

LEGISLATIVE ASSEMBLY OF MANITOBA  
Monday, 7 April 1980

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions .  
. . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Government House Leader.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, I would like to present the first report of the Committee on Rules of the House.

MR. CLERK: Your Committee met on Thursday, February 7, 1980, and accepted the resignation of Mr. Kovnats. Honourable Mr. Mercier was appointed to the Committee vice Mr. Kovnats. Your committee also met on February 25 and March 25, 1980.

The matter of the inclusion of the Lord's Prayer in the daily Routine Proceedings (Motion of Mr. Malinowski, as amended by Mr. Brown) was considered by the Committee. It was agreed that no change in the Daily Routine was warranted.

Your Committee recommends that, unless otherwise ordered by the House, for the balance of this session, the Rules of the House be changed as follows:

1. Subrule 1(2) will be deleted and the following subrule will be substituted therefor:

Procedure in unprovided cases.

1(2) In all cases for which provision is not made in the Rules or by sessional or other orders, the precedents and practices of the House shall be followed and in cases for which provision is not made in the Rules and for which there is no precedent or practice of the House, the usages and customs of the House of Commons of Canada as in force on July 12, 1955, shall be followed so far as they are applicable to the Assembly.

2. Rules 2 and 3 will be deleted and the following rules will be substituted therefor:

Daily Sittings.

2 The House shall ordinarily meet each Monday, Tuesday, Wednesday, Thursday and Friday that is not a holiday.

Hours of Sitting.

3(1) The time for the ordinary meeting of the House shall be 2:00 o'clock p.m. on Mondays, Tuesdays, Wednesdays and Thursdays and 10:00 o'clock a.m. on Fridays.

Dinner breaks.

3(2) On Mondays, Tuesdays and Thursdays, if at 5:30 o'clock p.m. the business of the House is not concluded, the Speaker, if he is in the Chair, or, if the House is in committee at that time, the Chairman of the Committee, shall leave the chair until 8:00 o'clock p.m.

Adjournments on Mon., Tues. and Thurs.

3(3) Subject to subrule 65(8), at 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, the Speaker shall adjourn the House without question put. Adjournments on Wednesdays and Fridays.

3(4) At 5:30 o'clock on Wednesdays and at 1:30 o'clock p.m. on Fridays, the Speaker shall adjourn the House without question put.

Adjournment over weekend.

3(5) When the House is adjourned on Friday at 1:30 o'clock p.m., it shall stand adjourned, unless otherwise ordered until the following Monday afternoon.

3. Subrule 19(2) will be changed by striking out the 15th and 16th lines thereof and substituting therefor the following lines:

Private Members' Business.

4:30 to 5:30 p.m. of each Monday, Tuesday, Wednesday and Thursday.

12:30 to 1:30 p.m. of each Friday.

4. Subrule 27(1) will be changed by adding thereto, immediately before the word "Before" in the 1st line thereof, the words "After Oral Questions in the routine business of the House and . . ."

5. Subrule 65(9) will be changed by striking out clause (a) thereof and substituting therefor the following clauses:

(a) the Chairman of the Deputy Chairman of the Committee shall proceed to put motions as the course of the business of the Committee dictates but shall not accept

(i) any vote that defeats a motion approving an item in the estimates of the government, or

(ii) any vote that passes a motion varying an item in the estimates of the government;

(a.1) where 4 or more members demand that a formal vote be taken, the Chairman or Deputy Chairman of the Committee shall defer the vote on the motion until the next sitting of the Committee of Supply in the Chamber;

6. Subrule 65(10) will be deleted and the following subrule substituted therefor:

65(10) Where the Chairman or the Deputy Chairman of the Committee of Supply refuses to accept a vote on a motion or defers a vote on a motion under subrule (9), he shall put that motion, without further debate, as the first item of business at the next sitting of the Committee of Supply in the Chamber.

Your committee also recommends that the current practice whereby a Minister introducing the estimates of a department is permitted to make his introductory remarks on the item "Minister's Compensation" and that discussion on this item is deferred until debate on all other items of the departmental estimates is concluded, be continued. Your Committee also recommends that consideration be given, for the next session of the Legislature, to the re-arrangement of the "Estimates Book" so that only the Minister's Compensation and the executive salaries are included in the General Administration item and that the entire Resolution be discussed at the end of the departmental estimates.

MR. SPEAKER: The Honourable Attorney-General.

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

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Transportation.

HON. DON ORCHARD (Pembina) Mr. Speaker, I would like to table my annual report of the Department of Highways and Transportation.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the First Minister. Further to the question which I posed to the First Minister on February 22nd, pertaining to a legislative committee or some other committee to inquire into the views of Manitobans pertaining to constitutional changes, can the First Minister advise whether or not he has reconsidered his answer of February 22nd to establish such a committee to deal with constitutional changes and a position vis-a-vis Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, the short answer to my honourable friend's question would be no, that there has been no reconsideration given to that course of action as yet, because of course the position of Manitoba and of this government with respect to constitutional change is well known to those who choose to read the statements that have been made. There are obviously some people in the province, I would hope not my honourable friend, who choose not to read statements. The statements are on the record and are there. At this time, however, we are, along with all other provinces, awaiting the action of the federal government with respect to constitutional changes and with respect to when subsequent constitutional conferences will be called. I would suggest, Mr. Speaker, at this time that it would not be at all prudent for the federal government, in particular, nor provinces separately, to be going around the country with constitutional proposals being thrown out like confetti until such time as certain developments in the province of Quebec, such as the referendum and so on, are out of the way. After that, I think it would then be the prudent course, when the referendum debate and the referendum itself has been completed, it would then be the prudent course for the provinces, as I expect they will, in concert with the federal government, to resume the questions and the discussions surrounding constitutional change.

There will be a general item on the agenda of the Western Premiers' Conference later this month dealing in general terms with the constitution. I will be happy to advise my honourable friend after those discussions if there is any change of view coming forward from the western Premiers. And, of course, as and when the Prime Minister of Canada announces any resumption of the formal First Ministers' Conferences on the Constitution, then we will all be apprised of that information. I would hope, however, in the interests of Canadian unity, that Federal-Provincial First Ministers' Conference would not be held until after the referendum vote.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I thank the First Minister for his response, but I would like some indication from the First Minister, leaving aside federal-provincial conference determination at the federal-provincial level, at what stage the First Minister would be prepared to discuss with Manitobans a position that Manitobans might wish to have presented on their behalf to a federal-provincial conference.

MR. LYON: Mr. Speaker, as in all other things that this government does, that decision will be made when it is appropriate.

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I wish to take this earliest opportunity, Sir, to expand upon answers that I gave on March 24th to the Honourable Leader of the Opposition and the Honourable Member for Transcona relative to bed closures at the Health Sciences Centre. There is new information based on recent events that I am able to provide and which sharply alters the picture as it appeared on that date.

It is my responsibility, Sir, to inform the House that the Board of the Health Sciences Centre has advised me that 79 beds in the General Centre have been taken out of service as of April 3rd - that is last Thursday. The reason given is a current and anticipated shortage of nurses at the Centre. Although we have been aware for some time that there is a general tightening of nursing supply in much of Canada and the United States, including Manitoba, the current difficulty at the Health Sciences Centre appears to be unique to that facility.

In the interests of adequate patient care, the government has acquiesced in a request from the Board of the Health Sciences Centre to sanction this action. The Board assures me that the closure is not related in any way to budgetary factors, and this is confirmed by staff at the Manitoba Health Services Commission.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, by way of a supplementary to the Minister's response to the earlier questions, does he now concur that the bed closure at the General Hospital relates to nursing shortage, and has no relationship to Seven Oaks.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, it would appear that the closure of the 79 beds currently closed are related, in the view of the management of the centre, entirely to a wave of nursing resignations at the centre. I would reiterate though that in the course of the year the plans always did exist and continue to exist to phase out 175 beds relative to the opening of Seven Oaks.

MR. PAWLEY: Mr. Speaker, a supplementary to the Minister. The Minister makes reference to a wave of resignations. Did the Minister not have advance information over the past two and half years that in fact a resignation situation of this proportion was developing insofar as the Health Sciences Centre?

MR. SHERMAN: No, Sir, in fact we have had in place since last November a mechanism from my department that has monitored and spot-checked the nursing supply situation in Winnipeg hospitals and has asked on regular dates for reports from the hospitals as to their nursing staffing situations. As I said in my initial remarks, this situation appears unique to the Health Sciences Centre and I did not, Sir, have advance warning of it.

MR. PAWLEY: Mr. Speaker, is the Minister indicating that this situation is unique to the Health Sciences Centre and not happening in other hospitals? If he is in fact stating that, could the Minister provide us with some comment as to why it is not happening in other hospitals but only in the Health Sciences Centre?

MR. SHERMAN: Well I think I would be speculating if I did that at this juncture, Mr. Speaker, but I give the honourable gentleman the undertaking that we are as interested in the answer to that question as he is and we are attempting to identify the reasons and the origination. I can assure him on the basis of the information that I have officially received from our health Manpower people, from Canada Manpower, and from the hospitals themselves, that the situation is unique to the Health Sciences Centre. I might say that there is apparently some improvement over what was originally projected a few days ago as a loss of 75 nurses amounting to 10 percent of the nursing staff. That is inaccurate. It now appears that its projected loss by the end of April of 61 nurses amounting to 4 percent of the nursing staff at the Health Sciences Centre.

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, I'd like to ask a question of the Honourable Minister of Health. I'd like him to explain how he can justify the statement that he just made that the shortage of nurses is not related to the budgetary restraint at all, in any way, shape or form, when he inherited a - certainly it wasn't a shortage, there were too many nurses, and because of restraint the nursing staff was cut in most hospitals when the conditions in which they had to work were changed because they had a shortage of nurses created by themselves because of the budget, and also because at that time they wouldn't even, if somebody was missing through a leave of absence, through sickness - I'm asking the question; through sickness they weren't replaced or somebody was missing for a day, the work replace, the whole condition changes. And the second question - doesn't the Minister remember at the time, just about two-and-a-half short years ago, that we told him exactly what would happen, that the nurses would be leaving and he would have a shortage of nurses? How can the Minister justify the statement that he has made that this is not related at all in the budgetary restraint?

MR. SPEAKER: Order please. May I suggest to the Honourable Member for St. Boniface that his preamble is argumentative, that he is suggesting debate, and I would have to rule this question out of order on that basis.

The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Mr. Speaker, my question is addressed to the Honourable First Minister. Would the First Minister confirm, Mr. Speaker, that the same Great West Life Vice-President who was hired by him to drive scores of civil servants from our province in search of jobs is now in the process of moving between 70 and 100 senior Great West Life positions to Denver, Colorado.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the honourable member is perhaps not aware of the fact that we don't, in this Legislature, attempt to answer questions on behalf of private companies. If she has a question, Mr. Speaker, relating to the activities of the Great West Life Company, I would suggest that she direct her enquiries to the President of Great West Life, not in this Chamber.

MRS. WESTBURY: I apologize if I have been wrong, I was under the impression that the Vice-President was working for the First Minister, Mr. Speaker. Mr. Speaker, will the First Minister then enquire into this matter of our losing these very important positions from our province, going to the United States, being moved out of the city; and will he contact the Great West Life Company to ensure that the status of those senior officials who do not wish to move will be protected within our province.

MR. LYON: Mr. Speaker, I'm beginning to get, I think, the drift of what is troubling the honourable lady. If she would go back, Mr. Speaker, to I think a press announcement that was made last summer some time, she might, in the course of delving into it, find that the company across the way is putting up, I think it's a development somewhere in the area of \$62 or \$68 million, with which I take it the honourable lady would have no objection; and that in the course of that there is to be, as I understood the press release, some corporate restructuring of the company, with which I am not familiar, but my honourable friend is free to pursue that with anyone across the way who might choose to speak to her.

MRS. WESTBURY: I take it then that the First Minister is not prepared to do anything, Mr. Speaker, to preserve these positions. On another matter, I would like to ask if the First Minister is prepared to provide any form of leadership to the hundreds of Franco-Manitobans who are looking to their provincial government for some leadership in the forthcoming vote in the province of Quebec.

MR. SPEAKER: Orders of the day. The Honourable First Minister.

MR. LYON: Mr. Speaker, if the honourable lady would attend the Chamber on time, she might get the answer to some of her questions, even if they are frivolous.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Environmental Management. Can the Minister advise the House whether he receives any information on a regular basis from the Experimental Plant in Pinawa relative to spills of radioactive material?

MR. SPEAKER: The Honourable Minister of Consumer and Cooperative Affairs.

HON. WARNER JORGENSON (Emerson): I am not sure what my honourable friend means by "on a regular basis". I do from time to time receive reports that are available to my honourable friend as well, because they are public reports. I am not aware of any information that is directed on those matters.

MR. GREEN: Mr. Speaker, in view of the fact that the facility is in the province of Manitoba and would be of concern to residents of the province of Manitoba, would the Minister undertake to correspond or make contact with his federal counterparts to see to it that such information, which is of interest to him as Minister and to the people of Manitoba as a body, is made available?

MR. JORGENSEN: Yes, Mr. Speaker, I could look into that.

MR. GREEN: Mr. Speaker, I put one further supplementary question. In view of the fact that there is in today's media, which the Minister may not be aware of, a statement that some spills of material have not been made public, would the Minister look into the particular occasion that is being referred to and see if and what knowledge he was given with regard to that particular happening?

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Attorney-General and ask him whether he can confirm that the government is giving consideration to amending The Liquor Acts by allowing the sale of hard liquor at sporting events?

MR. MERCIER: Mr. Speaker, I believe there was a Bill distributed on Friday which I would ask the Member for Elmwood to peruse.

MR. DOERN: I would also the Attorney-General whether he has received complaints, either in a private capacity or in his capacity as AG, in regard to the sale to alcoholic beverages at sporting events in regard to rowdiness, or fighting, or unacceptable conduct?

MR. MERCIER: Mr. Speaker, I have from time to time heard concerns expressed about the behaviour of some individuals in attendance at sporting events who were under the influence of intoxicating beverages which were sold at those events.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker, a question for the Minister of Health. These 61 nurses the Minister had previously referred to, can the Minister tell the House as to whether they are retiring, whether they are leaving the province, or whether they are going to work at other hospitals?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: I can't answer that question with any accuracy at the moment, Mr. Speaker, except that it appears to be a mixture of all three, but I will report to the House as fully as possible on the reasons for and the destinations of those who are retiring. But at the moment, my information would indicate that it's a mixture of such factors as those cited by the Member for Transcona.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker. I would ask the Minister if we are now short this number of nurses, what are the contingency plans of the government for the time when we open the Seven Oaks Hospital?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, there are a number of initiatives that we've discussed with the Manitoba Association of Registered Nurses and with the various nursing schools in the province, including the course at Red River Community College and the hospitals. We hope to be able to assure a supply to meet the bed need and the patient care need in Manitoba without difficulty, but we have been meeting with our western counterparts on developing a co-operative strategy be-

cause the pinch on nursing supply is widespread and fairly general, Sir, and we are anxious to take advantage of what initiatives and what ideas our counterparts in other jurisdictions may be using, too.

MR. SPEAKER: The Honourable Member for Rossmere with a final supplementary.

MR. SCHROEDER: Thank you, Mr. Speaker. Could the Minister of Health advise the House as to the approximate numbers of people entering nursing school in each of the years 1977 through 1979 and as to the amount expected for the fall of 1980?

MR. SHERMAN: Yes sir, in 1977 and 1978 the figure was in the upper brackets of 470, 480 - fairly close to 500. In 1979, or at least the class that we're looking to in terms of a graduation class this June, we're looking at approximately 402.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S.EVANS: Thank you, Mr. Speaker. I'd like to address the question to the Minister of Health and ask him a question related to a statement he gave the House last week, or an answer he gave the House last week, that he expected to receive a report on the unfortunate death that occurred at the Brandon Mental Health Centre a few days ago. Can the Minister of Health now advise the House whether he is satisfied that there was an adequate number of staff on duty to oversee patients on the occasion of this unfortunate death?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, I'll ask the Chief Executive Officer of the Brandon Mental Health Centre to reconfirm that, Mr. Speaker, but that was my information from the Centre.

MR. EVANS: Well, can the Minister advise as to the number of staff that were on duty in this ward, and whether that number is comparable with the number on duty in other wards in the hospital?

MR. SHERMAN: Mr. Speaker, it wasn't a ward. The victim of the accident wandered out of the dining room and into the area where the dishes and cutlery were being washed. And so it may be a little difficult to cite precise figures for staffing in terms of the question as the honourable member asks it, but my information is that it was an accident, and it was not related to adequacy or inadequacy of staff in any way. He was, unfortunately, a wanderer, in the description of the Mental Health Centre, and he wandered into an unsafe area.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Mr. Speaker, I wonder if the Honourable Minister can confirm to the House that there has been a reduction in staff at the Brandon Mental Health Centre in the past two years.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Not lately, Mr. Speaker, not that I know of. There were some vacant positions at both the Brandon Mental Health Centre and the Selkirk Mental Health Centre which were eliminated after close and careful checking as to their necessity. The total staffing compliment of Brandon and Selkirk after the government took office, based on the vacancies existing at that time, amounted to 90 positions reduced from the overall complement, divided between the two institutions as they saw fit in concert with the Assistant Deputy Minister in my department in charge of institutional care, and there has been no change in that.

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

MR. D. JAMES WALDING: Mr. Speaker, the Minister of Education took as notice a question from me a week ago having to do with the time when his department first became aware that some school busses owned by H and S Transport were in breach of the regulations pertaining to inspection. I wonder if he has the answer for me today.

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, the first written communication in that regard was August 24th, 1979.

MR. WALDING: A supplementary question, Mr. Speaker. I'd like to ask the same Minister when he or his department communicated this information to the Winnipeg School Board.

MR. COSENS: Mr. Speaker, the answer is the same. I mentioned that the written communication took place on August 24th, 1979.

MR. SPEAKER: The Honourable Member for St. Vital with a final supplementary.

MR. WALDING: For clarification, Mr. Speaker, I'm unclear from the Minister's answer whether August 24th was the date that his department became knowledgeable about this matter, or whether that was the date that they communicated that information to the Winnipeg School Division. I wonder if he would clarify, please.

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, I'd have to take the question regarding the time that my department arrived at the decision that there were certain things about the busses that were not in order; I'd have to take that under consideration at this time. I don't have that answer readily available.

MR. SPEAKER: The Honourable Attorney-General

MR. MERCIER: Mr. Speaker, I took as notice a question from the Member for Wellington with respect to whether or not there had been change in Legal Aid funding. Mr. Speaker, Legal Aid is 100 percent funded through a voted appropriation, and the interest earned from lawyers' trust funds are a recovery to the consolidated fund to offset the expenditures. I hope, Mr. Speaker, that clarifies the Member for Wellington's concerns.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: Mr. Speaker, that is of some assistance but I would ask in view of that response from the Honourable Attorney-General, whether or not he is now able to confirm the matter I had brought before you some 10 days ago, and that was whether or not in the year 1978, when Legal Aid was only getting a 1.1 percent increase in general funding of approximately \$300,000, whether or not, Mr. Speaker, in that very same year some \$830,000 of trust funds were designated for the general consolidated revenues of this province and not remitted to Legal Aid as was formerly the policy of the last government, Mr. Speaker. That was the question I put to the Honourable Minister and it is that question which we are looking for a reply to.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, I don't believe in the past, interest from lawyers' trust funds were remitted, or a portion of those interests in lawyers' trust funds, because they are divided between Legal Education and Legal Aid, whether they ever went directly to Legal Aid. The policy has always been that the government votes an appropriation in the full amount for Legal Aid and takes in



the revenue from the interest account as into the consolidated fund to offset those expenditures.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I would like to ask a supplementary to the Minister based upon his answer. Is the Minister indicating that there has been a change insofar as the formula is concerned, of 75/25? It's true government always controlled the dispersal of the moneys but those moneys were dispersed on the basis of 75/25. Has there been a change in the utilization of that formula by the government?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, what in fact I am trying to indicate, is that there has been no change in policy either in the 75/25 split or in the manner in which Legal Aid has been funded.

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

MR. WALDING: Mr. Speaker, my question is to the Honourable Minister of Education. A week ago in answering questions about school busses he indicated that the busses were inspected in March of 1979 and were due for an inspection in September of 1979. Can the Minister now clarify from his answer today that he notified the Winnipeg School Division that the busses had not been inspected in advance of the date when they were due to be inspected?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, I'll repeat for the Member for St. Vital, that on August 24th, a letter was sent to the Winnipeg School Division stating that my department had discovered some discrepancies in regard to signal lights and things of that nature on some of the school busses and at that time they brought that to their attention.

MR. WALDING: A supplementary question, Mr. Speaker, or perhaps the Minister would table the letter for our information. I would like to ask him as a supplementary then, was he incorrect when he stated to the House a week ago that those busses were due to be inspected in September of 1979?

MR. COSENS: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. Vital with a final supplementary.

MR. WALDING: Mr. Speaker, can I ask the Minister now, with regard to that September inspection, whether there were a certain number of those busses which were not inspected at the regular September inspection, and if so, when was his department aware of that?

MR. COSENS: It is my understanding that there were a number that were not inspected at that time, Mr. Speaker. The exact date on which my department was made aware of it, I would have to take as notice.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'd like to address a question to the Minister of Health in relation to the beds that have now been declared vacant at the Health Sciences Centre, because I believe there was just lack of knowledge or planning in that regard, what plans is the Minister now going to make to utilize those empty beds for purposes other than those that are required

for hospital care but may well be used for personal care, or for convalescent beds or whatever? What is the Minister doing in regard to using existing facilities which may not require the same high degree of nursing attendance?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I am not sure I understand the honourable member's question. The beds that have been taken out of service at the Health Sciences Centre are a mixture of Medical, Surgical and Geriatric beds. I can't give the exact breakdown although that has been requested.

The other beds in that 1,300 bed institution, which is now a 1,220-bed institution, are being used for the purposes for which they have always been used, Medicine, Surgery, Geriatrics, Obstetrics, Childrens, Rehab, and the rest of the disciplines.

MR. CHERNIACK: Mr. Speaker, unless the Minister is prepared to state that it is deliberate policy to reduce the number of beds from 1,300 to 1,220 or fewer than that, then the Minister could clarify for us; and that, just to explain the question I asked earlier, the fact that there being empty beds and the fact that the Minister today is supporting the construction of more personal care beds and I believe recognizes the need for convalescent beds, is the Minister prepared to sort out the various beds that are now being vacated not by plan but by emergency, and see to it that they are occupied for purposes that do not require as I said the high proportion of nursing skill, but may well require that of other less technical kinds of assistance and care?

MR. SHERMAN: Well, I am certainly prepared to explore that option, Mr. Speaker. As the honourable member knows there will have to be very close consultation with the medical staff and the clinical chiefs at the Health Sciences Centre to determine what the precise needs are and what the precise ambitions are with respect to beds related to the various disciplines, but I certainly am prepared to explore the option. That will be one of a number of options that we will be exploring intensively in the next few days and weeks as we make the total adjustment to the new configuration of the Health Sciences Centre as it will exist once Seven Oaks is on stream.

MR. SPEAKER: The Honourable Member for St. Johns with a final supplementary.

MR. CHERNIACK: Mr. Speaker, since the Minister makes it appear that the new configuration is not planned by his department but rather forced onto it by the fact that nurses are being lost to the service, is he prepared to leave the impression which I have received, that this is something that develops and all he does is consult with medical staff as the problems occur and attempts to deal with them on an ad hoc basis, or has he not already prepared a long-range plan on what one does, whether one deliberately reduces active beds, whether one converts those beds, or whether actually the Minister is trying to put those beds back into service.

MR. SHERMAN: Mr. Speaker, I cannot answer those questions today, and I do not think that it would be politic either with respect to this Chamber or with respect to the public in general to try to answer those questions today. A situation has arisen at the Health Sciences Centre that we are attempting to cope with and there is now and there will be continuing intensive discussion, not only involving the medical staff and the clinical chiefs at the Health Sciences Centre, but involving my own advisors in my department and in the Health Services Commissions. At the moment it can be said that those bed closures are temporary and that they will be reopened as soon as staff is available to reopen them, but whether they will reopen as Medical, Surgical or Geriatric beds, I cannot say and I think it would be unwise to speculate until the meetings that we are engaged in at the moment are completed. Of course we have long-range plans for the Health Sciences Centre vis-a-vis Seven Oaks and vis-a-vis the rest of the spectrum, but those are plans that were developed to dovetail with the opening of Seven Oaks

next fall and we face a situation at the moment, Mr. Speaker, that perhaps calls for some interim arrangements.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of the Environment, and he may want to check with the previous Minister for confirmation. Can the Minister confirm that in the past two years the Manitoba Department of the Environment has indeed requested information from the Whiteshell Nuclear Research Facility in regard to accidents involving radioactive substances and materials and that those reports have not been made public?

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

MR. JORGENSON: Mr. Speaker, I will have to check to find out what happened prior to my taking over this portfolio.

MR. COWAN: Thank you, Mr. Speaker. While awaiting the Minister's answer to that question, shortly I would assume, can the Minister inform the House now as to the current status of the testing for vinyl chloride at the derailment site outside of MacGregor in respect to soil samples and in respect to water table and well samples? Can he confirm that status of it and can he indicate when we can expect such reports, reports which had been promised long ago?

MR. JORGENSON: Mr. Speaker, I shall have to get that information from Environment Canada.

MR. COWAN: Thank you, Mr. Speaker. I would just point out to the Minister that his own Department is responsible for the water testing of the wells and that he should have that within his own Department.

My final supplementary is to the Minister responsible for Emergency Measures Organization. Can the Minister confirm that the Emergency Measures Organization was not notified of the recent spill of highly flammable methyl alcohol until approximately two hours after the incident had occurred and can he specify when we should expect legislation or regulations that will fully specify reporting time so that there are not delays of this sort in the future?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. HARRY ENNS (Lakeside): Mr. Speaker, in this particular instance when we are dealing with the city of Winnipeg who have, I am glad to report, a well-formulated plan for meeting emergencies such as air disasters, or in this case a train disaster. They were on the scene with the appropriate authorities, police and fire, immediately upon being notified. They then also notified Emergency Measures within an hour and twenty minutes, having determined that there was not a serious problem. It was all located on the private yards of the railway in question. My Emergency Measures people reported to me they were at the scene of the accident and are satisfied that the matter is being properly handled.

But, Mr. Speaker, if I wished to answer a little more definitively, the question he raises about a satisfactory reporting technique is one that we are addressing ourselves to at this moment, during a hard look at re-organization of Emergency Measures Organization's procedures. There is, of course, quite a difference between the level of sophistication, if you like, between the state of readiness among different jurisdictions. Some rural municipalities, such as was the case in MacGregor, are not as well equipped as is the city of Winnipeg, and I think the member touches on a point that is valid, that there ought to be a very clear and precise response mechanism in place known by all responsible jurisdictions so that these kind of matters can be appropriately dealt with and appropriately handled from a public information point of view to the citizens at large.

I share the view with the honourable member that under no circumstances can this government or does this government want to abdicate any responsibility under the shield of it being somebody else's jurisdiction, the railway or the Federal Government, and we are working towards that end.

MR. SPEAKER: Order please. The time for Question Period having expired, the Honourable Member for Logan.

COMMITTEE CHANGES

MR. WILLIAM JENKINS: Yes, Mr. Speaker, I'd like to make a change on Public Accounts Committee. I'd like to substitute the Honourable Member for Transcona for the Honourable Member for Lac du Bonnet.

MR. SPEAKER: Are those changes agreed? (Agreed)  
The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Yes, Mr. Speaker, I have some changes also in Public Accounts: Mr. Filmon for Mr. Orchard; Mr. Minaker for Mr. Domino; Mr. Hyde for Mr. Einarson.

MR. SPEAKER: Are those changes agreeable? (Agreed)  
The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, before proceeding with Orders of the Day, might I advise members of two matters: (1) If Public Accounts does not complete its business tomorrow morning, the committee will meet again on Thursday at 10:00 o'clock; (2) It will be the intention of the government to deal with bills as we have the past few years, on Wednesdays and Fridays, with one exception being today, Mr. Speaker, where I would ask that you call Bill No. 2.

SECOND READING

BILL NO. 2 - AN ACT RESPECTING THE OPERATION OF  
SECTION 23 OF THE MANITOBA ACT IN REGARD TO STATUTES

MR. SPEAKER: The Honourable First Minister.

MR. LYON presented Bill No. 2, An Act respecting the operation of Section 23 of The Manitoba Act in regard to Statutes (Loi sur l'application de l'article 23 de l'Acte du Manitoba aux textes législatifs), for second reading.

MOTION presented.

The Honourable First Minister.

MR. LYON: Mr. Speaker, while the provisions of the bill now before us are administrative in nature, members will be aware that it marks an important and historic point in the constitutional history of our province. By the recent decision of the Supreme Court of Canada, the Act of the Manitoba Legislature in 1980, entitled, "An Act to Provide that the English Language shall be the Official Language of the Province of Manitoba", has been invalidated, and the provisions of Section 23 of The Manitoba Act declared to be still in full legal effect.

As members will know, Mr. Speaker, when our province was created through legislation of the Parliament of Canada, the population in the new province was approximately 55 percent French speaking and 45 percent English speaking, although it is clear that many members of each community were, in fact, able to speak both of those languages. It was clearly the intention of the Fathers of the Canadian Federation that Manitoba, as the first daughter province to join the four founding provinces, would receive the surplus populations from both English-speaking and French-speaking Canada to the east - of course, as subsequent events proved, populations from Europe, who were neither English nor French speaking. It was undoubtedly expected in 1970 that the bilingual character of our province would simply be reinforced by that migration from the eastern provinces to Manitoba.

In fact, of course, Mr. Speaker, the bulk of the migration which came to Manitoba in the 1870s and the 1880s came from English-speaking rural Ontario, while most of the French-speaking Quebec immigration preferred to settle no further than the new England states to the south of that province. By the mid-

-1880s, the racial and linguistic composition of Manitoba had been radically changed, so that French-speaking Manitobans had become a definite minority in the province. Moreover, it is worth recalling that in the general election of 1888, which led to the formation of the Greenway government, all but four of the elected 35 members were, in fact, born outside Manitoba.

The Legislature elected in 1888 apparently found it cumbersome to continue to work the bilingual administration which had been in effect since 1870, even though its observance was certainly far from complete. The consequence was that the 1890 Act was brought before the House and adopted. A reference to the debates of those days, Mr. Speaker, shows how remarkably similar were the arguments, pro and con, to those later to be used in the 1976-79 litigation and in the public reactions thereto.

The parallel legislation to secularize the Manitoba schools received more attention than the 1980 Act concerning the official language. Probably for that reason it was never directly questioned in the courts until this past decade when the case, which eventually was decided by the Supreme Court, last December, found the 1890 language legislation of our Legislature to be invalid.

During the intervening years, after 1890, there were certain informal or unofficial accommodations made under which the French language continued to be used, more through a spirit of fair play and compromise which motivated, as I suggest, Mr. Speaker, and continues to motivate most Manitobans, rather than by legal decree. However, the official records of this House were uniquely in English.

The Supreme Court judgment on this matter therefore restores the full effect of Section 23 of The Manitoba Act. Under the rule of law which has been observed in Manitoba since its beginning, a judgment of the senior court in our country must be accepted and given effect within reasonable time. To do otherwise, Sir, would be to deny the rule of law, and thereby to court anarchy as well as to condone a fundamental disservice to the continuing unity of our nation. As helpful advice to us all in the actions that we should take, and in the reaction of all Manitobans to such actions, I draw your attention particularly to the following citation from the judgment rendered in this case by the Appeal Court of Manitoba, in the words of Chief Justice Samuel Freedman:

"I do not think I go beyond my judicial function to suggest to all concerned that constitutions can be made to work only if the spirit of them is observed as well as the black letters they contain, and if there is a disposition on the part of all concerned to make them work in a practical and reasonable way without, on the one hand, intransigent assertion of abstract rights and without, on the other hand, a cutting down and chipping away of those rights."

Those wise words clearly relate to what I have already said about the spirit of fair play and reasonableness which has generally motivated the people and the governments of Manitoba over the years, and which should certainly guide us today in giving effect to the Supreme Court judgment.

I should also like to remind members of the words of hope spoken by Sir George-Etienne Cartier in May 1870, when The Manitoba Act was under consideration in Ottawa. These words, by the way, Mr. Speaker, are engraved on the Cartier monument outside our Legislative Building here in Winnipeg:

"Puisse la nouvelle province du Manitoba toujours parler aux habitants du Nord-Ouest le langage de la raison, de la vérité et de la justice."

In so observing and following the rule of law as the basis of government in our province, we are also aware of the national constituency in which our reaction to the Supreme Court judgment takes place. The provisions of Bill No. 2 are of a technical nature - it is true - but they will be understood throughout Canada as an indication of our loyalty to the national identity of Canada, and of our firm commitment to the rule of law and to our respect for the guaranteed rights of Canadians as set forth in our constitution.

Because a period of ninety years has elapsed since the adoption of the 1890 Act, there are a number of questions which must be resolved in that spirit of reason and fairness in order that we may give full effect to the Supreme Court decision.

It is clear, Mr. Speaker, that we are under the requirement of causing to be printed and published all Acts of the Legislature in both official languages. Moreover, not only are the statutes to be available in the two languages, but also bills introduced in this House should be available in both languages.

The bill now before us deals solely with that aspect of the Supreme Court decision. It provides an interpretation section concerning the interpretations of statutes when there is an inconsistency between one language and the other language, while authorizing a system for the official filing of translations of acts already in force in Manitoba before the translation into the other official language was available. In that respect, Mr. Speaker, I believe the bill will be found to be self-explanatory.

In regard to court services, the government have undertaken as a first step, to provide translation services for litigation and for the court proceedings at the charge of the province.

The government, Mr. Speaker, will continue to study further implications of the Supreme Court decision and will count on what I have described as the traditional wisdom and fair-mindedness of Manitobans to assist in bringing our province fully within the provisions of Section 23 of The Manitoba Act as it is to apply to us in 1980 and beyond.

I recognize, Mr. Speaker, that not all Manitobans will support wholeheartedly the actions which the government is now bound to take. Those actions, however, I suggest are absolutely necessary in the national interest and in fairness and equity to our fellow Manitobans whose mother tongue is French.

Mr. Speaker, I commend this bill to the House.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I would like to commence my remarks by indicating that the general nature of this bill will be supported by the opposition and that there will be support in principle to the second reading of the bill in process on its way to committee. Certainly we understand that the bill, as it presently exists, contains an effort to implement the main requirements as per the recent Supreme Court decision - the decision which invalidated The Official Languages Act of 1890 and reinstated the law as per The Manitoba Act of 1870.

I believe that in committee there will be a number of questions that will be raised. There will be submissions that will be offered to us as legislators as to the wisdom, or lack of wisdom, of proceeding with this bill. I am certain there will be a number of proposals that will be made in committee that members will wish to give considerable weight and thought to. I believe, however, that insofar as the bill before us, that decree in itself is fine insofar as it goes. But certainly it is limited insofar as its effectiveness and so far as developing the type of Manitoba that we wish to develop and wish to see grow in this province. There is the need for a growth of, I believe, a fuller, richer Manitoba insofar as all the varied sectors of the Manitoba population, racial sectors, and language and cultural areas of our province, in contributing towards the overall mosaic of the province.

Insofar as the bilingual nature of the provisions that are before us, I believe it will be important for us to consider whether or not we can encourage the growth in Manitoba of other understanding. For instance my colleague, the Member for Rossmere, has asked questions in this House pertaining to immersion programs and whether it is not possible to ensure the extension of immersion programs so that more children, in fact, can be accommodated for them in our school system.

The question was raised insofar as the present inadequate standard of assistance that is provided. The information which we receive from school divisions confirm the fact that most children involved in immersion programs are from double-parent, rather than single-parent families, and most are from middle or upper-income brackets. We believe that the reason for this, Mr. Speaker, is the fact that there is inadequate financial assistance to provide with bussing, so that those from single parents, or lower-income backgrounds can, in fact, participate within the immersion programs. Information, for instance, in River East School Division certainly confirms the fact that that indeed is the situation. So that these are areas that, I believe, must be weighed by ourselves as legislators.

There are, in Francophone communities, many civil servants now providing services that are unable to speak French. The facilities must indeed be established within our public service to ensure that public servants providing services in Francophone communities are given the opportunity voluntarily to develop means of communicating with those that they serve, whether it be in recreational

facilities, whether it be in health units, whether it be agreps, whether it be in court services, it is important that, in fact, we do move and we do grow, towards the type of provincial community by which these services can be provided within Francophone communities.

The Member for Radisson has demonstrated that a member of the Legislature, when desiring to, can become reasonably bilingual. The Member for Inkster has, for a number of years, done that. It would be useful for us to consider, whether or not in providing better bilingual facilities for teaching bilingualism, that those services could be provided not just to those civil servants that are dealing with peoples in Francophone communities, but also to provide those type of services for those MLAs that may wish to follow the example established by some of our present members in this Chamber. At the same time, it will be important, I think, to examine the services in LGDs and municipalities to assist and to facilitate growth of those services in French in those communities.

So, Mr. Speaker, in conclusion, the legislation before us is important legislation. It is legislation that must be introduced because there is no option. The Supreme Court has made a ruling; a ruling that the statutes and regulations, at least to some extent, must be translated into French and into English. We have no quarrel; the opposition will be supporting the provisions of that legislation. We will be looking forward to submissions that will be, I'm sure, raised in committee dealing with other aspects, as to whether or not the legislation should go beyond the present provisions, and I'm sure we'll be receiving suggestions insofar as simultaneous translation and what not. We would only wish to hear those submissions at this stage and at the same time to keep in mind the need to ensure that we grow in Manitoba - grow to a better understanding, a better means, better facilities - in order to deal with peoples in Manitoba in both French and English, and as far as that is concerned, Mr. Speaker, in other languages where same is practical and feasible.

The First Minister quoted the words of Justice Freedman which, in fact, I wish to also refer to, because I do believe that they strike very well at the nub of what we are doing today. "Constitutions can be made to work only if the spirit of them is observed as well as the black letters they contain, and if there is a disposition on the part of all concerned to make them work in a practical and reasonable way without, on the one hand, intransigent assertion of abstract rights and without, on the other hand, a cutting down and a chipping away of those rights." Within that spirit, Mr. Speaker, I'm as confident that both the government and the opposition will move towards an improved setting insofar as not only the provincial community is concerned, but hopefully, Mr. Speaker, within the national context in which we function today.

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

MR. DESJARDINS: M. l'orateur, je dois exprimer mon désappointement et mon mécontentement envers le gouvernement manitobain suite au jugement rendu par la Cour suprême du Canada. Lorsque je prenais part au débat sur le Discours du Trône, je m'adressais en français. Je prononçais ce discours le 26 février dernier et j'attends toujours la traduction anglaise de mon texte dans le Hansard. Il semble que si j'ai le droit de parler en français, ma langue maternelle, je n'ai pas cependant le droit de me faire comprendre. Vous admettez, M. l'orateur, que ceci n'est pas du progrès et que le geste futile que l'on pose en permettant le français dans cette Chambre est pour le moins insultant.

Mr. Speaker, I was expressing my regret that following the judgment rendered by the Supreme Court of Canada, this government, it appears, did not see fit to respect the intent of the law, but rather the strict interpretation of the letter of the law.

On February 26th I spoke in French in this House, as is my right, only to discover that if I have the right to speak French I do not, however, have the right to be understood. I am still waiting for Hansard to print the English translation of my speech. This, Sir, by no stretch of the imagination could be called progress; in fact, it could be considered a step backwards, because in the past, while it was just a privilege to speak French, nevertheless even if late, Hansard usually at a later date gave us the translation - in other words the French text and the English translation.

I feel that this government has the unique opportunity to demonstrate true leadership to the rest of Canada, not just take something to the letter of the law, and to make amends for an injustice perpetuated for over 90 years.

In this important time for our country our government, with proper leadership and all the members of this House, like it was mentioned by the two that previously spoke, when they quoted Chief Justice Freedman, you need the co-operation if you want to make this country a united country, not a bilingual country, but a united country. I think that this would help in uniting this country.

It seems to me that the government instead choose to buckle under the pressure from the rednecks and, as the First Minister said, there will be many rednecks, - probably many more will oppose this, will oppose any gesture to try to make this a truly bilingual country, that is for the Franco-Manitobans the chance to be served as my Leader stated. In many instances, it wouldn't be too costly - in the courts, dealing with governments, services in the health field, in the social field, and in any of the others.

I think, Mr. Speaker, that the true test of greatness for politicians is to lead and to think of the future, not only governments that are constantly flying kites or thinking of immediate political expediency. I think that the decisions have to be far-reaching and, as I say, I think that this government, I think that the people of Manitoba, instead of just paying lip service to certain rights, or to bring something that will seem to appease and at times is patronizing to say the least, I think that much could be done. For instance, it wouldn't be a . . . the Deputy Speaker, Sir, your Deputy has shown that he, with some interest, that you can learn French. It hasn't been that difficult for him. I don't think it would be asking too much to see a total immersion course here, not shoved down anybody's throat, but provided for those members of this House and civil servants, at least the senior civil servants and maybe their spouse if there is room for them to register, if they wish, and have a chance to learn French. How many times in the halls of this building do I hear, "God, I would like to be able to speak French." And I know that the First Minister himself at one time travelled outside of this province to try to learn French, and I guess his busy schedule now makes it more difficult, but I think that these things should be done.

Mr. Speaker, I think that I demonstrated how futile it was, how of little consequence it was, if I was to speak French in this House, and say this is my right and stand up here and say I have the right to speak French, nobody can tell me to shut up any more. But apparently I haven't got the right to be understood. Don't you agree, Sir, that it would be futile for me to speak French, especially if I am trying to convince by strong arguments my colleagues in this House to either support to defeat a certain legislation, and even if it did appear in Hansard, if it going to come two or three weeks, or in this case maybe a month or maybe never, if it is going to come out long after the matter has been solved, the matter has been decided by a vote in this House.

I know that the Court has said this should be done, and in the case of Manitoba the defeatists, the pessimists might say, well it is a little late, you know, after so many years that have served to assimilate up to a certain point the Franco-Manitobans in this province. I don't often agree with Levesque, but I'd agree with a statement that he made after the judgment. He said it didn't take him very long to find out that things were wrong in Quebec, I think it was a year, a year and one-half, but look at how long it took them to realize and to admit that there was something wrong. And what are we going to do to make amends? Even the bill itself, and I don't want to exaggerate, I don't want to put too much importance on that, but nevertheless for somebody that has this complex, that have been forced into practically a ghetto and it is like waving the flag when you say, well in any case, if there is any debate or something, the official language of the bill will be the one that will be printed first and distributed in this House. Well, I can assure you that in 99.9999 percent of the time, that language will be English. Now, are we saying that we can't communicate, we can't have proper . . . I know the lawyers shake the heads and they say, this is needed and somebody is going to point out that this is done in Quebec, but nevertheless - and I started by saying that I don't want to exaggerate that, but that seems to be patronizing also, Mr. Speaker.

A few years ago when the First Minister was sitting here in the opposition, he made the statement that as far as he was concerned, if we were going to do any-



thing, we should start in the field of education, and I couldn't agree more with it. He made the statement at the time that he felt that the teaching of French, not in French but as a subject, should be taught in all schools of the province. I commended him at the time, I congratulated him, and I sided with him and I still do, but since then there hasn't been a word from him or his Minister of Education on this subject. This would show leadership, sure it would arise something, you would get certain letters to the editor in the newspaper, you would have in the open lines, you would have all kinds of things, you are getting it now. They don't want to have the national anthem is sung in both languages at a sporting event, the same people would complain. The people that are complaining because Miss Canada was a French Canadian girl from Quebec who did say that she realized it was a challenge and she wanted to learn English and felt that she would be doing quite well, but this was criticized; in a country like ours, why is it that she can only speak French? You will have these same people criticizing, Mr. Speaker, there is no doubt, but it seems to me that with unity, it's funny, all these matters, the question of the schools; but the question of French has always been the thing that a government, not openly, but in the halls of this building, and it's been stated, watch out, you're going to commit political suicide.

And, Sir, after that being said, and I've been here for 22 years, and I remember that any of these bills that were brought in in this House - and I made a point sometimes annoying my colleagues and the members of the other parties of asking for a recorded vote - I don't remember one that wasn't unanimous. Sure a few of the members ducked the vote, Mr. Speaker, but in the House it was always unanimous. The same measures, the same thing that were going to bring political suicide for a party and I think we are more mature now. I think that some of the things that have been done, I think that the First Minister could look for cooperation, and it takes that. If you just leave the McKenzies of this world and these kind of people criticize at all time, yes. Yes this is what you are going to get, you are going to get the rednecks running this country but we want a little better than that, Mr. Speaker.

Now, Mr. Speaker, the Société Franco-Manitobaine is advocating a "yes" vote in the forthcoming Quebec referendum and I would now like, through you, to address a few words on the subject to them if they care to listen. I understand their frustration and I agree that our Canadian Constitution must be renegotiated and that the rights of the minority official languages in all provinces must be guaranteed by a new Constitution but, Sir, I certainly cannot condone their declaration. Play around as you want but the referendum is a request for a mandate to negotiate a province out of Confederation; a mandate for sovereignty association; a break up of our country; and this, Mr. Speaker, is not acceptable to me.

The Société Franco-Manitobaine chose April 1st, to make their press conference and it is quite ironic because it could be the greatest April fool joke of all and on the Francophone themselves. Unless, I can understand if the Francophones of Manitoba intend to pick up and move to Quebec, I could understand that then maybe they could support this; but if you are going to stay here supporting the position of Rene Levesque is unthinkable.

Do they - I'm addressing myself to the Franco-Manitobans - do they believe for a minute that a new Canada, without the province of Quebec, would all of a sudden decide to respect the rights and recognize the rights of the Francophone outside of Quebec? I need not answer that, it is so ridiculous, Mr. Speaker. Even if the rest of Canada accepted sovereignty association, and I have my doubts, then it would in effect be a divorce between the true founders of this country, the two official languages of this country, and it would be saying in effect Canada is not working so we'll have the French Canada. We might give it another name, the country of Quebec and then we'll have the rest of Canada, the Anglo-phones, and then there would be no *raison d'être*, the divorce would be final and there would be no reason to recognize the right of the Francophone outside of Quebec. Mr. Speaker, why should we support Levesque, because Levesque not wanting to be blamed, not wanting to be blamed for abandoning the Francophone, like myself and others, made it very easy? It's like sweeping it under the rug. He made the statement repeatedly and right here in Winnipeg that the minority Francophone outside of Quebec did not exist. If they do not exist, what chance would we have, Mr. Speaker, if we decided to separate?

I might say for the rest of Manitoba, don't judge the Francophone too unfairly. I don't think that the Société Franco-Manitobaine had a mandate to make that statement and to call that press conference. And let me assure you that they are not speaking for all Francophones in Manitoba. Unfortunately I did not attend the annual meeting of the Société Franco-Manitobaine. I must say that's the first time since it was founded and I was one of the persons that founded the Société Franco-Manitobaine, or that was one in that movement. I was away from the province. But I checked and all the information that I was given, I was told that they were asked, the executive, the new executive that had just been elected that day, were asked to - there were no workshops where this was discussed, there were none of these things - the only thing that was said: assess for us what happens on a "yes" vote and what happens on a "no" vote. And then they chose to call this press conference and make the statement that they have.

Mr. Speaker, I hope that their action will not be too divisive. I think that when you have people, as I have said, that have been persecuted - and I don't think the term is too strong - for a number of years; that have been assimilated; that have had difficulties. I remember, it seems like just a few short years ago, and when they say that nothing has happened in this province, that's not true. The political climate has changed. When I started here 22 years ago, and the First Minister remembers, French was taught as a subject only starting in Grade VII and then it came in Grade II; and then there were changes by all of the different governments representing the different parties, and now you have French as a teaching language. You have French classes, French schools. You have the Anglophones and others in this province who are very interested. They will not permit us to - I say us as a Franco-Manitoban - to stay in our ghetto. Now they don't feel that we have a monopoly on the French language and they are insisting on these total immersion courses and I think that's going quite well. I think there's quite a demand. There are still some people criticizing and you'll always get that, Mr. Speaker. The more leadership that we give, the more we try to make this truly a country where we can agree in diversity.

Diversity is what made us what we are today. There is nothing wrong with diversity. You can be united in diversity. This is what democracy is all about; the people can think for themselves; we're not all rubber stamps and we don't always have to follow the majority as long as we have respect for each other and if we try to eradicate prejudice, Mr. Speaker. There was a time where we thought that if you can only suffer or tolerate, but the time has passed. I'm asking for much more than that and the people of Canada are asking for much more than that. Not tolerated, but accepted and appreciated and understood, I think those are the important things. I don't think it would be too fussy, I'm not a lawyer and I don't know how far you can go or what choice you have. But I would drag my feet on this translation and I'll probably be kicked out of the Société Franco-Manitobaine, I imagine, but to me this is not the most important thing.

I think as the First Minister said, when he was sitting on this side, that you've got to start in education at a tender age, that yes, French should be taught as a language; should be compulsory in all the schools in Manitoba and in fact, in this country. I would like to see this country where the language of work in the predominantly Anglophone provinces would be English and that every single person living in that province should know English, and in Quebec, the opposite. You know, we think it's so bad when we come back . . . How many visitors have come back from Quebec and said, "Well, they couldn't give me any directive in English. What a place." They don't realize what's happening in Manitoba when the people from Quebec come.

Let all the people of Quebec learn French and let all the people in the rest of the provinces learn English, but make it possible, when there is a sufficiently large number, for them to be served in French; to be taught in French; to use their language; to keep on with this tradition that we have, not only tradition but culture that we have, which can be one of the richest in the world. You know, we have the most beautiful country in the world and with all our problems of inflation and low . . . It's difficult to borrow and you might not be able to get the gas in other countries, it gives a chance to see our country and God, you know, even people that have travelled quite a bit, we probably don't travel in our country to see how beautiful this country is. And we could make this a unique culture.

Monday, 7 April 1980

I don't want this country to separate. I don't want to become an American. I am very pleased and happy to be a Canadian, a western Canadian and a Franco-Manitoban, but that doesn't mean that I'm going to give up fighting for the rights that I think I have and I think I should have and should be respected, not tolerated, or in a spirit of paternalism as I say now, well, you've got the right Larry, go ahead, shoot off your mouth, talk French and I stand there like an idiot and nobody understands me.

This is what I did during the Speech from the Throne, I didn't say one word of English and I waited and waited. There wasn't any comment. I wonder if my honourable friend was present; I think he was absent. That was my big break: He was absent. So, in fact, I was told by a member of the government, well, our translator is the Member from Inkster and we have to wait till he comes back. Well that, sir, is not the kind of spirit that both the First Minister and the Leader of the Opposition was speaking about. I think that if we're going to be reasonable, well let's be reasonable and it's not enough to say, well, you're free to speak French. If I am then I should be free to be understood and the members here who are interested should be free to understand me.

Now, I'm not suggesting that you're going to have simultaneous translation immediately and I don't know if it warrants, just by one member . . . Maybe this is one of the difficulties and I said that I want to be fair and maybe this is asking a little too much, but I wanted to show that the little crumbs that we got don't mean a damn thing either, Mr. Speaker. I think that we should start doing in the education field with the youngsters, not start somebody 55 and 56 in Civil Service and say, if you want to keep your job you have to be bilingual. But make the young people that are starting up, make it known that to be a civil servant in certain areas and to reach a certain degree, that it is something that you will need; you will have to be bilingual. Is that asking too much? If you start from day one and everybody has the chance, wouldn't that make a better Canada? You know, don't the doctors and people maybe have to learn Latin or some other things?

So I'm not suggesting that this will be done in a day or so, but I must say that I think this government is lacking the leadership. I'm not accusing the Attorney-General of saying this, I did not hear him, but I know that one of the things that is being repeated - maybe it's wrong - that he made the statement that they will stick to only the letter of the law and only do the minimum that he can get away with. He's shaking his head and I accept. I accept this and I hope that he will speak. I accept his denial of this fact and I hope that he will speak for himself and that then we will show that the government . . . Maybe I'm chastising the government a little too early, maybe there's some other resolution, but this is something that I ask in the Speech from the Throne. I suggested that the government then should have, even if it's not going to be done all at once, that the government should have a program of policies, should enunciate this policy and give us a kind of a schedule when these things will be done.

So, Mr. Speaker, I'm not too sure that I'm rejoicing too much on this Bill. To be quite honest with you, I'm not going to throw cold water on it; I don't think it's going to mean a hell of a lot if there's no . . . Well, I'm sorry, but I don't think I'm going to search all over the place to see some Acts in French and English and I would like to see, if I had a choice . . . I can come up with many, many suggestions that would be more meaningful, maybe cost less money and would unite us a lot more. I'm certainly going to support this, Mr. Speaker, but I don't think it's much; I don't think that it's certainly going far enough and I hope and I wish I could say I anticipate that the government will bring other legislation that will show the leadership that they are capable of and the leadership that we have the right to demand from them. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I would like to move, seconded by the Honourable Member for St. Boniface, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Government Services, 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 of Supply with the Honourable Member for Radisson in the Chair for the Department of Natural Resources, and the Honourable Member for Emerson in the Chair for the Department of Fitness, Recreation and Sport.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - FITNESS, RECREATION AND SPORT

MR. DEPUTY CHAIRMAN, Albert Driedger (Emerson): Committee come to order. Resolution 68, 1.(a) Minister's Salary.  
The Member for St. Boniface.

MR. DESJARDINS: As was agreed, we kept the question of the lottery on the Minister's Salary, we were proceeding with that at the last meeting that we had, and then we, of course, speaking for my side of the House, said that there would be very little more coming out of the Minister's Salary without restricting ourselves if something is said, is done, I have a few short remarks to make on that, but I think we should finish with the Lotteries.

Mr. Chairman, the last time we met, I was criticizing this contract between TCI and the provincial government, and I had explained that I did not criticize it because I didn't think they were worthy partners, or that they shouldn't be the partner, or that the government had not the right or the mandate to change the system and have another partner, I'm just - and I want this to be understood - I'm not criticizing the organization of the Total Community Involvement, nor the government, I'm criticizing the contract. And I think it is one of the worst contracts that I have ever seen. I think it is a very bad contract. I think it is a contract that is going to bring nothing but trouble on the government and on the question of lotteries here in Manitoba.

Why do I say that? Because I think it was on page 2 of this document, the government talks about equal partners, then the rest of the contract does everything possible to demonstrate, to make sure that one partner is more equal than the other three, and I don't think that that can work. Why do I say it's more equal? Well, first of all it's a retroactive contract. They're still running a lottery, if not they just finished, and that contract, all of a sudden the government is taking money that by right, by the Act, should be spent on sport and culture and is saying, here, taking the amount equal to the share of the three partners on the last year, and that would be what? \$700,000 to a million dollars, somewhere around there.

Then it is saying, the whole exercise, all this question of the Western Canada Lottery Foundation, when it was founded, when it was started one of the main things was to try to get away from this proliferation of tickets and to bring proper return to the people, at least some return that made sense, not the way it was before. And to make sure, probably the most important thing was that there would be accountability, full accountability to the question of lotteries. I think that if the lottery is in such good condition, I think that the present government can see that it wasn't done. It was quite difficult and we had a lot of people that tried to, well, they criticized, they did everything possible not to make this thing work, including many of the members now forming the Total Community Involvement group.

So then we move to bearer's tickets. And the government, I think it's on Page 6, says that the TCI, if they are not satisfied, the TCI then can go back and sell their kind of lottery. How can the government in its right mind agree to something like that? It doesn't make any sense at all to say, okay you're taking --(Interjection)-- - I beg your pardon? Did I mention the word "legion"? I didn't mention the legion at all. I've got nothing against them, I think it's a great contract for one partner. I'm talking about the government. I'm talking about the government for having agreed to say that if you don't like this, you

give us a notice, whatever, and you've had a share for one year, although you weren't participating, nothing in there says that you would have to return that. Nothing in there says that, I haven't seen it. And then they have a chance to go back to non-bearer's tickets. There's nothing that the Minister can say that will change my mind on that. That is absolutely wrong, it's against the concept of what is being tried. And if that is the case, why can't the other partners do it?

And what were the agreements with the other provinces also? The Minister wasn't present when we started the Western Canada Lottery Foundation, but I could say to him that it was a commitment, a verbal commitment that the provinces made, that this would not happen, that as we go we recognize the political implication, the difficulties that we had, and believe me it was difficult. And that's why we allowed so many lotteries, we went on because we couldn't do away with the Calgary Stampede had their lottery; we had some with TCI and so on, so we agreed that there would be so many lotteries and that was it, and the others weren't allowed. But certainly the intent was to try to get them in the stream of things, like you're doing now, which is a step forward. But not to say, if you don't like it get the hell out and you can go back to the non-bearer's tickets. It's obvious to me it's not the legion and it's not the association, it's the middleman. It's the middleman that you've dealt with, it's obvious to me. And these are the people that you're protecting. It's not these associations at all.

And then, what else? You are taking one partner, it was a partner that most of them did everything possible not to let the Western Canada Lottery Foundation be a success. And talked about the government, and they were given a chance to run things, even a better chance than they had before because the original Golden Boy Lottery, they had a certain amount of money that went back to the government; on this one there is nothing going to the government, except enough maybe to pay the expenses of the commission, and so on.

All right. So this thing was started, and to try to facilitate and to try not to have this competition between partners, between the sellers and so on, there was an organization, the Western Canada Manitoba Distributors, and they were given the wholesaling rights in this province. All right, there were three partners. Now, the government today, or when this was signed, the government said, all right, we want a fourth partner. Perfect. That is good. If you can get away with this other Lottery, you are going in the direction of trying to have less lotteries, not to have this proliferation of lotteries, and probably the most important thing, you are doing away with the non-bearer's kind of ticket. You brought these people in as partners in this wholesale distribution, but there is all kinds of exceptions, within that wholesale thing they themselves are wholesaling, they are competing against the parent organization and believe me the word is not strong enough when I say "compete". They will be competing for retailers - somewhere in there it says that if a retailer is a member of this organization - practically everybody in Winnipeg or in Manitoba is a member of one of those associations forming the total community involvement, you are either a member of the Legion, the Alumni from St. Paul's College, or what else? What is it? Guns and, well anyway . . . --(Interjection)-- What? --(Interjection)-- Well, that one too. If only to cover Harry, this one too, so we can include that one. So now everybody in Manitoba is in one of these associations.

So you are going to have that difficulty, sir, that the retailers then will compete, because, you know, you can say what you want, that you are not supposed to make representation, you are going to have these people wanting to go with TCI, and what are you going to do to this other association that is sitting there, that work hard to make this thing go, that everybody was against including TCI, that all of sudden now that they are coming in and you are going to give them a chance to act in a destructive way, and that is what is going to happen.

Now if there are retailers, and if the retailer is going to have to pay the same for the ticket, why should they compete for retailers? You've got four partners here who are setting up a network of retailers, and they are going to compete because TCI would also be a partner in this organization, but they individually will also be in the wholesaling of these tickets. They will compete against the organization that they were just made a partner. They were the last ones to come in and they are the ones that did everything so this thing wouldn't go, and now they have a position of preference because they are more equal than the other three. They will be partners, as I say, but then they will do the wholesaling

themselves. Now, that is something that I certainly can't understand. There is already an office, looking at the cost of things - there is already an office of the parent body of the Western Canada-Manitoba Distributors right here in Winnipeg, but the TCI, who becomes a partner, then has the right to open a wholesale office, right here in Winnipeg, and they can sell across-the-counter, and they will have the mail order right too, they can sell mail order if they want.

So as wholesalers they will get their tickets cheaper than the other wholesalers. And if that is the case, if you want to change the system, then I will criticize you for changing the system that works. You know, you have had scandals after scandals in other provinces; you have had in Quebec where the government of the day designated people, you know, like you do on boards and that and there is a change of government, you go and they go --(Interjection)-- You got in trouble before, Dave, if I was you I would be careful.

So, Mr. Chairman, and in fact most of the salesmen aren't Frenchmen, I guess the Frenchmen are not smart enough to get these jobs.

MR. BANMAN: I wouldn't say that, Larry.

MR. DESJARDINS: Well, I never thought it. No, but you have strictly partisan politics. You had, the districts in the Quebec are given to certain people and they will make in excess of \$100,000 on it. Serge Savard is making more money out of his districts in the lottery than he is doing out of playing hockey for Montreal Canadiens. No wonder he wants to quit, it is a lot easier.

Then it was just a coincidence, a very innocent coincidence, but every single one, when there was a study, an investigation, a change of government, everyone of these people had the same donation that they made to the Liberal Party of Quebec, of \$5,000. It was quite a coincidence. I am not suggesting anything wrong, of course, but the coincidence was \$5,000 to everyone of them. Well, we haven't got this here in Manitoba, there is no need, there was no need for that at all. --(Interjection)-- If you promise to be quiet I will tell you a little more.

You know, Mr. Chairman, how are you going to attract . . . ? Why is that done? There is something that is not in there; I can't see it, anyway, but I know what it is, it is obvious, because I know who did the lobbying for that, again it is the middleman that you are looking at. It is the middleman because the middleman can keep on in the system that he is working now, where you have a group of people united together to try to share the cost and to try to maximize the profit and then divide it by the partners, but now you are going to have two systems. You will have a duplicate system of retailers, and the retailer by law, by the regulations of the Western Canada Lottery Foundation will all pay the same, and the wholesaler should be the same. But you have created another person who will get . . . So the TCI are partners and they are wholesalers there, and then they got another office, they are a wholesaler, a duplication, where there is no need at all. You know, those tickets were sold for years by the retailers. There are probably enough retailers.

Now if you want the members going, there is nothing to stop them from making an application to the Corporation to say we want to retail. If they want to have more retailers there, there is nothing against that. But you are going to start by setting up another wholesaler for no reason at all. If you can point out to me how this will improve, and who is going to be the wholesaler? If you look at this program, and you can end up in court with this because the wholesaler is going to get . . . The TCI will get tickets by a certain amount of money, but are they free to give the retailer, which is the middleman, are they free to give him a reduction, to give him the tickets cheaper? And I know exactly that the whole thing is try to achieve that. If you are not spelling this thing out, you can be in trouble.

I would like to ask the members of the Committee, do you know that some of these people that have a contract, a promoter, that at the present time the situation is that you can go and ask one of the partners in the total community involvement about their contracts, you can ask them about their contracts, not their contracts, their legislation, whatever, if you want to investigate, and they will have a line, they'll say, okay, promotion, or wholesaler, for that one line, so much money and you try to get their contract and you'll never get it. And I've got copies of contracts, and I would imagine they are the same, where these

people, not only of that money here, but if that contract still exists and I have no way of knowing, but I kind of suspect that it does, that if that contract, that \$700,000 or \$800,000 that the TCI will get, and that will be divided in the partners, that sum, two of the largest, if not the two largest sellers of these. They have a contract with a person who not only what he sells, but any money that they get, like this, he gets about 40 percent of it. 40 percent. So you can end up, don't shake your head, I'll show you the contract right here. If you can shake your head, Mr. Minister, because you say this won't happen, I wish you'd point out on this, because nothing says that can't happen, nothing says they haven't got the right. I don't think there's a moral right of a government to say this is what's going to happen, that you're going to set up some people, then you're going back to your partisan ways. And that's going to create problems and you'll see a wholesale firing of everybody every time there is a change of government and I hope that this will not happen. But this is what's going to happen.

The Minister says, well he pointed out to me that the only way, I would imagine, is that the contract has to be approved, but the contract is with the retailer, not a wholesaler, you know, you can have somebody, well, all right, let's look at this. I asked that last time and the Minister, no contract agreement between a retail representative and any person, firm or corporation acting on its behalf. All right. If you want to stretch things somewhere, you say that the partners in TCI are retailers. But what, if TCI itself engages somebody to do that, and they will have somebody in that head office. What control do you have over the contract that they have? It'll be strictly a duplication of what's going on now. There is no way there that you can provide any punishment for the TCI breaking the contract, but they can say, well if one of the members, they can be fired, so you can change the members every day if you want.

Now I think that the way this lottery was set up, it was quite difficult. You know how difficult it was. You know the abuse we had. Now it's working, it's working well, nobody could point, you had an investigation, they couldn't see anything, they could see some change that we knew that because of the political situation it would take a few years to go and the Minister stated in this committee that the aim of this government and you move another step towards that, that all money, all revenue accruing from the lotteries will eventually go to either these partners or something else, that the government will not keep any of that. And this is the direction we were going and this is the direction you are going, you took another step. And I'm happy with this now. The government might regret it later on, it's not a partisan way, it's not the thing to do. It's always nice to keep some money that you can use another way. Either you're too naive and you let it go or I congratulate you on your strength and on your courage to do so. I think it is the only way to go.

But Mr. Chairman, I want it understood that I'm not against bringing more partners in, I'm not against this group in, I think there's a good group, although I would say this, I don't think you should take it as a fait accompli, all the partners in there and that they should be in there, and it's a closed shop. I know that it says you can welcome other people, there won't be too many, I think that every one should be looked at on its own merits. You know, you have a hodge-podge, maybe it's a thing to help politically, there is no aid to private schools in this province, St. Paul's College, you have to resort to this to get the money, well fine, I'm certainly not about to suggest that they shouldn't be in. I would much - Green's not here so I guess I'm free, I would much better prefer to, - either I'm lucky or he's lucky, one of the two. I would much prefer to see a situation that they would have the rights and that the education would be a responsibility of the government for financing also, but anyway, we've had that battle for the last 22 years at least, that I know, and it's not ready to end, so there is no point in bringing it at this time.

I'm not going to be crazy enough to start mentioning names, but there are some that I can't see. It's a good organization, but why should they be singled out and say, here, you've got something and they're going to have this money when there's so many things to do in the field of sports and culture. Every day there's somebody that's coming out to try to help in coaching or try to help in teams of young kids, boys and girls going out in other provinces, and I think this business of travelling makes for a better Canada because it makes better understanding.

So Mr. Chairman, I'm not denying the Minister's right to bring in a contract, but I would tell him right now that I'm very much against this contract, I think it's a bad contract, I think it's a contract that you are trying to please certain people that have been helpful to the party in the past and probably will be helpful again, and certainly I'm not congratulating you on that kind of courage, because it is obvious to me, I know too much about this lottery, I've been involved in this too much. And that's exactly what's being done there. There is no need for that at all. You are taking people that have never made this kind of money and you are saying, okay, come on in, why can they not, and especially that you are surrendering some of the revenue, why can't they come in as equal partners and then okay that's it. And I would be only too pleased to congratulate you on that and to commend you on that and to agree with you. But that's not what you are doing at all, you are endangering the whole system by trying to please everybody. And you can say this is two years, I'll have my eyes open. There is no way that you will be able to take anything away once you have given it to them.

I would dare say that they would have been very happy to receive \$700,000 or \$800,000 or a million dollars a year, which is money they have never received before. Some of these groups are entitled to go to the United Way. You have the United Way as one of the partners, you have the sports groups, and the sports groups, mind you, you are giving with one hand and taking back with the other because you have surrendered some of the money but also you have transferred some of the responsibility for sports here and fitness to the Sports Federation, so I don't think that sports is that much of a big winner, I think they were better before. But that's your prerogative in these days of restraint, maybe you're moving in the right direction. And those, we can have a different degree of not agreeing with you but on this, Mr. Chairman, you are making a bad mistake. You have made the mistake already I guess, there is not much point in bringing it here, you're not asking us to ratify it, you're giving us a copy of something you've signed. You're making a big mistake, and I'm going to tell you now, and I'm going to repeat to you over the years that you will have fights, you will have people try to compete because you have somebody that will be competing against their parent body, they're competing against the corporation that they are partners, and I think that's wrong.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

HON. ROBERT (Bob) BANMAN (La Verendrye): Well, Mr. Chairman, if I could just mention a few things, first of all I agree with the member that we're always going to have fights. There's something about lotteries that always sparks fights, I think no matter how smoothly it runs, there's always some problems. We've got a Resolution before the Legislature dealing with certain aspects of government sponsored lotteries and that the government should be getting out of them.

One of the things the member will appreciate is that TCI was in the field selling lottery tickets, close to \$3 million worth of lottery tickets a year. The government was faced with the problem, as the member was when he was Minister in charge, of having problems of tickets being sold outside the province, we had problems with the non-bearer tickets, which I agree that the member is concerned about and that I am concerned about, we feel, Mr. Chairman, that if we can get a proper working relationship, the particular section that he refers to as far as them getting back into the field, I think that once they have been involved in this particular thing and are accepted as a partner in this whole thing, that if it works out right, that they won't go back and we won't have to use that section of the Act.

The other thing that should be pointed out, is that they were making, on that \$3 million lottery that they were running for the last number of years, that lottery will not be run anymore. In other words, that comes out of the marketplace. They now come under the control, and have to abide by the same rules that are laid down by the Western Lotteries Foundation, and that WLMD have to adhere to. In other words, the extra provincial sales will really be clamped down, which means that we can hold a hard line with our partners to the west.

The other thing that has to be pointed out also, is that in this particular inclusion of this group, the government is trying to deal with one problem that



we've all had, and that is to try and find a vehicle whereby small, non-profit groups can get involved and earn some money for themselves. The lotteries field is constantly evolving, as the member knows, the next thing that's coming on stream is possibly the instant lottery, which has gone over very well in Quebec. And I suggest to the member that it's not too many years away from arriving here. That type of a lottery is a perfect lottery for small community groups to run, and if it would be handled through WLMD and groups such as this could avail themselves of that through WLMD, I think that's an excellent opportunity for a lot of small, non-profit groups to make some extra money.

So I would just like to say that I appreciate some of the comments that the member has made, we are concerned about some of those areas, we will be monitoring very closely, but we do feel now we have a better control of the people involved in the system, we have a control over the amount of moneys that are going to be flowing now, and the accountability on those moneys that flow. So this is a bit of a give and take, but we feel that if we go ahead and set up a proper relationship with these groups, and try and include more groups aside from the ones that are in there right now, that the lottery system in Manitoba will benefit from it. We are pulling a \$3 million lottery out of the scene right now. In return we are making them a partner of the WLMD and as I mentioned before, I don't minimize some of the hassles and some of the problems that will go on with regard to this, but this seems to be the nature of the animal, and it doesn't matter whether you're talking to a Minister in New Brunswick who's pulling his hair out about this thing, or if you're talking to somebody in B.C. or somebody in Alberta, the whole casino, the whole gaming aspect of the lotteries field is one which is going to cause problems for any government that's around.

So as I said, I think that set up properly, this will give many of the non-profit groups who did not have access to lottery funds before, and as I mentioned the other day, a lot of groups in rural Manitoba, as well as in urban Winnipeg, who used to sell raffle tickets for cars and that type of thing, have really been hurt because of the \$1.00 Winsday tickets, becoming increasingly more difficult to compete against that type of a ticket. So this is the final recommendation of the Haig Report, (correct spelling) who did, I might add, study all the other systems and was concerned about the other systems, he has been used in developing this particular contract, he's also been used in advising the government with regard to how we're moving along with regard to this, and as I mentioned, this is the last step in the implementation of his report.

Again, I don't minimize some of the problems that we're faced with, but I think it's a matter here, of trying to resolve this problem which has been around for quite awhile and try to bring it all under one umbrella. And I think by having it all under one umbrella, we can thereby go ahead and have better control, ensure better accountability on behalf of the province of Manitoba and its citizens, so again, I have no illusions that this is not going to have certain pitfalls in it, but I think it's worthwhile in making sure that we do grab ahold of the extra provincial sales as well as better accountability in the whole field of the lottery system.

MR. DESJARDINS: Mr. Chairman, the Minister is rather a reasonable person in most instances, but I disagree that this sounds reasonable, and it's certainly not convincing. You know, the Minister started by saying well, they're breaking the law. They have a lottery, they're breaking the law, they're selling outside of it, and whenever they were given a licence, they were told that that wasn't allowed, and they are doing it anyway, to buy them off, so they won't bring in the law, he's going to give them something.

And then the Minister said himself that he's trying to get away from the non-bearer's tickets, and he states well, if they stay in, there's no need for that . . .

MR. DEPUTY CHAIRMAN: Order please. The hour being 4:30, I am leaving the Chair for Private Members' Hour and will return at 8:00 o'clock.

SUPPLY - NATURAL RESOURCES

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to page 84 of the Main Estimates, Department of Natural Resources. Resolution No. 112, Item 13, Acquisition-/Construction of Physical Assets--pass. Resolution 112 -- the Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I understand colleagues of mine were raising questions in this section on the last day we discussed the matters under consideration. I wonder if the Minister has any replies to the questions that were put to him at that time?

MR. CHAIRMAN: The Honourable Minister.

HON. BRIAN RANSOM (Souris-Killarney): Well, Mr. Chairman, I'm not sure how many specific questions were put in this section that were appropriate to the section. There were some general questions about the Grandome Motor Hotel and I can respond to those by just saying that it was a . . . Going back, I believe that the hotel burned some time in 1973, in the fall of 1973, and then the question was unable to be settled in terms of the taxes that were outstanding. Subsequently, the municipality undertook an action against the owner of the hotel and were unable to obtain a judgment, as I understand it, and were were unable to get any of the taxes owing.

There was a mortgage on the property and in order for the government to obtain clear title to the burned-out property, to be able to proceed to do something with it, they agreed to make a settlement with the holder of the mortgage, which settlement I believe I gave the figure \$14,000-and-some, which was somewhat less than half of the mortgage and that was the settlement recommended by the Attorney-General's Department. And subsequently, just quite recently, then we have entered into an agreement with the municipality whereby the government agreed to pick up the taxes owing and, at the same time, to remove the park from the jurisdiction of the municipality so that we would not be encountering those kinds of difficulties in the future.

There was a question raised as to why the municipality had not been able to simply seize the property - if that's the right term - and sell it on a tax sale to recover the outstanding taxes. The problem, of course, is that municipalities don't have that right when the land is owned by the Crown. That's a difficulty that many municipalities face.

MR. BOSTROM: Well Mr. Chairman, this is a rather revealing description the Minister has given us. From what he has told us, I gather that person or persons that he has not fully disclosed to the House have had ownership of the Grandome Hotel and/or held a mortgage against the hotel, which would be tantamount to owning the hotel. Presumably the owners had either a liability outstanding on a mortgage, or the person holding the mortgage perhaps had taken over the hotel. I'd like the Minister to be more specific in that area. But regardless of which was the case, the hotel in question had an outstanding tax bill with the municipality of some \$20,000-plus, which the Minister has acknowledged.

Now the government, I presume, could have proceeded by way of assuming the \$20,000 debt to the municipality, which they obviously did in this case, in any event, and subsequent to that the department could have seized the hotel for the ownership or for the outstanding taxes owing against the hotel. But in this case, Mr. Speaker, they bailed out both the municipality and the holder of the mortgage, or the owners, or both. And Mr. Speaker, it appears that this is a matter which should have some more consideration, since I would like to know, and I'm sure other members would like to know, what were the reasons that the government saw fit to bail out the owners and/or the mortgagors of this hotel facility, and at the same time, pay off the debts that the owners and/or mortgagors owed to the municipality in question, since it would appear to me that there would be no need to pay the owners, or those holding the mortgage, anything, since the hotel in question was on provincial Crown land in a provincial park and therefore the Crown could move to seize the assets for the taxes owing if they simply made an agree-

ment with the municipality to assume the debt of the municipality with respect to that facility. And I ask the Minister why he did not proceed in that fashion, and why they have, it appears, wasted taxpayers' money here bailing out the owner and/or the mortgager of the hotel?

MR. RANSOM: Mr. Chairman, we're not bailing out the owner and we're not bailing out the person holding the mortgage. This was a rather complicated situation with quite a history. I pointed out at the beginning of my remarks that the hotel burned in the fall of 1973, I believe. The issue was one that was on the plate of the previous government for over four years and they were unable to arrive at a solution to the problem. They simply allowed the taxes to go ahead accumulating, the municipality having to pay school taxes, and the problem simply became worse.

When we assumed responsibility and attempted to deal with this situation, it was a recommendation from the Attorney-General's Department that the least cost method for the taxpayers of Manitoba would be to make an out of court settlement rather than to proceed through the courts to attempt to gain the clear title to the property.

MR. BOSTROM: Mr. Chairman, I asked the Minister specifically why, since they were going to assume the debt owing against the taxes to the municipality in any case, why they did not simply assume that debt, take the debt against the property as their means of seizing the property for the debt owing, why they saw it necessary to spend an additional \$14,000 in payment to the owners and/or the mortgagers of the property, after paying, or before, whenever they paid it, they paid both prices, both the moneys owing to the municipality as well as the moneys owing, part of the moneys at least, owing to the mortgager; why did they not simply assume the debt owing against the building, since it was already on park land, already on Crown land, and force sale of the building? In which case they may have even been able to realize some return on the \$20,000 investment, because Mr. Chairman, it may have been possible for the government to put up the facility for sale, in which case they could have recovered perhaps all the \$20,000 owing against the building, and not have had to pay any money out whatsoever to the owners and/or the mortgagers of the property.

MR. RANSOM: Mr. Chairman, if the facilities are of any value, then the government will now be in a position to be able to recover that. I could enquire further of the legal background to it, I'm not in the position to offer a legal opinion on it, I'm simply going on the basis of the recommendation that this was regarded as the least cost method to go by this route to gain a settlement to the problem.

MR. BOSTROM: Mr. Chairman, can the Minister table the memo or memos which recommended this course of action to him?

MR. RANSOM: Mr. Chairman, I'll have to enquire further of the Attorney-General's Department and report that the member is interested in further details.

MR. BOSTROM: Can the Minister indicate who the owners of the property were? I ask this question because at least one of the owners, if he was not the only person owning the hotel, I'm not aware of that, but one of the persons involved with this venture, approached the NDP government of the day, some several years ago and requested that they purchase the facility. In other words, bail him out of his problem, and that matter was considered by the NDP government and it was refused on the basis that it was not the role of government to bail out this individual, that he had an obligation to the municipality, and ways should have been determined for the municipality either to collect their taxes through the sale of that facility; or the government, if they saw fit to assume that responsibility of the taxes owing against the municipality, should have then proceeded to seize the facility and/or sell it to recover those taxes.

The honourable minister here seems to have handled the one side of the matter by assuming the debts owing against the municipality, but on the other hand he has paid out money to the owners unnecessarily in my view. And I would like to know

who those owners are, because if it is the owner that was the person approaching the government when the NDP were the administration of the province, this whole matter becomes highly questionable as to its motivations, and the motivations of the government in bailing out this particular individual.

MR. RANSOM: I think that the names of the people involved were discussed over a week ago when we were dealing with this item, Mr. Chairman. The owner at the time of the fire was a Mr. Klus, I believe, Mr. V. Klus, and the holder of the chattel mortgage was Mr. Micay, and I provided that information for the honourable members previously. Mr. A. Micay. The initial is "A". This settlement was in January of 1979, that obtained title to the property. Now the honourable member feels that there was some other way of proceeding. I can't say that there wasn't some other way of proceeding, all I can say is that the hotel burned in October of 1973 and by October of 1977 the problem was still there and continuing to get worse.

MR. BOSTROM: Mr. Chairman, there's one name that comes to mind and it's a person, who to my knowledge, was involved in the hotel and I'm wondering if the one name he mentioned was not a lawyer firm which may have been acting for the individual in question, and I name the individual, it's Dr. Joe Slogan, a former Progressive Conservative Member of Parliament. I wonder if the Minister could indicate if he was one of the owners of this premises and in fact he is one of the people that the government has bailed out through this method they have chosen to acquire the facility?

MR. RANSOM: I don't have any information to that effect, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, I've been listening the last few minutes to this, and I have some legal training and experience, I'm not sure that I fully comprehend the report that's being made by the Minister. Is he saying that there is an opinion in writing from the Attorney-General's Department saying that the government was legally liable to pay whatever it paid to whomever it paid it?

MR. RANSOM: I am saying, Mr. Chairman, that the recommendation from the Attorney-General's Department, by way of the province obtaining clear title to the property, was to proceed with an out-of-court settlement for a sum of \$14,000 and some dollars which I mentioned the last time we discussed it.

MR. CHERNIACK: Would the Minister explain why it was important to the government to obtain clear title to the property, to the extent of buying it?

MR. RANSOM: I can only assume, Mr. Chairman, it's because we didn't want a burned out hulk of a hotel remaining on the property and not being able to be dealt with in terms of cleaning it up and getting on with providing a new service there; it's not the sort of thing that we want to have in our parks.

MR. CHERNIACK: Mr. Chairman, is the Minister then saying that this property was on Crown land, that there was some obligation for municipal taxation which was not paid, and the government was prepared to pay not only the taxes, but also a mortgagee, which, as far as I know, always comes subsequent to taxation. Is the Minister then saying that for the Crown to clear up a wreck, or a derelict building, it was necessary to obtain clear title to the land and the Crown did not have the authority otherwise?

MR. RANSOM: That is essentially my understanding, Mr. Chairman. As I say, not being familiar with all the legal niceties of it, that is my understanding that in order for the province to be able to proceed to do anything it was necessary for the province to get clear title to the property and that this was the recommendation from the Attorney-General's Department as the method that was likely to cost the least money in order to be able to get that title. That did not have to be related to the subsequent action which the province took with respect to the taxes and the removal of that park from the jurisdiction of the municipality.

MR. CHERNIACK: What were the terms of reference to the Attorney-General's Department in requesting a recommendation?

MR. RANSOM: Mr. Chairman, I would have to do some further checking into the background of it before I could respond to that question.

MR. CHERNIACK: Has the matter now been settled, Mr. Chairman?

MR. RANSOM: The question was, has the matter now been settled? Yes. As far as I am aware, the matter has been settled.

MR. CHERNIACK: Mr. Chairman, if the matter has been settled, then what possible reluctance would there be on the part of government to produce both the terms of reference and the recommendation that came from the Attorney-General for examination in this committee?

MR. RANSOM: I said that I wanted to look further into it myself, and I'll be happy to provide the honourable members with as much information as I can to adequately outline the background and the course of action that's been taken. I don't have it with me.

MR. CHERNIACK: Mr. Chairman, it seems to me to be a rather unusual way to proceed, to pay off debts of other people. May I ask the Minister if, by paying off the debts, it has received an assignment whereby it has the right to sue the people who owed the money for whom the government became the patron?

MR. RANSOM: I'll have to put that question to the department and respond later, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, I'm wondering by what manner this decision was made. Was it made at the administrative level, the Deputy Minister's level, the Minister's level, or Cabinet?

MR. RANSOM: Well, Mr. Chairman, that perhaps involves the whole range of levels to which he refers at different stages of making decisions. Certainly the latest decision with respect to the removal of the park from the jurisdiction of the municipality is a decision that's been taken by an entire Cabinet, but I'll be happy to enquire further into the background of it. As I say, the problem is one that had been there for several years and staff were seeking a solution to it at the time that we took over, although we didn't have a solution to it. I have to go into the background on it, perhaps in some more detail than I have, in order to be able to provide the honourable members with the information they ask.

One of the reasons, of course, that we don't have the information at hand is that this was an item that would have more appropriately been discussed under the Parks Branch item and not under the Capital Construction item that we're dealing with now, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, we're getting, I think, an answer to my questions. In the first place, the Minister already said that removing that land from the municipal boundaries was a separate and independent matter, so that I did not include in my questions relating to the level at which the decision was made, the question of removing the property from the municipality. I'm talking about a pay-out of moneys on behalf of certain debtors to other creditors and I wondered whether the Minister will clarify whether or not this was a Cabinet decision or at a lower level.

MR. RANSOM: And I said, Mr. Chairman, that I'd be happy to get some background information and provide it to the honourable members.

MR. CHERNIACK: I appreciate the Minister's indication that he will co-operate in that respect. May I ask the Minister, out of what kind of appropriation were moneys of this type made available and did it not have to clear through Treasury Board?

MR. RANSOM: I would expect that it did, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, I was asking out of what kind of appropriation, because this seems to me to be a gratuitous payment of some kind and I'm wondering how the money was authorized; that means out of what type of appropriation?

MR. RANSOM: Again, Mr. Chairman, I don't have the appropriation numbers and such at hand, dealing with this question, especially under Acquisition and Construction. I'll be happy to get as much of the information as I can for the honourable members.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, it strikes me as strange that the Attorney-General's Department or anyone else would recommend to the Minister that he would have to follow that particular course of action in order to acquire the burned out hulk of a hotel that he describes. Because, Mr. Chairman, The Provincial Parks Land Act specifically states the responsibilities and powers of the Minister and the Lieutenant-Governor-In-Council, and if I could just refer to that act, Mr. Chairman, it provides for the Lieutenant-Governor-In-Council to control and pass regulations respecting the leasing or rental of lands or buildings or both within provincial park plans for private or commercial purposes and prescribing terms and conditions with respect thereto.

Also, it gives him the power to prescribe standards and specification of buildings and other structures erected on provincial park lands, and Mr. Chairman, further to that, it gives him the power respecting the development of all or any lands in provincial park lands and the use to which such lands shall be put, including, without limiting the generality of the foregoing, the establishment of development plans, planning schemes, building regulations. And there's a catch-all phrase, Mr. Chairman, whereby the Lieutenant-Governor-In-Council can make regulations respecting the use of provincial park lands "for purposes other than those mentioned in the above sections".

So it gives the Minister and the Lieutenant-Governor-In-Council sufficient powers, I would submit, to be able to deal with the particular issue that the Minister had to deal with and that is the hotel in question which was in the provincial Grand Beach Park.

Mr. Chairman, I submit that the Minister could have acquired this building in a manner which would have saved the Crown significantly fewer dollars than they spent in this case. Some \$34,000 plus was spent here in paying off the municipality and one or more of the creditors of the owners of the building.

Mr. Chairman, I submit that this particular building could have been acquired by the means of the Minister and the department using the terms of the Act in taking over the debt, if they saw that as an obligation, to take over the debt owing against the facility and thereby using that debt as the means to acquire the facility, either through forcing a tax sale, which was in the powers of the Minister to do so, and/or simply assuming the building for the purposes of the debt. In other words, negotiating with the owners to assume ownership of the building by relieving them of the debt owing to the municipality, some \$20,000.00.

The Minister saw it necessary, for some reason, to go further than that and to pay off \$14,000 owing to a mortgagor of the facility. I submit that there must have been other considerations other than strictly legal considerations here, why they would have to go to that extent. I would ask the Minister to report on that when he comes back to the House with information because it certainly does not look very good at first glance when one considers the person or persons who are reported to have been owners of the building. It would give rise to suspicions as to why the Minister would have proceeded in this way when he could have quite logically assumed control and ownership of the building for substantial less money than was spent in this case.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, I'm not in a position to offer a legal opinion as to the course of action that was available but it does strike me as unusual that the previous administration should have maintained a burned out hotel in one of their parks for four years and allowed this situation to become more serious year by year, if in fact the course of action was as simple as the honourable member outlines.

MR. CHAIRMAN: 13--pass -- the Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, first of all the Minister says that he is going to give us the basis upon which the action that he took was recommended. Now I'm sorry, Mr. Chairman, that I haven't been here through the entire debate but what I do glean from the discussion is that there was a fire at a hotel; that the property was situated at Grand Beach - I'm not sure whether it was on Crown lands or . . . - it was on Crown lands; that there were taxes payable to the municipality; that the Crown says that the only way that it could get title to the property was to pay the owner something, to pay the mortgagee something and to pay the municipality the taxes, and that this was done so there would be an out-of-court settlement. What court proceedings, if any, were pending when the settlement was made? Was the province being sued or was the province suing any of the parties involved?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: When the honourable member says . . . Let me back up a bit, I think his description was reasonably accurate until he came to the point where he said the only way of settling was this. I'm not saying that this was the only way, I'm saying this was the recommended way. I will have to, in getting more detail, look at what those other alternatives were and what the legal actions might have been. All I'm saying is that this was the recommended course of action, not necessarily the only possible course.

MR. GREEN: Mr. Chairman, before the Minister gets away with blaming all of his . . . or suggesting that this is something that the previous administration could have handled in a way which was more feasible or in the same way as he has handled it, from what the Minister has said, if the property was municipal and the taxes were owing to the municipality, from my understanding it would be the municipality who would require to proceed with the tax sale in order to get its . . . The Minister is shaking his head and said they couldn't proceed with the tax sale because it was on Crown land, but, Mr. Speaker, there were other things there. There were still taxes owing to the municipality.

Is the municipality saying then, or is the Minister saying that if it was on Crown land that the Crown had no right to enter on its own land and remove a damaged building which the owner thereof refused for seven years to pay taxes on? And, if so, Mr. Chairman, then the problem is perhaps more serious than the member makes it. If the Minister is saying that the Crown cannot proceed to go on its own land to remove a vacated building on which the owner has not paid taxes for seven years, then what legislation is he bringing to the House to tell us that we have a right to do that? Because I see no reason why the Crown should be paying an owner whose place is burnt, money, in order to get rid of him when he hasn't paid taxes for years and is not rebuilding his property. If that's what the lawyers are telling us, then what legislation is he going to bring before the House, at this Session of the Legislature, to make . . . First of all, I don't think that anything should be . . .

MR. CHAIRMAN: Order please. The hour is 4:30. I'm interrupting the proceedings for Private Members' Hour and will return at 8:00 o'clock this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Could I receive any indication if the other Committee is . . . We will proceed then with Private Members' Hour.

On Mondays the first item of business on Private Members' Hour is Resolutions. Under the Orders of the Day the first Resolution is Resolution No. 16. The Honourable Member for Wellington. (Stand)

The next Resolution then is Resolution No. 7. The Honourable Member for Ste. Rose has three minutes.

The Honourable Member for Rhineland.

MR. ARNOLD BROWN: Mr. Speaker, I am prepared to go on this Resolution. The Member for Ste. Rose is not here, but if there is no objection I wouldn't mind going on this one.

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

MR. JORGENSON: I think it should be made very clear that the Member for Ste. Rose has now forfeited his right to continue his address, so it is not a question of whether or not the Member for Rhineland is going to speak by leave of the House. He has the right to speak and the Member for Ste. Rose has forfeited his right to conclude his remarks.

RESOLUTION NO. 7 - PETROCAN

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker.

I rise to make a few comments on Resolution No. 7 as submitted by the Member for Brandon East and the amendment by the Member for River Heights.

No doubt energy, no matter from what source, is going to play an ever-increasing role in this country and in the world from now on. Oil and gas reserves in Canada are going to be more difficult to develop and therefore be more costly. It is necessary for us to direct our attention to the fact that in order for us to have a sufficient supply and indeed become self-sufficient in oil and gas we will have to be prepared to pay more. Because of that fact, that easy-to-develop oil and gas reserve have to a larger extent been depleted and other sources are much more expensive to develop, the Federal Government, in order to ensure supply, decided to establish PetroCan. PetroCan was to work in conjunction with existing producers to develop more expensive resources.

Petro-Canada has become a major force in production and development of the oil and gas industry in Canada and seems to be working reasonably well in conjunction with the other developers.

The Resolution of the Honourable Member for Brandon East asked that Petro-Canada remain a 100 percent Crown-owned enterprise. This is precisely what the Clark Government proposed to do by selling shares to Canadians. Canadians, at the present time, put their savings into bank accounts and Canadians have larger money in bank accounts than any other country to date. Canadians have not been educated in investments, they would rather put their money in bank accounts than investing it in some of our resources.

This would have been an excellent opportunity to introduce Canadian investments to Canadians. The Clark Government's policy of increasing oil prices would have insured a good return of investments and at the same time it certainly would have strengthened PetroCan.

At the present time Canadian dollars are developing oil reserves in other countries. The investment in other countries by Canadians is due to the lower prices for oil in Canada, \$14.75 per barrel as compared to some \$30 in the United States. This is causing Canadian companies to invest in the oil reserves in the United States and that is where a lot of our money is going at the present time.

At the present time the Canadian taxpayer cannot afford to develop oil and gas resources alone, billions of dollars would be needed and no way could we become self-sufficient by 1990.



The Government of Canada will have to continue to play a role in oil and gas pricing. This price, however, will have to be realistic. The Clark Government's proposal to raise prices to about 80 percent of the world price was realistic. This would have enabled Canadians to be competitive in manufacturing and exporting of their products. The farming community can possibly stand some increase in the price of oil, providing that the price of gas could be controlled. Huge increases in the price of both oil and gas would be disastrous to the farming community, because both farm fuel and fertilizer price would increase simultaneously. The farming community has already experienced this to some extent. This price increase plus the inability of the farmers to market their produce is creating severe hardship for them at the present time.

We all realize that in order for the government to be able to control the price of oil and gas we have to become self-sufficient. The only other alternative is huge subsidies which Canada can ill afford. Private companies are moving ahead and developing the more expensive oil resources, and I would like to quote from an article from The Review, No. 6, 1979, and the article is called "The Miracle at Cold Lake", at which Imperial Oil is spending a lot of money to develop some of our harder-to-get-at fossil fuels. I will not read the entire article, I will however quote from certain portions of it.

"Seven billion dollars is the approximate cost of one bitumen recovery in an upgrading operation that Esso Resources (Canada) Limited proposes to build in the Cold Lake region of northeastern Alberta. Bitumen is the name given to types of heavy oil that are too thick to flow under natural conditions. Now that is a lot of money, so much in fact that even a company the size of Esso Resources is inviting other participants to share in the project. But look at what it delivers: as much as 140,000 barrels a day of high quality synthetic crude oil during the 25-year life of the project, that is about 10 percent of this country's current production of oil from all sources; energy in a form that we could use now if the project could suddenly, miraculously, be erected over night instead of during the eight years it will actually take to complete, and it is energy that can make an even more important contribution to Canadian supply during the balance of this century. Despite new discoveries, conventional oil production in Western Canada has passed its peak and has entered a period of slow but steady decline.

"Until now large scale recovery of bitumen has only been possible from deposits that lie at or very near the surface of the earth. The Cold Lake project is a wedge of new technology that would open up for the first time on a commercial basis oil sand resources that are too deeply buried for surface mining. These deeply buried resources represent about 90 percent of Canada's total bitumen deposits, including the majority of those found in the Athabasca oil sands. If just a fraction of this resource can be recovered, billions of barrels of oil will be added to this country's stock of petroleum. Moreover, the companies that succeed in bringing about such a massive and historic development will gain very valuable expertise to apply to future energy projects.

"Through the operation of the pilot plans and the many test wells we have drilled during the years, we have accumulated a lot of data on production and geology of the proposed site, but, of course, production is just one element of the project. There is also a tremendous amount of steam that has to be generated, and even though it is a pretty straightforward process from a technological standpoint, there have been instances in other projects where boilers tended to be a problem. So we will be giving this aspect of the project attention to avoid any undue risk.

"The process will be used to recover the bitumen which has been employed for a number of years in a number of other countries; for example, at certain oil fields in California. However, it has never been attempted on such a massive scale which presents the developer with an array of technical and administration problems to grapple with. High temperature steam will be pumped under pressure through insulated line down thousand of wells into underground deposits which are viscous bands of bituminous sand of up to 50 metres thick and roughly 500 metres below the surface. The steam will heat the bitumen, thinning it out until it starts to flow, and then the bitumen can be pumped to the surface for further treatment and upgrading.

"In practice the process is complicated by the fact that the bitumen-saturated sands at Cold Lake form a semi-impermeable mass. When steam is injected into this

mass it doesn't flow through it evenly as does water through soil of a potted plant. Instead it forms cracks and fissures like a nail driven into plaster and tends to follow these fissures, thus coming in contact with only a small proportion of the deposit.

"Much of Esso's research during the last decade and a half has been aimed at using the energy and the injected steam to heat as much of the bitumen as possible.

"To reduce the surface disruption from a project that will require thousands of wells, and to greatly improve the economics of steam distribution, the company has developed a process of drilling 20 wells and radiating a pattern from one central cluster. This allows steam to be injected into a large underground area while reducing the density of surface walls. Each cluster is expected to have a productive life of about five years, after which the surface facilities will be dismantled and moved to a new area and the land either returned to its original state or upgraded for agriculture or some other use.

"In terms of water use, the company estimates that the project will require about 900,000 barrels of water a day; roughly one-third of this requirement can be recycled, the remainder is expected to be drawn from external sources, although studies are continuing to find ways of reducing fresh water requirements.

"Two possible sources of this water were studied in some detail; one option was to draw water from nearby Cold Lake, which would have entailed building a control device at the Lake's outlet to ensure that water levels would neither exceed nor fall below their historical levels; the other option was to transport water from the North Saskatchewan River, 100 kilometres distance, which would require building a \$100 million pipeline. In its summary decision the Alberta Energy Resources Conservation Board specified that water for the project be taken from the North Saskatchewan.

"Estimates of the total cost of the project, for example, have been revised substantially since it was first proposed two years ago. A wide array of factors has caused these revisions, most important among them is an increase in the forecast rate of inflation during the period of construction. This higher inflation factor now has to be calculated over a greater number of years because of delays in the public hearing process and more precise definition of the amount of time it will take to build the project efficiently.

"As well, requirements to build a pipeline from the North Saskatchewan River and to use coal rather than natural gas as a source of energy for generating much of the steam used in the project, have added hundreds of millions of dollars to its projected cost."

Mr. Speaker, it's a very interesting article, and it demonstrates the cost of developing the more difficult to get at oil resources, and these we must develop if we are to become self-sufficient in oil and gas. PetroCanada and the private developers must work together in developing our oil and gas resources, and I support the resolution as amended.

Thank you.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I listened with interest to the remarks made by the Honourable Member for Rhineland on this particular amendment to my original resolution, which in effect calls for not only the continued existence of a very essential Crown corporation owned and operated by the people of Canada, for the people of Canada, but also my resolution suggested an expansion of that agency so that it could even be more effective as an instrument of national energy policy, assuring self-sufficiency of oil supply and perhaps other energy supply in the future.

I was somewhat amused by the honourable member's reference to Joe Clark, the former Prime Minister's idea of selling shares in PetroCan. It seemed to me his remarks were a bit at cross purposes with the amendment, because as I read the amendment put forward by the Honourable Member for River Heights, the resolution suggests and states that PetroCan should continue to be operated as a Crown corporation, and there is no suggestion in this amendment, as I can read it, that shares be sold off to members of the public. So unless I heard my honourable friend incorrectly, it seemed to me he was talking about an idea that was not incorporated in the amendment.

It's interesting that the Conservative Party in Canada, and I believe the Conservative Party in Manitoba has really come a full circle on this, inasmuch as the original idea, as espoused by the national leader of the Conservative Party, Mr. Joe Clark, was that PetroCan should not have shares offered to the people, should not even continue as a hybrid organization, and should not even be privatized. His original idea was that it should be entirely dismantled, that the entire organization should be obliterated in a sense, as we understood it to be, and virtually given away or sold in bits and pieces to the private sector, so that it would no longer exist. In other words, he would have dismantled or liquidated it as an organization. And that was a point in his May 22nd election campaign in the year 1979. In fact, at that time Joe Clark called PetroCan a turkey. It was a turkey. --(Interjection)-- Of course, they said, some turkey, yes. I wonder who the turkey is. It was suggested that instead of selling or disposing of PetroCan, that perhaps it was Mr. Clark who was the turkey and should be disposed of and in some ways, I guess that is what has happened in the last federal election.

Over the course of the year, the national Conservatives gradually moved from that original position of dismantling PetroCan to the position of possibly maintaining it but having part of it sold to the private sector, and then eventually they evolved the idea, as I understand it, that a portion of the shares would be sold to the public, or perhaps could even be given away. And of course, we know this is a bit of hokery pokery, we know that this really, in the last analysis, amounts to nothing except a lot of expense to the taxpayers of Manitoba hiring brokerage firms and the like to get rid of these shares. Because what will happen, of course, Mr. Speaker, in the long run, is that the shares of PetroCan that would have either been sold or given away by the Conservative government, these shares would have ultimately ended up in very few hands, so that ultimately you would have had a normal, ordinary, private enterprise company. As a matter of fact, the Conservative leader was rather vague on what he would do anyway in the future, because he also talked about, at some possible time, about selling whatever portion the Crown might hold, that even that portion might be sold at some future time to the private sector and that, plus the shareholders, these two groups, the shareholders plus this private group that might buy the Crown share, these two entities would be the new owners of PetroCan.

So it's very interesting that the amendment as proposed by the Member for River Heights states quite clearly that PetroCan should continue to be operated as a Crown corporation within the framework of the Canadian oil industry. So I accept that at face value, Mr. Speaker, that this indeed is what the government side is proposing, that they have come around to the point of recognizing that the people of this good country of ours, and I dare say the majority of people in Manitoba do wish to maintain this very vital, and this very important Crown corporation, because they see that it is a very valuable instrument in assuring oil and possible other energy supply for Canadians in the future.

My resolution was, of course, to expand the role of PetroCan, to enable it to do other things for the people of this country. I don't think there is any other country in the world, Mr. Speaker, whose resources are owned and operated by foreign based companies to the extent that Canada has its resources owned and operated. I'm sure there is no country in the world who is so controlled by organizations, transnationals, multinationals, whatever you wish to call them, who virtually control a very vital sector of a national economy. There is no other country in the world. As a matter of fact, most countries of the world have evolved a system where the government itself, on behalf of the people, takes a direct involvement in energy resource development, not to speak of other resource developments.

And I think that in this country of ours, as this problem of energy supply becomes ever-increasingly more critical, that government is going to have to take more initiative because in the last analysis the multinational oil companies look after the multinational oil companies, and the only organization that's going to look after the people of Canada is the government's agencies, whether it be PetroCan, or whether it be the Department of National Energy, or whatever it be. Do not rely on the multinationals to look after Canada's interest. If it's in the interests of profit maximization of the multinationals, they indeed will not provide the oil supply that may be required in a particular winter, or at a particular period of time in Canada; they would easily sell it to wherever they may

wish to sell it if they can make more money. And I suppose you can't fault those companies because that's the name of the game, those are the rules and they are abiding by the rules and so on. But we can't afford that, Mr. Speaker, we can't afford to allow multinational oil corporations to dominate and control the oil industry in this country, and yet this is what we've got today.

And PetroCan is merely one step, a very important step, but merely one step in the direction of controlling oil resource development for the benefit and for the welfare of the Canadian people.

And I suggest that my resolution would have seen it go further into the field of distribution of oil products, including gasoline, and give it the power to engage in oil arrangements between other countries and ourselves, to give it a much more critical role so that it can do even more for the people of this country.

I might say that one important reason why PetroCan should be in the distribution is that that provides a very important cash flow for that company, and as I understand it, a great deal of the money, a great deal of the cash that PetroCan has utilized in its exploration program off of Newfoundland, off the Labrador Shelf has come from the distribution operations of PetroCan. So that here you have a company that is profitable in the sense that it can generate cash through this distribution system that it owns, and indeed I understand in the last year of its financial statement its profit had increased 400 percent over the previous year, so that it's doing very nicely thank you; but nevertheless, it has taken initiative in areas where the private sector was a bit reluctant to enter. And I would dare say that if it wasn't for PetroCan, we would not have had the extensive development that has occurred to date off the coast of Labrador, in the Atlantic Ocean off the province of Newfoundland. There is no question that it was the state oil company, if you like, the national Crown agency if you like, that took the initiative that made certain things happen, that's going to benefit the people of Newfoundland, Labrador, indeed will benefit all Canadians.

I am not suggesting that a PetroCan organization is the solution to all our energy supply problems. The Honourable Member for Rhineland got into the issue of pricing and talked about the need to move towards world prices, that really is another subject and can be debated under the other topic, but I say, Mr. Speaker, that PetroCan is one way that perhaps we will be able to keep the price of petroleum products lower than they may have been otherwise. I'm not suggesting that there are not other areas that we should look at in overcoming the problem of energy insufficiency.

I should correct myself, because really as a country we are very well blessed with energy supply. We are very well endowed, generally, with energy. As we all know, we have ample amounts of hydroelectricity in this province, and indeed in the province of Quebec, a lot of surplus as a matter of fact, the province of Newfoundland indeed has a great deal of electricity. So that in many parts of Canada we have surpluses of electricity, and we have a lot of potential yet to be developed. And then of course, as we look across our great land, we see that there are indeed ample supplies of coal, both soft and hard coal, not only in the Maritimes but in our sister provinces of Saskatchewan, Alberta, and the province of British Columbia. So that indeed, we have ample and great supplies of coal, and as a matter of fact it's no surprise that the province of Saskatchewan bases most of its electrical generation on thermal supply, using the low-cost coal that is available in abundance in that province. And indeed, I don't have the details, but I suspect that a great deal of the thermal plants in Alberta are also fired by coal, because coal is ample and it's relatively cheap.

As a matter of fact, this country exports thousands upon thousands of tons of coal every year to other countries, particularly, I think of the country of Japan where the coal is shipped from B.C. through Vancouver and overseas.

In the case of natural gas, a recent article in the Scotia Bank monthly review, entitled "Scarce Oil and Plentiful Gas, the Canadian Challenge." There again, we have ample supplies of natural gas, and one way, of course we can cope with the problem of inadequate oil supply is to convert, particularly in eastern Canada, to convert oil burning furnaces to natural gas burning furnaces, and this is an obvious solution, and it's a solution, I think that will be pursued with a great deal of vigor as time goes on.

There are other ways we can overcome the problem of oil insufficiency and that is through technological changes, technological advances, utilization of

solar energy, and certainly last but not least I would mention, is all the efforts of conservation.

In that respect, Mr. Speaker, I would like to take this opportunity to urge this government to take more initiative in the area of urging conservation on the part of Manitobans. I hear very little from the government on the whole area of energy conservation. Very little is spoken of new techniques; very little is said of programs to get Manitobans to be more energy conservation conscious and to undertake energy conservation. As a matter of fact, we pale into insignificance compared to what the Ontario government is doing. The Ontario government is engaging in a very active oil conservation and other types of energy conservation programs and it would do well to take a leaf out of the Conservative government of Ontario's book on energy conservation programs.

Mr. Speaker, I gather from you that my time is running out so I would say that, in conclusion, we are very well endowed, very blessed in Canada with various forms of energy but oil is one area where we do have a problem. I suggest that PetroCan is one instrument of coping with this problem. I'm not overly satisfied with the amendment but we can live with it. At least you have moved in the direction of saying that it should continue to exist. You would not do as Joe Clark suggested a couple of months ago or a year ago that it should be dismantled and removed from the scene. So at least you have moved to that position. You have recognized that the people can, through their own organizations, do something on their own behalf and to that extent, Mr. Speaker, I think we can bring ourselves around to supporting the amendment as proposed by the Member for River Heights. Thank you.

MR. SPEAKER: The Honourable Minister of Highways.

MR. ORCHARD: Thank you, Mr. Speaker. I wanted to take part in this resolution debate on the amendment for a couple of reasons. Petro-Canada is a recent addition to the Canadian corporate fibre or Candian corporate fabric and I think that Petro-Canada and its utility to the Canadian taxpayer and its utility to the energy future of Canada are a very much maligned and a very much confused issue and I suppose that's not an unusual circumstance when you consider that Petro-Canada is born of the political process, which automatically would make it a controversial subject. But I suppose it's misunderstood, Mr. Speaker, because we have just gone through two federal elections in which Petro-Canada has figured a certain role. It has been assigned certain benefits, certain criteria and certain significance by all three political parties vying for success in the federal election.

I think by and large, Mr. Speaker, what we are left with, as the Canadian people, is a rather confused image of, number 1; what Petro-Canada is; number 2, how it came into existence; number 3, what its financial capabilities are; and number 4, what its value to the Canadian people is.

Now, if I understand the Member for Brandon East's resolution correctly, Mr. Speaker, he would want us to expand the role of Petro-Canada in Canada to become one of the major forces in the energy field. Now, Mr. Speaker, this is an interesting concept and I wish that the Member for Brandon East had spoken of what possibility may be the true feelings of the New Democratic Party in terms of their observance of the future role of Petro-Canada.

The Member for Lac du Bonnet left no doubt in anybody's mind who listened to him closely as to what he thought Petro-Canada's role would be and that was, if I understood him correctly and I will stand corrected if I didn't, that Petro-Canada should become the only oil company in Canada and it should achieve that means by expropriation, nationalization, whatever is necessary to gain that supreme role for Petro-Canada.

So, Mr. Speaker, what basically is hidden in the intent and the implication of the Member for Brandon East's resolution is that we, as the Canadian taxpayer, should entertain and agree with the concept that Petro-Canada become the the only national oil company in Canada and that we should go along with the NDP platform that any means of achieving that control is for the betterment of the Canadian people. That's, Mr. Speaker, where I have to disagree quite vehemently with proponents of that N.D. policy.

Now, Mr. Speaker, it is difficult in this day and age to sympathize with or to defend multi-nationals in their current roles. They are indeed making large profits. Those profits are never correlated to a percentage of sales. They are always maligned and it is very easy to do that because when you see profits in the hundreds of millions of dollars, it is indeed somewhat frightening to the average Canadian person and it is easy for him to be led astray that the utopian solution is to nationalize these oil companies and put them out of existence as private enterprise, and to bring them under that broad umbrella of public ownership through a vehicle such as Petro-Canada, and we can get a lot of confusion on that solution to the problem.

But, Mr. Speaker, I might remind members opposite that, whilst they are proposing such Draculan solutions to the energy problem, they are proposing those very solutions when their heating oil tanks in their homes are full of oil; when their gasoline tanks are full of gasoline; when we have active exploration programs ongoing, not by any means of the imagination by Petro-Canada's instigation alone. We have a major exploration program being undertaken in this country of ours by whom? Well, Mr. Speaker, by the multi-nationals that they so often malign. We have that same oil exploration program being undertaken, Mr. Speaker, by a number of private entrepreneurs in the whole oil play field. Mr. Speaker, these people have been very, very successful.

Now, the members opposite point to some successes that Petro-Canada has been a partner in and they claim that because Petro-Canada was there, that is the only reason why exploration took place, for instance, on the Laborador shelves and in the high Arctic islands. Mr. Speaker, I don't believe that is fact. I don't believe that they can back that up. I believe that that exploration would have been undertaken by private people, by multi-nationals and Petro-Canada, by its participation, was not the instigator. However, that is their choice to make that accreditation to Petro-Canada. But, Mr. Speaker, that is where members of the N.D. Party like to promote government enterprise, or public enterprise, to its nth degree without really telling the people of Canada the true facts and the true situation in all cases.

But, Mr. Speaker, I want to point out a few things that the Member for Brandon East mentioned. He said that the multi-national oil companies' sole objective is to undertake the pursuit of the greatest profit that it can wring out of the petroleum dollar and he says that they are going to sell to the highest market regardless and they will leave us high and dry should we, as a country, rely on them for the future supplies. Mr. Speaker, once again I want to remind him he is making those kind of blatant statements when he drives in the country with a full tank of gasoline and can pull up to any station without a lineup and buy gasoline for his car; he can order heating oil at any time and have it delivered within hours. And he is saying that of the multi-nationals that are providing those kind of services.

Mr. Speaker, in terms of his accusation that they will sell to the highest priced market, should that be the case, Mr. Speaker, why aren't the multi-nationals, who are primarily American dominated, selling all their oil resources in the U.S. market where they can command approximately 50 cents a gallon more for their efforts than what they can get in Canada? His statement is patently false, Mr. Speaker, and he would like to lead the public of Manitoba astray in believing such wild and woolly accusations. You know, it is sort of a typical stance that they have tended to take on Petro-Canada.

Mr. Speaker, I want to deal for a moment with some of the realities of the multi-nationals in the energy field and in the oil business. Mr. Speaker, we have a multi-national corporate organization which is very, very large. Their assets are in the billions of dollars and they control a very significant portion of our energy supplies. That has been a situation that has come to us over a number of years of integration and forced largeness, shall we say, due to the economies of scale.

Now, we have that multi-national organization coming under criticism daily, and particularly by our friends in the N.D. Party. Now, is it a legitimate criticism, Mr. Speaker? Well, I say in the majority of cases that it is not a legitimate criticism. They indicate that the profits of the multi-nationals are huge, that they are ripping off the Canadian people. I think they have patented the word "rip-off" for branding the multi-nationals. Well, Mr. Speaker, because we

have a similar price for gasoline from each and every refinery in Canada, independent of whether that refinery belongs to the Gulfs, the Imperial Oils, the Texacos, or indeed the Petro-Canadas, is not an indication, Mr. Speaker, as much of collusion in the marketplace as it is of sophisticated technology wringing the least cost out of the refining process that is possible.

Mr. Speaker, it is interesting to note that when you pull up to fill your gasoline tank in a PetroCan station, that you find that the retail price is the same as it is at a Gulf station, an Imperial Oil station, or a Texaco station. Should the multi-nationals be ripping off the Canadian people for huge and excessive profits, then where is the price reduction for performing the taxpayer dutiful task of filling your gas tank at your own filling station, namely PetroCan? If there are those huge, excessive profits, why doesn't PetroCan sell their product at considerably less prices? The fact is, Mr. Speaker, that the excessive profits are not there. There is huge profits because of the huge volumes of money that the oil industry handles on a yearly basis and that they can easily get into the hundreds of millions of dollars in profits because they are into the billions and billions of dollars of sales handlings. --(Interjection)-- Now, the member for Brandon East is babbling from his seat and he failed to make any of the points when he was speaking and he won't make any right now.

Mr. Speaker, what have the multi-nationals given us over their tenure in the oil industry and what have they contributed to the national fabric, not only of this country but of North America? Mr. Speaker, I suggest they have given us the greatest level of technology in the energy field that any country in the world has ever had at its disposal. Mr. Speaker, that is self-evident from the fact that which countries buy technology from the North American multi-nationals? Well, the countries that buy the technology from us just so happen to be the Communist-bloc nations wherein their oil industry is completely government-owned. They buy the drilling technology from North American firms, Mr. Speaker. They don't develop it themselves because their industry has lacked the competitive spirit that the North American oil industry has and they buy the technology that has been developed through the very sharp and very incessant competitive atmosphere that we have had in our oil industry in North America.

Mr. Speaker, if you take a look at any of the technologies that we have available to us and take for granted, Mr. Speaker, and I will use only one small item in the oil industry, that being engine oils, if you take and look at the engine oils that are available in North America and compare them to the engine oils that are available at any of the other government-owned oil industries, you will find that the government-owned oil industries generally buy the sophisticated oil technology, lubricating oil technology, from the North American multi-nationals. They have not, Mr. Speaker, been operating in an atmosphere which would allow them to develop their own very sophisticated research technology to develop their own superior lubricating motor oils. Those have come, Mr. Speaker, because the Gulfs have to compete with the Imperial Oils, who have to compete with the Texacos. And the only way that those companies can get a larger share of a limited market - and the market for lubricating oils and all petroleum products is limited, as it applies between companies - the only way that they can increase their share of that market is to provide a better product. And, Mr. Speaker, they do that by extensive spending, and research, and development.

When there is no competition, as would be the natural follow-through of the Member for Brandon East's resolution, wherein Canada would become the sole owner of Petro-Canada as the only oil supplier, that drive and that competition for the share of the market would disappear and so, Mr. Speaker, I maintain would be the very intensive research and development technologies that have stemmed from the multi-national oil industries. And, Mr. Speaker, if that is the case, and it is evident that it is because your USSR oil industry buys the technology from North America and it is without competition, I think that the taxpayer of Canada would indeed not be well served by having Petro-Canada as the sole producer, refiner and marketer of petroleum products in this country, as has been suggested by the Member for Lac du Bonnet and as would be agreed with by many people in the N.D. Opposition.

Now, Mr. Speaker, why then is the common statement being put forward by the N.D. Party to promote to Canadians that Petro-Canada is their salvation? Well, Mr. Speaker, I suppose it comes from that inherent and always present fear among

the socialist party that anything in private enterprise, particularly the multi-national organization, has no particular good for anybody in mind but themselves; that they are basically self-centred corporations who think only of themselves, therefore, the only vehicle to help the people is a publicly owned vehicle. But not, Mr. Speaker, a publicly-owned vehicle in which the public has share capital and direct investment, but rather public ownership via the government, which is entirely different, Mr. Speaker, from public ownership wherein the individual taxpayer has access to shares which he can use as his own and dispose of as his own, sell and buy as his own.

The difference, Mr. Speaker, is that the socialist party, the N.D. Party of Manitoba and of Canada, want to see public ownership under the control, strict control, and guidance of government. And, Mr. Speaker, I question, as do many Canadians, as to whether that is the solution which will better the Canadian people in the long run. It is a short-term solution which has a certain amount of vogue with it right now but, Mr. Speaker, upon serious analysis and in the long run that is not a solution to anything, except dim lights and stalled cars, because the public-owned oil company will not, in the long run, Mr. Speaker, address itself aggressively and positively to the energy needs of the future of Canada. And why won't they, Mr. Speaker? Well, Mr. Speaker, I don't think there's any question that under public ownership without the very tough and stringent rules which are applied upon public corporations by competition from the free enterprise market, the public corporation lacks the ability to progress, lacks the ability to bring out innovative change.

Mr. Speaker, I think we've got a number of classic examples of that amongst our various public enterprises in Manitoba. Take, for instance, the Manitoba Telephone System, which has been public-owned for many many years. Does the Manitoba Telephone System have a very active Research and Development Department? No, Mr. Speaker, they don't. They rely primarily on Bell Canada for that function. And what is Bell Canada, Mr. Speaker? Private enterprise in the communication field. And I maintain, Mr. Speaker, that should we follow the N.D. Party's ultimate solution to the energy problem in Canada, namely, that Petro-Canada become the sole production, marketing and refining vehicle in Canada with no competition, that the Canadian petroleum industry will follow the tradition of MTS and that they will have to buy their research and development technology from elsewhere. Because, Mr. Speaker, there is no other market and no other solution to the market than competition and that, Mr. Speaker, does not rule out the possibility of Petro-Canada as part of the Canadian petroleum scene.

There is a place for Petro-Canada and that place is in competition with other oil companies in the field, be they private or be they public-owned in other countries. The solution that the N.D. Party would have us believe is the salvation for Canada is not a correct one. The position they have put forward would lead the Canadian taxpayer down the garden path and give him nothing in the future for his return. Thank you very much, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Speaker, I thank the honourable members. I'll just take up a few minutes this afternoon and save the better part of my address with respect to this matter for the next time the resolution appears on the Order Paper.

I do, Mr. Speaker, listen with interest to the Honourable Member for - I can only think of Carman; yes, I can only think of Carman, that's right - the Honourable Member for Pembina, Mr. Speaker, and listened very carefully to his suggestion that the efficiency of the manufacture, exploration, distribution, and refining of petroleum and petroleum refined products depends on private enterprise in competition. And that should be a matter of some interest to all of the members of the House that there is some suggestion that there a whole bunch of companies competing with one another for the consumer dollar and competition is usually, Mr. Speaker, or most commonly felt by the consumer to be a factor of price. How does one compete, how does one choose as a consumer between one competitor or another? He does so by . . . First of all, he wants quality but if he's satisfied that the quality is the same, then he will buy the cheaper product. Is that not what Adam Smith would say; is that not what the member talks about when he's talking about competition?



Now, it's true, Mr. Speaker, that you can run around and buy a cheaper product in the refined gasoline by finding a station that says "Self-serve" and "24.3" or "22.9", etc. and run around, as between sometimes the same companies buying a price, but is that what my honourable friend is referring to as competition in the petroleum industry? Because what we have seen, Mr. Speaker, in the petroleum industry is not competition but a group of major companies running as fast as they can to get on to, first of all, push the price, to advance the price, not to lower it and when it is advanced, to sell at the advanced price, not at a cheaper price, not to compete.

Mr. Speaker, the price of crude oil has gone up from roughly \$2.75 a barrel in 1972 to over \$35 a barrel - and I may be a week behind the time - today, and have the companies been competing with one another to sell at a reduced price? They've been urging one another to advance the price and then they climb in on the advanced price, and everybody does it. PetroCan, everybody does it.

Well, I hear my honourable friends saying "monopoly". Of course, Mr. Speaker, there is no classical or even semblance of competition in the petroleum industry and, Mr. Speaker, there really has not been. And if my honourable friend is saying that efficiency comes from competition, then he is disputing everything, that it produced efficiency in the oil industry.

And I invite my honourable friend to read the history of Standard Oil, or to read the biography of the Rockefellers, who had, Mr. Speaker, one aim and they were dealing essentially with refined. But it doesn't matter, once they got the refined, they would go to the other areas as well, to the transportation and other areas but there was only one aim of John D. Rockefeller - well expressed, well stated and when I come around next time I'll have the book and the statement to read to my honourable friend - and that was to eliminate all competition in the petroleum industry because it made for wastefulness, made for lack of efficiency and made, Mr. Speaker, for a reduction in productivity. And he did, Mr. Speaker, he virtually did it. He created what was then known as the greatest trust that had ever been, called the Mother of Trusts because it was such a perfect example. And what Mr. Rockefeller did was to say that there should only be one company producing refined oil.

So if my friend, the former Minister of Agriculture, in calling for one company, Mr. Speaker, has said something unusual, at least he has a good private enterprise bedfellow. The most successful private enterpriser that ever lived, at least in North America, up until I would say the early 1900s and since then there, of course, have been some who can compare: Morgan, Vanderbilt, Carnegie and others who were approximately the same time. And by the way, with much the same objectives: Carnegie in steel; Rockefeller in oil; Morgan in the financial world, in the banks and others, Mr. Speaker in the railroads.

And all of the greatest private enterprisers, the ones who are looked upon as the captains of industry, had one purpose in which they were at one, in which they were in agreement, that the way to succeed, the way to bring about efficiency is to eliminate competition. And that's what Mr. Rockefeller did and, Mr. Speaker, he had a very interesting way of saying it. He went to the independent refineries and he said, "I'm going to take your refinery. You can have one of two things; you can take stock or you can take cash. Those who will take stock will never regret it in Standard Oil," and they didn't. Everyone who took stock gained; those who took cash, we don't know what they did with it. Those who neither took stock or cash were wiped out, as he said he would do and he kept his word, Mr. Speaker.

So what we know is that in these industries, which are nationalized in any respect, we are not talking about whether they are going to be nationalized because they have been and are being nationalized; what we are talking about, Mr. Speaker, is whether, when they are nationalized, they are going to be owned privately or they are going to be owned publicly. And, Mr. Speaker, if you will go to Adam Smith, who is the founder of the entire classical economics which talks about the free enterprise system, he himself will say that if it's going to be one, if it's going to be a monopoly, let it be public and not private.

MR. SPEAKER: Order please. When this subject next comes up, the honourable member will have 14 minutes.

The Honourable Government House Leader.

Monday, 7 April 1980

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MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Municipal Affairs that this House do now adjourn and resume in Committee of Supply at 8 o'clock.

MOTION presented and carried, and the House adjourned and stands adjourned until 2:30 p.m. tomorrow afternoon. (Tuesday) Committee of Supply to meet at 8 p.m.