

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 22 April, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

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

READING AND RECEIVING PETITIONS

MR. CLERK, Jack Reeves: The petition of F.G. Holdings Ltd. praying for the passage of an Act to grant additional powers to F.G. Holdings Ltd.

MR. SPEAKER: Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, it is my pleasure to table today the 1981 Annual Report of the Manitoba Council on Aging. I've asked the Clerk's Office to make sure that every member had a copy.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is directed to the Minister of Agriculture, so I would like to now direct it to the Acting Minister of Agriculture. In view of the reports that the rebuilding of the Pool Livestock Auction Yards in Brandon hinges on the new Beef Income Stabilization Plan proposed by the Minister of Agriculture, I wonder if the Acting Minister could confirm this to the House.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A.R. (Pete) ADAM (Ste. Rose): Mr. Speaker, I cannot confirm that to the House. I have not heard or read such a report. I will take, however, the question as notice for the Minister of Agriculture, who's absent at the moment, and get back to the honourable member.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: I wonder if the Acting Minister, Mr. Speaker, might confirm to the House that the Minister of Agriculture has met with the officials of Manitoba Pool in connection of the rebuilding of the yards.

MR. ADAM: Mr. Speaker, I am not able to confirm that there has been any meetings. There may have been but I am unable to confirm that either. I'll take that question as notice as well.

MR. BLAKE: Yes, while he's those questions as notice, Mr. Speaker, he may wish to take as notice also a question to advise this House whether a study has been done, or is a study under way on the impact that this marketing plan proposed by the Minister, what impact that will have on the livestock industry and particularly the auction marts throughout the province.

MR. ADAM: Yes, I'll take that question as notice too, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Speaker. Possibly the Acting Minister of Agriculture could take other questions for notice too, as we have been unable to question the Minister over the last couple of days. Maybe he could tell us how many applications have been received to this date under the Farm Interest Relief Program and possibly he could also tell us how many have been approved and how many have been rejected.

MR. ADAM: Mr. Speaker, I don't have that information. I will take that question as notice on behalf of the Minister of Agriculture.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, I also had a question for the Minister of Agriculture. Perhaps in the Minister of Agriculture's absence, the Minister of Economic Development might be able to answer the question. I wonder if she could advise the House if she or her department has any information concerning the number of farmers who might not be able to get operating credit this spring.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, I'll take that question under advisement.

MR. RANSOM: Mr. Speaker, can the Minister advise whether or not she or the Minister of Agriculture have met with representatives of the banks to try and assess the situation that the general farming community is facing this spring with respect to credit?

MRS. SMITH: Mr. Speaker, we have meetings planned of a general nature with banks, not relating solely to one group.

MR. RANSOM: Mr. Speaker, I take it from that answer that the Minister is confirming that she has not met

with banks to discuss that question?

MRS. SMITH: Mr. Speaker, not in a co-ordinated way, but we all along are meeting with representatives of the banking community. In fact, quite a few come and initiate meetings with us.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Mr. Speaker, my question is for the Honourable Minister responsible for the Environment. I wonder, in view of reports that as many as 80 people at the Fetherstonhaugh High Voltage Lab at the University were exposed to cancer-causing PCB's, whether or not his department is satisfied that these people, both the firefighters and those who worked in the lab, are not subject to any long-term health hazards as a result of their exposure to the PCB's.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. JAY COWAN (Churchill): Mr. Speaker, we are not satisfied that they have not been exposed to long-term health hazards as a result of their exposure to PCB's and accordingly have put in place what we believe to be a number of mechanisms which will help us deal with this particular problem.

The first is to work with the fire department to ensure that we receive better communication and more up-to-date information in respect to these explosions and fires which may involve PCB-containing transformers and materials when they happen. So, we are presently working on that program.

As well, we have contacted a large number of individuals; students, firefighters, camera crews, media people and other individuals who were in the area to inform that there may be hazards associated with their exposure. We are understanding at this stage that it was a very low-level exposure, but that concerns us nonetheless.

Accordingly, we have asked the Workers Compensation Board to take notice of their exposure to this particular hazard and they have done so. So that in the event that there is a long-term effect on the individuals, we will have a record of it from that perspective and the Workers Compensation Board can act more expeditiously in respect to their involvement in this matter. As well, we are reviewing the entire situation in respect to attempting to determine better ways of making known locations of PCB-containing transformers and materials, so that firefighters and others are more equipped with the specific knowledge of where these hazards may exist when they are called to a particular fire. So there are some long-term solutions which we hope to undertake, there are some short-term procedures which we have put in place and we hope to be able to deal more effectively with these types of problems in the future.

MR. FILMON: Mr. Speaker, I wonder if in addition to that, the Minister would consider perhaps setting up some form of medical evaluation or medical checking over a period of the next six months, a year, or longer, since many of the health hazards may not show up

immediately and may be something that needs further checking and evaluation as time goes on, and I wonder if the Minister would consider setting up such a program perhaps in co-operation either with Workplace Safety and Health or the Health Department itself.

MR. COWAN: Well, in fact, what we are concerned about are two types of hazard. The first hazard would be that which would accompany the event itself within a few hours of that event having taken place. There appears not to have been any known hazards that we are aware of as a result of short-term, acute exposure to PCB-containing contaminated air as a result of this explosion, so we are satisfied at this stage with the information available to us that there were no short-term effects which would have been immediately noticeable.

On the other hand, the long-term effects are not effects which are going to take place in six months or a year. Of course, we're concerned about the carcinogenic properties of some contaminants such as this and for that reason, we are looking into a time span approaching 20 to 30 years, two to three decades.

We have notified the individuals who have been involved in this incident that they may have been exposed to PCB-contaminated air and we have told them of our concerns and we have asked them to deal directly with their own physicians in respect to determining whether or not other precautions should be made. We, of course, will provide any specific information to any physician who should request the same.

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

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Speaker, my question is to the First Minister. Is it the intention of the First Minister, now that the Constitution has been patriated, to seek an amendment that would eliminate the override provisions of the new Constitution?

MR. SPEAKER: The Honourable First Minister.

HON. HOWARD R. PAWLEY (Selkirk): Mr. Speaker, it is not my intention at the present time.

MR. MERCIER: Mr. Speaker, I believe the First Minister had indicated previously that he does not like the override provisions in the new Constitution, that Manitoba will not use them, and I am wondering what his reasons are now for indicating this position.

MR. PAWLEY: I would have to seek your advice as to whether that question is in order because I thought I had answered the first question in the way that would deal with the question. I indicated, no, it was not the intention at the present time for us to seek an amendment from the Federal Government and, indeed, for me to carry on with my answer would be to in fact put me out of order in regard to my answer. As the Member for St. Norbert must know, there is a commitment to have a Constitutional Conference within one year to deal with immediate concerns which deal with the treaty and aboriginal issues. Those issues are

to be dealt with within that Conference and, as I indicated, though we are unhappy with the final result of the Constitution in various respects, it is not our intent to press for amendments at this particular point.

MR. MERCIER: Mr. Speaker, in view of the opinion given by Professor Gibson in the University of Manitoba, whom I believe the government has retained to conduct a study of Manitoba Statutes, in view of his opinion that hundreds and perhaps thousands of sections of Manitoba Statutes are void under the provision of the new Charter of Rights and Freedoms, would the First Minister still indicate that it is not the intention of the government to ever use the override provisions of the new Constitution?

MR. PAWLEY: Mr. Speaker, again I refer to you the fact that the Honourable Member for St. Norbert asked pretty well an identical question in regard to intent re using the overriding provision, some month or six weeks ago. I have not received the report that the Honourable Member for St. Norbert is referring to, by Professor Dale Gibson of the University. I believe that the Attorney-General has seen the report and I would ask the Attorney-General if he wants to comment on the report? I have not seen it.

MR. SPEAKER: The Honourable Attorney-General.

HON. ROLAND PENNER (Fort Rouge): Just to clarify a point, not to be expansive on it, there is no report and the former Attorney-General knows that there is no report —(Interjection)— that's right, but I am just assisting you in clarifying what didn't come out all that clearly, from your remark.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister of Economic Development and would ask, in light of the New Democratic government's promise that it would take action to prevent the loss of small business due to abnormally high interest rates, I wonder if she could inform the House what she is doing to ensure that the operations of Dawsteel will be continued out in North Kildonan and that some of the 60 employees over there will not be laid off.

MRS. SMITH: Mr. Speaker, we have two of our department people working with Dawsteel and we have a meeting arranged here tonight with all the parties involved.

MR. BANMAN: A supplementary to the same Minister, I wonder if she could tell us whether the election promise of first contract labour legislation was a contributing factor in the failing of this company.

MRS. SMITH: Mr. Speaker, it would be premature for me to give an interpretation of all the causes of difficulty there. Nothing that I've heard to date would indicate that the member opposite's analysis has any relevance whatsoever to the situation.

MR. BANMAN: Well, in light of that answer, Mr. Speaker, I would have to ask the Minister whether she will be examining the affects of any new proposed legislation, as well as existing legislation, and discuss those with the struggling businesses and operators in Manitoba before they embark on any major changes to labour legislation to ensure that the people that are currently employed will not be adversely affected and that the people counting on these jobs will not be out of a job, just because of some labour legislation or some hangups that the NDP have.

MRS. SMITH: Mr. Speaker, ongoing consultation and evaluation goes without saying in our approach to programs. As we've said on many, many occasions, we are looking at an economic system which balances out both the benefits and the obligations and that's the principle on which we will continue to operate.

MR. BANMAN: I wonder if the Minister of Economic Development, in her answer, indicated that an ongoing consultation would be carried on with the businesses. I wonder if she could inform the House whether or not there was any discussion with the business community in the Province of Manitoba as to the impact of the just newly announced minimum wage.

MRS. SMITH: Mr. Speaker, the whole question of wages and jobs and how we organize our economic life has been a matter of profound and overwhelming concern to us and naturally, when we're formulating our policies and programs, we consult all the people concerned. I mean that's part of our way of operating; it's what we've been doing and it's what we will continue to do. Mr. Speaker, in our consultation, we don't only go to one group and say, "please tell us what to do." We go to the group to hear what their situation is, what their prospective on the problem is. Then we go back and accept, Mr. Speaker, the full responsibility of a government in power which is to take all the information and the opinions from the different groups, weigh them and come out with a considered best proposal.

MR. BANMAN: I wonder if the Minister could inform the House whether or not the new minimum wage was discussed with the business community before it was announced.

MRS. SMITH: Mr. Speaker, every delegation that has come to my office that has been there with the purpose of looking at the overall economic situation and our policies, their concerns has included a discussion of wages.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable Minister of Labour. Under the previous government, there was a quasi-official Labour Management Committee that operated in the health care sector aimed at reducing the impact of contract disputes in the health care sector. I

wonder if the Minister could advise the House whether that committee is still in place and operating, Sir.

MR. SPEAKER: The Honourable Minister of Labour.

HON. VIC SCHROEDER (Rossmere): Thank you, Mr. Speaker. Yes, that committee is known as the MacLean Committee. I have talked with Mr. MacLean who is still the Chairman; I have asked him to continue on. I believe that committee did some very valuable work over the years. Before that, at one stage, it was known as the Woods Committee. That committee is working on trying to get back into a position where the health organizations and the unions will have an agreement in place with respect to what might happen if they don't agree on contracts for this summer. They have not come to a complete agreement yet, but talks are ongoing right now and they are being encouraged by the government.

MR. SHERMAN: Mr. Speaker, I thank the Minister for that reassurance. I would ask him whether that committee or his office is embarked upon discussions with different units, facilities, and locals in the field of hospital and personal care home nursing with respect to the forthcoming negotiations that will have to take place in 1982 relative to the negotiation of a new nursing contract in the province?

MR. SCHROEDER: I can't say that specifically they have been looking at the nursing problem. I know that they have been looking overall at all of the problems. I would be surprised if they weren't looking at the question of nurses' contracts, but I will take the question as notice and get back to the member on that specific detail.

MR. SHERMAN: A final supplementary, Mr. Speaker, has the Minister, through his office or through that Committee or, indeed, through the Civil Service Commission, dealt with the prospect of the nursing negotiations from the point of view of unitary tables, fragmented tables? Has he talked to the Health Sciences Centre, St. Boniface and other individual facilities about negotiations on a nursing contract at a central table as against fragmented situation?

MR. SCHROEDER: Yes, Mr. Speaker. Those questions, I presume, are under discussion in the Committee because the health organization would be concerned about the matters raised and certainly the health care unions would be concerned, specifically MONA. I'm sure that is a part of the discussion, but again, I will get back to the member with more detail on that specific segment.

MR. SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. My question is for the First Minister. Is the First Minister still responsible for the government Information Services?

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, the Department of Information Services rests within my responsibility.

MR. ORCHARD: A supplementary, Mr. Speaker, will the First Minister request that a correction be issued when a news release issued by a Minister contains nonfactual information?

MR. PAWLEY: Mr. Speaker, the individual Ministers assume responsibility pertaining to Information Service releases that are issued in their name prior to their distribution.

MR. ORCHARD: Mr. Speaker, that didn't exactly answer my question. I asked the First Minister, who is responsible for Government Information Services, whether he would request a Minister to correct non-factual information which appears in a government news service issued under his department.

MR. PAWLEY: Mr. Speaker, if we are dealing with a matter of a mistake that is significant and important then the individual Minister, I am sure, in such a case would wish to correct same. However, I am rather leery of any suggestion by the honourable member that a mistake has been made when we might very well know that it's something that is very trivial or simply a matter of difference of opinion.

MR. ORCHARD: Well, Mr. Speaker, I am pleased to see that the Minister is so concerned about Estimates of expenditure that range in the area of millions, and I'm pleased also to hear that the Minister would entertain a suggestion that his Minister of Highways might correct a news release issued on April 16th, in which he says that \$100 million will be spent on highway construction, up \$16 million from the amount spent last year. That news release went out April 16 and, Mr. Speaker, I would like to point out to the Honourable First Minister that according to Hansard, page 1263, April 7, 1982, some nine days previous to that press release, that the \$16-million increase in the amount spent is not factual according to page 1263 in which the . . .

MR. SPEAKER: Order please.

POINT OF ORDER

MR. SPEAKER: The Honourable Attorney-General on a point of order.

MR. PENNER: This again is an abuse of question period. The Honourable Member for Pembina is not asking a question. He is making a statement, reading into the record some passage or passages from Hansard alleging that there has been some error. Let him ask the question at the appropriate time and in the appropriate way. Question period is not a time for making statements of that kind. It is not a question; it wasn't in the form of an introduction to a question, simply a statement of that person's opinion; that's all it was.

MR. SPEAKER: On the same point of order, the Honourable Member for Pembina.

MR. ORCHARD: On the same point of order, Mr. Speaker. The Attorney-General has suggested that I pose these questions at the appropriate time, which I would assume would be the Estimates of the Department of Highways, which are past, and it is information that has emanated from those Estimates perusal that is incorrectly portrayed in this news service release, and I would like to ask the First Minister for a correction. That is the point of order.

MR. SPEAKER: I am sure that all honourable members would not wish question period to consist of argumentative questions. Perhaps the Honourable Member for Pembina would wish to rephrase his question.

MR. ORCHARD: Mr. Speaker, I will rephrase my final supplementary. In light of the fact that an April 16th press release indicates that spending is up some . . .

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

MR. PAWLEY: Mr. Speaker, I thought the honourable member wanted me to answer. Now, he's proceeding to a further . . .

MR. SPEAKER: Will the Honourable Member for Pembina complete his question?

MR. ORCHARD: Thank you, Mr. Speaker. My supplementary question to the very anxious First Minister is that in view of the fact that an April 16th press release indicates highway construction up \$16 million from the amount spent last year and in view of the fact that Hansard, page 1263, indicates that the actual expenditure from last year will be \$93.5 million, only \$6.5 million up over the last year, would the First Minister request his Minister of Highways to issue a correct news release statement for the benefit of Manitobans seeking factual information?

MR. PAWLEY: Mr. Speaker, I would assume that the former Minister of Highways would first ask a question of the present Minister of Highways as to the statements that he's alleging having been made and as to whether they are accurate or not. I would ask the Minister of Highways to deal with the specific factual comments that have been made by the former Minister.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. SAMUEL USKIW (Lac du Bonnet): Mr. Speaker, the Member for Pembina is quite correct. The press release is not accurate in that the figure that they are referring to is a figure over last year's vote, rather than actual expenditures. So, in that context, he is correct and there has obviously an error been made in the press release.

MR. SPEAKER: Order please. The Honourable Member for Morris.

MR. MANNES: Thank you, Mr. Speaker. I'd like to direct a question to the Minister of Natural Resources. I am wondering what efforts this government and he

specifically are going to be taking to request the Federal Government to increase their contribution from 45 to 50 percent as far as the building of the valley dykes go.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. AL MACKLING (St. James): Mr. Speaker, as I indicated to representatives of the valley towns, I agreed with their suggestion that further effort be made to convince the Federal Government to restore full funding of 50 percent to the costs of protection of these communities and such a letter is being prepared by my staff. I will not only be writing; I will be talking personally with the Minister of Environment.

MR. MANNES: Thank you. If these attempts are not successful and an increase is not received from the Federal Government, is it the intention of this Minister then to drop the issue and charge the municipalities and towns the 5 percent of the capital costs?

MR. MACKLING: Mr. Speaker, that is a question based on hypothesis that I will determine; I will look at that situation when I have that response. I have indicated to the communities that the position of the province is one that I think is reasonable.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, my question is for the Minister of Finance. I wonder if the Minister of Finance can advise the House if he is contemplating an issue of provincial savings bonds.

MR. SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: It is a consideration. We have no current plan to do so, but there have been discussions.

MR. RANSOM: Mr. Speaker, can the Minister advise the House what the rate of redemption has been on bonds being redeemed before maturity?

MR. SCHROEDER: Is the member talking about a new bond? Well, if he's talking about a new bond, we're very far away from any issue. We don't even know whether we're going to issue one. We don't know whether he's talking about ones that are out there now.

The Leader of the Opposition is shaking his head. He doesn't realize if there are funds out there and, if we ever decide to get into a Manitoba savings bond, then we will tell the member what we will be doing.

MR. RANSOM: I apologize, Mr. Speaker. I did not realize that the Minister of Finance thought that you could redeem bonds that hadn't been issued. I was of course referring to personal savings bonds that had been issued in the past.

Mr. Speaker, I wonder if the Minister of Finance can advise the House now, with respect to a question that I asked him some time ago which was, what percentage of post-secondary educational funding will be

paid for by the Federal Government under the new cost-sharing arrangements.

MR. SCHROEDER: Yes, Mr. Speaker, I do have some material here somewhere, but it isn't a definitive answer and maybe I won't bother referring to it. There are two areas for which we get money from the Federal Government for established programs. That is health and post-secondary education and there is an argument out there about percentages. As the members know, we are currently in the process of Health Estimates, which indicates spending of over 900 million there. I understand that a ball-park figure of post-secondary education spending is, I believe, 250 million in the province and there are a number of different ways of calculating that.

You can add in capital costs or keep them out; you can add in tuition costs or keep them out, etc., but if you add in all of the provincial costs, certainly our provincial costs for both programs together will run to well over \$1 billion in the year 1982-83. Our total contribution to EPF, from the Federal Government for 1982-83, will be somewhere under half a billion dollars. So, there is no doubt that, in total, more than half of the dollars that are being spent for health and post-secondary education will be provincial.

MR. RANSOM: Mr. Speaker, I am quite aware that there are different ways of calculating. The way I would like it to be calculated is the same way the NDP calculated it when they were in Opposition. On that basis, Mr. Speaker, can he advise us what percentage the Federal Government will be paying?

MR. SCHROEDER: Mr. Speaker, the way we have calculated it in the past is about the way we are calculating it now. We have just indicated what the total amount of spending would be and what the federal contribution will be and I am sure that the member can figure that out for himself.

MR. SPEAKER: The Honourable Member for Dauphin.

MR. JOHN PLOHMAN (Dauphin): Mr. Speaker, I have a question for the Minister of Health. It has been brought to my attention that a large number of students performing on stage at the Grandview School yesterday evening became ill and a number of them fainted and that a similar experience happened again this morning. I understand as well, Mr. Speaker, that this school has been closed. I am wondering if the Minister of Health is aware of this situation and whether he has taken any action on this potentially serious matter.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I've been apprised of the situation. I'm satisfied with the action that's been taken so far. It's true that 43 children were performing on a stage last night in Grandview School. The majority of them became dizzy, upset and suffered from hyperventilation; 8 fainted and this morning they performed again and the same thing happened to 15 others. Now the local physician, Dr. S. Cantor, ordered the school closed; this was done. Our

local Medical Officer of Health, Dr. K. Sigmundson, is on the scene as well as the public health inspectors and our public health nurses. The Environmental Management had been alerted and they will be testing for the source of contamination; carbon monoxide poisoning is suspected. The air conditioner had just been turned on or possibly something to do with a chemical lab which is very close. The latest we've heard, the children are now all right and the audience was not affected at all, but through Dr. French, our Medical Director of Public Health, I expect to be apprised of any new development.

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

MR. MERCIER: Mr. Speaker, I have a question for the Minister of Community Services. I wonder if he could indicate to the House whether the committee under Judge Kimelman with respect to the study of the placement of Native children has been formed. Are they operating, are they making any progress, does he expect a report shortly?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD S. EVANS (Brandon East): Yes, Mr. Speaker, the committee indeed has been informed and I just assume that they are working actively and earnestly. I haven't had a report recently, but I'm sure we will be getting reports from time to time, but the committee is under way.

MR. MERCIER: Mr. Speaker, perhaps you wish to take the question as notice, but can he assure this House that the best interests of the children whose placement may have been delayed is being protected under the existing circumstances and their best interest is not being affected by any delays?

MR. EVANS: Mr. Speaker, the part of the exercise, the point of the exercise is the welfare of the children and the best interests of the children. That's a matter for debate as to what is in the best interests of the children, but all of us want to ensure the maximization of child welfare in the Province of Manitoba.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. STERLING LYON (Charleswood): Mr. Speaker, I have a question for the Minister of Finance. Approximately a week ago I was inquiring of the Minister of Finance if he could give us some fix on the date on which this House and the people of Manitoba might expect him to bring down his Budget. I wonder if the Minister of Finance is in a better position today to give us an approximate time for the bringing down of the Budget. It's my understanding that the Budget usually comes down April or May and we're almost through April.

MR. SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Yes, Mr. Speaker, that does leave

May. I had indicated last week that we were hoping that something would be coming from Ottawa. We had some meetings yesterday afternoon with some people from the investment community who indicated that they expect that may well come before the end of April; so whenever it does come, we will be in a little better position to give a specific date. The same thing is happening in, for instance, our neighboring province of Ontario where the province is delaying to some extent to see what will come in that, hopefully, new Budget or whatever they want to call it. Now there's some indication that didn't happen in Saskatchewan. Saskatchewan is in the fortunate position of having a \$4 billion in investment going on there in this coming year. The last four years they didn't have the kinds of problems with their government that Manitobans faced and so there is that difficulty.

MR. SPEAKER: The Honourable Member for Virden.

MR. HARRY GRAHAM (Virden): Thank you, Mr. Speaker. I would like to address a question to the Honourable Minister of Health, and I apologize I did not hear his answer to the Member for Dauphin. But in light of the fact that 30 to 40 students yesterday from Grandview went to the hospital and another 30 to 40 this morning were taken to the hospital, and 20 students from Roblin were taken to the hospital this morning, would the Minister give me any further information that he may have on it at this time?

MR. DESJARDINS: Mr. Speaker, I shared all the information that I have presently with the House; I'll find out if there is anything else to add. I'm sorry, what I have stated awhile ago was all I had, but I'm told anyway that the school has been closed and I know that we have the local physician as well as our local public health officer, public health nurses, environmental people, everybody is on the job and I'm sure that things will be in order.

But, Mr. Speaker, I have a concern on the question of Health while I have the floor. Yesterday, a member handled a dead pet and he sent it over on this side asking for an autopsy. I checked to see what my responsibility and my duties are and I'm concerned because he's not in his seat. As Minister of Health I should order the person to be admitted to hospital; order the person to be isolated; order the person or any other person exposed to infection, and I wonder if somebody could give me some information because I've ordered a vet for him and I would want to make sure. The Public Health Act also says that anything, I guess a person who owned the pet, the owner of the pet, according to isolation of any pet where we're not sure should be done immediately. We've done that and the bill should be there, the owner should bear the cost of the quarantine of isolation of the bird. So I'm sorry, but I'll have to send him the bill. Could somebody tell me if there's anything new with the member, is he sick, because we should get on that immediately?

MR. LYON: Mr. Speaker, a question arising out of the concern of the Minister of Health for the Honourable Member for Roblin. The Honourable Member for Roblin I can happily report is in good health, but by virtue of the concern that is expressed by the Minister of

Health, we now share concern for the Minister of the Environment. Would he ensure that a proper quarantine is put into place for the Minister of the Environment? I'll leave it up to the Minister of Health to determine whether that should be a health, political, or whatever kind of quarantine.

MR. DESJARDINS: Mr. Speaker, I'm sorry that I didn't give all the information. We had the Minister fumigated this morning and he'll be shaving his beard this afternoon.

MR. SPEAKER: The Honourable Government House Leader.

COMMITTEE MEETINGS

MR. PENNER: Mr. Speaker, I'd like to announce some dates for committee meetings. The Committee on Economic Development will be meeting Tuesday, April 27th, with respect to McKenzie Steele Briggs Seeds. Thursday, April 29th, as announced in the Order Paper, the Committee on Economic Development with respect to Channel Area and Moose Lake Loggers, CEDF.

I would like to announce further a change in a previously announced date. There was to have been held a meeting of the Committee on Economic Development with respect to MDC on Thursday, May the 6th. This is now to be preempted by a meeting on Privileges and Elections for that same date, to continue its discussion with respect to the Ombudsman.

RETURN TO AN ORDER

MR. PENNER: Mr. Speaker, by leave, I would like to file an answer to an Order for Return for the Honourable Member for Roblin-Russell, first of all, from the Minister for Economic Development in respect to an Order for Return of correspondence and, secondly, from the Minister for Co-operative Development with respect to an Order for Return of correspondence.

ORDERS OF THE DAY

ADJOURNED DEBATE — CROW RATE

MR. PENNER: Mr. Speaker, would you please call the adjourned debate on the proposed motion of the Honourable Minister of Transport, standing in the name of the Honourable Member for Portage la Prairie?

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable Minister of Government Services, standing in the name of the Honourable Member for Portage la Prairie. If there are any other members wishing to speak on the matter — the Honourable First Minister.

MR. PAWLEY: Mr. Speaker, I rise on this occasion on this resolution because it addresses one of the most important issues confronting Manitoba today. The Federal Government's proposal to eliminate the Crow rate, Mr. Speaker, for rail transportation of grain is of special and immediate concern for all rural Manitoba.

It is a concern, Mr. Speaker, that cannot be delayed from day to day. It is also significant, Mr. Speaker, for the residents of Winnipeg.

What is the Federal Government proposing? As I read the documents, they are suggesting that Manitoba farmers pay substantially higher rates for transporting their grain to export markets because rail capacity to the west coast is not large enough to accommodate the predicted increases in coal. The Federal Government is offering a plan for adding even more costs to the burden carried by farmers in this province. In return, they are offering no direct benefit, only dubious and vague reference to possible compensating trends.

The research that was done, was done by the former government of this province, Mr. Speaker, research that was done under the guidance of a committee whose members included Mr. Clay Gilson, demonstrate the clear and inevitable result for Manitoba from the elimination of the Crow rate. Total agricultural production will decline; net farm income will decline substantially.

Mr. Speaker, the Federal Government and its supporters are telling the farm community that the railways will not transport the grain, which is grown on the prairies, unless the Crow rate is eliminated. The clear implication is that the Federal Government will do nothing to encourage or to require the transportation of export grain. In effect, farmers are being dejected told the Federal proposal and the assumptions which that they can choose between two equally disastrous alternatives and that Dr. Gilson is available to help lie behind it. Quite simply, it is a bad deal for Manitoba tiate arrangements for their own funeral.

Mr. Speaker, we on this siand for Manitobans as a whole. The research that was done at the University of Manitoba, research which my honourable friends opposite choose not to make public, indicate that annual agriculture production in this province will likely decrease by \$61 million when four times the Crow rate is charged. Net farm income will be cut by \$39.7 million in a good year. That represents more than 15 percent of the realized net farm income of the farmers in Manitoba. If current trends continue, it will represent an even larger portion of realized net farm income because higher costs are reducing farm income steadily. There will also be problems for Winnipeg residents, Mr. Speaker. The importance of agriculture, as a basis of our provincial economy, is such that loss of production will cause a further decline of \$62.2 million in the provincial economy.

The forecast is that the province will lose 2,200 jobs if farmers are forced to pay four times the Crow rate for rail transportation of their grain and this is an optomistic projection, Mr. Speaker. This projection assumes that farmers can increase their livestock production by 20 percent. I do not think that any party in this Legislature wants to approve of, or to support a proposal that is projected to have at least an effect seven times worse than, let us say, the possible total closure of Victoria Leather. Yet that is the projected impact in just a few years, the time of the changes which are being proposed by the Federal Government.

Mr. Pepin has attempted to argue and I quote from a letter he wrote to my colleague, Premier Blakeney, "The government is only asking producers to enter

into discussions with it and the railways concerning ways of meeting future cost increases." That sounds fairly mild but then look at the April 15th Brandon Sun. There an advisor to Mr. Pepin, one Henry Ropertz, states that the freight rate on grain would still be a good deal even if it were triple. He estimated that freight rates would triple by 1985 if the Crow rate were dismantled.

Sir, I think it is the obligation of all members in this Chamber here, in all members of this Legislature to indicate by their unanimous and, I trust, nothing short of unanimous approval of the Resolution that is before us in this Chamber. They do not think and let them demonstrate by their vote that they do not think, Mr. Speaker, that a tripling of the Crow rate is a good deal for the farmers of Manitoba. Let every member in this Legislature demonstrate that we oppose the destructive and inflationary assumptions that lie behind this Federal proposal.

Mr. Ropertz perhaps said more than he was supposed to say. He said, and I will quote again from that article: "The Federal Government will stand by a study done by Washington economist, Carl Snively, which estimated that railways are losing \$612 million annually in hauling grain." Thus, the opinion of Manitoba Pool Elevators, the other major co-operatives and the evidence of audited financial statements of the railways themselves is simply being ignored by the Federal Government. Why, Mr. Speaker, because anyone who cares to read the federal documents will realize they already know what they intend and what they will do, that the study which Mr. Gilson and his well respected colleagues have undertaken is more an effort to gain credibility for the federal decision than any effort to make a federal decision.

Mr. Pepin and his officials will say they are ready to consider any suggestions. At the same time, they've already announced all the main elements of the action. They intend to undertake if the opposition from Canadians in this and other parts of the country is not strong enough to stop them.

Mr. Speaker, I believe very strongly in co-operative federalism. At this time, I feel it is a fundamental obligation to defend and explain, however, the interest of our province. Therefore, I must oppose a system which would rob this province of more than 2,000 jobs for the sake of facilitating the export of coal from much wealthier parts of this country to the west of us. I ask how any Manitoban can support a federal scheme which is clearly described as an attempt to shift the emphasis of the western Canadian economy from grain, Manitoba's most valuable agricultural product, to coal which Manitoba does not produce at all. I ask how any Manitoban can point with a straight face to the benefits of double tracking through the mountains to the west coast for agricultural industry whose main export products go in such large proportions to the east coast?

Sir, the facts speak well for themselves. Manitoba must be concerned about the federal proposal, and the facts make it clear that Manitoba must oppose that federal proposal. Mr. Speaker, I do not want to spend much time talking about suggested benefits for other agricultural products. The idea that somehow the elimination of the Crow rate will encourage agricultural processing in Manitoba has very little credibility.

For example, the livestock industry would be obtaining grain at lower prices only if the effect of the Crow rate was to discourage the export of grain. Otherwise, it can reasonably be expected that farmers will continue to store their grain in expectation of higher export prices one, two, three years down the road as they've done in the past.

In addition, the Liberal Party in Western Canada chooses to ignore the fact that large supplies of grains are readily available for the livestock industry in both Ontario and Quebec. Whether or not grain from the west is transported the Crow rate, the importance of price is the incentive for increased production of grain, special crops, oil seeds, livestock, is surely apparent to anyone that understands the Manitoba economy.

I know that the former Minister of Agriculture has spoken often of the crucial importance of better prices for the improvement of the rural economy. Elimination of the Crow rate will in no way affect the price of Manitoba farm products. North American and world markets established those prices whether we like it or not. For evidence of this, I need not look any further than the Manitoba Agricultural Market Review for the first quarter of 1982. In the first quarter of 1982, beef supplies decreased by 12.5 percent in Canada. However, a 2 percent increase, just a two percent increase, Mr. Speaker, in U.S. slaughtering was responsible for lowering North American prices. Producer prices for A1 and A2 steers in Winnipeg declined although the conditions in Canada would have lead many to expect a price increase. I could give other examples, but I think it is explained clearly enough why we on this side of the House have always been seriously concerned about farm costs as well as farm prices. The price is well out of our control. It is therefore important for governments in Canada to do all that they can to keep the costs low, and I will admit, Sir, that we cannot do nearly enough on the cost side.

Equally, well documented and acknowledged by Federal Government supporters such as the Free Press Editorial Board is the fact that international economic and market developments are a major influence on the amount of processing that can be done in Western Canada. Changes in the market in the national economies around the world have stripped the west of processing facilities which once flourished here. Those processing facilities operated with the advantage of the Crow rate. In fact, few supporters of the Federal Government are willing to acknowledge that their proposal actually will be increasing the cost of transportation for many processed agricultural products from Western Canada.

The one anomaly as we all know is rapeseed. The rapeseed industry has long tried to obtain the same deal as enjoyed by grain; in other words, both the raw product and the processed product to be transported at the Crow rate. The Federal Government has refused this demand on many occasions. Today they have reduced many in the rapeseed industry to accept the inferior alternative of transporting both raw and processed product at high rates. If world tariff barriers against processed rapeseed products and the desire of other nations to process agricultural products within their own borders were to change, then this might offer the possibility of expansion for the rape-

seed crushing industry in Western Canada.

Regrettably, a few minutes looking at the developments which have taken place in the processing of grain, leads one to the conclusion that any gains made in rapeseed crushing industry would be very short lived. In a few years' time, that industry may realize that they have given up a cost advantage in the transportation of their raw product in return for a meaningless crushing advantage. Thus, the impact of this federal proposal upon Manitoba seems inevitable. The impact will be lost farm production. This will be resolved in lost jobs in the industries that depend upon agriculture. Our farms and our workers will be losing income. Our province will be suffering a man-made economic setback, I readily acknowledge, Mr. Speaker, that Manitoba farmers have indicated some willingness to pay more for the transportation of their grain if they're assured that the extra money will go directly into better transportation of grain.

I think that is why farmers in this and in other provinces have been supportive of actions by the Canadian Wheat Board and other agencies to use government funds from time to time for the purchase of hopper cars. Those hopper car purchase plans and the support they have received demonstrate that there are many more effective ways, more equitable alternatives to this federal proposal. The alternatives, however, Mr. Speaker, were not provided by the Federal Government. Federal effort has been devoted to ensuring that there will not be adequate consideration of any alternatives. They want the approach that will place an ever increasing financial burden on the farmers and on the western economy. They are standing by a proposal which will take advantage of the sentiment for some fair change which exists among a large minority of Manitoba farmers, take advantage of it by using those farmer's money to pay for the export of coal.

Mr. Speaker, this is a resolution which does not enshrine NDP policy that is before us at this point. It is a resolution which accommodates the interests of the vast majority of Manitoba and, indeed, includes statements made by members opposite. It is designed specifically to win unanimous support because this issue is too important for a narrow partisan approach within provincial jurisdiction. In rejecting this federal proposal, there are two questions about the alternatives which I wish to emphasize. One is that farmers deserve and have the supreme protection which is offered by the statutory rate. The Federal Minister of Transportation in his letter to Premier Blakeney stated, "The Crow benefit will be guaranteed in a statute passed by Parliament." Yet he had already defined that benefit to be no more than the existing Crow gap estimated by Mr. Snavelly.

Thus, of course, he is speaking to gain farmers' approval of the inflated Snavelly cost estimates, although in future years those cost estimates will blow up in the farmers faces. He is also seeking to avoid any federal responsibility for the Crow gap which may continue to open in the future as the railways use experts like Mr. Snavelly to charge the prairie farmers for the cost of coal inspired rail improvements. Indeed, Mr. Pepin does not even seem to be stating clearly that the benefit will have the same level of statutory protection than the existing Crow rate.

More worrisome still is the fact that the federal proposal places so much reliance upon a statutory framework. Manitobans have fought unsuccessfully to save their branch lines under statutory frameworks. People in Manitoba and elsewhere in this country lost passenger service without any chance for public hearings under a so-called statutory framework. Passenger stations have been closed under a statutory framework. The so-called protection of a statutory framework is really, Mr. Speaker, no protection at all. The rate for rail transportation of grain has been established by statutes and I see no reason for Western Canada to abandon that guarantee of full open political debate of changes in the grain rates.

The second point, and it is one in which I wish to welcome allies such as the Manitoba Pool Elevators, is a principle of equal rates for equal distance. Federal officials sitting in Ottawa like to describe as dynamic and progressive change the depopulation of towns and villages throughout Western Canada. They point to large open spaces where people once lived as evidence of a nation's advancement. Mr. Speaker, we on this side and, I'm sure, most members opposite cannot look towards massive rural depopulation with any great joy. The rural lifestyle, the values of Manitoba are the bedrocks of our society —(Interjection)— well, I hope, Mr. Speaker, that is demonstrated when it comes to the vote and I would hope that the members would join quickly any unanimous vote on this resolution. I wish, Mr. Speaker, that we would see some removal of the hesitation that has been taking place over the last few weeks on this resolution that is before us, so we can get on with a clear message to Ottawa.

I think, Mr. Speaker, that members across can indeed make a contribution to the quality of life in this province and far can exceed the number game that is taking place and which is guiding bureaucratic decision makers. I think that the towns and villages of Manitoba are a good place to live and work, to raise a family, to carry on a business. I think there could even be better places to live and work, but not if we lose one of the major sources of a local industry and attraction, and that is the grain elevator.

I look at some of the constituencies, Mr. Speaker, across the way and see many delivery points which could be closed if variable rates are introduced and I wonder, for example, if the Member for Arthur, the poor Minister of Agriculture, would approve of the federal proposal which leaves open the possibility of the elevator being closed at Napinka, Beresford and many other points in his constituency. I look at the Member for Turtle Mountain and I see points like Mariapolis, Ninette and Cartwright which are already threatened by the federal proposal. I look at Carmen and Miami in the constituency represented by the Member for Pembina. I look at Sandy Lake and Clanwilliam in the constituency of the Member for Minnedosa. I wonder if the Member for Morris will be going to Starbuck and to St. Claude to tell his constituents that he supports a federal proposal that threatens the existence of rural communities. What message will the Member for Portage la Prairie, who stood this debate a few moments ago, have for the people in Oakland in his constituency? Or, indeed, I wonder what message the Member for Virden will have for his

constituencies in Elphinstone.

Mr. Speaker, I regret the Member for Swan River has not debated on this matter in the House as of this point because in the constituency of Swan River, points like Pine River are threatened, though here I must acknowledge that the Member for Swan River at times in the past within his constituency has demonstrated support to the Crow rate and I would congratulate him for that, Mr. Speaker. In Roblin-Russell, we have Angusville, we have Cracknell and other communities that could lose their elevators if variable rates are introduced. Langruth is amongst those that are threatened in the constituency represented by the Member for Gladstone and many others, Mr. Speaker, but I think the point is clear. It should be clear to members opposite. If members opposite have any doubts about the desire of rural Manitobans for local elevators, then let them talk to the Member for Emerson or do as I did and talk to farmers from the Sprague area.

That area does not have a branch line or a local elevator. Farmers are trucking their grain much longer distances than they wish to. Faced with this difficult situation, they have suggested, among other things, a provincial elevator. That is the sort of request that the government of Manitoba, regardless of which party is in power, can expect in future years if variable rates were to be introduced.

The Federal Government has made a great point of saying they are not proposing variable rates. That is now the case and it is a step forward. Still, what we need is a specific and firm federal commitment to the principle of equal rates for equal distance. If the Federal Government is able to commit itself to Mr. Snavely's inflated cost estimates; if they are able to already commit themselves in the form of legislation which they claim Dr. Gilson is negotiating on their behalf, then surely they can make a commitment to equal rates for equal distance.

Mr. Speaker, this is a large and important issue and sometimes I wonder indeed if members across the way are conscious of its importance, one that deserves a great deal of attention. The debate in this Legislature is one of several ways in which we can encourage discussion of this issue by Manitobans and as I stated earlier, we specifically designed this resolution to accommodate the views of those opposite; views of those that had been expressed in the past by the Member for Swan River and by others, such as the other day by the Member for Roblin-Russell. We have not put forward our party policy, but a resolution disapproving of the federal proposal on the Crow rate, and I fail to understand the hesitation that is taking place so far on the part of Opposition members in this Chamber regarding this resolution. It is beyond me as to this hesitation, this uncertainty, this indecisiveness that is being demonstrated day by day across the way in this Chamber, Mr. Speaker.

Mr. Speaker, when it comes to do this, when the Trudeau government and the railways say, jump, is there anyone in this Chamber that is going to ask, how high? I hope there is no one saying, how high, Mr. Speaker, and I hope we can vote on this resolution this week and give a clear indication of the position of members in this Chamber —(Interjection)— Mr. Speaker, I am coming to that. Mr. Speaker, I was

amazed to hear the Leader of the Opposition suggest that we do not want to vote until after the Saskatchewan election. I was surprised to hear that comment by the Leader of the Opposition. I wonder why. What is the Leader of the Opposition afraid of, Mr. Speaker? In Saskatchewan as here, we are stating that until there is a superior alternative, the Crow rate must stay. We are saying that the Pepin proposal is not a superior alternative.

I asked again for the Opposition to join with us in agreeing to that latter proposition. Today, I ask that you agree to this, this week. If you wish to show your support for Mr. Devine in the Province of Saskatchewan, show it. Demonstrate that Mr. Devine is sincere when he says that the Conservative Party supports the Crow. Demonstrate your sincerity, I say to the members opposite, by casting your votes in the Manitoba Legislature this week, today or tomorrow. Let it show, Mr. Speaker, with our feet and our votes where we stand. Let us remove all hesitation, all doubt, as to where this House unanimously stands in respect to the retention of the Crow rate.

MR. SPEAKER: Order please. If no other member wishes to speak to this resolution, it will stand in the name of the Honourable Member for Portage la Prairie.

The Honourable Government House Leader.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Health; and the Honourable Member for River East in the Chair for the Department of Economic Development and Tourism.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

MR. DEPUTY CHAIRMAN, Phil Eyler (River East): The committee is considering Item 2.(c)(1) in Economic Development and Tourism; 2.(c)(1) — the Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, yesterday we were discussing the small business program. The Minister indicated the numbers of people that had made inquiries and the number of applications that had been received and she mentioned at that time that the actual application form that was presented to the House two weeks ago was not used by all of them, which meant that some of the letters that came in were basically applications and had enough information on them to be regarded as applications.

If the number of applications since the time that the program had been announced is only 99, I would

assume that the large portion of people that are going to apply will have applied or, when they received the applications in the mail, there could be another flurry. That being the case, it would seem that possibly 200 or so applications could come into the department in the next month or so. I have asked the Minister how long does she estimate that an application will take to go through the process of being evaluated by the department as to eligibility and then being evaluated by the Committee as to eligibility and then further, if it's approved, a grant being given. How long does she believe that process will take?

MR. CHAIRMAN: Madam Minister.

MRS. SMITH: Mr. Chairperson, the assumption that the applications that have come in, the 99, do represent the takeup on the number of inquiries is not accurate. Most people wait until the formal applications are available through their banks and so on. The distribution hasn't been only in mailing out to the people who have inquired, but because the applications require co-operation of whoever the financing body is for the small business person, the locating of the forms in the banks and credit unions seem to be the best way to distribute the information. So, the time or at least the number difference is not surprising to us at this stage.

We're expecting, on balance, about half of the inquiries to become formal applications. We expect about six weeks to cover the current backlog and thereafter, we expect to be able to process about 20 applications a day, pardon me, a week.

MR. JOHNSTON: Twenty applications a week. Mr. Chairman, in the Small Business Interest Debatement Program in Saskatchewan offers most commercial firms with yearly sales of less than \$500,000 interest rebates up to \$500 on loans from conventional lenders. Almost 500 firms took advantage of the rebates in 1979 and 1980 to the tune of \$240,000.00.

Mr. Chairman, I would ask the Minister if we were to have more applications or if she believes we would have more applications than Saskatchewan, when our qualifications are of sales of up to \$350,000.00.

MRS. SMITH: Mr. Chairman, Manitoba has more small businesses than Saskatchewan. We estimate that 23,000 in Manitoba will be eligible. We expect therefore a larger takeup, although the ceiling is lower. Also, because economic circumstances have worsened, there could be an acceleration of takeup.

MR. JOHNSTON: Well, Mr. Chairman, taking into the consideration that there are only 99 applications at the present time and certainly there have only been 14 of those recommended, but if the whole 99 were to receive the maximum grant of cash, which is \$3,000, the balance being in a repayable loan, but \$3,000, I very much doubt if all of them will qualify for the full amount. That would be approximately, well it would be \$297,000 or let's say \$300,000.00. If you were to have 300 applications that qualified, you would be looking at about \$900,000 or \$1 million and the Minister has said that this program has approximately \$6 million allotted this year.

Mr. Chairman, I submit that the program eligibility guidelines are such that it will not benefit as many businesses as the Minister is anticipating it will benefit and that they basically have estimated it will be \$6 million, where I can't see where it could possibly get that high. If you were handling 20 a week, that would take you into approximately 80 a month and 300 applications would probably take you in the area to four to five months and it doesn't appear that the amount of staff available to do this can possibly handle that load. So, Mr. Chairman, I would say that the amount of money that has been estimated to handle this program this year would not be used.

MRS. SMITH: Mr. Chairperson, I can understand the carefulness with which the honourable member has taken the numbers available and is projecting them and trying to draw some conclusions, but I submit that an economic program has some of the characteristics of a living organism. It would be very misleading to take an infant and see what's happening between the second month of its life and the third month and extrapolate into age 20 or age 50. I mean, very few infants acquire teeth at that stage and you could extrapolate and say, at age 50 they will have no teeth. Now, that might be true of a few, but in general most people age 50 have acquired teeth and have a fair number. Well, my observation is that some people at age 50, their brains are becoming more powerful and effective and there's a small minority for whom that's not the case.

However, the point I wish to make is that what we're dealing with is a program that is getting underway. The initial inquiries by phone came about before the application forms were distributed. The time it requires to do a financial analysis, to examine the criteria, to talk with ones banker or financial supporter take a little time. People who are new at working on a program, if anyone has sort of worked at any kind of technical analysis type program, know that in the initial days one's productivity is much lower. One is getting used to new criteria; looking at forming the judgement abilities to relate one criteria to another. As one acquires experience and, as the team acquire experience, the program can move into full swing and the productivity increases enormously.

So, I submit that to take this sort of snap shot set of figures and extrapolate in straight lines and apply it to the whole program is really most simplistic and we could withhold all these figures because they don't really give a dynamic picture of the program. We've chosen to share them with you, but also to give some assistance in interpreting the meaning of these. We do have a projection by the department of the expected year-by-year takeup, the deferred interest, the write-off portion, when it will come on stream, the administrative costs throughout the length of the program.

In each case, the figures have a bearing on, or at least relate to, the stage in the program of that particular expenditure. One cannot just take figures and do a simple multiplication. You have to look at them in the context of the total program. We've given our undertaking to monitor the criteria, the takeup of the program, its relation to the total amount allocated and if we find that our anticipated experience is different than our actual experience, we will review the criteria,

but it would have been foolhardy of us in the first place to establish criteria which either undercharged the program or overcharged it. We have made a best guess on the data available. We are watching it closely and we will adapt it, as we acquire our experience. That's our notion of good planning and good program design and program implementation, the evaluation and the revision are essential parts of a program and they will occur.

MR. CHAIRMAN: 2.(c)(1) — the Member for Sturgeon Creek.

MR. JOHNSTON: Mr. Chairman, the program benefits the approved applicant with a grant that is 50 percent outright grant and 50-percent loan. Do you believe it's advisable to have a program that will incur more debt to people that have already got debt to the point where they are applying for relief so that they can stay in business?

MRS. SMITH: Mr. Chairperson, the program is based on the assumption that we will get a general economic turnaround, but we have committed ourselves publicly to review these emergency programs if there's not improvement in the overall economic circumstance, so that all these individual businesses will be able to experience some upturn. We have undertaken to generate a next level of program, if we have the means to do so. Therefore, we think it's a responsible use of public funds to give one portion grant to acknowledge the current special difficulty of the business and one-half loan, which recognizes people's honest desire to stand on their own feet, pay their own way and pay back the way they would ordinarily. It's a facilitating program; it's a mixed kind of a program and we think it's a sound program.

MR. CHAIRMAN: 2.(c)(1) — the Member for Emerson.

MR. DRIEDGER: I just wanted to raise some concerns here. I've had the fortune to attend a meeting the other day in the Red River Valley with some of the people that were expressing concern about flooding in the valley. One of the concerns that the municipal councils brought forward at that time was that it would appear that any of the communities along the Red River Valley failed to be able to attract any kind of businesses or small industries to establish there because of the fear of flooding, to some degree. Further to that, concern was expressed that, to some degree, the issue has been brought to come forward at a certain stage of the game that farm properties, for example, maybe even businesses, that the titles be stamped "Flood Prone" and this led on to quite a conversation at that time.

I am just wondering in terms of economic development for these small communities that have a difficult time attracting industry to begin with and with the flood prone situation that is evident from time to time in the valley makes it even harder. Still, these communities are very concerned about retaining, communities like Morris for example, Emerson, Dominion City, St. Adolphe, Ste. Agathe. I think they're all in the same position. I'd like to draw this to the Minister's attention. Is there any way that some kind of program

can be worked out, so that these people are at least in the fair competitive stage when trying to vie for some industry to establish there?

MRS. SMITH: Mr. Chairperson, this is an issue that is tied up with the federal and provincial programs relating to flooding. The Federal Government developed a policy whereby they did not want to make development grants to areas that they considered flood prone unless, Mr. Chairperson, there was an upgrading of the dikes so that there could be demonstrated to be adequate protection for those areas. The current controversy about the dykes and the cost-sharing is related to the upgrading of the dykes so that the flood prone definition would not apply to those very communities.

In the last six weeks, the province has reviewed the initial program that it had assented to and revised their situation. There used to be a 50-50 splitting of costs in diking in that area, as I'm sure the member well knows. The Federal Government backed off on their portion to 45 percent. The province did likewise and shifted 10 percent to the municipal. When some of the impacts of that change were brought to the Provincial Government's attention, the Provincial Government saw fit, Mr. Chairperson, to restore their share of the cost to the 50 percent which had been the traditional pattern.

The Ministry of Natural Resources is currently making representation to the Federal Government to try to persuade them to raise their portion to 50 percent, and I would submit that the efforts of the members opposite would be well placed to use what influence they have with the Federal Government to get them to bring up their share of the financing to where the province now is.

MR. DRIEDGER: Mr. Chairman, to the Minister then, are the incentives at the present time the same for the towns in the Red River Valley in terms of attracting industry as the rest of the province or is there restriction on it between the federal-provincial agreement?

MRS. SMITH: Under the current Federal-Provincial Enterprise Manitoba Agreement, what we call the RSEI programs, the Rural Small Enterprise Initiative programs, do require that there is freedom from natural disasters which are predictable and flooding does come under that. However, should the upgrading of the dikes be accomplished, those areas are not permanently labelled flood prone just because they happen to be on the flood plain.

MR. DRIEDGER: Is the Minister then prepared to take a position with the Federal Government as well as the Provincial Government through her department to make these communities on an equal basis with the rest of the province in terms of competing for industries to establish there or are we just going to ad hoc leave them lay?

MRS. SMITH: Mr. Chairperson, I think the process that I outlined before that my colleague, the position he is taking with the Federal Government and the representations he is making to them are collegial positions, which I share, and he is acting on behalf of

our government. I have written to him, giving my understanding of the special problems of the Red River Valley. I understand that they feel there are factors in the Red River Valley which are specific. When they have a flood, it tends to effect their economic situation for upwards of two months whereas flooding in other parts of the province tend to be two or three day affairs, that they are on a major waterway where they have not a lot of control over the water coming across the border from the south or some backing up of water from the Winnipeg dyking system. I suppose, the only area of action that's within their control is in the whole question of water management and not denuding all the uplands, in many cases, Crown lands of trees so that the runoff is very rapid, going along with reservoirs and so on, so that water is managed in a comprehensive way and to the extent that there is any option for those communities that their flood situation isn't aggravated by poor water management on the Canadian side.

But, I have made the representations to my colleague about the special problems of that area and he's taken those into account and I think they were influential in his making the proposal and the rest of us agreeing to it, of the shift upwards from 45 to 50 percent coverage of the cost of further dyking. I am just a little unclear. I think that the province has also assumed the cost of maintenance of those dikes, which is another a portion of it. Is that right? But we recognize that, for those communities, if they were not to be eligible for housing grants or in economic industrial development grants that it would be a very profound blow to their futures and I am doing all I can to make those particular vulnerabilities known and to promote the most constructive action possible so that they have a secure future. I think our department has shown its confidence in the area by, in fact, giving some of our grants, not the RSEI Grants, but some of the other grants to that area.

MR. DRIEDGER: Mr. Chairman, I would just like to express the concern that some of these communities are put in because here they're faced with, unless they proceed with the upgrading and if no agreement is reached for the Federal Government in terms of accepting the extra 5 percent, with either accepting the 5 percent or else they cannot be in a position where they can entice any people into this. It's sort of a double-whammy situation for them and makes it extremely difficult and much concern is being expressed by the municipal people along those lines and I don't know whether they have made representation to this Minister on this case or not, but most certainly we're getting them boxed into a very uncomfortable position, especially in terms of tax dollars if they have to levy the 5 percent, plus the fact that they cannot go to any industry even if they search out industries that would establish there. They don't qualify for the Federal-Provincial Incentive Program if I'm correct.

MRS. SMITH: Mr. Chairperson, I think I have assured the honourable members that the provincial level is doing what it can. The Federal Government has some responsibilities here, too. I submit that your energies would be well spent at trying to sensitize our federal

representatives and the Federal Government to those same questions. We are doing what we can from our position of influence. I guess none of us likes the idea of having to deal with federal cutbacks, but they're a reality of life for the Provincial Government and I guess the municipalities will have to deal with that as well.

Now, there has been an enriched component of equalization in the distribution of municipal monies this year. If the extra tax load on those communities because of dyke activity puts them at a greater disadvantage, I think they can look to some kind of equalization in subsequent years. The province can do some things to equal out the obligations and to overcome particularly difficult circumstances, but we're not in a position to do everything.

I might add that I think the formula we're using is more favourable to the municipalities than what the members opposite were prepared to do, as far as I understand it. I may be looking at the overall dyking charges rather than the specific circumstances of the Red River Valley. I ask the members opposite to recognize that I am not the Minister of Natural Resources. I've taken a particular interest in that issue because I have visited those communities and I have listened carefully and tried very hard to understand their situation. I am prepared to keep discussing the issue, if the members wish, but I really don't pretend to be as much on top of the detail. I can assure you though that I have made active representation to my colleagues on this issue and I will continue to do so in relation to the Federal Government within my area of influence.

MR. CHAIRMAN: The Member for Morris.

MR. MANNES: Mr. Chairman, first of all, I think on behalf of some of the officials down there, we should give some thanks to the government and those Ministers responsible for changing somewhat that formula. The Minister made some comment about equalization, that maybe in future years that there are other ways of equalizing the economic development prospect. I am wondering exactly what she meant by that?

MRS. SMITH: Once again, Mr. Chairperson, this is in the direct responsibility area of the Minister of Municipal Affairs, but I recall when the question of provincial contribution to municipal expenses was reviewed this year that there was some attempt to assist the poorer communities at the expense, I guess, of the richer communities, in other words, accomplish some progressive equalization. That's what I was referring to.

I do have some more information with regard to these RSEI grants. There is a firm in St. Adolphe which did receive assistance for equipment, but not for building costs. Building costs could have been supported under the program if the elevation levels of the building were met, as established by the Water Resources Board; in other words, if there were high enough foundations. I would like to examine the issue more, but it seems to me that this designation of flood plain has been, how should I say, misinterpreted to the people whether intentionally or unintentionally. The whole point of the shared-cost program between

the Federal and Provincial Governments to upgrade the dykes was to overcome the designation of the flood-prone area and somehow that concept has been activated recently, rather belatedly I would say. The time that there should have been a big fuss about that was when those programs were being revised and when the Federal Government cut back its level of support. I think we're into the stage of trying to overcome the problem in the quickest and most fiscally responsible way that we can.

MR. MANNES: I would just like to place on the record, Mr. Chairman, that, in fact, the former government was probably was also at that same stage. In fact, they had not, as a group, sat around and made any determination whatsoever regarding that funding proportion as far as the building of the valley dykes. I think I'll leave my comments there.

MR. CHAIRMAN: The Member for Emerson.

MR. DRIEDGER: Thank you, Mr. Chairman. I have one other item that I would like to just bring up to some degree. I am wondering if the Minister is aware of the solar energy company that is assembling panels in the province at the present time and is trying to get the same kind of activity? It's an American company that is set up; I believe the name was LPN. I wonder if the Minister could maybe help me out if she's aware of it?

MRS. SMITH: Yes, I am aware. I think it has been in the Steinbach area.

MR. DRIEDGER: I am just wondering whether I have the name of LPN, whether I have the right name on that?

MRS. SMITH: Mr. Chairperson, my memory is LVC is the name.

MR. DRIEDGER: I am just wondering if the Minister could possibly indicate what her department's position is in terms of this company that is setting up. I believe a study was done on solar energy. The Corporation initially when they came here and got activity going felt quite comfortable coming into the province aside from the economic hardships that everybody seems to be encountering to some degree. It seems to be a negative position developing from the department or from government in terms of solar energy, especially in view of the report that was brought down — I think the report was done by UNIES — and I'm wondering if the Minister has a copy of that report and what her position is, in terms of the industry that has been set up.

MRS. SMITH: Mr. Chairperson, I'm having to go by memory and I would like to check it out, but my memory is that a difference of opinion developed in the department over the marketing methods of this company and further investigation is going into the proposal. I think there was some fear that a pyramid style of marketing, which we are skeptical of, was going to be introduced and there was some suggestion that we hadn't understood it carefully. So, when

such a difference of opinion arises internally, we go back and review the situation to make sure that whatever decision we make is based on an accurate understanding.

MR. DRIEDGER: My understanding, Mrs. Minister, is that to date this corporation or company has not received any funding from either Provincial or Federal Government. Is the Minister, by saying that there has been a revision or a change in position at this time, they will possibly be considering some funding for this corporation?

MRS. SMITH: Mr. Chairperson, in our dealings with any company it's an open case until a final determination is made. In this case, there was a rejection, but an appeal process exists. That's being followed, so the case is really still open and if the honourable member has any information or further questions, I know that members of my department would be more than happy to provide the information. If he has specific questions, other than whether or not the case is active or closed, I would be more than happy to get it for him.

MR. DRIEDGER: I have a further question to the Minister and that is regarding that report that came down on solar energy, the one that I referred to before, I believe it is the Minister of Energy that actually has his name on the study itself. I don't know whether it's fair to maybe he put the Minister on the spot, but I'm just wondering, there seems to be some difference of opinion especially with this company who is quite successful across in the Stateside and they are having a bit of a different attitude with this report that's coming out. Is the Minister aware of this report and is it her intention to be supportive of that position?

MRS. SMITH: Mr. Chairperson, the Minister of Energy and Mines and myself work closely together. There are quite a few federal-provincial agreements and, therefore, ways in which projects can be funded and sometimes we will have one of our technical people assisting with a study that happens to come out of a fund from their agreement. We are interested in alternate energy as a priority area in our department, but there are also people in the Ministry of Energy and Mines that consider it. Now, as I understand from the technical side, this proposal looked very good and you see, there's many stages in developing an industry. There's the technical end of it and then there's the transforming that into a situation where you can finance and produce and market a product. It is at the marketing end of the proposal that this case is bogged down, but as I say, it's still open and being looked at: So I think the study of the technical side of it came out very positive.

MR. DRIEDGER: Mr. Chairman, to the Minister, I understand that the company is prepared to or is attempting at this time to possibly set up a meeting with the Minister of Energy to discuss the impact of the report that came out. I am just wondering if the Minister would possibly, if given the opportunity, attend when that meeting takes place. There seems to be some, as indicated before, difference of opinion in terms of what the report is stating.

The company itself feel that they have possibly as much information regarding solar energy than possibly our departmental people have, that the report indicates because the report to my understanding is — and I might be wrong on that — but it's basically just compiling all the information that was available at the present time. I don't know whether there was any in-depth research done with the company that did this study. At least, this is the position that this corporation or company is taking at the present time and they're hoping to meet with the Minister to discuss that aspect of it and if this Minister could make herself available, if possible, I think it might be enlightening for everybody.

MRS. SMITH: Mr. Chairperson, I would be more than happy to do that. The whole field of alternate energy is an area that I have a great deal of interest in and I appreciate that one of the things that's happening now is, because of our energy shortages and problems, a great many innovative people have got to work in developing alternate systems and that's well and good. We want to promote that kind of innovation.

However, the technical analysis is, as I was saying earlier, one side of it. Moving it into the production and marketing produces other problems and I will certainly endeavour to see at which level of the development of this project the problems are and, as I think you can appreciate, when you identify a problem, that doesn't really close the door either with a person. What you do is give feedback and say, either we as a government group of technical people need to know more about it, maybe we don't understand what you're presenting, or conversely, we have identified something that you have to go back and do a little more work on. There's an ongoing dialogue but our role is to try to facilitate and encourage, not to put road blocks in the way.

So I would encourage the honourable member. I will certainly undertake to either be present myself or have a representative there when that meeting occurs and I would encourage him to approach me at any time for further information.

MR. CHAIRMAN: 2.(c)(1)—the Member for Sturgeon Creek.

MR. JOHNSTON: Mr. Chairman, I would like to pursue the one question on the program, the Interest Rate Assistance Program. The Minister mentioned that the program was structured on the basis of grant and loan and on the reason for the grant and loan part of it was that the economy would start to have an upturn.

All the projections for the economy to have an upturn, back last fall and in the first part of the year, was to happen in the second quarter of 1982 or the third quarter of 1982. The projections that are coming out from the Conference Board and many forecasters at the present time is that the economy is going to remain the same for 1982 and the projects for it to increase in 1983 are not that good either. That being the circumstance with the new forecast that has come out, is the Minister now considering that the qualifications for the program should be looked at immediately from the point of view of changing it? Because

as I had mentioned previously, the fact that a person is in financial trouble and by going into this program will only accumulate more debt is not a desirable one.

MRS. SMITH: Well, Mr. Chairperson, I think we'll look at it when the baby's five months old, not two months. I really don't think we're going to get very useful information at the early stage.

In terms of the overall economy, I think the point we've been trying to make here in Manitoba and at the Federal level, is that the economists make predictions assuming that most things stay unchanged but the whole philosophy that we have is that the economy is not a completely independent creature. It is influenced by political decisions and right now, the key political decisions that from our perspective need to be made, that could make some difference, are decisions that need to be made in Ottawa.

Now, of course we're reviewing the situation and looking at the recent projections and all the rest. We're also working on the political level to try to influence what the Conference Board is projecting. We are not, as a people, impotent to influence our economy, but we have to believe that we can influence and then we have to organize so that we have the political capacity to do so.

Now, our capacity here at the provincial level is just so big and you can be sure that all of us are working almost day and night to discover, refine and use whatever instruments are available to us. I recognize that probably the unarticulated question of the honourable member was that maybe we're going to let some of the larger business people go down the drain because we've pitched our program too low.

I submit that another possibility would have been if we had raised it higher, raised the parameters higher, and had a take-out so that the whole program got swallowed up in the first six months, because let's face it, most of the businesses cluster around the middle size and we would have been irresponsible to design a program that went way beyond our capacity to support.

If conditions continue to get worse, we are going to be looking beyond the emergency level of activity to see if there's something more basic and structural that we can do to alter the situation and I give my commitment to the honourable member. I'd welcome his ideas as to how that could be done and if he has any alternate projections, if he thinks he can design better criteria and can come up with the projections as to the cost and the implications on the budget and whatever, I would be more than happy to receive that input. But for the moment we've gone on the best figures, the best projections, the best analysis that we have been able to command.

MR. JOHNSTON: Mr. Chairman, the Minister keeps referring to the baby and the teeth and let's not throw the bathwater out, etc. It isn't a case of projecting what might happen; it's a case of fact of what is happening at the present time. The forecasts that I spoke of are there and it doesn't appear as if its going to be getting that much better this year. As a matter of fact, it's starting to become worse. The bankruptcies in the first four months of 1981 were 47 in business in Manitoba and in 1982, it's 111, that's 136 percent increase

in business bankruptcies in the first four months of 1982.

Now the government has stated that the program they are bringing in is to try and curb this situation and to help those that are in most dire need and the Ministers also added that they would take a look at the balance of the program, but the fact is the number of businesses out there is known, the number of bankruptcies that are happening are known and either the program has to be expanded so that it becomes of some use and, I might add, to handle the promises made by the government or — well, I'm not going to suggest a new program — I would suggest that the money that is being used in this program, if it is not going to do the job, then there is no sense developing a program that will not do the job. You are better to put your money elsewhere.

I would suggest the money should go into the mortgage program to put more dollars in people's pockets so that they will have more disposable income and I don't know of a better way to help business than to have people with money in their pockets to spend to help support those businesses. I can't see where this program, as it presently stands, is going to do anything to help really curb the situation that is out there. I think the money could be better spent being put into people's pockets.

MR. DEPUTY CHAIRMAN: Madam Minister.

MRS. SMITH: Mr. Chairperson, I am wondering if the member opposite has been a convert to our approach to raising minimum wage to put more money in people's pockets so that they could make expenditures and stimulate the economy. I am also somewhat confused as to whether the member is calling for a bigger program so that more small businesses can be included or no program at all. We never claimed that this was going to alter the underlying structural problems in the economy. We said, it was emergency help; it's been designed as emergency help to give us time to get in place something more basic if it is within provincial capacity. The member is entitled to prefer another type of program or none at all. That is his privilege, but for the time being, we are the people who have the right and the responsibility to design the programs we think will best meet the current needs and that is what we are doing.

MR. JOHNSTON: Mr. Chairman, the inference that I am in favour of the increase in the minimum wage to put money in people's pockets, I think, can be reversed from what the Minister says, her statement in the House on the question that the increase in the minimum wage would put money in people's pockets so that they would have more disposable income.

So, that being the case, if this program as it is at the present time and it is obviously not going to do much to help, if the Province of Saskatchewan could only find enough applications for about \$220,000 worth of assistance and this province may get it up to 1 million or 1.5 million on those that qualify because the qualifications are such that you won't be able to spend all that much money, I would suggest that as the Minister believes, the same as she believes about the minimum wage, that the monies that are allotted to this program

would be better off in the mortgage program to put disposable income into people's pockets. There are people out there that are not spending because they have got their mortgages doubled and that's hurting business probably more than anything at the present time.

MRS. SMITH: Mr. Chairperson, I guess at some point or other we have to discuss whose pockets we are putting money into. We have designed our programs for the homeowner, the small business person and the farmer to put money into the pockets of the people who are most vulnerable, least able to survive the current situation. People with slightly larger mortgages, bigger farms and bigger businesses have a little more flexibility in their operations for the most part than the small person. Our program was designed specifically to give some temporary protection to that group of people.

The member is concerned about comparing our experience to Saskatchewan. We in fact have many more small businesses; we have twice as many small businesses in Manitoba. Eighty percent of the small businesses we have do come within the size criteria of the program and therefore we have confidence on the basis of the data that we have been able to collect that the program has been responsibly designed. We did not allocate \$100 million to the program, nor did we allocate \$1 million. We allocated in the neighbourhood of 23, 24, 25 million and we have designed the program to fit into that.

MR. DEPUTY CHAIRMAN: 1.(c) — the Member for Sturgeon Creek.

MR. JOHNSTON: The program design to assist the small business and the Minister is saying that we have to keep monitoring and have to keep looking at it. There has been 839 requests and 99 applications; of the 14 applications that were reviewed and recommended, half of those did not qualify or were turned down. So, with the figures that we have in front of us at the present time, you can almost assume that out of the 99, there is going to be 50 turned down because half of them were turned down or maybe there will be only 40 turned down. The number of applications that are coming in and with the turndown that appears to be taking place because of the qualifications at the present time is not good. We will be looking at this, I assure you. The Minister will be looking at it and so will we, but I can assure you that the program criteria at the present time is not such to really do that much benefit to curb interest rate problems for small business in this province.

I might say, Madam Minister or Mr. Chairman, to the Minister that the promises that were made — and we have dwelled on that enough — and the fact is that the people out there are expecting something. I have had a phone call already on this program and he's not getting any answer. One man said to me and I can give you the name. It was from Mr. Graham's constituency, but he said, if I don't know something pretty soon, within the next three or four days, I am going to have to pack it up. There is an expectancy out there at the present time and obviously the program as it stands is not going to do it.

If it appears that you are not going to use all your money for this program at the present time and it appears as if you can't, maybe you should be looking at the criteria to raise it at the present time or change it so that more people can take a benefit from it.

MRS. SMITH: Mr. Chairperson, I can sympathize with the unease of the member, but from no program to some program that isn't fully mature is the difference and we have some program. It is in its very early stages of development, not of development of the criteria, but of implementation. It would be most premature on the basis — I don't know what the member opposite understands about statistical samples, but we don't have a large enough sample yet to make sense. It would be irresponsible to alter a program which is based on a statistical analysis at this stage. We don't have a sample that gives us reliable information. What we have is an early bird sample which may not turn out to be typical on the long pull. If it is, we will alter the criteria accordingly, but it just is premature to do it at this point.

MR. JOHNSTON: I just have one more question on this. The question I would ask then, that the Minister is insisting that it's premature and the Minister is not taking into the whole situation the fact that the program obviously as it's starting out is appearing as if it's not going to be of much help. The statistics and forecasts that we're getting from the forecasters in this country are such that the economic situation is not going to increase in Canada, during this year. So, we have two bases of statistics at the present time that says that the criteria of the program should possibly be changed, or should be changed or at least start preparing for it to be changed, or looking at it more closely than you are, because the program is not doing what it's supposed to do.

If the program spent the whole \$6 million quite frankly, Mr. Chairman, into the small business under this criteria that it's laid on right now, it's not going to do very much to change the economy of the Province of Manitoba. Therefore, you're going to have a program anyway that is not going to be effective and not going to be used to the extent it's going to be used, so basically you should have your money elsewhere. That's up to the government. Or, the government has to make a decision to change the qualifications of the program now or start looking at it now, because of the statistics that we have in front of us.

MRS. SMITH: Mr. Chairperson, I can see how the honourable member found it very difficult to develop and launch a program because he has got himself so frightened that the thing isn't going to work out that he's afraid to start it and because it won't do everything, the fact it might do something is somehow a good enough reason to not do anything at all or to discredit it. We believe in building programs, planning them. We've identified a need; we know it's an emergency-type program while we have time to address the structural problems that are within a provincial government's capacity to deal with. Not all the economic structural problems are within our capacity, but we are going to be working on those more basic problems.

The emergency program gives some breathing time to the smallest, most vulnerable groups; that's all it was intended to do. The criteria are based on the best data from all those hard-working, loyal civil servants that supported you when you were in office that we have called on and we have applied the best analysis we can come up with. We have asked the banks and the financial institutions for the best data that they have. On the basis of that, we have developed a responsible program which is a best-guess design. The design will evolve as experience is accumulated, but it would be crazy, it would be irresponsible to take the first small sample and precipitately alter a carefully developed plan. If we are going to be able to ease the criteria and include a wider group of people after we get initial experience, we will be delighted, but it would be irresponsible to do that now and leave ourselves vulnerable for more resources than we've got. We've made a careful analysis and design of this program and we'll stand by it; we will review it; no program is perfect.

MR. JOHNSTON: Mr. Chairman, the Minister said last night that probably the largest benefit or the best benefit of this program is that they will get knowledge of people who are looking for assistance and that they will be able to go out and contact those people, those companies, and find that if they just have management assistance or advice on how to operate their business during the present times, the economic times, that could prove to be the most beneficial part of the program.

The Minister has got within her department the small business group that's in this department. She mentioned another group that would be starting up, I guess, within this department to assist because of the economic times. They now have the applications that have come in on this program or the enquiries of this program of people to call on. There is going to be a tremendous amount of people to call on to begin with and the Minister is quite right when she says that the previous government was not going into a program of monies that would not solve the problem in this respect.

The best thing to be doing is to give advice to these people. Most of it is lack of knowledge about management because of the economic conditions and therefore, the decision of the previous government was to put the money into a mortgage program that would put more money in people's pockets and give management advice to the small businesses that need it because in many cases, you are not going to be able to assist under this program. It's basically management problems because the businesses are so small. Why go into a program that is not going to solve the problem? The businesses of \$365,000 or over are the employers in this province, the biggest employers of the small business setup. I can assure you that the reason for not moving into it is because disposable income to people as the government agrees with the increase in minimum wage, is the best way to go.

Mr. Speaker, I think the Minister has to start thinking very seriously about this program at the present time from the point of view of getting the best value for the dollar.

MRS. SMITH: Mr. Chairperson, one point that the honourable member and his comparison of our program with Saskatchewan seems to have missed, is that the maximum grant under their program is \$500 per applicant. The maximum grant under ours is \$6,000, which is a considerably bigger boost to the person in difficulty. The advantage of the managerial consulting is not just to advise, but to help build in the managerial skills which enable the entrepreneur to stand on his own feet or her own feet, which I'm sure the honourable member opposite will agree is a desirable goal and which we agree is a desirable goal.

With regard to mortgage money being a better way to spend the public dollar, some mortgage monies can find their way into the pockets of the most needy and then get spent on the basic necessities. But other ways of giving assistance with mortgage money have a rather discouraging way of finding its way into the pockets of the banks or the developers. People who don't have enough money to get a mortgage in the first place don't get any benefit from it. Now we've attempted to deal with the householder's problem with our interest rate relief which is capped; it's for mortgage amounts up to a certain amount so that it's the person of modest or low income who will have the most benefit from it - just a minute now, I've lost the other point I was going to make - that combined with the Rent Control Program we've protected, we're moving to protect the people of middle and lower income who are really finding the current economic difficulties eating into the necessities that they can purchase. Not into just the extra things which some of the rest of us might have to give up. I don't think we've ever claimed that these emergency-type programs were going to get at the basic problems but they help to maintain the morale and the financial integrity of the most vulnerable members of our society while we put in place some of the stronger, longer-term programs.

MR. DEPUTY CHAIRMAN: Order please, order please. The recorder is having trouble picking up the conversation because of the side conversations so could you keep your side conversations to a minimum?

MR. JOHNSTON: Well, Mr. Chairman, I just have one more thing to ask the Minister. If she does not agree that the program in Manitoba is \$3,000, not \$6,000; the other \$3,000 is more debt, more debt for the person who qualifies. The Saskatchewan program is up to \$500,000, it's a lesser amount of money but they go up to \$500,000 and they can take in a few more people.

MRS. SMITH: Mr. Chairperson, obviously when we designed the program, we looked at all the options and we did look at the Saskatchewan one. We had a choice of whether to go for the higher ceiling and the smaller amount or to go with what we have recommended, the lower ceiling on size and the larger amount. It's a split amount. We're putting in enough money to cover the program to assume that we aren't going to get 100-percent repayment. Again, I don't think it's fair to say that we're loading someone with debt if we're, in fact, giving them a grant that may enable them to weather the immediate storm, and they're not going to have to pay interest for 24

months; they're not going to have to provide any security; so that they are getting a better deal than they would get if they went to one of the existing financial institutions. It's a balanced type of assistance.

Again, the program is designed to give emergency help while we work out some of the longer-term solutions, but I submit once again, that the main improvements could come from a change in federal policy and we'll be using a lot of effort to see if we can influence change at that level.

MR. DEPUTY CHAIRMAN: 2. The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, we'll see whether anyone actually qualifies under this so-called emergency program. Mr. Chairman, the Minister has talked about the importance of arranging for people to have more disposable income. Is she prepared, Mr. Chairman, in view of the effects of an increase in the sales tax of two or three points, the effect that would have on retail sales, the loss of disposable income by the residents of this province, is she prepared to recommend to the Minister of Finance that, in fact, the sales tax not only not be increased, but be reduced in order to spur on the economy?

MRS. SMITH: Mr. Chairperson, the members opposite have been playing around with what they think is going to be in our Budget for weeks and weeks now. Our commitment on the side of raising money is that we raise it in the fairest possible way and that we distribute it in the fairest possible way. We'll be looking for a combination, if you can understand, that taxes are not only to be looked at one tax by itself, but the total package of taxes and then the impact on the different groups and members of the community. Now that's the kind of package that we will be designing, and I urge the member to be patient until the Budget is brought down, and expect that what we will be proposing is a balanced package, a progressive package.

I just wanted to update, I told you that this Interest Rate Relief Program was evolving day to day. We've now got some confirmation that of the recommendations that have been completed for the Board next week, 14 of them are being recommended for approval and 7 rejected; now that's a 66-percent acceptance at the current stage. Now, I can't say whether the board is going to support that. As I told you, the program is in its early stages of evolution but those data don't suggest a disaster area.

MR. DEPUTY CHAIRMAN: The hour being 4:30, I'm interrupting the proceedings for Private Members' Hour. The Committee will reconvene at 8:00 p.m. tonight

SUPPLY — HEALTH

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): Continuing with the Estimates of Health, Item No. 4. Mental Health Services, Item No. 4.(a) (3) Professional Training.

The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Chairman. When Committee discussions were interrupted yesterday for Private Members' Hour, I had just been exploring a question with the Minister of the projected first year enrollments in the psychiatric nursing schools and psych-nurse training courses at Brandon and Selkirk for September of the coming year, September 1982. The figures that he had given me, which are encouraging looking figures, are 40 for Brandon and 90 for Selkirk and —(Interjection)—

MR. DESJARDINS: No, no, 50 for Selkirk; 90 altogether.

MR. SHERMAN: Oh, it's 50 for Selkirk. Well that takes care of the problem, Mr. Chairman, it's 50 for Selkirk. Thank you.

MR. CHAIRMAN: (a)—pass; 4. (b) Forensic Services; 4.(b)(1) Salaries—the Honourable Member for Fort Garry.

MR. SHERMAN: Under Forensic, Mr. Chairman, there is one additional SMY requested and a difference in the salary appropriation, which may well account for that of some \$27,000.00. I wonder if the Minister could describe the salary difference, what it accounts for and the additional SMY, who he or she is? What particular function will they perform?

MR. DESJARDINS: Yes, Mr. Chairman, that's right. We went from 9 to 10 SMY's.

The additional staff is a social worker position this year. The incumbent has been employed on a term basis for the past year and her assistance to in-patients and to out-patients has been a great advantage to the Forensic Service and the added fund is to take care of that salary and also the normal increment of the whole 10 staff man years.

MR. SHERMAN: Mr. Chairman, the Minister described earlier the breakdown of the establishment insofar as those positions at the Winnipeg Psychiatric Institute and the Eden Mental Health Centre are concerned, where there are such positions that exist for payment purposes in this department and under this appropriation. Would he just review that at this juncture?

There were at one time I think, two former employees of the Winnipeg Psychiatric Institute who were seconded to the Health Sciences Centre and paid from this appropriation and there were two staff positions at the Eden Mental Health Centre that were paid from this appropriation. Has that situation remained the same?

MR. DESJARDINS: Mr. Chairman, if the Honourable Member for Fort Garry will keep in mind, this has certainly nothing to do with Forensic. We're back to Administration. We have passed 4. We could, as I said, certainly be flexible, but at least we should talk about this on the Community Psychiatric Service or under Institution, where we'll cover Eden, but this has nothing to do with Forensic.

MR. SHERMAN: Well, Mr. Chairman, I don't mind dealing with them under a different appropriation, but

according to my records the SMY's that I've just mentioned were paid from the Forensic Services Appropriation, however that may now have changed and they may be paid under a different appropriation. If so, certainly we can discuss them at that time. But I wonder if the Minister could just clarify that point for me.

The Salaries Item under Forensic Services has heretofore included the SMYs that I've just mentioned.

MR. DESJARDINS: There is a slight misunderstanding, Mr. Chairman. I think that it was the appropriation that we just finished a while ago in the Administration. Also paid from the appropriation one staff member formerly with the Winnipeg Psychiatric Institute but now seconded to the Health Sciences Centre; and two staff located at the Eden Mental Health, but that's under Administration that we just passed — nothing to do with Forensic — but you're right, it wasn't charged to Eden, it was charged under here.

MR. SHERMAN: The Member for Fort Garry.

MR. DESJARDINS: Oh, excuse me, I have a note.

MR. CHAIRMAN: The Honourable Minister.

MR. DESJARDINS: I think I can correct that. I understand now why the Member for Fort Garry asked that. The later three previously, the three that I mentioned last year I guess, appeared in the appropriation for Forensic Services, that's true. That's correct.

MR. SHERMAN: Mr. Chairman, thank you. I understand that distribution and organization now except for one of the two former employees of the Winnipeg Psychiatric Institute, one of them has been accounted for in the comments of the Minister, but there were two who had been seconded to the Health Sciences Centre and paid for under the Forensic Services appropriation. I understand that procedure now has been moved up under Administration, but he has only referred to one such staff man year — two at Eden — but one relative to the old Winnipeg Psychiatric Institute, so one is still unaccounted for.

MR. DESJARDINS: I think this is a little difficult for me because it was under the old format and I'm not too familiar with that. I think this might satisfy the honourable member.

The arrangement made previously was when one of our staff left, he would be replaced by a staff from the Health Sciences Centre and I am saying, the information that I have, this is what happened for one. That will account for that one staff man year mentioned.

MR. CHAIRMAN: 4.(b)(1)—pass—the Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, the Minister has referred to the additional staff man year in this branch, which will be a social worker, added presumably to Adult Forensic Services rather than Children's Forensic Services, is that correct or did he already designate the precise section of the service? If he did I missed it. It's a social worker worker added to Fore-

nsic Services, I understand that, but is that to Adult Forensic or Children's Forensic?

MR. DESJARDINS: Adult, but it's somebody that was there at least part of the time as a term person doing the same work, but it is with the Adult Forensic Services.

MR. SHERMAN: Mr. Chairman, do we still have the same complement of psychiatrists and psychologists in Forensic or has the mix changed in any way?

MR. DESJARDINS: I'm told that it is pretty well the same. Now, the director full time is a psychiatrist, there is a vacant position psychiatrist, there are four half days each week and they need correctional institution psychiatrist and a full-time ecologist and a full-time social worker and an administrative secretary. Those are the nine.

MR. SHERMAN: Mr. Chairman, could the Minister review for the committee the workload status for 1981 in Forensic, both with respect to outpatients and inpatients and the work at Headingley, just so I can have the comparative figures for '81 as against some previous years. As a second part of that question, am I correct in assuming that Children's Forensic also comes under this branch or does he want to discuss Children's Forensic under (c) Children's Psychiatric Services?

MR. DESJARDINS: This is complete Forensic Services, adult and children under this. The workload for the Adult Forensic Services: Forensic Outpatient - and I'll give you 1978-79-80-81 - the Forensic Outpatient 1978, 110; '79, 99; '80, 106; '81, 97. The Forensic Inpatients adult 93, 111, 75, 92. Headingley 129, 271, 300 and 312 and I hope they're all inpatients or we're in trouble. I guess I might as well give the Children's Forensic Service staff: the staff is a psychiatrist full time, psychologist and a secretary. In addition there are two psychiatrists paid by sessional fees, each work three half days each week. Would the Minister like me to share the information on workload for Children's Forensic now?

MR. SHERMAN: Yes, please.

MR. DESJARDINS: Referrals through courts and probation services: Psychiatric '78, 203; '79, 150; '80, 159; '81, 116. Psychological 55, 24, 83, 72. Psychiatric and psychological, maybe the member knows what that means, I don't know, but the two together I have an entry here of 20, 12, 11 and 7. —(Interjection)— I guess it would be a combination of both. Consultative Conferences 45, 27, 24, 17. The total of the services would be 323, 213, 277, and 212. I know there are referrals, the Manitoba Youth Centre, I only have the last two years 1980-81, 88 and 43.

MR. SHERMAN: 43?

MR. DESJARDINS: 43 in '81. Doncaster Centre for Youths 11 and 5; Agassiz Centre for Youth 13 and 8, and other 2 and 2 for a total of 114 in 1980 and 58 in 1981. Follow-up sessions: Manitoba Youth Centre 40

in '80, and 42 in '81; Doncaster Centre for Youths 11 and 12; Agassiz 10 and 17; to regular 26 and 34; other 34 and 3. The format for reporting other referrals and follow-up sessions at Children's Forensic Services was changed in 1980 and therefore figures for the same categories are not comparable for 1978 and '79.

MR. CHAIRMAN: 4.(b)(1)—pass. The Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. The figures just provided by the Minister which I appreciate are a little difficult to read from the point of view of attempting to identify any kind of trend, or change in trends, because there is no consistency to the changes that have taken place in some of the different categories. However, there are two questions that at least arise on the surface, the first is with respect to the workload in Adult Forensic. Although the total for outpatients is down in '81 over '80, the total for inpatients is up and certainly the figure at the Headingly Correctional Institution is up. I would ask the Minister what kinds of pressures are being experienced by the Forensic Services Branch and, although he hasn't come to his Capital Program yet, what plans he may have in mind for improving the capability of Forensic Services to handle the heavy caseload with which they're chronically confronted?

Well, maybe I'll let that go as the first question, Mr. Chairman, and ask the Minister if he would comment on feedback that he's had from his Forensic Services Personnel and the Director of the Branch with respect to volumes of responsibility, caseload and workload and what the trends appear to be and what plans he and the department may have for improving the capability of dealing with forensic cases? I know that one of the very necessary additions to our health facility network in Manitoba is a new forensic facility and certainly it was in need when the previous government was in office, when I was Minister, and I don't expect the new Minister to be able to put a new forensic facility in place overnight, but it was something that certainly was at least an immediate-term objective of ours, if not a short-term objective. It certainly wasn't in the long term; there was recognition that it was needed soon. I wonder if the Minister could just comment overall on the situation, the pressures, and the outlook for forensic.

MR. DESJARDINS: Mr. Chairman, I wish I had all these answers; I haven't at this time. I certainly am learning all over again, especially in this area. Then they identified that there are problems and we hope that much of that will be solved when we solve the psychiatric unit at the Health Sciences Centre and also when we have a director. I would hope, I don't know how closely related it is, but the psychiatric treatment unit for adolescent people that, at times some of them had been in trouble with the law, were sent outside of the province. We hope that will help in the treatment, but we are not satisfied with what is done. I think that we could and should do more and we are addressing ourselves to this problem at this time and I hope that I will have good news to report next year, but this is pretty well all the information that I have at this time. We've identified the problem, but

we haven't found the solution yet.

MR. SHERMAN: But the main forensic facility, Mr. Chairman, at least for adults, is located at the present time at the Selkirk Mental Health Centre. Is the Minister saying that the current plans point to relocation of that forensic facility from Selkirk to the campus of the Health Sciences Centre?

MR. DESJARDINS: Mr. Chairman, I think that the work is being done at the Health Sciences Centre and then I think there are 10 beds in Winnipeg and we feel it might be that we might come in and propose for the next year 40 beds at the psychiatric unit at the Health Sciences Centre, so that is why I am saying it's related. The beds in Selkirk are for people for long duration or a long-term patient and that doesn't seem to be the major problem at this time; it's more the facilities at the Health Sciences Centre where there are not enough beds for the shorter term in the initial stage.

MR. SHERMAN: But is the facility at the Selkirk Mental Health Centre, Mr. Chairman, the forensic unit, the locked ward, if one might describe it as such, at the Selkirk Mental Health Centre not overcrowded, not under considerable pressure? Is that not a priority with Dr. Kovacs and Dr. Bank here and the Minister?

MR. DESJARDINS: I am told, the information that I have, that there is no such a ward designated in Selkirk for that. There are some patients, but no ward designated, so one of us is confused or we are both confused. The information that I have is that most of that would be at the Health Sciences Centre and we are looking at the possibility of 40 beds instead of 10. I know that Dr. Prosen and the committee that I talked about earlier is looking at that problem. That's why I said, when that was said, that we hoped we would solve the problem or at least improve the situation. But at Selkirk there is no designated ward I am told, there are some beds but there is no designated ward and that doesn't seem to be the major problem at this time.

MR. SHERMAN: I take it then, Mr. Chairman, that what the department is looking at basically is a network or a support system of extended care facilities for forensic patients, for patients that have been referred by the courts, or offenders that have been referred, mentally disturbed offenders that have been referred by the courts. Is that a fair summation that the department is focusing on the development and the establishment of extended care facilities for such referrals, rather than any enlargement or refinement or improvement of the facilities that exist in a closed context at Selkirk? Is that a fair summation of what the Minister is saying?

MR. DESJARDINS: Mr. Chairman, maybe the member and I should make a deal. Maybe I should give him this book and he should give me last year's book; it might make it easier for us. I've got a page and I suspect that's the one from his book. He operates the way I was when I was in Opposition. I kept that book and I reviewed it every year; that's all I had. I am quoting

from the book I imagine he has in front of him and I'll read this, "Within the Forensic Services, the lack of Extended Care Facilities for mentally disturbed offenders referred by the courts is a conspicuous weakness in the system at the present time. Offenders who require treatment in hospital for a period longer than four or five weeks must wait for a bed in Brandon or Selkirk Mental Health Centres, neither of which is adequately equipped to give the necessary care."

I think that's true if you rely upon these two hospitals, or two institutions, to do that, and also these centres, especially Brandon, are quite a way from the City of Winnipeg. Even in this book they are talking about what is needed is a 40-bed treatment centre in the city that can provide care for a period of up to six months. When this was printed, I think it was felt that the planning hadn't been that advanced and I think it's a little more advanced now. I think we are pretty well identifying and we should, by this time next year, I think we will have to have some recommendation, especially if we could improve the situation at the Health Sciences Centre, it might be that this will satisfy my honourable friend if we could have some more beds here. I'm not making a commitment, I have no authority to do it at this time, but we will certainly look at the whole problem, the points that he has brought in and the possibility, as he was himself looking at, of a 40-bed treatment centre here in the city. We will address that problem.

MR. SHERMAN: Mr. Chairman, could I ask the Minister then about the situation with respect to Headingley. There we are looking at an increase in workload of some 12 cases in 1981, as against 1980, a total figure of 312 as against 300. But the 1980 figure, as I was very much aware of at the time, was substantially higher than the 1979 figure and the 1979 figure was alarmingly higher than the 1978 figure. As the Minister recounted for committee a few moments ago, the figure for Headingley has gone from 129 in 1978 to 312 in 1981. What are the department's plans with respect to that problem of volumes and pressures? Does the department see the development of the 40 bed treatment centre proposed for the City of Winnipeg or the extended care facilities to which we've referred as the answer to that Headingley question, or is there consideration being given to an expansion of capability at Headingley?

MR. DESJARDINS: Mr. Chairman, I'm sure that I have the same feeling looking at the workload change that the previous Minister had in 1980, when there was a job — 12 over 300 is not quite as bad, but over a period of years and it seems to be increasing there is no doubt — but at the moment I am told that Dr. Jose who is working part-time seems to be able to cope with the workload. There have been no complaints at this time; it seems that he's doing very well.

MR. SHERMAN: Mr. Chairman, if we could look at Children's Forensic for a moment, the referral figures are not alarming in relative terms, they're perhaps less alarming than they were three years ago, four years ago. In fact, they are less alarming than they were four years ago. The 1978 total was 323 as the Minister told us — that was for all the referrals through courts and

probation services relative to psychiatric, psychological, a combination of the two and consultative conferences — that figure for 1981 is 212 so there is an improvement reflected there, provided it is a real improvement.

I would ask the Minister whether he and his officials would be prepared to say that reflects a better grasp and a better control on the situation where children's forensic service requirements are concerned, or whether it reflects a problem that's so great that the capacity and capability to deal with it has simply been reduced because we don't have enough personnel and we don't have enough services in place to cope. Are we looking at an improved picture in children's forensic service requirements as this statistical note would indicate or is the problem so great that nobody is able to keep up with it anyway?

MR. DESJARDINS: Mr. Chairman, unfortunately, I can't come up with the reason for this at this time and I wonder if we would accept that we will take this as notice and under advisement and I'll report to Committee the first chance that I have.

MR. SHERMAN: Well, that's certainly acceptable, Mr. Chairman. At the same time, could the Minister look at the other referrals, to the Youth Centre, the Doncaster Centre and to the Agassiz Centre and others which total 58 in 1981 as against 1980. Now I know that there was a physical change made with respect to the Manitoba Youth Centre two years ago where we separated out those residents who were in there under The Child Welfare Act from those who were in there under The Juvenile Delinquents Act and that obviously perhaps has made some numerical difference in these statistics.

Could the Minister look into that question too and perhaps supply an explanation to the Committee as to why those referrals are down so substantially in 1981 over 1980? If the reasons are because of social improvement and professional improvement, then of course they are to be warmly welcomed, but that's my question. Do the statistics fairly reflect any change of that kind or are we simply treading water or less than treading water?

MR. DESJARDINS: Mr. Chairman, I think to make sure that I provide the right answer, we'll take that into consideration and report on that at the earliest possible opportunity.

MR. CHAIRMAN: Item 4.(b)(1)—pass—the Member for Niakwa.

MR. ABE KOVNATS (Niakwa): Thank you, Mr. Chairman.

To the Honourable Minister, under Mental Health Services, they all seem to go in together and I wanted to ask a question, I thought that maybe it came under Professional Training in the previous section and I'll let it go until we're ready to pass 77 and then bring up the question but you might require some staff to give me an answer. So may I ask a question? Thank you.

Under Professional Training, can the Honourable Minister tell me whether there is any psychiatric nurses being trained at the Portage Home at

this time?

MR. CHAIRMAN: The Honourable Minister.

MR. DESJARDINS: Yes, Mr. Chairman, but that is not our branch, this is Community Services. Mental Retardation comes under the Department of Community Services and Mental Illness comes under this department so the training at Selkirk and Brandon would be to train the personnel for our needs and the retardation. It's still psychiatric nurses but a different direction I guess and I am told that there are approximately 50 being trained at the present time. That's a two year course at Portage for mental retardation and the needs of that school for children.

MR. KOVNATS: Well, to the Honourable Minister then, the Portage Home does not come under this section at all?

MR. DESJARDINS: It doesn't come under this department.

MR. KOVNATS: That's fair enough then, thank you.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, just one final question on this. The new adolescent psychiatric facility that's being built adjacent to the Health Sciences Centre is presumably under way at least in terms of finalization —(Interjection)— all right, right. I'll hold that question, Mr. Chairman.

MR. CHAIRMAN: 4.(b)(1)—pass; 4.(b)(2) Other Expenditures—pass; (b)—pass. Continuing with Item No. 4.(c), Children's Psychiatric Services, 4.(c)(1), Salaries.

The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I note that under this section of the Estimates there is no request for any increase in SMY's. Also that at least for the most recent date available, we're still looking at three vacancies in Childrens Psychiatric Services. Can the Minister advise the Committee as to what categories those vacancies exist in, and whether as would appear from his request, it's the considered opinion of the department that 20-½ staff man years in Childrens Psychiatric Services is sufficient to meet the needs in this area?

MR. DESJARDINS: Mr. Chairman, there are three positions that aren't filled, there are medical officers and actually we're not satisfied even if these positions were filled. We'll have to improve that because it is our intention to cover the whole province. Right now we have difficulty around Brandon, part of it is covered, the Child Guidance Clinic at Brandon Centre. So we certainly will wish to improve that and we might have to come back and ask for more staff man years. The first priority and the first problem that we face is to make sure that we can recruit the type of people we want and right now we have vacancies.

MR. SHERMAN: Mr. Chairman, what is the explana-

tion for the difference in the salary appropriation being requested in '82-'83 as against '81-'82? It's a difference of some \$78,000. Is that explained by virtue of the fact that there are three vacancies which the department hopes to fill?

MR. DESJARDINS: Yes, Mr. Chairman.

MR. SHERMAN: Would the Minister explain to the Committee what the complement of the 20-½ staff man years in this division is, whether filled or vacant? What are the categories that make up those 20-½ positions?

MR. DESJARDINS: Nine medical officers, psychiatrists, half psychologists, have one staff man year, 10 community mental health workers for children, and one administrative secretary for a total of 20-½. There's no change on that from last year.

MR. SHERMAN: No change on that from last year. Thank you, Mr. Chairman. Well then we're at full complement as established up to this point in time anyway with respect to community mental health workers for children. Is that correct? We have the 10 in place.

MR. DESJARDINS: Position yes, but not bodies. In other words there are vacancies. We have the same staff man years, that's the full count but we have vacancies at this time that we're trying to fill.

MR. SHERMAN: I understand that, Mr. Chairman, but I thought the Minister said that the three vacant positions were medical officers which would be psychiatrists presumably. If that's the case then we've got six psychiatrists in this division right now, this branch right now instead of nine, but then that means we should have our full compliment of community mental health workers for children, 10, and I just wanted confirmation on that.

MR. DESJARDINS: Yes, as the Honourable Member for Fort Garry knows well that could change very fast, but the last information that I have this is exactly the case. There's three psychiatrists that we have to fill.

MR. SHERMAN: How are we doing, Mr. Chairman, on the hunt for psychiatrists, particularly children's, particularly specialists in child psychiatry? Or does the Minister want to discuss that under the commission rather than under this part of the Estimates?

MR. DESJARDINS: No, I think this would be the place to do it because we're addressing ourself to the problems in psychiatry and the psychiatrists needed in mental health. My information is that we still have a long way to go but that we're doing much better. Things are improving and once we've reorganized and so on and get this directorate or this branch going and get the director and so on, we hope to improve things even better. But I'm told that it's quite encouraging at this time.

MR. SHERMAN: Are there discussions that are being held with the medical school with respect to the specialty, whether it be adult or children's psychiatry?

We're certainly not the only province in Canada, Mr. Chairman, suffering from a shortage of psychiatrists. As a matter of fact even the Province of Alberta, and I say this not so much in defense of the present Minister and government, but in defense of the previous one, even the Province of Alberta is very short in relative terms of psychiatrists. Both the cities of Calgary and Edmonton are underserved by psychiatrists and many of the other relatively wealthy parts of the continent are in the same position. So it's not a problem that's indigenous to Manitoba by any means.

But it is a problem that is general and widespread throughout North America and I would suggest with all respect that it can't be solved by the blandishments of the Minister of Health alone whoever he or she may be. There's got to be some cohesive action taken involving the faculty of medicine at the university and the medical school itself, the section on psychiatry of the Manitoba Medical Association and relevant bodies of that kind.

I would seek assurance from the Minister that some of these efforts are being undertaken with the Manitoba Medical College, the Faculty of Medicine, to put more emphasis on psychiatry, if possible, to develop more zeal among young persons attending medical school for the field of psychiatry which has, for some reasons, found less favour among undergraduates in medical schools in recent years than some of the other specialties have. Are there efforts of this kind being undertaken?

MR. DESJARDINS: Mr. Chairman, let me reassure the member that nobody, least of all myself, would blame the former Minister for the lack of psychiatrists. I realize and I know that, not only in Manitoba and Alberta, but I'd venture to say, pretty well everywhere in North America, certainly in Canada the situation isn't that.

Now, we have been discussing the physician manpower and I think we could probably elaborate a little more on Dr. Wilt's Committee that now is being chaired by Dr. Johnson when we cover the Commission, when we were dealing with the Commission. But that is a place where that has been discussed with the University also and the Medical College.

Now I think that we're fortunate in having Dr. Sigmundson, who has a role to play with the department and also is, as my honourable friend knows, at the Medical College and apparently things are progressing quite well. So, you know, it's more than discussion. I think the people that are occupying both positions are trying to co-ordinate and trying to improve the situation as much as possible.

Again, I repeat, because I'm putting an awful lot of hope on this committee, I call it a committee, it's a very informal committee of Dr. Prosen, but this will figure in that also and we certainly feel that we have to talk to the University, also the Medical College and maybe try to work in the situation that we cover everything in medical, the teaching, the services to the department and the government and also practice to try to attract these people and that is being looked at, at this time.

MR. SHERMAN: Mr. Chairman, what's the status of the Adolescence Psychiatric Facility for Children, the 25-bed unit - I believe it's 25 beds - that is intended for

location on the old elementary school site adjacent to the Health Sciences Centre. Is that nearing a stage of being able to achieve final design approval and going to tender?

MR. DESJARDINS: Mr. Chairman, in a day or so, or next week, I'll probably announce our Capital Program and that'll be included. I can't wait to tell you, because I'm so pleased with that. The Minister knows that we've had discussions on that before. I think I've made the first commitment in this House about 1975 or '76. I had problems, the former Minister had problems; things have improved. I'm told that this is at the old Montcalm School. I am told that school is being knocked down and that as soon as we get the approval, I think the construction will start very, very soon. I don't think it'll be finished in this fiscal year, but by next year anyway; we're very encouraged and very satisfied.

MR. SHERMAN: Will there be any children's forensic capabilities there or not? As I understand it, it will be a facility for severely emotionally disturbed juveniles, but whether or not that will include referrals from the courts and thereby include juvenile offenders who are deemed to be in need of mental health treatment, is a question that I don't know the answer to at this juncture, Mr. Chairman.

MR. DESJARDINS: Well, Mr. Chairman, I think that by necessity it'll help the forensic service; it will provide some service. Forensic from my understanding, means that people through mental illness have been in trouble with the law and this, of course, is to treat people that are sick and it might be hard to find out exactly what it's done, but I guess it's a kind of prevention in a way. It's a bit like home care, if you compare it to personal care homes, it might give the treatment and day patient also and inpatient and I hope that it'll serve the purpose and it will certainly help.

I would imagine that there's a possibility also, of some of these youngsters that are commonly called bullies or try to imitate others and so on, might get some of that treatment in there, either as inpatient or outpatient. It might be that they will be assigned to the hospital, because in many cases, it is a sickness and that's what this hospital is all about.

So, no doubt - well I say no doubt - I'm not an expert on that but I think it has to follow from that, that if you've got a place where you can treat people, you can give the service and get the proper staff, that it would be very helpful. I think the member's absolutely right.

MR. SHERMAN: Has the Minister had any discussions with, or has Dr. Sigmundson or Mr. Edwards had any discussions with Dr. Sheila Cantor, with respect to the problem of schizophrenia, particularly in adolescents and with respect to the treatment spectrum in general for patients of this kind?

MR. DESJARDINS: Yes, Mr. Chairman, I've talked to Dr. Cantor.

MR. SHERMAN: Mr. Chairman, can the Minister bring the Committee up-to-date on where we stand with

respect to psychiatric services for children in Northern Manitoba and, in fact, with respect to psychiatric services in Northern Manitoba? It's always been an extreme difficulty to maintain the desirable level of psychiatrists and psychiatric services in the north. We have had such service provided on an itinerant basis to some considerable extent in the past. We've had psychiatrists in the north who have been known virtually as flying doctors or flying psychiatrists, in order to get around from community to community on a spot basis. But as is the case in this field of psychiatry, we've also suffered departures of certain personnel and certain specialists that have kept that service limited to a fairly low level of activity over the years, on a chronic basis. We've never really solved the problem of delivering psychiatric services to northern communities and particularly Children's Psychiatric Services. What is the present situation and the outlook in that area of health care, Mr. Chairman?

MR. DESJARDINS: We have a Community Mental Health Worker in every one of our regions. These people are trained in psychiatric service for the children and also, yes, we have these flying doctors, Dr. Sigmundson is one of them himself. Because it's difficult to get the staff he's had to take these trips himself. We have a doctor in Thompson who we're paying the cost to have him take some training in Selkirk and then he will serve part of the north and of course he will be paid by our department by that.

MR. SHERMAN: Mr. Chairman, where are the psychiatric nurses coming from for the adolescent psychiatric facility, is there a special category of psychiatric nurse for Children's Psychiatric Services that would be required in that adolescent psychiatric facility or will they come out of the mainstream of graduates from the courses at Brandon and Selkirk?

MR. DESJARDINS: Mr. Chairman, I believe that most of them are psychiatric nurses or social workers who are trained at the Children's Hospital with the . . . and then they are placed in the community; they're trained to provide this service. They have a background either mostly of social workers or psychiatric nurses or psychologists and then they're placed in communities.

MR. CHAIRMAN: The Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): I apologize for not being in here when you started on this particular area but this has always been an area of particular concern to myself. I'm sure that most of you remember Dr. Hal Penner who used to be in charge of this particular program of the Children's Psychiatric Services and he was a very good and close friend of mine. Of course, whenever he had an opportunity to, he would always draw the problems in this particular area to my attention. I wonder, could the Minister tell me who is in charge of this program at the present time, of the Children's Psychiatric Services?

MR. DESJARDINS: The gentleman sitting to my right in front of you, Dr. Keith Sigmundson.

MR. BROWN: Very good. I was pleased to hear the Minister saying that they were progressing with the Children's Psychiatric Hospital and I wonder if the Minister has some kind of a timetable which he could give us? When would you expect completion of that facility? Two years, three years from now, or is there no time set as such yet?

MR. DESJARDINS: Yes, there's a time set. The time set is as soon as possible. The things will start moving, I hope, in a couple of days when I can make the announcement of my Capital program. In fact, things have started, the Montcalm School, it's at the site of the Montcalm School, the Montcalm School is being knocked down, and I would think it would be a little too optimistic to believe that it'll be ready in this fiscal year, but early in the next fiscal year. So that would mean a little more than a year for now.

MR. BROWN: Because of the fact that we have no facility in which to look after, particularly, our chronic cases, can the Minister tell me if we are still sending our chronic cases to other provinces to be treated over there? If we are, then could he give me a number as to how many have been sent out?

MR. DESJARDINS: There is less than we had before. We haven't got the exact information because it's . . . with the child care under the Community Services. That's paid through that Budget but this facility that the honourable member mentioned, that's changed. We feel they might be around 10 and if I remember right, in the years that I was Minister years ago, I think we were talking about 30 or more. So, we hope that'll be reduced to nil; we'd like to take care of our own as much as possible.

MR. BROWN: I'm very pleased to hear these answers. It seems that you're waiting for a long period of time, that finally some of these facilities, which Dr. Penner at that time was working very hard for, are finally going to be realized and I hope that we'll be able to move ahead with this as soon as we possibly can. I have no further questions on this.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I'd like to go back just for a moment to the question that I asked about psychiatric nurses for the adolescent psychiatric facility and where they will come from. Did I understand the Minister in his answer to say that there will be a staff training program? I know that in one of the submissions to me, when I was Minister, which is still live on my files, was a request for a staff training program to be associated with that new facility and the program was to prepare and train personnel to work in that adolescent treatment unit, not just psychiatric nurses but personnel in general to serve in that unit. I may have missed the full answer that the Minister gave me because I asked it just from the perspective of psychiatric nurses, but did he say that there will be such a training program to equip a staff that will be ready to go in and take over in that unit within a given period of time or will they just be drawing personnel as necessary?

MR. DESJARDINS: Mr. Chairman, yes. I'm told that we won't find it here and we'll be able to discuss it, or I could give the information anyway, it'll be in the Budget of the Manitoba Health Services Commission who will provide for the training of these . . .

MR. SHERMAN: So, that explains the fact that there's really nothing in the financial appropriation for this branch to cover that, is that correct?

MR. DESJARDINS: It's very difficult because there's something that has to happen first. We'll have to look for a board for this adolescent hospital and there is a possibility - I don't like to say it at this time but it's not a final decision - but there is a possibility that it could be the Board of the Health Science Centre, for instance, and that is why we're making provision at this time to have the funding through the Manitoba Health Services Commission. I just hope Peter Swerhone is not listening too closely at this time.

MR. SHERMAN: Mr. Chairman, the Minister's response leads to a further question that I had in my notes that I wanted to raise. I will come to that in a minute, I just want to be clear on this point, that there is an intention to develop a training program for a specialized staff that will go into that adolescent psychiatric unit. Is that correct? Is there an intention to develop, put in place and fund— obviously not under this appropriation because there isn't enough money there to do it but then under the Health Service Commission Budget - a specialized staff to go into this adolescent psychiatric facility?

MR. DESJARDINS: Yes, Mr. Chairman, I want to make sure that I don't mislead the committee. Also, I think that I said that there would be a possibility under the Health Sciences Centre, that's only a possibility at this time. There is also maybe a stronger possibility that it would be a free-standing hospital with its own Board but definitely, no matter what, it will be funded as a hospital through the Manitoba Health Services Commission. The funding will not be under this.

MR. SHERMAN: Well then, I would like to ask my other question, Mr. Chairman, having to do with the Board that will administer the adolescent site facility when it's in place. There had been consideration given and, like any other consideration it has its merits and its demerits, but it seemed to attract considerable interest and attention at the time, to the possibility of placing the adolescent psychiatric facility jointly under a Board that would be responsible for the Rehabilitation Centre for Children, the old Shriner's Crippled Children's Hospital, and that new facility. Is that still being pursued?

MR. DESJARDINS: It is a good possibility. I think there is two or three different things to be done. We haven't review that but maybe we should, instead of seeing it piecemeal we could mention the possibility. It could be the Health Sciences Centre, I think might have talked about it. I think there had been a request from the old Shriner Hospital Board and also we are looking at a possibility of a freestanding hospital with even some of our own people, maybe the director and

so on, maybe Dr. Sigmundson, that's a possibility. But there is no decision made on this yet. The only decision is that no matter what it will be treated as a hospital and it will be financed through the Manitoba Health Service Commission.

MR. SHERMAN: How would the Minister prioritize those possibilities, Mr. Chairman. Could I ask him whether he would prioritize them as Priority No. 1, a freestanding board; Priority No. 2, a joint board with the Rehabilitation Centre for Children and Priority No. 7, being under the Health Sciences Centre. That question is not as cynical as it sounds, Sir.

MR. DESJARDINS: It might not be cynical, Mr. Chairman, but I'm sure he doesn't think that I'm naive enough to bite; if he wants my opinion we'll go in the hall later on and I'll talk to him but certainly not at this stage in Committee.

MR. SHERMAN: Just let me, so there's no misunderstanding, Mr. Chairman, I am a great friend and supporter of the Health Sciences Centre and I think Mr. Edwards will vouch for that, but I'm also a great supporter of the concept of an adolescent psychiatric facility such as the previous government, and the government before it, worked on and the Minister now is bringing to a conclusion.

I think that it should be noted, just for the record that a very strong case can be made for not placing it under the aegis of a Board that is in control of one of the biggest general community tertiary-care hospitals in North America. They have got a pretty broad spectrum of responsibilities and interest in interest groups and they do a fine job as a major tertiary-care and research and teaching hospital. But I would hate to see the interests of those patients and those professionals who would be at the adolescent psychiatric facility subordinated somewhere in a great range of concerns and responsibilities and suffer as a consequence from not getting priority attention. I think that's the only danger; it's not because it's the Health Sciences Centre, it would be true of any major hospital. The range of interests is so broad that there simply sometimes is not the time or the energy to devote the specific interest and requirements. This is a highly specialized field that needs a great deal of attention and energy.

On the base of my own experience and with all the goodwill in the world towards the Health Sciences Centre, offer that gratuitous comment to the Minister. This should be a facility that can stand on its own feet, take directions from Dr. Sigmundson and do the things that need to be done and not get bogged down in Thursday noon-hour Board meetings at the Health Sciences Centre.

I think even Mr. Swerhone might agree with the principle there. He might not agree with the fact that I expressed it but I think he'd agree with the principle.

MR. DESJARDINS: Mr. Chairman, I guess I owe it to the committee to be as candid as the Member for Fort Garry, so without giving you the last line, I think that he could be reassured, maybe that will make his day, I have the same feeling that he has and maybe for other added reasons. There are enough problems with the

situation at the Health Sciences Centre because of its bigness, I guess, and I have at least two, the institution there who are even talking about trying to split from that. So my tendency that I would have is not add another problem at this time so I think he can rest assured that I will not give my first priority, but I will give my last one and it's the same as his.

MR. CHAIRMAN: 4.(c)(1)—pass; 4.(c)(2) Other Expenditures.

The Member for Fort Garry.

MR. SHERMAN: The only question that I would have on this line, Mr. Chairman, would be a question to the Minister to review if he can, in a minute or two remaining on the clock and I hope we can pass this Item by 4:30, the changes in workload, the open cases confronting the psychiatrists, for example, the Child Guidance Clinic and total numbers of clients seen by Community Mental Health workers for children in 1981 as compared to the year previous; can he do that?

MR. DESJARDINS: Yes. This I'm informed is a book entry from the Child Guidance Clinic. We are not part of them, we're just consultants to them. Under this Other Expenditures my explanation is very short here. These funds cover the nonsalary costs of the section and the sessional fee payments to the three psychiatrists that were referred to earlier. This is all there is—no change from previous.

MR. SHERMAN: Just in quick review for one minute if the Minister would grant me the privilege of just stepping back one step on the review of these Estimates, has he got totals for the numbers of children seen by community mental health workers in 1981 as compared to the immediately preceding years? If not, maybe his officials could provide that.

MR. DESJARDINS: I'll be glad to provide this information. Total clients seen by the community mental health workers for children 1978, 419; 1979, 400; 1980, 615; 1981, 695. The total hours of fly-in contact 5,500; 5,000; 4,820; and 5,900 in 1981.

MR. CHAIRMAN: 4.(c)(2)—pass; (c)—pass.
The Honourable Minister.

MR. DESJARDINS: We have 30 seconds, I wonder if I could address these remarks and ask for assistance from the official critic of the Opposition. Would it be the intention tonight then to deal with Institutional Mental Health and Alcoholic Foundation? We should cover those two because I want to get them in—(Interjection)—okay, thank you.

MR. SHERMAN: Yes, out of convenience for the staff I think we should indicate that's the way we're going to go, but also don't forget there's Dental Services.

MR. DESJARDINS: Yes, I know that but I think that . . . Mr. Chairman, things have been going so well without Harry butting in that I thought we'd keep on.

MR. CHAIRMAN: Order please. It's now 4:30 therefore it's time for Private Members' Hour and I'm interrupting the proceedings of the Committee and we will return at the call of the House. Committee rise. Call in the Speaker

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. The time being 4:30, Private Members' Hour. The first item of business under Private Members' Hour is Resolutions.

The Honourable Minister of Community Services has five minutes remaining. Can any member indicate whether the Honourable Minister is intending to attend?

The Honourable Member for Inkster.

MR. DON SCOTT (Inkster): Mr. Speaker, the Honourable Minister of Community Services unfortunately is in Steinbach or leaving for Steinbach on an appointment this evening, so he will not be able to be here and continue his address. I will continue and use my space at this point and he can hold his for a later time perhaps.

RES. NO. 4 - INDEPENDENT CANADIAN ECONOMIC POLICY

MR. SPEAKER: Resolution No. 4, the proposed motion of the Honourable Member for Thompson.

The Honourable Member for Inkster.

MR. SCOTT: Mr. Speaker, the whole basis of this resolution dealing with what is being Reaganomics, monetarism, a number of different names and adages have been given to it. I think the clearest one given to it is that of being a disaster. It has done nothing towards the stimulation of the economy of the United States; it has done nothing in Great Britain; it has done nothing in Canada, and has been furthermore aggravated in many instances by very foolish and unwise fiscal policies.

To think that you can go after a quick fix on something, which is what the U.S. current monetarists are trying to push over on the public; to think that there are simple solutions; to go to the public and try to mislead the public that you're going to control inflation and cure the ills of one's economy by restricting the money supply, by driving up the rates of interest. To go with any of that kind of a concept I think, is oversimplifying a very massive problem to a degree that even the person on the street rejects totally, and if the person on the street is a heck of a lot smarter than an awful lot of the so-called administrators that we have out there currently and the current fad of economists being the monetarist school.

I've seen one reference on giving linkage to the Laetrile controversy over cancer treatment and looking at economists and comparing economists with doctors. I think this was John Kenneth Galbraith said there are about as many economists who believe in these monetarist theories as there are medical doctors who believe in Laetrile. But the difference and the sad part is that the doctors who are pushing Laetrile

have been discredited and no one is foolish enough to pick up on a bandwagon of them and looking for simple solutions to it because they know the treatment of cancer is a very serious problem and a very complex one and not going to be able to give someone a quick shot of a drug or give them a couple of Laetrile pills and this thing's going to go away. They're a little smarter than that.

Our whole society in economic terms are certainly suffering of a cancer on ourselves right now and that greatest cancer is our interest rates. The cancer that is there presently is not going to be cured with the stimulation of our economy in trying to create more jobs, because with the creation of more jobs, that is where the economy has a chance to rebound. That is where the spending power of the public is increased.

When they go in and they start wiping out job programs and if they'd look at the U.S. program across the board the number of jobs that they're talking of cutting back is just astronomical. The figures just boggle one's mind of the hundreds of thousands and moving into the millions of job cuts that they're looking at in the U.S. through their programs. We have figures of their budget cuts in the U.S. running all over the ruddy place and the only thing that seems to be going up is defence. It's going up \$18 billion next year; \$9 billion this year; increases a roll long on defence and cutting back in every other sector be it for anything from child care to education to transfer of payments to the U.S., the same foolishness that the Federal Government is trying on us, to try and push back, cut back their deficit, cut back their gross expenditures at the rate of increase by passing the buck back to the province. It's not going to work.

You have reductions in the areas that are so critical of training; of technological development and on this, I think it's very interesting, I forget the chap's name in the Administration in the U.S., who claimed this just a couple of weeks ago was complaining of Japanese imports into the U.S. and saying that this is one of the causes of the problems that we have here; that our people for some reason just aren't being patriotic and buying American goods. In his mind, the problem was that the U.S. was not being restrictive enough in its policies on imports from Japan, but even greater than that, he was blaming Japan because Japan in so many areas is starting to catch up and in many cases, I guess, excel us in North America and in western Europe, in our abilities to produce consumer goods; to produce good quality, durable consumer goods. He said one of the reasons for that is because they're not spending enough money on defence. Japan is spending too much money on research and development. They weren't spending enough money on more jet planes; more fighters; more aircraft carriers; more nuclear submarines and all these things, all of which contribute absolutely nothing to a country's economic well-being — (Interjection) — to their freedom? I'd question whether it's going to add anything to their freedom at all. Where do you see it coming from their freedom? — (Interjection) — well, the U.S. just came into a war that started in 1939 and 1944, my friend. Maybe if you had a little more recognition and acknowledgement of the role of the U.S. in world affairs and leading towards building a peaceful nation, you'd see that the U.S. defence expenditures have

probably done more toacerbate the situation today, with the export of arms all over the ruddy world, to try and build up their own economy, because when they're buying things, even though it's using tax dollars, but they're supporting the defence industry in the U.S. with tax dollars moving out.

We have an article out of United States Today, U.S.A. Today, "How Successful is the Reagan Administration's Program?" and boy, it does not give very much good news. It runs through — (Interjection) — no, it's certainly not a leftwing think tank, I'm afraid not.

Finally, given sufficient restraint on government spending during the process, the additional tax revenue is generated by higher real growth — economic growth that's supposed to help balance the Budget by the mid-eighties.

Well, with the program as it expands, the opposite is becoming more and more true. They started off fiscal '81, they were saying that they were going to have to vote a \$40-million deficit. The latest projections are waffling around the \$120 to \$160 million vicinity for deficits in fiscal '83. Now where is all the stimulus coming from? You're having less investment by industry even with huge tax cuts. You're having less investment by industry in the areas of capital development on investment in productive capacity of the U.S. industry. Canadian industry is no different there.

Plans for new capital projects are being scaled back, all throughout North America. New factory orders are declining. Why is this, when they are cutting taxes so severely, that the companies that are getting the greatest benefits and if any company with a decent accountant in the U.S. under the policies, is going to pay absolutely no corporate income tax? But one of the fallacies of using those sorts of arguments of massive tax cuts, is that you give assistance and the greatest amount of assistance, through the tax cuts, goes to those who need it the least. In the U.S. there's something like a thousand corporate conglomerates that control somewhere close to 75 percent of the total capital in the country. So, what you're doing, is when you're giving massive tax cuts, you're giving tax cuts to the people who are the most able in the society and in the industrial sector, to be able to make themselves see through tough times.

We have classic examples of what's happened in Canada with it as well, with our high interest rate policy and Ottawa's adoption of this so-called monetarist theory. In the Stats Canada Daily Report dated April 13th - so it's virtually just a week or so old - recent indications of a slowing in the rate of descent of the economic activity appeared to dissipate early in the first quarter of '82. In other words, the recovery that we're hoping for in the end of '81, that looked like it may be coming along, has dissipated and disappeared once again, suggesting that the Canadian economy remains firmly in a grip of recessionary forces.

What we're looking at is additional cutbacks because of this. Inventories are going down in many instances, because of relaxed or reduced consumers demands. Consumers demand is getting down; consumer demand is dropping. Why is consumer demand dropping? Because the rates of unemployment are higher. Our rate or employment is not even going up. Domes-

tic sales were down 1.2 percent in January; automobile sales; durable goods; they were down by 15 percent in Canada I'm speaking of now.

Unemployment or the rate of employment in the economy dropped. Unemployment not only went up, but the rate of employment in the economy dropped and the key of all I think and a very, very serious indicator, is that manufacturing activity actually fell in January of this year. To give a gloomier picture of what we can expect in the days to come, is that the new orders are declining as well, 2.7 percent, almost 3 percent lower than last year.

We're not seeing these things in a very clear light, I don't think, of just the implications that they may have for us down the line. I think it's no accident whatsoever last year and last fall, that all of a sudden the Conservative administration of this province decided to call an election. They knew what was coming. They knew the status that the Manitoba economy was in. They knew the problems they were running into with their mega projects. They knew where they were going to be with their deficit this year, without fairly considerable — under their spending programs — fairly considerable increases in taxation.

When it got into their election promises, I think they knew full well with all their promises, that they weren't to have to keep them anyway, because they didn't stand much of a chance and that's one of the reasons they said, "Let's jump ship now, let's jump the ship in November, rather than wait for the following spring," because there's no way that the former Minister of Finance wanted to present a Budget this spring under his own government — (Interjection) — our Minister of Finance is not fudging anything. For one thing this time you'll see a Budget that isn't fudged; a Budget that presents the reality of Manitoba situations. That's what you'll see this time around, very very different. — (Interjection) — Apparently enough people did, you bet they did, apparently lots did.

Now if we look at some of the promises that the former administration here made when they started talking themselves into a so-called monetarist policy. Even getting off the bandwagon almost at the same time as the great Margaret Thatcher, who no matter what it's doing to her own economy she's going to continue with it, no matter how far it drives, how far down she drives. What we have, as an indication of the success of Conservative policy here, and they're saying they don't have the tools to work the monetary policy; they didn't but they had the tools to work the fiscal policy in the province. And with the fiscal policy where did all their tax cuts go?

You look at families of four under \$7,500 income they didn't get any tax cuts under the former administration. Those \$7,500-\$15,000 average somewhere around \$11 tax savings between '77 and '81 over what they would have been paying on the old system. Yet somebody who had a \$50,000 income, or over \$50,000 income, were getting almost \$700 in tax cuts from the former administration here. Those tax cuts that they gave cost this province, they estimated in '78 when they brought in the budget that it was going to cost in the vicinity of I think it was, if my memory serves me correct, it was some \$13 or \$13.5 million in personal income tax savings to the public, and then another approximately \$3.5 million of corporate income tax

savings. Now that's \$60 million when it's added up over the four years, cumulatively it comes probably to quite a bit more than \$60 million in lost revenues to the Province of Manitoba, revenues that could have been used, Mr. Speaker, revenues that could have been used to either reduce the deficits that they ran every year, even eliminate them in one year possibly — couldn't have been eliminated but could have done a substantial amount of it. It could have been used in stimulating some construction activity in this province; it could have been used to build some personal care homes in this province, to build some structures so that the future of Manitoba would be better cared for and that we would have a few more people staying in this province rather than having employment statistics which are contrary to the Leader of the Opposition and his challenging of them last week.

I have some latest StatsCan figures. We had population increases from 1969-1978; 1978 was half of what it was the previous year; '79 a decrease of 1100 people; '80 a decrease of 2900; '81 a decrease of 3300. Mr. Speaker, we're going to have a hard time to stop this ruddy erosion of the people of Manitoba, this flight of residents from this virtual, or at least in the last four years, economic sink hole that the province worked so hard to create here in Manitoba. It's not going to be easy to move ourselves out of it and we're not going to be able to move out of it if we stick to sorts of policies that the former government admired, the former government adhered to, and that the former government still seems to be adhering to. We have references all over the board, you pick up almost any U.S. journal and you'll come off with — this happens to be a British one, The Guardian, regarding Reaganomics. Their great record of credit for it. This is a fella by the name of Hobert Roban speaking on Milton Friedman's theories. He says that the truth is that Reaganomics has led America to the brink of economic disaster. The monetarist approach blueprinted by Friedman has acted not only to squeeze out the inflation of the economy but also crunch real growth to the point of creating a recession.

We have been trying to run an economy using a single tool, using that single tool and not even being able to account what the quantity of that tool is. I'm trying to figure out what the different M-rates; a modified M-1 wasn't working for them and they moved to M-1(b) and the other sectors of the money supplies as well. M-1, I think Margaret Thatcher, her only linkage I think to the M's and M-1 and whatnot is a freeway. It's interesting in the freeways in England, if any of you have ever been there, every five miles you have to go around a circle. That's what's happening with the people in Britain right now, and they're heading backwards, they're going backwards and they're hoping that they can get off the darn circle or at least are heading down the road of some sort of prosperity in the future.

We have currently, I might add, a province next door to us here with a Conservative Opposition there trying to push towards monetarist theories themselves. This is the sort of things that they have promised so far in this election for the benefit of the members opposite me here, or below I guess. We're having sales tax cuts, they've promised to do away with sales tax, that's \$250 million approximately, \$260

million, \$270 million, somewhere in that vicinity for the upcoming year. Gasoline tax, they're going to do away with gasoline tax; they're going to cut off 40 cents a gallon. The only trouble is Dr. Diviner, better know as Dr. Deficit or Dr. Houdini, there's only 29 cents of gas tax so how the heck can you cut something 40 cents if there's only 29 cents. But that's Conservative fiscal policy for sure. They want to cut the income tax \$118 million; they want to cut taxes to oil companies by approximately \$200 million; and they are saying, in total reduction in revenues they're planning for next year and the province only gets about \$2.7 billion in revenues, they want to cut out \$700 million of it. They want to cut out a quarter of the total revenues.

On the expenditure side, I understand this Monday they broke the billion dollar mark in new expenditures. They want to cut revenues by \$700 million and they want to turn around and somehow or other reach into this divine sock that someone has in his back pocket and pull out \$1.5 billion. That is about 60 percent of the total budget of the Province of Saskatchewan and that is an irresponsibility of this simplistic attitude that people have towards economics, that they're going to reach in - and their province is healthy. It's opposite to here, their province is on a boom swing, it's a wee island of prosperity in a sea of recession in the country that we have today. If we had a government in the past a couple of years here in this province who followed some of the policies of the current NDP administration next door in Saskatchewan, I beg to say that the consequences that we inherited as a government here, the wreck of the Hesperus, the wreck of the Manitoba economy, the legacy of the Conservative Government in managing our economy, that would probably not be anywhere near as severe as it is today had the government just finished here, the Conservative administration, had they used other administrative tools towards the management of the economy and fiscal tools, instead of following blindly their disciples or following as disciples of an economic theory south of the border and in England which has no credibility even in its own profession.

Thank you very much, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. I would like to thank the Member for Thompson for giving us this opportunity to debate the economic situation and the effects of high interest rates on our economy. The wording of the resolution, of course, is objectional in most of the resolution and he indeed is insulting the western free world and especially the United States. Now this seems to be that members of the opposite side, they always take every opportunity they have to make derogatory remarks about the United States and the free world in general.

I remember very well the criticism that they had for the United States when they were involved in Vietnam, but when the Americans moved out of Vietnam and the communist troupes took over and they killed — literally they killed, hundreds and thousands of people in southeast Asia — did we ever hear any criticism of the communist world and some of the atrocities

said in committee? No, you never did.

Whenever there is involvement by the United States in troubled areas of the world, members opposite take every opportunity they can to side with the socialist. Now this is very alarming indeed. I suppose if all of us were concerned maybe that the Attorney-General was going to be tainting members opposite but I wonder if it isn't going to be the other way around, that it's the members opposite and that we should show some concern for the Attorney-General.

High interest rates are a concern and that's one of the major problems that everyone in Canada is facing, especially everyone that is borrowing money, and of course, by far the largest number of people are in that situation where they are forced to borrow money. In my own home town there have been numerous layoffs because of high interest rates. I know of one industry over there that cancelled two shifts — and there were about 40 employees in each shift — so that's 80 people that were laid off temporarily until the situation improves. In my own particular business that I'm involved with over there we've laid off 30 employees until such a time as what sales are improving and I know that there are other firms over there who will be forced into that same situation in the very near future.

So this is just one town that I'm talking about. I know that this is going on all over Manitoba and indeed all over Canada. So for anybody to say that high interest rates are not affecting the economy in Canada, of course, it's an understatement and an untruth because they are really causing many bankruptcies and many layoffs.

There are many farmers that are going out of business at the present time and if you're going to be looking at the papers, watching the auction sales, you will see that a lot of the farmers are selling their equipment, trying to pay their expenses and they'll be renting out their land. Now this is exactly the opposite to what all of us have always hoped would happen, but farmers are being forced off their farms and by selling their equipment they're hoping to pay their debts so that they can at least keep their farmland.

Of course, in other areas there are quite a few bankruptcies occurring, both in businesses and farm community and the very things which this government said that they were going to solve is happening and we see no solution coming forward at this time. The entire economy has slowed down because the profits which normally would have gone to purchase refrigerators, furniture, or whatever are not there. The money is being used to pay the high interest rates and of course, this slows down the entire economy.

We know that we must get inflation under control. Inflation has been running rampant for many years now and something had to be done in order to get inflation more under control and President Reagan's policy seemed to have taken at least some effect in decreasing inflation in the United States. They seem to be getting some of their problems under control over there. So the rate of inflation is down to about 6 percent in the United States right now which means that they will be able to address themselves to the problem very shortly. But, what about Canada?

In Canada we have high interest rates, much higher than in the United States and we are not getting inflation under control and the policy is not working over

here. Why is it not working? Because we don't have the type of co-operation from everybody in Canada that the United States has. For instance, our labour unions are not going to be co-operating with business. They still will not cut labour costs the way that they are doing in the United States, saying that they're willing to go and work for less as long as they can have a job. We're not getting that kind of co-operation in Canada and I don't believe that we will because we just don't have that type of patriotism in Canada and our labour unions over here are so much stronger than what they are in the United States, that they will never ever consent to this. So there's a problem there. We will not be able to solve that particular problem as far as high cost of labour is concerned which means it's going to be very difficult for us to compete with whatever the Americans will be putting on the market.

Unemployment is rising and, of course, this in itself is inflationary. We cannot blame labour alone for the problems that we have in Canada because there's many many factors that are involved. It is one of the factors which we will have to be addressing ourselves to, but certainly everybody, business, industry, farmers, everybody will have to tighten their belt and do whatever we can to get that economy going again.

Now because the United States is going to be getting their inflation under control, they will be able to lower the interest rate, we still will not have our inflation under control — and I'm speaking for myself only — but it seems to me that we will have to take a good look at wage and price controls in order for us to come up with some level of economic development and that is going to put us on an equal footing with the United States. So, this in my opinion is going to be the only way that we will be able to salvage our economic problems.

I think that we should take a look at what is happening in the United States. The United States has not been hit with high interest rates nearly as hard as what we have been hit. They have had a number of incentives over there. All our incentives were removed by the last Federal Budget and there were no incentives anymore for businesses to expand; homeowners were caught with extremely high interest rates. What has been happening in the United States? There still is a lot of incentives over there. If you are going to go into business in the United States you can still get money at 11 percent, you have been able to get money at 11 percent throughout this entire time. Homeowners, if you're under 25 years of age, you could still get money at a very low rate of interest in order to purchase your first home and likewise there was an incentive for other people. If they qualify, they will get incentives to purchase their own homes. We have nothing of this in Canada or in Manitoba.

I think that it is about time that the Canadian Government takes a look and adopts some of the incentives that the Americans have and I think that Manitobashould take a good look at some of the legislation that North Dakota has because North Dakota and some of the other states in the neighbouring borders do have policies which allow people to purchase their own homes.

The Resolution accuses the previous Manitoba Government of support for the present economic policy of the Canadian Government and I think that

nothing could be further from the truth. This was demonstrated at the time when, for the short period of time, in which the Clark government was in power. One of the reasons why we have the problem, of course, is because of the energy policy, the National Energy Policy which this government has adopted. We would never have got into that trouble if the former Clark government would have remained in power, they would have been able to address themselves much better to the problem that we are facing at the present time. I am certain that they would have done much more to get inflation under control and they would not have had to take some of the drastic action that had to be taken as a result of letting inflation run rampant.

I know that all of us agree that something needs to be done with the high rate of interest. We have to get our businesses, our farmers, our industry back into a situation where they'll be flourishing and where they will continue to get employment. The United States seemed to be doing a much better job of ensuring this than the Canadian Government.

The Resolution also calls for a policy of lower interest rates Made in Canada. I wonder, Mr. Speaker, whether this is possible? Recently, February of 1982, Mr. R.B. Bryce came up with a paper and he addresses himself to that particular question. This is as a result of the Premiers of all the provinces getting together and asking for lower interest rates in Canada and see if a policy could be adopted which would have interest rates significantly below those of the United States. I would like to quote a few passages from this particular article and I'd be prepared to table this, Mr. Speaker, if anybody so desires. Mr. Bryce says, "Canada has a highly-developed Capital market open to Capital markets elsewhere in the world without any serious restraints and it is particularly closely related to the huge open Capital market of the United States. Its biggest and most comprehensive institutions are the large chartered banks which are international banks. Canada has benefited greatly from its own highly-developed Capital market and from access to the Capital market of the United States and now we are paying the price, in some restraint upon our freedom of choice in monetary policy, because of this close interrelation of our markets at a time when U. S. monetary policy, whether wisely or not, is very tight and its interest rates painfully high."

I don't think that anybody disputes the fact that Canada has not had advantage of this all these years that we have this close relationship in our monetary problems, monetary policy, which is identical to that of the United States. I quote again, "It is fairly widely recognized and was conceded by at least some of the Premiers that if we are to have lower interest rates, relative to those in the United States, we must expect some reduction in our exchange rate and economists and others speak of it as though there were a fairly definite and modest price to be paid in terms of the exchange rate for reduction in interest rates. Some think the reduction in the exchange rate should be welcomed despite its inflationary consequences, both through import and export prices, because it will improve the competitive power of Canadian producers. Although, under present circumstances, this improved competitive position can be quickly eroded

as wages and other costs react to the increased inflation rate. To appreciate the reason why this uncertainty is so great, one must have to regard, not only to the flows that have been taking place in current account of trade and other payments and the more or less normal Capital flows, especially the issue of long-term United States dollar bonds on which we usually rely to finance our Current Account deficit. We must also take into account the potential flows of highly liquid Capital that can, and occasionally do, move in large amounts on short notice. It was the accumulation of huge pools of this sort of internationally mobile Capital that bedeviled the efforts to reform and stabilize the international monetary system in the early 1970s."

"We have had the same sort of accumulation of highly liquid and intransensitive Capital within Canada over the last dozen years. It is the bank accounts of millions of individual Canadians and on January 27th the last official statistics show that there was \$88 billion of personal savings deposits apart from the chequable deposits. In addition, there were \$45 billion of non-personal term and notice deposits. These huge sums are not operating accounts of Canada. In other words, this is money; the \$88 billion and the \$45 billion which can easily flow backwards and forwards and if the interest rate is going to higher in the United States than what it is in Canada, there is no doubt about it, that money will be leaving Canada and will be going to the United States as it does.

I was talking with a banker in Montreal about four months ago and at that time there was some variation and he said that if the interest rate was 0.25 percent higher in the United States than what it was in Canada, he said in his bank alone that meant a difference of \$12-million worth of deposits in one day and he said that theirs was a small bank. So, you can see how investors are watching the interest rates and making sure that they are going to get the largest return on their money. If we're ever going to get into trouble that is when all our capital is going to be leaving Canada.

We must pay attention to these interest-bearing liquid assets, which can quickly be shifted into other assets when those are more attractive, as the last issue of Saving Bonds spectacularly demonstrated. They can also be shifted into U.S. investments if those become more attractive. One can do it in a few minutes at a bank, getting U.S.-dollar term deposits, instead of Canadian if the yield is higher.

So, I think that my time must be just about up and I would like to sum up the article over here on this. The writer goes on to say that it would probably be necessary to have similar comprehensive set of controls, that we will plan to keep our interest rates significantly below those in the United States and avoid the great uncertainties and possible instability of our exchange rate that would occur if we left the Exchange Market to function during the monetary policy proposed.

Mr. Speaker, I doubt very much that we could lower the interest rates and have a made-in-Canada policy of interest rates if we would not at the same time come in with some very strict controls which would prohibit money leaving Canada. Thank you

MR. SPEAKER: Are you ready for the question?

The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, it was interesting to follow the Member for Rhineland who has won the admiration of members on all sides of the House for his honesty in debate and I think correctly deserved the name of "Honest Arnold." He would no doubt, make a good economic development critic. In fact, it would make a considerable improvement on the present member who has that obligation and hasn't been able to score any points yet.

Mr. Speaker, I was very interested in some of the observations of the Member for Rhineland when he reversed a historical position of the Conservative Party which has often been concerned about the United States and has often warned of the dangers of getting too close to the Americans with the traditional policy of John A. Macdonald and others to warn about the threat from the south. Men like John Diefenbaker tried to re-establish ties with Great Britain and with the Commonwealth and so on, but the Member for Rhineland and others, I guess, feels that because of President Reagan, a good right-wing Republican or right-wing conservative that they should back whatever he does. It would be very interesting indeed to have the Conservatives in Manitoba promote some of those programs in the Legislature, especially the Republican attitude towards issues like Medicare. It would also be interesting I guess to have them federally promote a policy whereby you strangle social programs and put endless amounts of money into defence programs; trillions for defence and millions for Medicare. That would indeed be a peculiar program but I don't think anything would surprise us in that regard.

I think the question for the Conservatives to answer is how they can on one hand support the policies of Gerald Bouey and the monetarists in the United States, and on the other hand complain about high interest rates because it's those very people who have led us to follow on high interest rate policy and then we have seen the consequences of that in Manitoba. This is the government, the former government, Mr. Speaker, that backed the Bank of Canada and backed this type of monetary policy in the country and tried within the limits of a Provincial Government to bring about the theories of Milton Friedman and his followers in the United States. They honestly laboured in that regard with disastrous consequences. I don't speak only of an electoral loss, but of the impact on the Manitoba economy of a position whereby the government doesn't play an active role in the economy; a position whereby the government sits back and believes that the private sector will pick up the slack. Well, you see that's the problem, Mr. Speaker, of the present Opposition. They're soft on capitalism. They believe so much in capitalism and they will do anything possible to provide assistance to the individual businessman at the public expense. They don't want to spend money on public programs. They didn't want to have a Civil Service that was going to be involved in social programs. They wanted to cut back on government expenditures wherever possible and I suppose to an extent they were successful. They weren't that successful though, Mr. Speaker, and it's going to be very interesting when the Budget comes

in, to look at the legacy of the Lyon government because I think that this Budget is going to tell the taxpayers and the people of Manitoba what was the legacy of their previous administration, whether or not we're going to find out how much money was left in the treasury when the Tories departed, Mr. Speaker.

I assume, given the theory, given the practice and given the success of the Conservative economic ideology that there should be a big surplus. I mean, that was the theory, right? The balanced budget and stimulating the private sector.

I know what you told us and I know what you believe, and what you believe is that by withdrawing from the economy, as a government, the private sector would pick up the slack and the private sector would create the jobs and create the employment and create the prosperity and pay the taxes and so on. So we'll find out when the figures come in as to whether or not that was a success.

Mr. Speaker, Milton Freedman and his disciples believe —(Interjection)— Well, you say that it's our budget. We will look at the budget, we'll look at the programs, we'll look at the budget, we'll look at the figures that you left us and we'll see what part of the credit goes to us, what part of the blame, and what part of the credit and what part of the blame goes to the previous administration.

Mr. Speaker, the true monetarist believes that only money matters and there appears to be people on that side of the House who follow that theory, that it's money that'll make the determination of the economy — not fiscal policy — but monetary, monetary policy alone. I have to tell the Member for Sturgeon Creek that I believe in fiscal policy. I believe that it's fiscal policy that is the important factor here and that all the monetarists in the world couldn't have stopped the crash of '29 and couldn't have stopped the great depression. They could have done anything they wanted to; they couldn't have prevented and couldn't have cut short that particular American tragedy.

Mr. Speaker, I talked to a real estate agent last weekend who operates in the Elmwood-East Kildonan area and I asked him how things were going. He said that there were two major problems confronting the real estate agent and the real estate industry. First of all he said, high interest rates are very harmful to the home-buyer and the home-seller, he said that was a fact. But he said what was really bothering people, what was gnawing away at them was the fact of the economy in general and the concern they had for their own security and their own employment and that he felt was a bigger bogey-man lurking in the background; that they were in some cases, willing to buy a house but they had this great uncertainty and unease about whether or not they could retain their level of prosperity and pay those interest rates or would they find themselves in the bread lines with a lot of other people.

Mr. Speaker, what has monetarism —(Interjection)— The Honourable Member for Morris says chase Alcan away. I simply tell him if Alcan's here I will welcome them but they will only add a few hundred jobs to a couple of hundred thousand jobs and that is not going to make the difference in terms of the success or the failure of the Manitoba economy. What will, is whether the government will at this time, actively involve itself

in the economy to pick up the slack that the private sector has failed to do. That is the question.

Mr. Speaker, the high interest rate policy and the disastrous fiscal policy of the Conservative Government in Manitoba killed the construction industry in Manitoba. Go and speak to somebody who's in construction and ask them how they're doing. I spoke to a couple of small contractors recently. One told me that he's down to five employees and he has no jobs on the horizon. The other fellow —(Interjection)— Well, it'll take time and, Mr. Speaker, I agree with the Member for Lakeside to this extent, that it was the economy which did in his government and it is the economy which is the challenge of this government and unless our government is able to turn around the employment picture to a degree, is able to stimulate construction, is able to make negotiations in regard to mega-projects, a power grid, the whole business, unless we're able to do that we will be in trouble too.

You failed in four years. We've only been in office four or five months so it's not whether we're going to turn it around now that counts, it whether in the next year or two we're going to be able to bring forth the programs that are going to —(Interjection)— When are we going to start? I think the start has been made, Mr. Speaker. We've made a beginning. This is the central point; we couldn't do worse than our predecessors in office.

If you look at the construction industry alone and what happened to it under that government, you had the closing of all sorts of offices of architects and engineers. You had the bankruptcy of all sorts of construction companies; you have construction workers from Manitoba leaving the province, in many cases permanently, and in other cases working in other provinces of Canada.

Mr. Speaker, the effect of that combination, the federal policy of monetarism, the federal policy of high interest rates and the Conservative provincial policy of no fiscal involvement, of no government role, of no attempt to actively intervene in the economy is what has brought about the sad state in Manitoba today. The Manitoba Government is now trying to address those problems and trying to get some programs on track.

Mr. Speaker, the Conservatives show an affection now for the U.S. Government because of the present leadership, but I wonder what they would have said if President Carter was still in office, or I wonder what they would say about the Americans if Teddy Kennedy or some other Democrat was President. I wonder what they think of Margaret Thatcher, because Margaret Thatcher as Prime Minister of England and President Reagan are two of the most unpopular leaders in the entire western world right now. I would say that if there was an election called in Britain today and if there was an election called in the United States today they would both be out.

I can tell you, Mr. Speaker, from first-hand experience. I was in the United States a couple of months ago and I spoke to a Republican Congressman in Washington and he tells me he is in big trouble and he tells me that the Republicans are going to take a beating in the November election. They're not going to lose the White House because that doesn't come up for two more years but they are going to significantly

drop in support in the Congress and in the Senate, that is what is going to take place, Mr. Speaker.

Mr. Speaker, the government has to come up with a public program. That is going to be the difference between the Lyon government and the Pawley government. The previous government cut its public programs to the bone. This government is going to have to try to develop those programs to make up the slack that the private sector is unable and unwilling to pick up. Mr. Speaker, Hydro construction is something that we will watch very closely, but Hydro construction is not a private program. Hydro construction —(Interjection)— I'm glad the member agrees with me —(Interjection)— the Member for Turtle Mountain is saying that the Government of Manitoba should get involved in the construction of Limestone and in developing the Nelson and so on, which is a public program, which is a government program to try to stimulate the economy. So, at least he understands and agrees that it is through the public sector that we might be able to unleash some of the vital forces in the Manitoba economy because we've tried the reverse, and in the reverse, Mr. Speaker, we've simply seen bankruptcies, we've seen a line-up of firms coming to your government and coming to our government asking for us to bail them out. I don't know whether the members opposite believe that that is the role of government to simply bail out individual firms which are in difficulty. I don't think that is the role of government. The role of government is to help the general framework and this government will do so by building up the public sector in that process.

MR. SPEAKER: Order please. When we next reach this Resolution the honourable member will have two minutes remaining.

The Honourable Acting Government House Leader.

MR. SCHROEDER: Thank you, Mr. Speaker, I move, seconded by the Member for Elmwood that the House do now adjourn until 10 o'clock tomorrow morning. I understand that there will be Committees meeting this evening.

MOTION presented and carried and the House adjourned and stands adjourned until 10:00 a.m. tomorrow (Friday), and Committees will reconvene at 8:00 p.m.