behalf or from a vested interest point of view. Indeed, I am merely responding, as is my right as a private member to engage briefly in the subject matter that the honourable member has placed before us; namely, the abolition of the Canadian Senate.

Seriously, Mr. Speaker, I think what the resolution before us could afford is a relatively-serious discussion about the role of some body, and a body that I tend to share most Canadians, or many Canadians at least, would want to see some change to, reform, or indeed abolition, or indeed a fairly radical change that would more closely approximate the Senate body that we often confuse it with; namely, the body that has, of course, a totally different role in a different system; namely, the American Congressional system which has, of course, constitutionally in that system very specific, very powerful I might add, prescribed obligations and duties to perform under that system of government. So, Mr. Speaker, I suggest that in the discussion of this resolution, it would not be out of order to indeed discuss whether or not Canada wants to fundamentally alter its Constitution with respect to the way we govern ourselves.

I must acknowledge, Mr. Speaker, that I was one of those who very strongly supported my then Premier, the Honourable Sterling Lyon, in his opposition to a codified, engraved-in-stone Charter that we now live by in this country, in the constitutional change that was brought about in the year, 1981. Because, Mr. Speaker, once having made a move from the traditions of the British parliamentary system which we have heretofore, up until 1981 at least, pretty well operated under, then I suggest to you that we are mixing and matching the two systems. I'm not at all that sure whether or not that will prove all that successful.

Mr. Speaker, the parliamentary system as we like to think of it, in my judgment, cannot tolerate what took place in 1981. We are supposed to be the supreme lawmakers of the land, both here and in Ottawa. That no longer is the case, Mr. Speaker. Judges now interpret the laws; judges change those laws fundamentally. Judges tell us when they think we are doing wrong.

Now, Mr. Speaker, in the American Congressional system, that of course happens. The Supreme Court has made fundamental decisions with respect particularly to such emotional issues as racial discrimination and others under that system that calls for the forcible busing of children, calls for affirmative action, calls for many other matters that are of social import to the way any government and, in this case, that particular government governs itself. But, Mr. Speaker, all of those procedures were set down in the Constitution of the United States that set up the congressional system. — (Interjection) — No, I'm just simply describing that they are two very different systems. We Canadians are often prone to confusing the thing. Perhaps, Mr. Speaker, the most common confusion comes from when we kind of, with some envy, say, yes, we would like a Senate that could provide some of the regional representatives that in a country such as ours that will always have very heavy population centres in one area of the country, such as we have in central Canada, in Ontario, Quebec - I accept the fact that, as long as I live and my children live and my grandchildren live, most members in the House of Commons will come from Ontario and Quebec. I'm a democrat. I believe it. Most people live in those jurisdictions, so obviously they will elect most members.

But we Canadians, often with some yearning, look at the American system that has a balance to that problem written into their Constitution that provides

for two senators coming from every state, whether it's a small state, underpopulated state like North Dakota and a big and powerful state like California or New York. That certainly has some attractive qualities which we Canadians have often, particularly Western Canadians coming from underpopulated areas of the country, point out to as being an advantage with respect to having some such body as a Senate, particularly, of course, if that body then should be elected.

Mr. Speaker, I suggest to you that we have allowed social tinkers, socialists like the former Prime Minister of this country to interfere and muddy and fudge up our system of government by trying to create a hybrid of the two systems, by imposing onto our parliamentary system which has really no place for a codified Constitution, a codified Charter of Rights. Great Britain does not have a written constitution, Mr. Speaker, as you are well aware. Great Britain does not have a Charter of Rights, as all members ought to be aware.

But, Mr. Speaker, I question whether there is another country in this great planet, Earth, that has over the years through its development of common law and through its traditional development of parliamentary system that can boast the record of fair and humane government that respects human rights; that respects the basic tenets of democracy; that was in the forefront for the abolition of those kinds of crimes against humanity that we all recognize; that led in the movement to the abolition of slavery, for instance. While with the Americans, with all their written Constitution, with all their guarantees in the Constitution, endorsed and lived with slavery for virtually 100 years after the formation of their country.

Some have said, Mr. Speaker, for instance that we needed that Charter of Rights so that what happened to Canadians of Japanese origin in the '40s, that would never happen under a Charter of Rights. Well, of course, that's pure bunkum. The United States had that written Constitution, had that codified law, and precisely the same thing happened to Americans of Japanese origin in the case of the same emergency that existed, Mr. Speaker.

All I am saying, Mr. Speaker, in addressing myself briefly to this resolution is that it could be an opportunity, and I would invite members not simply to rail against the present Senate as it's constituted, particularly coming from members opposite who have regrettably not been in a position to have either made too many appointments to that body or indeed to have received too many appointments from that body. I know that the discussion on this resolution can easily fall into that category, and then it's simply really a matter of, you know, interpretation. Is it sour grapes on their part? Is it because they haven't got

Mr. Speaker, if you want to talk about the advantages or disadvantages of that system, and if you want to be perhaps even somewhat cynical, at least there is the place where people, depending on the eyes of the beholder deserving or not, can be recognized. Our friends opposite, of course, recognize and provide patronage and have to hand patronage in another way. They do it by politicizing the Civil Service, by politicizing our Crown corporations, by politicizing and wrecking, Mr. Speaker, another once-proud tradition that we inherited from the British parliamentary system, a Civil Service that was apolitical.

It was the New Democrats that politicized the Civil Service. They brought in the bill to politicize the Civil Service, Mr. Speaker, because it was then easier for them to hand out their patronage tabs which we all are subject to from time to time, Mr. Speaker, but I suggest to you that on balance - I suggest that less damage is possibly done to the country if you use a body such as the Senate from time to time for that purpose than in interfering with the structure and the basic responsibilities of the Civil Service.

So, Mr. Speaker, there is the opportunity in discussing this resolution that we enlarge the content of the resolution before us from one of simple calling for the abolition of the Senate to an examination that perhaps we Canadians don't, for one reason or other, do too often about whether or not the parliamentary system as we now have it with the changes that were made in '81 which, I predict and the predictions that were made by my then Premier and Leader, Sterling Lyon, are being borne out to this day.

The Supreme Court is jammed with requests and decisions that have to be made coming out of the Charter of Rights, constitutional changes that we've made. More and more law will be made by our Supreme Court.

Mr. Speaker, I am not necessarily suggesting that law being made by the Supreme Court is bad. All I am saying is that it's not compatible with our system. We are supposed to be the lawmakers and we are supposed to be the final word on the law in a parliamentary system. The Member for Burrows knows what I speak of is correct.

There is a difficulty that's been introduced into our system by virtue of the constitutional changes that the former Prime Minister, the Liberal Prime Minister, imposed - and I use the word "imposed" - on this country. Now I am open, as I always am open, to a wide-open discussion about that. Perhaps we should take a hard look at fundamentally changing our system. Perhaps we should take a look at a more, not necessarily aping or not necessarily modelling, but a congressional system.

Within the New Democrats, who don't really believe despite their former leader accepting the Governor General's position, who don't really - they will, for political reasons, go along with the monarchical system that we have - but really they are republicans and if you are honest with yourself, you are republicans in that sense who don't really have - when you are talking about abolition of the Senate you are also really talking about abolition of the monarchy; you're also talking about the abolition of the Lieutenant-Governors, of the Governors General

A MEMBER: You are.

MR. H. ENNS: Yes, in your hearts you are; of course you are. Well then, Mr. Speaker, let's talk about whether or not Canada and, I tend to think about the fact that now that we have

MR. SPEAKER: Order please, order please. The time being 5:30, when this item is next before the House, the honourable member will have eight minutes remaining.

Thursday, 21 March, 1985

I am leaving the Chair to return this evening at 8:00 o'clock.