



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
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McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupert Island	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
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STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 22, 1998

The House met at 1:30 p.m.

PRAYERS**ROUTINE PROCEEDINGS****PRESENTING PETITIONS****Winnipeg Hospitals Food Services—Privatization**

Mr. Clif Evans (Interlake): Madam Speaker, I beg to present the petition of Ilene Brown, Phyllis Kuypers, Marina Pinteau and others praying that the Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) to put an end to the centralization and privatization of Winnipeg hospitals food services.

READING AND RECEIVING PETITIONS**Winnipeg Hospitals Food Services—Privatization**

Madam Speaker: I have reviewed the petition of the honourable member for Interlake (Mr. Clif Evans). It complies with the rules and practices of the House (by leave). Is it the will of the House to have the petition read? Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

THAT people who are in the hospital require nutritious and appetizing food; and

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public sector) and privatization. Invariably, privatization is more expensive."; and

THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBLYPRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

Madam Speaker: I have reviewed the petition of the honourable member for Broadway (Mr. Santos). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

THAT people who are in the hospital require nutritious and appetizing food; and

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THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again. I move, seconded by the honourable member for Portage la Prairie (Mr. Fauschou), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS

Earth Day

Hon. James McCrae (Minister of Environment): Madam Speaker, I have a statement to make to the House today.

I rise today to make a statement on this the 28th anniversary of the first Earth Day. This day to celebrate the environment was first organized in 1970 to meet the growing concerns of water and air pollution at a time when there were virtually no laws specifically designed to protect the environment. Much has changed since that first Earth Day. The concept of

sustainable development has matured, and we now recognize that environment is intimately linked with our social and economic well-being, and that none of these three can be pursued in isolation from the other two.

We have the laws and institutions, the capacity which was not there in 1970, to set the targets that define the high quality of environment we want in Manitoba. We have a whole array of tools that were not even contemplated back then: pollution prevention, product stewardship, emissions trading, environmental management systems like ISO 14000 and new concepts of environmental liability, to name just a few.

We are also faced with a new array of challenges. Depletion of the earth's ozone layer was not on the minds of the participants on Earth Day No. 1, nor was climate change. There is a host of other new concerns which have only emerged in the past couple of decades, such as the preservation of biodiversity and the health effects of small particulates and trace amounts of toxins in air. There has been much to celebrate on recent Earth Days. The emphasis has been on how individuals can be environmentally friendly in their day-to-day lives, the tone positive. But that does not mean we are growing complacent, and there certainly is no reason that we should. One local environmental group has coined the motto. Make Every Day Earth Day, and I agree with that.

* (1335)

Governments are reaching the limits of what can be achieved through command and control legislation. It is only going to be through fundamental changes on a very personal level, at the grassroots, which will meet the challenges ahead, and that is what Earth Day is all about.

My congratulations to all Manitobans who are celebrating, either in some formal or organized fashion or simply by a private unrecognized thought or action on their own, Earth Day 1998.

Mr. Gregory Dewar (Selkirk): I want to thank the minister for his statement today recognizing the 28th anniversary of Earth Day. Yesterday in the House during private members' hour we had an opportunity to do something really tangible to improve the

environment in this province where we had a resolution calling upon the government to work with the City of Winnipeg to expand recycling opportunities to individuals who live in apartments, to individuals who live in northern communities, and the government, they played politics with that issue. They would not take it to a vote, denying these individuals the opportunity, who all of us who contribute to that fund—there is probably between \$7 million, \$8 million currently in that fund obtained by that 2-cent levy. There was an opportunity for the government to do something tangible, to do something meaningful about the environment but unfortunately they played politics; they dropped the ball on that issue. Thank you.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon twenty-six Grade 11 students from Teulon Collegiate under the direction of Mr. Al Reinsch. This school is located in the constituency of the honourable member for Gimli (Mr. Helwer). On behalf of all honourable members, I welcome you this afternoon.

ORAL QUESTION PERIOD

Flood Compensation Ste. Agathe Victims

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the First Minister (Mr. Filmon). Last September we asked the First Minister and members of the Conservative side to meet with flood victims in the Red River Valley. In November I wrote the government expressing my concern about the lack of policies and predictability for people in the Ste. Agathe area, their dike situation and the expropriation of their land. I have since received a copy of a psychosocial assessment of the residents that are directly impacted by government policy and the flood of 1997. Regrettably, this report concludes that after the traumatic impact of the '97 flood, victims are still entrenched with anger, resentment and hopelessness.

I would like to ask the Premier today: will he meet directly with the Ste. Agathe flood victims, and will he

meet directly today with the people who are facing expropriation without any predictability?

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, this is directly related to the question the Leader of the Opposition asked yesterday. As I indicated yesterday, the Minister of Government Services (Mr. Pitura) and I met with this particular group just last week and we were apprised of, in fact were given the report that the member just referred to. We assured the group that were represented at the table that we were proceeding as quickly as was humanly possible to bring some finality to their situation.

They are undoubtedly caught in a situation where they are not going to be likely located within the ring dike. The ring-dike agreement between the municipality and the province is very close to being signed. There have been public meetings that indicate where the ring dike will be located, and I certainly hope the Leader of the Opposition is not in some way implying that we do not have considerable empathy for these people who are caught in this particular situation. We have in fact sent the Land Value Appraisal Commission out to make sure that their property values are established clearly, and we will bring finality to this very shortly.

* (1340)

Koczera Family

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, Doris and Ed Koczera have written a letter that I am sure the minister is aware of—of course this letter comes five months after I wrote the government and eight months after I directly invited the Premier (Mr. Filmon) to attend meetings—and stated: we have been passed around from one department to another. The emotional cost keeps rising as we get passed from one department to another. This is dated April 16. Our children do not know where they are going to school next year and are very concerned about it. We still live in uncertainty.

I would like to ask the Premier: when his government took the correct steps and the leadership to build the Brunkild dike in a very short period of time,

he took the leadership to do that. It was the right decision. Why cannot we one year after the flood take the same kind of leadership and the same kind of integrity for these flood victims in the Ste. Agathe area and have this resolved?

Hon. Glen Cummings (Minister of Natural Resources): There is one thing that—the member opposite can accuse this government of all sorts of things, but I hope they do not attempt to accuse us of a lack of integrity in dealing with this issue. Frankly, we are on the verge of having an agreement between the municipality, the provincial government and the federal government. When that agreement is signed, finality will be brought to the location of the dike, but there have been public meetings that have clearly given the community the opportunity to have input. The community has to agree and decide among itself the size of the dike and the location as they receive advice from the various engineers and other people that we provide for support in making this decision.

Certainly no one argues that the folks who are sitting just on the edge of the dike are caught in a position of uncertainty, but remember that any flood-proofing program that has occurred previously in this government or in this province was generally about a five-year program. This government has brought the flood proofing and the reaction to the flood forward, so within one year of the flood we have an enormous amount of work, and that credit goes to the valley.

Government Commitment

Mr. Gary Doer (Leader of the Opposition): Yesterday, I asked the minister, without having a copy of this report, to put the position of the government in writing. Today, in reviewing the report prepared by Mr. MacKenzie, a copy of which the minister has already said he has, the report also goes on to conclude that if you could speak to anybody in authority to ask for any commitments, what would you ask for. They said: just give us a commitment in writing so that we can begin to rebuild our lives.

Now surely—and I had asked this question of the Premier—one year after the traumatic impact of this flood, the government should be able to provide predictability in writing so that the people directly

impacted by expropriations can begin to rebuild their lives, as we would all want as fellow Manitobans, Madam Speaker.

Hon. Gary Filmon (Premier): Madam Speaker, you know, we always have the great difficulty with the opposition, because on the one hand, if we make a decision without consulting or without including the federal government, the local municipal government and the community, they would criticize us for being dictatorial and for going ahead in a headstrong way to develop something without going through all the proper process.

As the Minister of Natural Resources (Mr. Cummings) said, in following the previous major flood in 1979 in the valley in which a lot of flood proofing was done, it took five years to get to this stage, and that was when New Democrats were in office for three of those five years.

This year we are attempting to do it in a much shorter time frame. We have had consultations with all of the people involved, including local individuals, the local community. There are many, many decisions and many sign-offs that have to take place before this kind of thing can go forward. The only way we could have done it otherwise would have been to make a decision without perhaps all the information and certainly without consultation, and in all likelihood it would have been a very highly criticized decision.

The Leader of the Opposition cannot have it both ways. He cannot just simply get up and carp and complain day after day after day in a mindless fashion the way he does, and that is exactly what he does every day in an irresponsible fashion in this House.

* (1345)

Health Care Forum Minister's Attendance

Mr. Steve Ashton (Thompson): Madam Speaker, yesterday the Minister of Health likened himself to a bear in a trap as an excuse for not attending a public health care forum, and whether the minister was a bear or a chicken, we now see a new twist when in fact the

minister yesterday accused the CBC and the Free Press of hand-picking the forum. I would like to table a copy of the ad that was in the Free Press, which only says it was a forum on To Our Health, and also read from a transcript of the promotion from the CBC which said: it is time to start the dialogue to our health.

I would like the minister to now perhaps admit that the real reason that he did not attend the forum was not because he had another engagement, was not because it was a hand-picked forum, but in fact they are afraid to face the people of Manitoba when it comes to their disastrous health care policies.

Hon. Darren Praznik (Minister of Health): Madam Speaker, I think the Premier (Mr. Filmon) got it very right about New Democrats, how they never get anything right on their side of the House. My reference yesterday was not to being a bear in a trap but a bear who had escaped the trap and who watched the hunters now saying, well, why did that bear not come down this path. This is where we put the trap and, my goodness, we do not like it that there might actually be somebody who does not fall into the mode that we created.

I think the Premier referenced to me here that there was admission about picking a certain percentage of the audience. I know, even in talking with some of the reporters, it is hard for some of them to keep a straight face even when we discussed it.

Madam Speaker, I think the thing has spoken for itself.

Madam Speaker: The honourable member for Thompson, with a supplementary question.

Mr. Ashton: Madam Speaker, I would like to table an ad for another forum, this on the capital regions, of which the Urban Affairs minister (Mr. Reimer) apparently does not consider himself a bear in a trap. He is going to be at the forum.

I would like to ask again if the Minister of Health will admit the only reason he did not show up or the Premier (Mr. Filmon) did not show up was because it was about health care, and they cannot publicly defend their health care policies in this province.

Mr. Praznik: Madam Speaker, every day that this Legislature sits I am here to defend the policies of this government. Every day that we have Estimates debate, I am there defending and discussing the issues of health care I believe in a very meaningful way. Many of the member's colleagues have been in that committee discussing issues of importance to them, and we have had very meaningful discussion. As well, there are many, many public-speaking engagements and forums that I participate in. I have been in televised forums; I have been in forums with the member for Kildonan (Mr. Chomiak) a year or so ago. I will continue to do so. But what is very evident today from the question is the members opposite are not here to ask questions about health care but about this other issue, and it is just silly.

* (1350)

Mr. Ashton: As a final supplementary, Madam Speaker, I am wondering if the minister who said he appeared in a public forum a year ago will understand that the people of Manitoba want this minister to be out there talking to real people about the real crisis in our health care system. I would like to ask again whether the minister will confirm that it was not anything to do with the forum and who organized it and how it was organized; the simple fact is this minister is afraid to go out and face real people about health care in this province.

Mr. Praznik: Madam Speaker, I really am concerned about the hearing of the honourable member for Thompson, because he again takes things that are said and drops a word here or there to give a different meaning. I said that I attended a forum with the member for Kildonan (Mr. Chomiak) a year ago. I have been in many forums since. In fact, I recall being in a public meeting that was very controversial and heated in Deloraine with some 400 people. We dealt with the issues. Deloraine is very, very happy today with the work that has happened with this government. I have been in many, many public forums and meetings and debates over the last year, and I will continue to be in my political career.

It appears to me that this is the New Democrats again trying to make an issue when, quite frankly, none really exists.

Elk Ranching

Illegal Shipments—Government Investigation

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I rise on an issue that is very important to the people of my constituency and to people across the province, and that is what is happening to the elk industry in this province.

Yesterday in the House Mr. Enns said that they are “continuing investigation” and “that investigation is being pursued vigorously.” He goes on to say that officials are investigating the situation with Pat Houde. However, Mr. Houde indicated yesterday that he is under the impression that the investigation is over, and no charges are being laid against him.

Will the minister tell us who is right? Is there an investigation or is there not an investigation?

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, to the honourable member for Swan River, there is an investigation going on.

Ms. Wowchuk: I would like to ask the minister why this government is hesitating to lay charges when government staff say that elk have been leaving this province without permission from the director of the Animal branch. Why are you hesitating? He has been breaking the law. Why are you hesitating to lay charges?

Mr. Enns: Madam Speaker, let us understand that this is a new program that is being introduced. I am satisfied that the full measures of the regulations are being carried out. There have been one or two instances that I am aware of—and were readily cleared up whereby an animal was transferred from the Assiniboine Park—because there is surplus to Assiniboine Park—to in fact the Cottonwood, the game farm where the government has the elk farm compound. The necessary paperwork was not completely in order but was quickly remedied. The animal was appropriately tagged according to the registration. So that issue, yes, technically an animal was moved that did not comply totally with the regulations but was within a day or two fully complied with. I am aware of one other such circumstance where animals moved, again, from Assiniboine Park to a registered elk farm

here in Manitoba where, because of the newness of the regulations, the proponents had not fully carried out the letter and the intent of the law but were quickly and readily complied with.

* (1355)

Ms. Wowchuk: Well, I guess we see why the name Uncle Harry applies.

I would like to ask the minister: what steps are being taken to investigate the three shipments of elk that were shipped out to Saskatchewan, not from the Assiniboine Park, but shipped to Saskatchewan without the proper documentation from the Animal Industry Branch? What steps are being taken to investigate that particular incident, and are charges going to be laid on that?

Mr. Enns: Madam Speaker, I do not expect and I suspect neither does anybody else, neither do any other members in this House expect the Minister of Justice (Mr. Toews), for instance, to broadcast to the world what kinds of investigations or at what stage they are taking place. These are investigations where, if we can detect and determine noncompliance with the regulations, they will be charged, and that is all I can tell the honourable member.

Canadian Imperial Bank of Commerce Withdrawal of Student Loan Services

Ms. Jean Friesen (Wolseley): Madam Speaker, yesterday the CIBC told us that it was withdrawing from the Student Loan Program in Manitoba. Under freedom of information, some time ago I received a copy of the contract between CIBC and the government of Manitoba, and that contract says that notice to terminate the three-year agreement must be given by October 2, 1997. I would like to ask the minister to tell the House whether she knew in October and concealed this from Manitobans or whether the contract has been broken.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, the contract with CIBC was a three-year contract which was up some months ago, and during the period of time from then till now we had granted an extension to CIBC to continue negotiations to see if in fact there was a desire to renew

that contract. There, in the end, turned out to be no such agreement available, and CIBC is now in the process of withdrawing since the contract was up many months ago, and we appreciated and they have appreciated the extension of time that was granted. They are now withdrawing—going into a transition period to move everything over to the Royal Bank, which came on stream, as the member knows, about a year ago. There was nothing covered up. I believe people were aware that there were negotiations underway, and the conclusion of those was never satisfactorily achieved on renewal of a contract.

Madam Speaker: The honourable member for Wolseley, with a supplementary question.

Ms. Friesen: Would the minister who, when I raised the issue of the withdrawal of CIBC from Nova Scotia in the House in June '97, said that we were not experiencing the types of problems here in Manitoba that Nova Scotia has experienced—could she tell us what has changed in Manitoba that is leading the CIBC to withdraw from student loans here?

Mrs. McIntosh: Madam Speaker, the member is quite correct in that at the time that she asked the question we were still under contract with CIBC, and there were no problems that had been identified to us of the nature that had led them to withdraw from Nova Scotia. Indeed, as the contract concluded, then there was a period of time where an extension was asked for to see if we could negotiate a new contract with CIBC. That contract, as I indicated, was not renewed, and the Royal Bank had in the meantime—well, actually prior to that—indicated its interest in submitting a proposal which was accepted by the government of Manitoba, leaving Saskatchewan, our neighbours next door, Manitoba and Nova Scotia having one sole supplier, that being the Royal Bank. CIBC, the member is quite correct, pulled out of Nova Scotia initially and then, subsequent to her questioning of me last year, did not renegotiate. The Bank of Nova Scotia is out of those types of agreements.

Students' Debt Load

Ms. Jean Friesen (Wolseley): Madam Speaker, could the minister confirm that what did in fact happen, and indeed was predictable, was that when Manitoba in

1993 eliminated bursaries, ended the loan remission program for all but a few students, debt levels did begin to rise and there are now some few students, few still—but with extremely high debts, \$35,000 to \$40,000? This is what concerns CIBC; it is what concerns Manitobans. Why does it not concern the minister?

* (1400)

Hon. Linda McIntosh (Minister of Education and Training): No, Madam Speaker, I will not confirm that because, as the member knows, Manitoba, in the first place—the majority of students in Manitoba owe far less than the average across the nation. There will be some exceptions, to be sure, and she mentions the exceptions rather than the rule. That is fair if she wishes to do that, but it is important for the record to note that the majority of students in Manitoba do not carry the high debt loads that are average across the nation. As well, we have pumped more money now into making it possible for students not to have to borrow as much. We had hoped that CIBC would give time for our new measures for interest relief and debt remission and our new scholarships and bursaries and the Learning Tax Credit and all of those things we put in place to make it possible for students to have better debt management on their repayment of loans and to have more money up front so that they do not need to borrow as much. We had hoped they might wish to stay around to see how that would flesh out as the Royal Bank is quite willing to do. Unfortunately, that did not occur.

Credit Unions Government Support

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister responsible for Consumer and Corporate Affairs. Today we have five major banks, and it is being proposed that five majors be reduced to three. In Manitoba—[interjection] Patience is a virtue, and the Premier (Mr. Filmon) needs a little bit in terms of more virtues.

My question to the Minister of Consumer and Corporate Affairs is: in the province we have very healthy credit unions. Is the province looking at what

we might be able to do to ensure that that health continues to prosper in the province of Manitoba, and is there something that the government of Manitoba can be doing to give more strength to our credit unions?

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Madam Speaker, I would like to thank my honourable colleague for that question. It gives me the opportunity to tell my colleagues in this Chamber and, through them, the people of Manitoba that in fact we do have a very healthy credit union system in Manitoba and a very healthy *caisse populaire* system as well. This had been enhanced and facilitated by virtue of the support that the government of Manitoba had given to the guarantee system of their central debt in years gone by, which now, because they have turned the corner—they are no longer needed—the guarantee has been removed.

I can tell my honourable colleague opposite that in fact there is still constant vigilance of the credit union system, and we are in frequent communication with them on the issues which concern them. We see a very real opportunity for the credit unions to infill in various aspects of Manitoba to support the people of Manitoba.

Madam Speaker: The honourable member for Inkster, with a supplementary question.

Mr. Lamoureux: Madam Speaker, the question to the same minister is: would he acknowledge that other provinces recognize the importance of the credit union in providing competition and providing jobs and so forth, that there is a responsibility for this government to look at what it can be doing in terms of ensuring that there is a very prosperous future, given what is happening with our five major banks?

Mr. Radcliffe: Madam Speaker, one of my colleagues here has just mentioned a fact, which I think is probably the best support that our government can give to the credit union system in Manitoba, which is a viable economy, a balanced budget, and putting the people of Manitoba back to work so that there are savings and so that there are opportunities for business which can be facilitated and funnelled through the credit union system.

Bank Mergers Government Position

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I am wondering if the minister can indicate to the House if in fact he has been in contact at all with our credit unions, if they are looking at any alternatives whatsoever that might be there for the government to be assisting. In particular, does the government itself have a position on the bank mergers and have they explained that position to the federal government?

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Madam Speaker, I can advise my honourable colleagues in this Chamber that in fact I had the opportunity just about two weeks ago to be at the annual general meeting of the Credit Union Central, and I was able to bring greetings to this assembly. I was in communication with the members of that organization. I receive briefings from these individuals on a regular basis, and I have been in contact with a number of individual leaders of independent credit unions who are looking at and assessing opportunities across northern Manitoba, southern Manitoba and advising me of their decisions on this matter.

So I would advise my honourable colleague that in fact we are keeping abreast of these issues and concerns.

Turtle Island Protection Group Meeting Request

Mr. Stan Struthers (Dauphin): Madam Speaker, to the Minister of Natural Resources. First Nations communities of Hollow Water, Sagkeeng, Little Black River and Brokenhead have formed the Turtle Island Protection Group to ensure that First Nations communities on the east side of Lake Winnipeg have a say before decisions are made concerning the granting of Pine Falls Paper Company's two-year forestry plan.

Will this minister put on hold any talks regarding Tembec's two-year forestry plan and meet with the Turtle Island Protection Group to ensure that concerns of these First Nations communities are addressed?

Hon. Glen Cummings (Minister of Natural Resources): I will be glad to meet with them, Madam Speaker.

Mr. Struthers: Madam Speaker, will the minister also meet with the chiefs and band councillors from Norway House, Berens River, Poplar River, Little Grand Rapids, Pauingassi, Bloodvein, Seymourville and Manigotagan to address their concerns with this two-year plan as well?

Mr. Cummings: Yes.

Protection of Treaty Rights

Mr. Stan Struthers (Dauphin): Madam Speaker, will the minister meet before Friday with these groups—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Dauphin, with a final supplementary question.

Mr. Struthers: Will the minister meet before this deal is a fait accompli, and will he provide for the bands a written explanation outlining how treaty rights will be protected in this agreement with the company?

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, we have always respected treaty rights, and we have a good working relationship generally in respect of the lands that have been set aside for future claims. That has always been a consideration. I will be glad to try and bring some comfort to those communities that feel that there needs to be some additional consideration.

Regional Health Authorities CEO—Churchill, Manitoba

Mr. Eric Robinson (Rupertstland): Madam Speaker, my questions are for the Minister of Health. Last month, on the 26th of March, I asked the Premier (Mr. Filmon) and he took under notice some questions I had concerning the Churchill Health Authority. I trust that the Minister of Health can now respond to some of those questions that I had. I would like to ask the minister to tell the House what his position is in regard

to the chair of the health centre at Churchill and whether he is now prepared to make any changes, given the local controversy there, the loss of services and some questionable contracts being given out at the centre at Churchill.

Hon. Darren Praznik (Minister of Health): Just to put the member's question into context, I was approached by staff of the New Democratic Party about this particular issue, and I asked both the member for Rupertstland, in whose constituency this RHA is situated, along with my legislative assistant, Mr. Tweed, to go to Churchill—pardon me, the member for Turtle Mountain, Mr. Tweed—to investigate this issue and try to sort it out and we thought having a united front, those involved, because there are a host of issues, a great number of personalities involved in this. We think some of that may have been resolved. As the member knows, the position of—the current CEO, I understand, has left and they are recruiting another CEO, and there are still some issues to be resolved. I have not yet made a decision on that, but I look for advice from both him and the member for Turtle Mountain.

* (1410)

Financial Reports—Churchill, Manitoba

Mr. Eric Robinson (Rupertstland): Madam Speaker, I do look forward to ongoing dialogue with the member for Turtle Mountain. One of the things that the member for Turtle Mountain and I did agree to back in December when we were given this task of trying to find some resolution was the release of financial reports so that Churchill residents can see for themselves what is going on exactly with respect to their money at the Churchill Health Centre. I would like to give an example: over \$98,000 was spent on new letterhead for the centre, and I would like to ask the minister what he is prepared to do about that.

Hon. Darren Praznik (Minister of Health): Madam Speaker, part of the discussions that did result from the work of both he and the member for Turtle Mountain (Mr. Tweed), I understand that the audits are now being completed on where that board has made its choices. I know on this particular issue, when that issue did arise the board indicated that they would have revenue

offsets to that. Whether or not they are able to achieve that will be part of the kinds of conclusions that I will have to draw as minister in considering reappointments of members.

Government Support—Churchill, Manitoba

Mr. Eric Robinson (Rupertsland): As I pointed out, Madam Speaker, last month when I asked the Premier (Mr. Filmon) some of these things, I raised some issues regarding the loss of key personnel and positions at the health centre. I would like to ask the minister now if he is willing to act to ensure that the centre does not lose the ability to maintain its 25-year history in being a regional health centre.

Hon. Darren Praznik (Minister of Health): Just to put that question in context, because we have debated Churchill in this House before. Madam Speaker, the only reason that the Churchill Regional Health Authority was created, given the relatively small size of that authority, was as an economic development tool for the community of Churchill, because that particular facility supplies health care services into the Northwest Territories and across the North, so Churchill petitioned the former minister to create that authority to work on the economic development side.

Now the member for Thompson (Mr. Ashton) had significant criticisms of that initiative and the efforts of that board to try to gain other support and broaden their base within their board. There are some very legitimate criticisms of that board that have come from the member for Rupertsland and my colleague from Turtle Mountain in their investigation. I can assure the House that it is a matter I will review, and one of the options of course is, if relatively small communities cannot work together to achieve their goals, perhaps they should be just moved into the Burntwood regional health district, and that is certainly a possibility.

Manitoba Association of Registered Nurses Standards

Mr. Oscar Lathlin (The Pas): Yesterday the Minister of Health advised the House that, and I quote him, “many of those remote nursing stations that the member references are not within provincial jurisdiction.”

Madam Speaker, MARN advised us today that any nurse who practises in Manitoba, whether it is on a remote nursing station or at St. Boniface Hospital, must be licensed by MARN. My question to the Minister of Health is: if 92 percent of those nurses are identifying three areas of neglect, where does that put the government and MARN and the College of Physicians and Surgeons, for that matter? Who monitors what?

Hon. Darren Praznik (Minister of Health): Madam Speaker, again for the member for The Pas, professional organizations have the responsibility to govern and regulate the professional ability of their members, so any particular nurse who is not living up to their professional responsibilities, they have the power to discipline, including the power to dismiss.

Now the general operation of a facility and its ability to meet standards of care in providing for their patients or those who access that facility are the responsibility of its owners or the jurisdiction that governs that facility. In the case of nursing stations operated by Health and Welfare Canada, they are outside of our jurisdiction. So some of those facilities, although the staff, their professional licensing is with provincial bodies, the responsibility for the standards in their operation rests with their owners and the jurisdiction they are in, which in many of those cases is federal.

Health Care System Staffing—Northern Manitoba

Madam Speaker: The honourable member for The Pas, with a supplementary question.

Mr. Oscar Lathlin (The Pas): I would like to ask the Minister of Health, in view of the report that came out two days ago saying that 92 percent of northern nurses found three areas of neglect, why he proceeded to make those massive cuts against the advice of many northerners, services—[interjection]

Madam Speaker: Order, please. The honourable member for The Pas, to pose his question, please.

Mr. Lathlin: Why were those services cut in The Pas, Flin Flon and Thompson, where the majority of the aboriginal people in the area are referred, too, by the nurses working in the nursing stations?

Hon. Darren Praznik (Minister of Health): Madam Speaker, if what the member is referencing is the staffing guidelines for facilities which was conducted some years ago when the member for Brandon West (Mr. McCrae) was Minister of Health, if what I remember of that process is correct, physicians, nurses, administrators were involved in establishing those guidelines to have uniform guidelines across the province. I know of one facility in particular and some others whose guidelines went up because in the old ad hoc method of staffing we did not have equality between facilities, so the guidelines were developed with professionals to ensure that there was uniform application across the province. Some facilities had more before and were brought down to the guidelines; others moved up. It was to ensure fairness across the province.

Staffing—Nurses

Mr. Dave Chomiak (Kildonan): Madam Speaker, I believe that it is fairly clear from the report of the 5,000 nurses and what the member for The Pas is referring to that no one on that side of the House is monitoring the situation that has been as a result of their cutbacks for the past few years, and that is why the nurses are talking about such a difficult situation.

My question to the minister is: since the minister yesterday said he ordered the USSC to do something and he orders the health board to do various things, will the minister just do one thing for the people of Manitoba, for the nurses and the patients of Manitoba? Will he order the WHA and his regional health authorities to guarantee—will he order them to hire more nurses to occupy our acute care hospitals and our personal care homes so that we do not have the kinds of reports like we had delivered on Monday?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I would remind the other honourable member that reports such as those have gone back well into 15 years ago when his party was in power, and I only say that every time the health care system is asked, it is always in crisis and it is always in difficulty no matter who is in power.

In discussing this issue in Estimates and in my answer yesterday, we indicated that there are areas

where staffing certainly has to be looked at and addressed. That may not always mean nurses because, for example—[interjection] Well, the member proposes we just authorize hiring more nurses without knowing where we are putting them, where they are needed, how do they fit into the system. The nursing profession is changing to the four-year program from the two. We have a process going on now with the purchasers of that service, the regional health authorities and the professional bodies and the MNU, looking exactly on what kind of relationship, staffing requirements, those issues we will need.

I have put all those parties together, and we want to do this in an appropriate fashion, not in an ad hoc method as the member proposes.

Madam Speaker: Order, please. Time for Oral Questions has expired.

* (1420)

Speaker's Ruling

Madam Speaker: I have a ruling for the House.

On March 24, 1998, the honourable member for The Pas (Mr. Lathlin) brought forward a matter of privilege concerning comments made by the First Minister (Mr. Filmon) on March 23 in Question Period about the honourable member for The Pas. I thank honourable members for their advice to the Chair on this matter of privilege.

Although he did not include it in the motion he moved, I think I should make reference to the issue raised by the honourable member for The Pas respecting comments he said the Premier apparently made on the Peter Warren radio program. Statements made by a member outside the House, according to Beauchesne Citation 31(3), may not be used as the basis for a question of privilege.

That leaves us with the words spoken by the First Minister on March 25. He said, according to the Hansard record “. . . rather than stir up discontent and conflict, he ought to get involved in attempting to ensure that the people of Cross Lake come to the table to complete the negotiations . . .”

In raising his matter of privilege, the honourable member for The Pas contended what the Premier had said in the House was that if the honourable member for The Pas "had not been inciting conflict in Cross Lake, the chief and council and members of Cross Lake would have been to the table to finish negotiating the terms and conditions of the Northern Flood and ready to be implemented."

Unfortunately, what appears to be in evidence are two interpretations of the words spoken by the Premier. Based on what appears in Hansard, the honourable member for The Pas (Mr. Lathlin) has not made a prima facie case for a matter of privilege. The member may have had a case for imputation of unworthy motives, but that should have been raised as a point of order.

I would encourage the First Minister (Mr. Filmon), when answering questions, to select his words carefully and to refrain from provoking debate.

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I challenge the ruling.

Madam Speaker: The ruling of the Chair has been challenged.

Voice Vote

Madam Speaker: All those in favour of sustaining the ruling of the Chair, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

* (1520)

Formal Vote

Mr. Ashton: Yeas and Nays, Madam Speaker.

Madam Speaker: A recorded vote has been requested. Call in the members.

The question before the House is shall the ruling of the Chair be sustained.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Faurischou, Filmon, Gaudry, Gilleshammer, Helwer, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Penner, Pitura, Praznik, Radcliffe, Reimer, Render, Rocan, Sveinson, Toews, Tweed, Vodrey.

Nays

Ashton, Barrett, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Hickes, Jennissen, Lathlin, Mackintosh, Maloway, Martindale, Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Mr. Clerk (William Remnant): Yeas 28; Nays, 21.

Madam Speaker: The ruling of the Chair is accordingly sustained.

MEMBERS' STATEMENTS

International Peace Garden

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, the International Peace Garden provides an excellent symbol of what Canadians and Americans can accomplish when we work together. Yesterday it was my pleasure to attend the Manitoba-North Dakota Friendship '98 reception along with Governor Edward Schafer of North Dakota and the Minister of Industry, Trade and Tourism, Mr. Downey.

The reception, co-hosted by Travel Manitoba and the North Dakota Tourism Department announced funding of more than \$158,000 for the Peace Garden. This fund will be used as an enhancement initiative. In its 66-year history, the 930-hectare International Peace Garden has grown to a place that the world loves to

visit time and time again. The garden is a symbol of the unique bond between North Dakota and Manitoba. The prairie we both farm is our neighbourhood and our common experiences and dreams of a prosperous future for our children in our own home towns forge our friendships. We share nature's splendour and we have triumphed over the trials that nature has written into our history.

As we look toward the new millennium, our friendship will continue to serve us well. While others try on ideas like partnerships and alliances, we in the prairie heartland have decades of experience working together. With over 200,000 visitors annually to the International Peace Garden, it is our proudest model of building success by building partnerships. If yesterday's turnout and the sentiments expressed to me by all present are any indication, then I have no doubt our long tradition of friendship and co-operation with our neighbours to the South will continue. I invite all members and their families to visit the International Peace Garden this year. You will be glad you did.

Grain Transportation

Mr. Clif Evans (Interlake): Madam Speaker, the policy decisions of the Chretien Liberals to scrap the Crow rate and allow wide-open rail line abandonment have dealt a major blow for farmers in many parts of our rural Manitoba. This province at one time was the most economical place on the prairies to ship grain, but now has become one of the most expensive. Over half of our farmers are in grain and oilseeds and another 25 percent are in cattle. We have seen, in 1996, Manitoba grain and oilseed farmers with the lowest average incomes of any grain farmers west of the Maritimes, and our cattle producers earned an average of only \$3,000, with an average of \$14,000 in off-farm income.

In the past few years across the Prairies, we have seen hundreds of grain elevators that have been shut down. Producers are being forced to truck grain further along substandard roads as branch lines have been torn up, and for many communities the loss of local elevators has created an uncertain economic future.

Last year the Canadian Wheat Board and farmers lost more than \$60 million when the railways failed to deliver wheat on time. The entire grain handling and

transportation system is now being reviewed by former Supreme Court Justice Willard Estey, who will be holding a hearing in Portage la Prairie on April 28. It is our hope that this review results in changes that benefit producers across the Prairies. Thank you.

Manitoba Book Week

Mr. Edward Helwer (Gimli): Madam Speaker, this is an important time for local writers and publishers as April 19 to 25 is Manitoba Book Week. This unique event is hosted by the Association of Manitoba Book Publishers and is presented in conjunction with Canada Book Day on April 23 and the Manitoba Literary Awards Gala on April 25. Together the events create a week-long, province-wide celebration of literature and literacy.

Manitoba Book Week is the first event of its kind in the country, expanding Canada Book Week into a week-long event. A variety of events is planned for the week, including a children's reading series in libraries across the province, a series of book launches, a League of Canadian Poets group reading, and a literary evening quiz.

I am pleased to see that Manitoba businesses support this worthy event. For example, Friesens Corporation of Altona is one of the official sponsors of Manitoba Book Week. The posters advertising Canada Book Week have been printed by the firm as a contribution to Book Week. Every year, Friesens prints hundreds of fiction, nonfiction, Canadian books, a testament to the strength of the book industry. Other sponsors of Manitoba Book Week include the Canada Council for the Arts, Manitoba Culture, Heritage and Citizenship, and a number of book retailers and related organizations.

Manitoba Book Week is a wonderful opportunity for Manitoba book lovers to meet our gifted local authors, signings, launchings and readings throughout the province. So I would encourage all Manitobans to take advantage of the many entertaining and insightful books produced by our gifted local authors and our dedicated publishers. Not only will you find the experience rewarding, but you will also be supporting our local cultural industry. Thank you, Madam Speaker.

Earth Day

Mr. Gregory Dewar (Selkirk): Madam Speaker, this is Earth Day, and I want to just take time to thank all Manitobans who work so hard on protecting our environment. Sadly, this government, however, dropped the ball when it comes to environmental issues. Yesterday in this House, we debated a resolution I brought in, No. 18, which called on the government to work with the City of Winnipeg to expand recycling initiatives, recycling opportunities for all Manitobans, but unfortunately they blocked it and they prevented it from coming to a vote.

This resolution, as I said, called on the government to work with the City of Winnipeg to provide recycling to roughly 90,000 Winnipeggers who live in an apartment or a townhouse who do not receive recycling services. It also called on the government to work with rural and northern Manitobans to give them access to a recycling program.

It was revealed yesterday in the debate that the North contributes approximately twice as much as it gets back in terms of the 2-cent levy that we all pay as Manitobans; \$85,000 goes back into the North and about \$170,000 is collected. The fund currently has a surplus of between \$7 million and \$8 million, which is collected from all Manitobans. It really is a shame that not all Manitobans have access to a program that in fact they are paying for. Supporting our resolution was a first step to stop this inequity, and unfortunately this government chose to play politics rather than showing initiative when it comes to environmental issues. Thank you.

Akjuit Aerospace

Mr. Eric Robinson (Rupert's Land): Madam Speaker, on April 27, Akjuit Aerospace is launching a rocket at the Churchill spaceport. This is the first launch at the site since March 1989 when Nassau conducted tests there. The Black Brandt sounding rocket built by Bristol Aerospace in Winnipeg will carry a payload of scientific experiments for the Canadian Space Agency. All Manitoba will benefit from this development.

Akjuit is continuing plans to spend \$260 million to develop a commercial polar spaceport at Churchill. More than 3,500 rockets were launched at the Churchill rocket range between 1957 and 1989.

The launch this month symbolizes the rebirth of the rocket range and is an appropriate symbol for the dynamic changes occurring at Churchill itself as the port and rail line move forward. Thank you, Madam Speaker.

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Would you be so kind as to call the bills as listed on today's Order Paper with the following exception. We could begin with Bill 3, and then proceed to Bills numbered 15, 6, 17, 4, 10, and if there is time remaining, perhaps go through the list in order.

DEBATE ON SECOND READINGS

Bill 3—The Elections Finances Amendment and Consequential Amendments Act

Madam Speaker: Bill 3, The Election: Finances Amendment and Consequential Amendments Act (Loi modifiant la Loi sur le financement des campagnes électorales et modifications corrélatives), standing in the name of the honourable Leader of the official opposition.

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I wish to make a few comments on Bill 3, which of course is The Elections Finances Amendment and Consequential Amendments Act. We know that this bill is a bill primarily prepared by the Chief Electoral Officer, an independent officer of this

Legislature who is required by law to review the financial aspects of each election campaign and report back to this Legislature for consideration and action.

We would note that, by and large, the recommendations made by the Chief Electoral Officer have been incorporated in the bill, and we think that that is very consistent with an independent process in dealing with the rules that guide us and govern us on our finances in elections. We believe that the clarification of duties of the official agents, the clarification of responsibilities of auditors and the relationship and reporting to the CEO is a good and positive step and very much consistent with the Chief Electoral Officer report.

We believe that the expansion of the definition of an election expense is positive and again consistent with the recommendations from the Chief Electoral Officer. We think that the application of this expansion to expenses like child care are positive when you consider the pressures that families are under and probably leads to greater disclosure of something that probably takes place already during election campaigns, and therefore the transparency of this claim and its treatment under the act is a positive change. Hopefully, it will continue to allow more and more people that are underrepresented in this Legislature to be more represented in this Chamber as a positive change.

We would note that the ceiling for advertising purposes, the cap on advertising, has been changed in this act, which is not part of the Chief Electoral Officer's report. I suspect that the members opposite feel that this is dealing with an ambiguity that would allow for constituencies to contribute advertising money to a main campaign. Madam Speaker, obviously it is better to have the rules under which we are governed clear and up front rather than having ambiguities that arise and disputes that would take place on the act. Perhaps the Chief Electoral Officer, at the committee meeting, will help us understand this change, but of course it is one change that is not contained within the electoral officer's report.

However, the integrity of the act and the integrity of reporting and integrity of disclosure have been maintained in the act. We feel that the enhancements made for public disclosure in the act are positive. We

feel that the campaign reporting is improved, and we believe that, as I say, well over 95 percent of the bill is consistent with the Chief Electoral Officer's report and, I believe, consistent therefore with the traditions of this Legislature that allow us to be governed by rules that are recommended to us by an independent body, rules that governments come and go, parties come and go, but the rules under which we are elected or defeated we believe should be developed by independent bodies.

* (1530)

Therefore, we, on examination of this bill, which is our responsibility—we cannot pass bills like this too quickly because it would be irresponsible of us. The duties still remain with the Legislature to pass these bills and to take our time. I note that the government did present this bill in December and we certainly feel today in April that we are able to pass this legislation with the comments that I have made and the comments that will be made by my colleague who will also be speaking on the bill, the member for Wellington. So thank you very much.

Ms. Becky Barrett (Wellington): Madam Speaker, I too am pleased to be able to speak on Bill 3, which is before us. Before I speak about the principles of the legislation, I would like to comment briefly on the process. I am not familiar with the process that other provinces go through, nor am I familiar that much with the federal process, but I do know that The Elections Finances Act and The Elections Act itself process, I believe, in the province of Manitoba is an extremely effective one.

In an earlier incarnation I dealt with the Chief Electoral Officer for three general elections, as I was the chief administrator for The Elections Act and The Elections Finances Act for the New Democratic Party, and I had the distinct pleasure of working with the former Chief Electoral Officer, Richard Willis, who unfortunately died very young a few years ago, and have since then, although not quite as closely, worked with a current Chief Electoral Officer, Mr. Balasko, and have found the staff from the Chief Electoral Office on down to always be most helpful and most professional in their dealings with me and with other members of political parties and the Legislative Assembly.

I think that the electoral process is one of the most basic democratic processes that we have, and it is essential that we retain the openness, the accountability, and the transparency of that process. I think, through The Elections Act and The Elections Finances Act, we here in Manitoba, not only as elected representatives and members of political parties but also as citizens of the province, have a great deal to be proud of in the way we conduct our elections and the way we proceed with the legislation under which we conduct our elections.

The Chief Electoral Officer reports every year to the Legislature and reports both on The Elections Act and The Elections Finances Act. They are very interesting reports, and I suggest that all honourable members look at them. In particular, I spent a great deal of time in looking at the report that the Chief Electoral Officer sent to the government in October of 1996 reporting on the 1995 election and making recommendations for legislative changes and amendments to The Elections Finances Act.

The report is very enlightening as to what actually happened in the election and what some of the concerns are and what some of the recommendations were at that time for changes. The vast majority of the recommendations from the Chief Electoral Officer have been implemented in the bill that we are discussing in principle today.

I congratulate the government on its putting forth this piece of legislation. I am not a hundred percent sure that it is exactly what we would have done in every potential detail. Having gone through the recommendations, the act and the very extensive spreadsheets that were provided by Elections Manitoba, it is a very solid piece of legislation and one that reflects very admirably the vast majority of the recommendations that the people who know best about how elections are run and know best how to maintain the principles of accountability and transparency. These people's recommendations were followed to a great extent.

Madam Speaker, it is not just the Chief Electoral Officer and his staff that make these recommendations, although they come to the Legislature from the Chief Electoral Officer. The Chief Electoral Officer and Elections Manitoba have, as well, an advisory

committee that meets regularly to work with Elections Manitoba and the Chief Electoral Officer in making recommendations to have The Elections Finances Act be an even better piece of legislation.

The advisory committee members I know—at least for the one that I know of who represented the New Democratic Party—have been very positive about that process. A lot of time and energy that they have spent has shown itself in the legislation that we have before us today and in the report that the Chief Electoral Officer tables annually.

So I would like to say that I think the process that has led to this piece of legislation is an excellent process and one that shows that sometimes all of the partners in the political process actually can work together. In this situation, we have the staff of Elections Manitoba working with representatives of all of the registered political parties and also working with the members of the Legislature. As the Leader of the official opposition has said, we are prepared to pass this piece of legislation through. So I think that we can tell our constituents that the debate in the House is not always problematic and that sometimes we are able to work together.

So, with that summary, I would like to talk briefly about the legislation that is before us. I think a great deal of what it does is, as I have said earlier, it clarifies some of the problems that the advisory committee and the Chief Electoral Officer found after the 1995 election. I say problems, and I do not mean that to sound terribly negative, because by and large the elections that we run here in Manitoba are very good elections. They are elections that are open and accountable. The elections in Manitoba, and I think, by and large, throughout Canada, are based on the premise that it is a right of every citizen to vote, every eligible citizen to vote, and the process should be to enable and facilitate every eligible citizen's ability to vote. That will be particularly noted in the discussion in the other legislation that has come forward or will be coming forward in Bill 2, amendments to The Elections Act. But even the amendments to The Elections Finances Act help make that process more accessible and accountable, and particularly accountable.

I think when you are talking about election finances, we really, really need to focus on the accountability

part of it, all of us. I know in this House sometimes we in the opposition talk about accountability in the context that we do not believe the government is as accountable as it should be in one particular area or another, so we use that word in that context.

In the context that I am using it here today in discussing the amendments to The Elections Finances Act, I am using that word for all of us in saying I think this bill and the amendments put forward do a great service towards recognizing some of the places where we can be more accountable. We can clarify things so that citizens know more effectively and more clearly what exactly is meant by and what responsibilities political parties and candidates have under The Elections Finances Act. So I think the clarification and the accountability aspects are very clear, if I can use that, in this legislation.

* (1540)

Again, in a general comment, I would like to say that another part of The Elections Finances Act that is a big part of Canadian elections and Manitoba elections that is not a part at all of the election process to the country south of us, the United States, is the concept of limits, spending limits. It is an idea that is really foreign to the American political process. I think we only need to recall what we have seen about the excesses that occur in the American electoral processes with a candidate for the United States Senate in California spending \$200 million of his own money in order to—in a losing cause I might add. If you do not have a piece of legislation like The Elections Finances Act, it really is a case that you have to have money in order to run for public office, just like in the United States in many cases you have to have money in order to get health care.

Currently in Canada, at least in theory, that is not the case, although in some instances we may be working towards that, and I think we need to—[interjection] The member for Wolseley (Ms. Friesen) rightly says it is not “we” may be working towards; the government may be working towards, but that is—before the Speaker calls me out of order for moving away from the discussion at hand, I will say that in the context of The Elections Finances Act and our debate around this piece of legislation and the history of it, we can say for sure that

this is a principle that has been acknowledged in this legislation and continues to be acknowledged, that while there is a recognition that elections cost money for individual candidates and for political parties, there is also a recognition that they should not be open to a complete lack of a ceiling. So, again, each constituency and each party has a ceiling that has been maintained in The Elections Finances Act.

One of the elements in this legislation that I think is positive—it may be in The Elections Act, so perhaps I should not mention it. I am getting the two pieces of legislation confused, but I think the idea that reflecting the cost-of-living increases, there is a slight change in the formula in this piece of legislation that is very positive because it brings more up to date what the current—it reflects more accurately the current situation.

One of the elements, one of the major players in an election campaign, although you would not know it from walking into most committee rooms or anything in the media, is the official agent which is the chief financial officer of the local constituency, and there is also a chief financial officer of each registered party. One of the elements that is in this piece of legislation is a clarification of those duties and those roles and their responsibilities, which is also designed to make the process more accountable and transparent.

The definition of a campaign expense has been expanded, and I think quite admirably, to include child care. I think this recognizes the reality today which is that more and more candidates are people, still largely women, but there are some situations where men have major responsibility for child care, and the recognition that during a campaign period, where as a candidate you are on the hustings for at least 35 days and nights, you need to have some support there; many people do financially. So I think this definition of child care expenses as a campaign expense is a very valid and an excellent one.

The other elements of the bill increase the per-name amount for determining election expense ceilings and also the time at which the number of electors can be used to put into your ceiling. Before this piece of legislation, your ceiling was determined by the number of electors at the final revision which was several days before election day. In virtually every constituency in

the province, people come and get onto the election rolls on election day, and that is another wonderful thing about this system. There is virtually no excuse for not voting, and when we get to The Elections Act, that is made even clearer. There are some very good changes in that legislation that really open up the voting process.

In The Elections Finances Act, instead of that ceiling being determined by the number of electors on the rolls at final revision, it is now determined by the number of electors on the rolls at eight o'clock on election night. So it does provide for that additional flexibility, that additional potential amount of money, to the ceiling, that you can have, and it also recognizes the fact that voters do come onto the election rolls on election day and are sworn in.

There are other parts of the bill that enhance public disclosure and make campaign reporting more rigorous. Again, this is essential if we are going to have a truly democratic election system. We have to ensure that everybody has access to as much information about what candidates spent and what they were allowed to spend as possible and that it is as easy to understand as possible. Just as we need to ensure that campaigning candidates have access to the voters, and those are elements that are in The Elections Act, we also have to ensure that the citizens have an open window as to what money was spent by which candidate in which parties on what items. That is a hugely important accountability element to a truly democratic election process, and those things are enhanced in this piece of legislation.

So I think, Madam Speaker, with those few words, I will close my remarks on Bill 3 and say, again, congratulations most particularly to the Chief Electoral Officer, his staff and Elections Manitoba because they continue to do a remarkable job in ensuring that everyone who is involved in the election process has enough information that they can function within the legislation and that the legislation is open and accountable, so the citizens of the province of Manitoba have a large degree of confidence in the process that elects us. Whether they continue to have a degree of confidence in us after we have been elected is a matter for us to determine, but the process whereby we come into this Legislative Assembly is a very good one and has only been made better by this piece of legislation.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 3. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed? Agreed and so ordered.

Bill 15—The Dutch Elm Disease Act

Madam Speaker: Second reading, Bill 15, The Dutch Elm Disease Act (Loi sur la graphiose), to resume adjourned debate, standing in the name of the honourable member for Swan River (Ms. Wowchuk).

The honourable member for Swan River—I am sorry, the honourable member for Dauphin (Mr. Struthers).

Mr. Stan Struthers (Dauphin): I want to first of all say that the people of Swan River are being very well served by the real member for Swan River (Ms. Wowchuk); but, knowing many of the people who are the member for Swan River's constituents, I know that they agree with me as well on that. I take only as flattery the mistake you made in referring to me as the member for Swan River.

* (1550)

Having said that, though, Madam Speaker, I very proudly represent the constituents of the fine constituency of Dauphin.

For one to understand the importance of Bill 15, The Dutch Elm Disease Act, one must only take a flight out of the city. As they are leaving or as they are entering the city of Winnipeg, they should take a good look out the window and see what a beautiful canopy we have in the city of Winnipeg, the beautiful trees, the coverage, the urban forest that is present in this community.

Madam Speaker, it is a shame that Dutch elm disease is amongst the forest, reducing that beauty. It is a shame. We in this Legislature need to take steps to prevent this beautiful forest from being reduced any more than what it is already. Having said that, as you fly out of the city and you are admiring the forest in Winnipeg, I would advise you that, when you land in your plane in the city of Dauphin, you take note again

of the beautiful forest within the city limits of Dauphin where we, too, have a spectacular view upon landing close to the city of Dauphin. Giant old elm trees have been growing there for decades, providing shade and providing comfort for the people who live in our community of Dauphin.

The reason that I talk about the community of Dauphin is that it shows the extent to which, No. 1, this province has beautiful tree growth, but at the same time we too in Dauphin have problems with Dutch elm disease, as do many other communities throughout Manitoba. This again illustrates the importance of addressing this problem of Dutch elm disease.

Madam Speaker, the bill that is before the House does attempt to put forth some ideas, some measures by which we can control the spread of Dutch elm disease. It also puts forth some measures in which we can prevent Dutch elm disease from spreading in the first place.

I think that is key. We need to prevent the spread of this disease. We need to control the disease that is there already. The third part of this bill that I am particularly impressed with is what appears to be a commitment to the educational component, the part of this bill that deals with educating people as to the resource that we have in these elm trees and some of the things that we can do to protect these elm trees in the province of Manitoba.

So, Madam Speaker, from that perspective I believe that this bill is an important one for us to be considering here today in the Legislature.

We have been dealing with this problem since the disease spread to our part of the country in 1975. We have had a lot of different ideas, bounced around a lot of ideas from the City of Winnipeg, ideas from this side of the House, where the member for Wolseley (Ms. Friesen) has introduced an act that made some very good suggestions on how we can deal with a disease that is afflicting the elm trees in our city, here in Winnipeg and throughout the province. The member for Wolseley at the time talked about increasing penalties for individuals who do not do things that help the situation, penalties to discourage people from acting

irresponsibly when it comes to the spread of Dutch elm disease.

The bill that we have here before us today enables the minister to order a person to take specific measures to prevent spread of disease on his or her property before a certain date. That is good, Madam Speaker. Setting a date and saying that you have to have this certain action taken by that date puts the onus on a property owner to clean up at least that part of the city, his own property, so that that does not become a problem for his neighbours and then spread through different parts of the city.

The minister may order persons to bear expenses of these measures, provide financial assistance for persons, exempt certain people from taking measures or take remedial action at the person's expense, again putting some ownership of the problem onto individual people who have these trees growing on their property.

This next section I think may be the most important part of the legislation before us. This section enables the minister to implement a wider array of preventative programs, programs such as applying insecticide, removing and pruning trees, establishing disposal sites, taking tree inventories, planting new trees, developing education on research programs.

Madam Speaker, particular in that is the idea of taking a tree inventory. One of the things that I am particularly concerned about in a general way in the area of natural resources is our database, our inventories. In order to make good, sound decisions dealing with resources in this province, we need to know what we have out there to begin with. We cannot be making decisions, for example, on giving out extra hunting licences if we do not know how many deer are out there in the wilderness. We cannot be making fishing regulations without having a good idea on how many fish there are in our lakes that are available for sport fishing or commercial fishing. We cannot be signing agreements if we do not know how many trees there are out there that we could cut down and use for producing goods within our province.

In the same way, if we are going to deal with this problem of Dutch elm disease, we have to know exactly what the data is. We have to know exactly how many

trees are there, how many trees are afflicted, and then we can make some good, sound decisions based on good, sound data. So I applaud the section of this bill that deals with tree inventories.

The bill also gives greater power to inspectors. It enables them to inspect any land where elms are located. It authorizes inspectors to seize and detain elm wood which helps in controlling the spread of the disease. It enables officers to stop vehicles and search for wood. It also prohibits people from keeping or selling or transporting infected wood, except to dispose of it, and I think that is an awfully important component of this bill in preventing the spread of this disease from one neighbourhood to the next.

It also enables municipal councils to order the disposal of infected elms and to charge the expense of the disposal to the owner's property taxes. Again, this bill points to the landowner and says you have to take some responsibility here; you have to buy into this program; you have to take ownership for the diseased trees on your property. This gives the municipal level of government the authority to collect money from the taxpayer, the property owner in the disposal of afflicted elm trees.

* (1600)

Another good aspect of this bill, I believe, is that it enables the province to implement and to enter into cost-sharing programs for management and prevention with other levels of government like the City of Winnipeg, City of Dauphin, the municipal level. It could authorize or does authorize the provincial government to enter into an arrangement with the national government which, I would suspect, would be interested in this problem as well.

Further than that, Madam Speaker, it authorizes this government to look across the border to state governments and to the national federal government in the United States of America and enter into agreements with them as well, because after all the disease does not know there is a boundary there. The disease will travel. As a matter of fact, the disease came from the northeast United States in the first place. I would like to ship it all back to them maybe, but that just is not going to happen. What the bill does allow is for this provincial

government to enter into agreements where they can cooperate with the U.S. government or the Canadian government or municipal governments and work together on a strategy to prevent this disease from spreading any further and to eventually getting control of this disease and saving the elm trees that we do have in our province.

The one thing that the bill really does get tough with is that it sets fines for individual lawbreakers up to \$5,000 and for corporations up to \$10,000. That is something that is an improvement over the old act. It used to be that the fines were set a maximum of \$1,000. At the time we had judges commenting that they did not have the ability to go over a thousand dollars, that in some cases they would have gone over a thousand and sent a clear message about the importance of battling Dutch elm disease, but they could not do it. This bill does allow that to happen.

The other improvement, I believe, is that it sets out in Bill 15 more preventative measures that can be taken by the government to control this Dutch elm disease. I believe that there are a lot of different good reasons why we should be concerned about the elm trees that we have in the province. I think there are a lot of good reasons to move quickly on this bill, move it on to the next level. I especially look forward to seeing what many of the presenters have when they come forth and have public presentations on this bill. I look forward to hearing some of the reasons why members of the public regard this as an important issue.

There are many benefits to having a healthy and viable tree forest, tree coverage within the city of Winnipeg. I have mentioned before that a person should take a flight from Winnipeg to Dauphin and look at the fine examples that each city has to offer when it comes to tree coverage within their city limits. I think it would be very enlightening to a lot of people who have not seen from above the importance of having that kind of tree cover.

One of the areas of the city where you are going to see a lot of elm trees are in parks. I do not think I have to spend too much time with the audience that I have here today explaining the importance of parks in a healthy community. Every community across this province should be given credit for the work that they

have done in setting aside land within their town jurisdictions to provide green space for families, for seniors, for the members of their community.

Elms play a big part of the beautification of our parks right across this province. I have always been impressed with the attempts in the inner city of Winnipeg to maintain the elm growth within their neighbourhoods in that part of the city.

The one thing that I would like to point out is that in some of the older areas of the city, in some of the older areas of some of our communities in other parts of Manitoba you can almost see a demarcation as you go from one area to the next. The newer parts of town, for example, in my community of Dauphin, you are not going to see huge, big elms providing shade for people in the neighbourhood. You are going to see smaller trees that have been planted, landscaping that has been much more 1990s. You can go to a few blocks over in Dauphin, as you can in Winnipeg, to another area and see grand, stately, huge elm trees, elm trees that could tell a real history if they could talk to us, a real history of the communities in which we live because they have been there for so long.

Madam Speaker, I think we have a responsibility to ensure that those elm trees stay there for a long time yet. I think we have a responsibility to the next generation to ensure that they too have that advantage, that benefit that we have enjoyed as citizens of the province of Manitoba.

The other day, Madam Speaker, we debated a resolution brought forward by the member for Gladstone (Mr. Rocan), where his hope was that we were to become the potato-growing capital of Manitoba. There is a connection here. In Fredericton, New Brunswick, they claim that they are the city of elms. The information that I have about Fredericton is that they have 12,000 elm trees growing in that city and that is pretty good, I think. But Manitoba, as the Minister of Housing (Mr. Reimer) has just said, we have more than that.

Madam Speaker, the figures that we have been able to obtain says that we have 200,000 elm trees in the city of Winnipeg. Now, if that does not qualify us as the elm capital of Canada or the city of elms, then I do not

know what does. I cannot think of another city that would have those kinds of statistics, impressive statistics.

This is something we should be talking about. This is something that we should be talking about when we go outside of our province, when we talk about inviting people to come and visit us here in Winnipeg and throughout the province of Manitoba. It is something we should use, I would say, in our tourist brochures. It is something we should be proud of, and it is something that we have to take measures to make sure that it is something that stays with us and something that we protect for not only those of us who live in this area but for others who come in from miles around.

So, just to wrap up, I would like to say that I support this bill. I would move it along to the public hearing stage, and I look forward to hearing from the people of Manitoba on whether there are some more ideas perhaps, some suggestions, on how we can fight these elm bark beetles and how we can protect our elm trees and not have them become afflicted with Dutch elm disease.

So, with those few words, Madam Speaker, I thank you and look forward to hearing more comments this afternoon.

Madam Speaker: Is the House ready for the question?

* (1610)

Ms. Becky Barrett (Wellington): Madam Speaker, I, too, would like to put some words on the record on Bill 15, The Dutch Elm Disease Act. I notice that the member for Dauphin spoke about his home in Dauphin in a canopy and everything; and, in speaking with other members of my caucus and the government benches, it is a funny thing, but we all seem to have recollections and memories from our childhood—or many of us do—about elms. I do not know what there is about elm trees that has this impact on us, but perhaps it is because—

An Honourable Member: The Wolseley elm.

Ms. Barrett: The Wolseley elm, yes. Perhaps it is because in this climate it is like the biggest tree we

have, I think. I am not a natural resources person, but, in my experience in Manitoba, the elm tree is a signature tree, I think, for at least the southern part of Manitoba and around our rivers and around Winnipeg.

I, too, have memories of elm trees growing up. I come, as everyone here knows, not from Manitoba originally but from south of the border. Many of my growing-up years were spent in Iowa and Minnesota and South Dakota and Nebraska. I think I remember, as a small child, the elm trees that lined the residential districts in Des Moines, which I consider my home town. I do not know how many of you have ever been to Des Moines, Iowa, but it is a very nice community. It is not as large as Winnipeg, but it is a really nice, family-oriented community. It used to have elm trees as we have today here in Winnipeg, and they made the urban canopy. There are not any elm trees in Iowa. I do not think there are any elm trees in Minnesota or the Dakotas or Nebraska. [interjection]

The member for Portage (Mr. Faurschou) has just corrected me that in Osage, Iowa, there are still elm trees, and I stand corrected.

Elm trees, they are a very evocative tree. In the United States, in the Midwest and the upper Midwest, they are not necessarily the biggest tree because the Midwest also has a tree that I miss most particularly every fall, and that is the maple tree that we do not have, unfortunately, in this part of Canada that has a glorious fall foliage.

But, Madam Speaker, we are in danger here, in the province of Manitoba, of losing that natural resource. We are in danger of losing our canopy of elm trees. I think I have taken a picture of the two streets that I have lived on in Winnipeg since I came here in 1975 every fall and every winter. I do not know why I have to take the same picture every year, but I do. I get my camera out there and I take that picture, the long range picture with my telephoto lens, down the street with the elms arching overhead in the fall when they are gold and in the winter when they are covered with snow. There is always at least one snowfall where the trees are just covered before the wind comes, when they are just gorgeous.

I have a whole library of those pictures, and it says something to us all, I think, that we relate so positively

to those elm trees. I think it is partly because I think Manitoba is kind of a desert in a way. I know we have the Carberry Desert, but we are a dry climate, and if you just drive down into northern Minnesota, you see a difference in the kind of foliage that there is. We are a harsher climate than even just two or three hours south. The natural trees and the natural foliage that grows here is precious, all the more precious because it is difficult and it needs nurturing.

The elm trees for the southern part of the province of Manitoba are one of our best natural resources. It is one of the things that people who come here from other parts of Canada and the United States and other parts of the world notice about Winnipeg, most particularly when they come in the summer, is how green and beautiful those trees are, and particularly in the older parts of Winnipeg. We need to protect and ensure that that natural resource is maintained and, if possible, enhanced.

I represent and I live in one of the older parts of the city of Winnipeg, and I drive down my constituency and drive down the even older parts as you get closer to the downtown, and I think how beautiful the trees make those streets, those streets that have many, many, many difficulties with housing. Many old parts of our community still have far too many houses that need to be repaired, and that is another issue that we can and will debate in this House. I think that of the people who live in those communities who do not have a lot of beauty in their physical world—their houses are old; in many cases they are decrepit; they are very hard to maintain—in many cases they are people who have virtually no money. They do not have the option of buying beautiful things, and one of the things that is there for them are those elm trees, and it does provide not only shade but just a sense of restfulness and beauty for people in the older parts of the city of Winnipeg.

On a personal note, I do not think I could ever live in a new community, in a new neighbourhood, because I need to have that stability and that solidity of full-grown trees and bushes and that kind of thing. Different people like to move into a new part of the community because then they can put their mark on their own home, but I think even people who live in new subdivisions in the city and outside the city

appreciate the beauty of the elm trees that are in our community.

The member for Dauphin (Mr. Struthers) was talking about how when you fly into the city of Winnipeg, you fly into the airport, how you can see that carpet. Well, it looks like a carpet. It really is a canopy of green.

I just want another brief personal story about that. In 1975, before I moved here, I went to Calgary, a potential location to move to. Thank goodness, we did not move to Calgary but moved to Winnipeg instead. But flying into Calgary, and not knowing how large Calgary was or what it looked like or anything, we saw just this very small segment that was green, that looked like it had some age to it, very small, and then there was this huge expanse outside that circle. I remember it as a circle; I am sure it was not, but that older part, that was the Calgary of 1975. That was when the oil boom was happening, and Calgary was booming physically and in all ways.

* (1620)

I spent two or three days there, and I said I do not think I could live here because the part of Calgary that to me, to my eye, was livable was so small and there was virtually nothing that was affordable, at least for me at that time. I would have had to have moved into the new unfinished part of Calgary, and I hold that picture of seeing how small that green space was. Now today that would be much different because 23 years have passed, but there are potentially no elm trees growing up in that part of the world.

Again, the elm trees, not only on a personal level, are important to Winnipeg and to the province of Manitoba, but they are important economically. They are important socially as I have talked about in some of the older communities. They are important economically because, at least in the past, and it may still be the case, Winnipeg has the largest-known population of elms on the continent. That has had an impact on Winnipeg's ability to win, I think, twice the national Communities in Bloom competition, and one of the elements is the urban forest. Winnipeg is blessed with those two wonderful rivers—well, three, the Seine River—running through our community—

An Honourable Member: Do not forget, Sturgeon Creek.

Ms. Barrett: Rivers. I do not think Sturgeon Creek is classified as a river. Well, if we are going to talk creeks, we had better talk about Omand's Creek. We will talk about Omand's Creek as well.

The Minister of Natural Resources (Mr. Cummings) makes a good point. We not only have two major rivers, the Red River, a huge river in the North American continent, but we have other streams that run through the city, like the Seine River, the La Salle River, Sturgeon Creek, Omand's Creek and I am sure I am missing—Bruce Creek, a number of streams running through our community. We need to protect those natural resources. We need to protect them.

Now, very briefly, I would like to speak more particularly to the piece of legislation that is before us, and I am not right now here making political points. I am actually asking questions of the Minister of Natural Resources, and maybe in committee I can ask him more directly, but in the legislation, as I go through it, many of the sections say, the minister may, the community may. I always have trouble with that because I think in many of these cases it should be “shall,” that it should not be as much enabling, it should be more prescriptive.

I am not saying that all legislation should be prescriptive—I do not mean that at all. I am raising a concern with the minister, and I hope we have a chance in committee to discuss this because I am hoping he can allay my concerns. But, in cases where we are talking about a very fragile ecosystem here—elms may not look fragile, but they really are. They are in deep danger. I think we need to ensure to the best of our ability that the elements that are in this bill, which are good, are actually enforced. So I share that with the minister and say I will chat with him in the committee, and I just wanted to raise that. It may not be a concern at all, but, as I was reading the legislation, that sprang forward.

Madam Speaker, with those few comments, we on this side of the House are prepared to pass Bill 15 through to committee.

Mr. Marcel Laurendeau (St. Norbert): I would just like to put a few words on the record. When it comes

to the Dutch elm disease, Madam Speaker, in my community, the elm trees were not only a thing of the past, but we are hoping it is a thing of the future for us. I know, as growing up in St. Norbert, we used to have large umbrellas covering our streets and a lot of the areas that were undeveloped at that time.

Along the La Salle River, we have a number of areas with river bottom forest that we have some grave concerns about, that are still under certain private holdings. This legislation will give us a lot more flexibility and the ability to go in and take care of the problem before it affects other trees downstream. It is the rivers that have given a lot of the problem to the Dutch elm because it is allowing that disease to flow down and through.

What I am happy about, Madam Speaker, is that back in the '80s this legislation was developed under a Tory government, and now in 1998 it is a Tory government again, bringing forward the amendments that are going to improve this legislation. This is the only province in Canada that has this legislation. I know Saskatchewan is looking at it to introduce it in 1998, but we had the foresight in 1980 to bring forward legislation that would start to protect the system. There have been new improvements in correcting the problem with the trees, and I think this legislation will help us to work more with the fungicides and the preventative treatments that are available for the trees that are still existing.

So, Madam Speaker, I could go on about why I think it is important that we have this legislation, but I am just happy that this government recognized it. I would like to thank our minister for bringing forward this type of legislation, and I would like to thank the opposition for supporting this type of legislation because this will protect these trees for the future of our children so that not only can we remember them from our past, but our children will be able to remember them from their past.

Madam Speaker, I will be supporting this bill wholeheartedly.

Madam Speaker: The honourable Minister of Natural Resources, to close debate.

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, very briefly, I just want

to thank the opposition for their comments. They are useful, and we can have further discussion and illumination of some of the reasons behind this act as we move it through committee. I would only add for the record that the battle against Dutch elm disease is a most difficult one to deal with because of the enormous cost implications if it is to be taken on by all municipal and provincial jurisdictions in the province, but, at the same time, we have to recognize the enormous value of the mature elm forest that we have. I look forward to further discussion in committee on this act, and I therefore would move that Bill 15, The Dutch Elm Disease Act, be moved to committee.

Madam Speaker: Order, please. Is the House ready for the question? The question before the House is second reading of Bill 15, The Dutch Elm Disease Act (Loi sur la graphiose). Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

Bill 6—The Animal Liability and Consequential Amendments Act

Madam Speaker: To resume adjourned debate on Bill 6, The Animal Liability and Consequential Amendments Act (Loi sur la responsabilité des propriétaires d'animaux et modifications corrélatives), standing in the name of the honourable member for Swan River.

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I want to take the opportunity to say a few words about The Animal Liability and Consequential Amendments Act, a bill that places the responsibility of liability on the owners of livestock or pets for damages that these animals cause to people or property while running at large.

We have had several changes to The Animal Husbandry Act and various acts that deal with how livestock is managed in the province. As I can see it, this is an amendment that was overlooked when the original bill was being brought in and one that has to be addressed.

The bill, as I said, deals specifically with animals that get onto other people's property or animals that might get onto public roads and cause accidents and putting the responsibility on the animal owner. It also allows for action to be brought against the owner of livestock or pets that have caused damage, and the onus is on the owner to prove that he or she has followed generally accepted agriculture practices or that the animals were at large due to an act of God or default on someone else's part and exempting him from responsibility.

In rural Manitoba these can be serious situations when livestock gets out of the fences that they should be in. Just recently in my constituency, just this last fall, a herd of horses got out of their pens and got onto a highway on a very foggy night and, being in the middle of the road when a car was coming, caused an accident. Fortunately the accident did not result in very serious injuries. It did result in the death of a horse. But when we looked back at why the animals had gotten out, it had been as a result of a heavy wind knocking down some trees on a fence, and that was the reason the animals got out. It was not because of neglect on the part of the owner of the animals, so in that case I do not believe that this act would apply to this individual, that he would be held liable, because it was an act of God that resulted in these animals escaping.

* (1630)

Mr. Ben Sveinson, Acting Speaker, in the Chair

Having raised some livestock on our farm, I am well aware of what can happen when animals start to think that the grass is greener on the other side of the fence, particularly late in the year when pastures are getting a little thin and those crops on the other side of the fence start to look very attractive. Animals have their own mind and can break out of their pastures and into the neighbour's crop and cause a lot of hardship.

Individuals should carry their own insurance to ensure that these kinds of damages are covered by insurance, but these kinds of incidents can cause a lot of hard feelings many times between neighbours, one neighbour feeling that the animals escape not because of his negligence, the other neighbour feeling that his

livelihood has been damaged or a crop has been damaged because cattle have gotten into his crop.

So I think this is good legislation. We have to be able to designate who is responsible for livestock and make them accountable for their actions, but we also have to recognize that sometimes an act of God can cause difficulties to arise. The bill also ensures that animals are not allowed to run at large except in accordance with the municipal by-law. As I read this legislation, Mr. Acting Speaker, I wonder whether it might require an amendment because it says the municipalities or LGDs are not liable by reason and most LGDs have been eliminated, so that may be a redundant clause but that is something that we can address in committee.

One of the reasons this bill has also had to be brought into effect is to deal with wild boar and wild pigs that have been running at large and causing a lot of damage. Wild boar are one of the species that farmers have started to raise, looking at ways to diversify, and wild boar is an example of one of those species that farmers thought that they could make a lot of money at and would be a low cost raising these animals, but did not think about the nature of the animal. The nature of this animal is to roam, and they can roam to fairly far distances and they are very hard to contain in any particular area.

Again, I share with you an example of a problem in my area, in the area of Camperville, which is a small community on the edge of Lake Winnipegosis where there happens to be some wild boar that just got loose and were ending up roaming around in the town. They can be quite a fierce animal and they were terrorizing children and nobody was taking responsibility for them. Nobody knew whose animals they were and in the end, because nobody would take responsibility for them, these animals had to be destroyed.

But this legislation now allows or protects people who destroy animals who are running at large and causing injury or killing other animals to be destroyed, and it also allows for application orders for destruction of animals that are causing such kinds of concerns. But again I refer to wild boar and I think that we have to be very careful, farmers and all of us have to be very careful when we look at ways—some of these things that look to be a very good idea. Some people have done

very well with wild boar and there are new products on the market, but in other areas where they have not been managed properly they have caused some serious concern.

So, with those few comments, I want to say that I think that we do not have major concerns with this bill. However there are other of my colleagues that will want to make comments on it as well. But really the bill is putting the onus on the people who own animals to tend to them. Now, this can also apply to urban centres as well, not only farm animals. The legislation also can apply to dogs in a city where a person is not taking the responsibility of managing their dogs as they should; the legislation can also apply to dogs in the rural area that might be harassing or chasing, harming other animals.

This has happened on many occasions on the farm where a neighbour's dog can get a little aggressive and get into a herd of cattle and cause serious problems. There are instances where this can happen. I know the Minister of Agriculture (Mr. Enns) comes from a farming area and is well aware that sometimes, you know, as friendly as that neighbour's dog might be, during the spring months when there are some young calves out there or some young sheep that look that they are very playful, some dogs can get into them and, indeed, without realizing what is happening, can cause some serious damage to the income of the other individual. As I said earlier, this can cause a hardship between neighbours when one person's revenue is being destroyed by another person's pets. The same thing with livestock when livestock gets into a grain field, there are serious problems that can arise.

It appears to us at this point that this is not major legislation. It is legislation that is amending a previous act, a legislation that will put the onus on the person who owns the animal, making them responsible for the activities of their livestock and their pets and other animals in their possession, but also gives them the protection should it be the acts of God that allow for animals escape.

The fines of noncompliance with the act can range from \$5,000 in the first offence to \$10,000 in subsequent offences. So there are consequences for your animals escaping, and so there should be. There

should be consequences if it is that a person who owns animals is not taking full responsibility.

So, Mr. Acting Speaker, as I said, this is legislation that we can support, but I know that there are others of my colleagues who will also want to make comments on the legislation.

The Acting Speaker (Mr. Sveinson): Is the Assembly ready for the question?

Mr. Steve Ashton (Opposition House Leader): Mr. Acting Speaker, I move, seconded by the member for Wolseley (Ms. Friesen), that debate be adjourned.

* (1640)

Motion agreed to.

Bill 17—The Legislative Assembly Amendment Act

The Acting Speaker (Mr. Sveinson): On the second reading of Bill 17. On the proposed motion by the honourable Minister of Environment (Mr. McCrae), The Legislative Assembly Amendment Act (Loi modifiant la Loi sur l'Assemblée législative), standing in the name of the honourable member for Selkirk.

Is it agreed that it remain standing in the name of the honourable member for Selkirk?

An Honourable Member: No.

The Acting Speaker (Mr. Sveinson): No. Leave has been denied.

Mr. Steve Ashton (Thompson): Mr. Acting Speaker, Bill 17 is a very straightforward piece of legislation that deals with the consequences of some changes that were made to the rules last session. Basically, it just brings The Legislative Assembly Act in line with the changes in the rules which would set up a third Estimates committee, a requirement that we establish a chair, an additional chair for that committee, and—[interjection] I have been urged on by my colleagues here to speak at some greater length, and the rules of the Legislative Assembly are certainly something that I could speak at

for quite some time. I regret now that I had not been offered unlimited time to speak on this.

An Honourable Member: We could talk about the Estimates process.

Mr. Ashton: We could talk about the Estimates committees, indeed, and the rather new situation we find by having three separate committees running, which is part of the changes to the rules.

I want to suggest, Mr. Acting Speaker, since this does deal with some of the consequences of the changes in rules, that we are essentially dealing with a work in progress in terms of the rules of this Legislature. We had some significant changes that we spent five years negotiating, and I want to indicate that we put those in place in terms of the provisional rules. They were in place in 1996. Without revisiting 1996, there were obviously problems that were experienced with the rules, particularly the fixed session end date.

It is somewhat unfortunate in a way, but I think we have learned from experience, and, you know, I think it is a tribute to the Legislature, though, Mr. Acting Speaker, that what we did following that is instead of saying everything did not work, we sat down and objectively looked at the situation. I know I had many discussions with the government House leader. We had discussions with the Liberal members, involved all the caucuses, and we understood that some of the changes that we had brought into place made sense.

I must say, every time I sit here and I see, for example, some of the more creative members' statements, I appreciate that. It is a new opportunity, and I use "creative" in the generous sense here, and I mean it, though, because it is particularly an opportunity for private members to raise issues. Having been there, having been a private member on the government side, I can say that one thing I often found that was missing is, if I had a concern in my constituency or a community event, I only had the opportunity really if it was a nonpolitical event to raise it.

By having members' statements, we have had some fairly interesting discussions back and forth. In fact, some of them have become mini-debates. Some of

them may have been better—I think it is interesting, some of those two-minute members' statements are probably sort of the Reader's Digest versions of some of our 40-minute speeches, probably more listenable, maybe more productive, although there is room for longer speeches. As I have been just advised by my colleagues, sometimes longer speeches are preferable because you get a chance to offer examples of positive change.

I want to suggest, though, that the job of reforming our rules is far from over. I want to suggest, in particular, that we consider some further changes to what we have been dealing with. Public Accounts—and I say this because there are discussions underway on improving Public Accounts, and I say that, because we have some of the least effective Public Accounts procedures in the country now. We have fallen behind. It is interesting, we had a recent delegation here yesterday that was looking at our Public Accounts system. The unfortunate fact is I would have liked to have been able to say we are leaders in Canada in Public Accounts, but we are not. Once again, we need to look at those kinds of rule changes.

I have a few more—[interjection] I am being encouraged again by the member for Wellington (Ms. Barrett) to finish off my remarks on a couple of other areas, because I want to put out just one other area where I think we have to reform ourselves. I think it is appropriate because this bill deals with establishing an additional committee chair. I think we have to look very seriously at our committee process, and I am not just talking here about Estimates. I am talking about our standing committees when they deal both with legislation and when they deal also with reports of Crown corporations.

I think there is an opportunity for all members of the Legislature to learn from the reforms that took place before, Mr. Acting Speaker, in the House of Commons. If you have more independent committees, you end up with the situation where you have the opportunity for all members of the House I think to take more of a role in not only questioning our Crown corporations but to take more of an initiative on establishing policy.

The House of Commons has had several very important committee reports. The House of Commons

right now, for example, will be considering fairly soon the issue of the megabanks, the banks which are going to be proposing that they be allowed to merge. They have undertaken other initiatives, and I say to members in this House, I think there are some areas we could look at for an enhanced committee role. For example—and it is appropriate that our Lotteries critic is here—I know one area that could deal I think with detailed scrutiny by a committee of this Legislature would be the whole issue of lotteries.

You know, we have never really had a debate on lotteries in this House. We have raised questions. We have never debated the issue of the degree to which we have VLTs, for example. Why would we not? We are now spending \$55 million on casino expansions. It is interesting because I recently surveyed my constituents, and I have yet to find one that agrees that we should be spending \$55 million on casinos. If you ask the people of Manitoba, they can think of a thousand and one different uses for that \$55 million, but you know that is an issue that is never debated in this House other than by the once-a-year opportunity that our Lotteries critic has to cross-examine and question the Lotteries Corporation when they are brought before the committee.

Why not have a legislative committee that looks at all Lotteries issues, whether it be VLTs and casinos? Why not try and get an all-party approach on this particular issue? Why not try—and recognizing again that the government has been hiding behind reports and then now recently the Gaming Commission, and the minister, of course, you know, is into the see no evil, hear no evil when it comes to the Gaming Commission, an independent group that just happened to be politically connected with the government. In fact, I think, one of the major contributors to his campaign is part of this independent commission.

Madam Speaker in the Chair

We see this, that the government has done it on other issues such as Autopac. You know, it appointed one of its biggest contributors, who switched his allegiance to the Conservative Party, was rewarded with this independent review. Madam Speaker, if you want independence, I would suggest you start by an all-party approach and then bring the people of Manitoba into the equation.

I could think of a lot of other issues, but by way of precedence in this province, let us deal with the liquor policies. We have liquor policies that were adopted on a nonpartisan basis. I think they cross party lines. Much of the legislation that has been adopted reflects that. I say to members opposite, I make an appeal particularly to the private members on that side, I think they would have far more impact on government and legislation if we had a strengthened committee system. That is what happens in Ottawa. The people that are very active in that process are government back-benchers, government private members along with opposition members.

An Honourable Member: I will support that.

Mr. Ashton: The member for Lakeside (Mr. Enns) says he would support that, and I would not doubt that because I believe on that side of the House the member for Lakeside has a true sense of the parliamentary system, something he has not wavered in even when there have been—by the way, it is suggested that that is one of the reasons he has been here as long as he has. I think it is because he understands the parliamentary system and is committed to it, and I say on the record, unfortunately, there are various fads sweeping this country and North America at times that would rather see us with a different style of government. I think that is wrong. I think the parliamentary system, as it can be reformed, can make a difference. I look to the member opposite because I know he has an independent mind and has exercised that on many occasions on public issues in this House.

With those few remarks, I just want to conclude by saying this bill adds on to what we have done in rules reform. It brings our Legislative Assembly management act in line with that. It is a fairly straightforward amendment, but the job of reforming our rules is not over; it is a work in progress. I urge all members of the House to build on some of the things we have accomplished with the changes, to bring in some further changes to our rules, and really bring us into the forefront of parliamentary reform in this province.

Madam Speaker: Is the House ready for the question? The question before the House is second reading Bill 17, The Legislative Assembly Amendment Act. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

* (1650)

Madam Speaker: Agreed and so ordered.

Bill 4—The Child and Family Services Amendment and Consequential Amendments Act

Madam Speaker: To resume adjourned debate on second reading Bill 4, The Child and Family Services Amendment and Consequential Amendments Act (Loi modifiant la Loi sur les services à l'enfant et à la famille et modifications corrélatives), standing in the name of the honourable member for Broadway (Mr. Santos), who has 36 minutes remaining. Is there leave to permit the bill to remain standing? Leave? [agreed]

Also standing in the name of the honourable member for Transcona (Mr. Reid). Is there leave to permit the bill to remain standing in the name of the honourable member for Transcona, as well? Leave? [agreed]

Ms. Becky Barrett (Wellington): Madam Speaker, it is a pleasure to get up and put a few words on the record on Bill 4. The Child and Family Services Amendment Act has some very interesting things in it. Again, I would like to—I spoke earlier today about Bill 3, the amendments to The Elections Finances Act, and about the positive process that The Elections Act and The Elections Finances Act undergo in this legislation, in this province, and one of the elements of that is an all-party advisory committee.

That committee meets for both The Elections Act and The Elections Finances Act; it meets regularly with the Chief Electoral Officer and his staff to go over issues of concern and make recommendations. I am saying that that process that is undertaken in the election process is the same kind of process that was kind of followed in the lead-up to Bill 4, where there was, for one of the very few times outside of The Elections Act and The Elections Finances Act, for one of the very few times in the Legislature of Manitoba—where there was an all-party committee that met and actually went outside the city of Winnipeg, went outside the Legislative Building to hear representations from people across the province.

Now the process did not end up in a unanimous report from the committee. Now someone, particularly

on the government side, may say: Well, that is not the kind of process we want; we would like a unanimous report. I think, frankly, that shows the viability of that kind of an all-party process. I am not for a moment suggesting that all legislation be structured in that way, but I do think that issues such as the Children's Advocate need to have that kind of more thorough look at the legislation, and particularly since it was a new piece of legislation and was being reviewed by the government. So I would say that the process, while not perfect, was better than if the government had just had the public hearings held in the Legislative Building as we do with virtually all other pieces of legislation. So I think the process was a better one to follow. I would urge the government to look at that possible process in the context of some others of its pieces of legislation.

Most particularly—and I will raise this issue once again when the amendments to The City of Winnipeg Act come forward—I have asked the minister and have been turned down, requesting the Minister of Urban Affairs (Mr. Reimer) to hold these kinds of public hearings prior to the legislation being tabled. That is not going to happen, but that is another case where it could have happened and should have happened. I am glad to see that it did happen in the Children's Advocate legislation.

I am glad to see that the Children's Advocate does now become an officer of the Legislature, tabling an annual report to the Assembly similar to the Ombudsman and the Provincial Auditor, and as well the Chief Electoral Officer tables an annual report to the Legislature. So I think it is essential. It is something that we have been asking for and demanding, I might say, since the original piece of legislation was put into place.

As the critic for Family Services stated in his earlier speech, the current Children's Advocate has not been afraid or has not been shy about making public his concerns, but the issue is not whether—it should not be the responsibility of whichever person holds that office to make those things public. Reporting directly to the minister did not allow, did not require the degree of openness that having the Children's Advocate report directly to the Legislature will now require, so I think that is very positive.

The term of office that is going to be under this legislation is three years with a cap on the terms at two. It is a term limit, to use an American expression. I am not sure on a personal level how I feel about that. I think in the Legislature as a whole I am not in favour of term limits. I think that we have sitting with us today, on both sides of the House, two representatives who have been in the Legislature for 30 years and more, and while their political views differ greatly, I think we in the Legislature in the Province of Manitoba would have been far poorer had we not had the advantage and access to the experience in the legislative process and in the issues facing the people of Manitoba of the member for Lakeside (Mr. Enns) and the member for Brandon East (Mr. Leonard Evans), which term limits would have not allowed us to have.

I am a bit concerned about the imposition of term limits on the Children's Advocate, and I think in the committee hearing process I will ask the minister more about the rationale behind that decision. However, our minority report I believe stated that we, given the term limit, would have preferred a term limit of five years, two five-year terms, rather than two three-year terms, I think probably because that would allow for the understanding that the Children's Advocate position is a very difficult one. Even under the fairly narrow definitions of this legislation, the Children's Advocate has an enormous learning curve. It is the kind of position, like becoming an MLA, for which your whole life trains you in one sense but nothing trains you.

There is virtually nothing that you could have done prior to becoming a member of the Legislative Assembly that gives you a true understanding of what the role is. It is something you learn on the job by definition. [interjection] The member for River Heights (Mr. Radcliffe) says except being a lawyer. I think we could all make arguments about our own backgrounds providing us with good tools to learn how to deal with the Legislature and being an MLA. I could make a very good argument for the profession of social work, educators, farmers, small business people, but no matter how broad our background, when we come into the Legislature, we have a huge learning curve.

The Children's Advocate has the same kind of thing, because I do not think there is any job or any profession that can train a Children's Advocate. You have to have

a range of experiences, some of which you are going to learn on the job. Six years is probably not long enough to be able to grow in the job. Ten years allows you to grow in the job while not getting you too stale in the job. So that is one area where we would like to see some changes made.

Another area is we think it is important that the Children's Advocate have a broader area to address. Children's needs—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Wellington (Ms. Barrett) will have 31 minutes remaining.

PRIVATE MEMBERS' BUSINESS

Madam Speaker: The hour being five o'clock, time for private members' hour.

PROPOSED RESOLUTIONS

Res. 16—Role of the Bank of Canada in Holding Federal Debt

* (1700)

Mr. Leonard Evans (Brandon East): Madam Speaker, I move, seconded by the member for Swan River (Ms. Wowchuk),

“WHEREAS the purpose of the Bank of Canada is to control and protect the external value of the monetary unit and to mitigate fluctuations in the general level of production, trade prices and employment—in other words a balance between employment and inflation; and

“WHEREAS the federal government can control domestic interest rates through the actions of the Bank of Canada; and

“WHEREAS the Bank of Canada has abandoned its mandate to seek a balance between employment and price stability in favour of extremely low interest rates, which in turn has caused unsustainable real interest rates and high levels of real unemployment; and

“WHEREAS Canadian interest rates were higher than in other industrialized countries between 1989 and 1993 as a result of the priority attached by the Bank of Canada to the fight against inflation; and

“WHEREAS the Bank of Canada reduced the proportion of federal bonds that it traditionally held, thereby lessening its ability to affect long-term interest rates; and

“WHEREAS the holdings of government debt by the Bank of Canada represent the credit extended by the Bank to the Government; and

“WHEREAS the Bank of Canada Act allows the Bank to purchase Provincial Government bonds, if directed by the Federal Government; and

“WHEREAS the Bank of Canada could significantly ease the burden of interest on the public debt by holding a larger portion of the Federal Government debt, as occurred during World War II and the early post-war years; and

“WHEREAS the Bank collects interest on the debt paid by the Government, but because the Government owns the Bank, those interest payments are returned as “profit” paid by the Bank of Canada on its yearly operations; and

“WHEREAS the Bank of Canada is highly profitable, returning to the Government upwards of \$2 billion per year; and

“WHEREAS the 1993 changes to the Bank Act completely eliminated the requirement for chartered banks to deposit any reserves with the Bank of Canada, thereby conferring billions of dollars of increased annual profits on the chartered banks.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Federal Government to immediately implement a policy whereby the Bank of Canada would acquire more Canadian government debt, both federal and provincial; and

“BE IT FURTHER RESOLVED that this Assembly urge the Federal Government to maintain a low interest

rate policy through the Bank of Canada, thereby reducing the burden of interest rate payments on the debt, allowing the federal government to restore and maintain cash transfers to the provinces.”

Motion presented.

Mr. Leonard Evans: Madam Speaker, I rise today to speak on this very important resolution, which has a very important bearing on the economic health of all Canadians and particularly people in the province of Manitoba. It is an issue that a lot of people do not understand because, unfortunately, the banking system seems to be clouded in a lot of secrecy. People simply do not understand how money is created, or, on the other hand, there may be some political apathy with regard to the banking system.

Of course, the banks maintain their privileged position because they have a very powerful lobby to support their position, and they are indeed big and powerful, and can certainly take on any opponents or hurt any opponents if such dare stand up to criticize them in any way, shape or form. I gather the recent suggestion of a marriage between a couple of major banks—there have been references made by the banks' CEOs that, in so many words, they are going to proceed how they please in their best interest and the government of Canada, the Minister of Finance are beside the point in so many words. This is very unfortunate.

I would like to explain, Madam Speaker, that during World War II, and for at least 30 years thereafter, the Bank of Canada played a very critical role in financing government debt and also in creating new money. In fact, it created half of all the new money for many, many years after World War II.

I might just go by way of history—the Bank of Canada was created in 1935 by a government, a Conservative government of the day, the Bank of Canada Act. It has played the role of central banker to the Canadian banking system, and every industrialized country has a central bank, whether it be the U.S. Federal Reserve System or the Bank of England or the Bank of Japan or whatever.

Unfortunately, since the mid-1970s, the bank has been creating less and less of our money supply, and the commercial banks have been creating more and more. By and large, this has had an upward pressure on interest rates. By and large, I would maintain, and a lot of economists would maintain, that interest rates are a lot higher on account of this. Unfortunately, this situation has contributed to the national debt crisis that we have had in this country, and I guess we still have, particularly, at the national level.

Regrettably, it has come about because the Bank of Canada has reneged on its responsibility, and instead of protecting the Canadian economic and social interest, it has really become a puppet of the commercial banking system. This is not unusual for government regulatory agencies who are supposed to protect the public and the consumers against industries that may be monopolistic or operate in a monopolistic way or in an anticonsumer way. They end up protecting the industry they are supposed to be regulating and protecting the industry against the consumers instead of vice versa. I am afraid this is what in reality has come about with the Bank of Canada. It should become the primary source of money creation and not play the peripheral role that it is.

I might add that a lot of people do not understand how money is created. It is often said, well, if the Bank of Canada creates money, it will be inflationary. Well, the fact is—and they often refer about printing money. Well, I might ask, Madam Speaker, to those critics: who prints the money anyway? Who creates the money anyway? It is created now by the commercial banks, basically, by lending money that they do not have to those of us who go and then seek a loan. We want a loan for whatever it is—a car, a house, some furniture, or whatever it may be—and presumably they take an asset from us that we have of some kind, and based on that or your signature that you promised to pay, based on that IOU, they create the money. They are not taking the money from the depositors. That is the myth that, you know, well, we are only using depositors' money to lend out.

The fact is that for every dollar they have on deposits, I think they spend the money supply now by 317 times because the reserve requirement has virtually been eliminated, thanks to 1991 legislation under the

Mulroney government when the small reserve requirement was in place at that time, when it was totally eliminated, so that today there is no reserve requirement. The commercial banks do not have these reserves, and the stats I have show that for every dollar, they can expand 317 times; for every dollar base, they can expand 317 times.

Now this right of creating money is not a right inherent in the banking system. It is given to them by the Parliament of Canada. In fact, it was 1913 that the Bank Act was passed allowing commercial banks to be established and to be involved in the creation of money. It is not any purview, they do not have any special privilege of being able to create money, unless it has been given to them by the Parliament of Canada and presumably supervised by the Bank of Canada.

But what has happened, they have run away with the ball, so to speak, and this is where all the action is. Regrettably, because the governments are borrowing from the commercial banks instead of from the Bank of Canada, they are paying out these billions of dollars of interest to the commercial banking system and thus the problem we talk about of heavy deficit burden or heavy debt burden. We do indeed have a debt burden.

* (1710)

I am essentially talking about the national scene, the federal scene, where the government of Canada, if it so chooses, if it needs \$100 million, let us say for an infrastructure program as I believe the Chretien government engaged upon a few years ago, instead of going to the commercial banks, which they do, they could have borrowed that \$100 million from the Bank of Canada. If they borrowed it from the Bank of Canada, they would be interest free because, although they pay interest to the bank, the bank at the end of the year turns all its profits back to the Central Treasury, so it is virtually interest free, Madam Speaker.

Unfortunately, this is not the case with the commercial banks. In the case of the commercial banks, they create the money. They loan, quote-unquote, the money to the federal government for whatever purposes the federal government wanted—let us say an infrastructure program—and that \$100 million has to be paid back to the banks with interest, and that

is the burden. If we could get at least a portion, a greater portion of the federal debt held by the central bank, instead of this minuscule amount that it holds today, that would alleviate the interest burden, the debt burden on the federal government.

Instead of the government having to say, oh, we cannot possibly maintain transfers to the provinces; we are going to have to cut hundreds of millions of dollars for health care, social programs and so on because we have got to contend with this debt, which is a real problem; it is a real problem; the interest on the debt is a real problem—instead of that, if we could have the government saying, okay, we are going to finance an increased percentage of our spending through the Bank of Canada so that we do not have that interest rate burden, so that we do not have that burden of interest.

So instead of that hundred million dollars borrowed by the federal government for infrastructure from the commercial banks, it could have been borrowed from the Bank of Canada interest free, and it would not have been that burden. The bank can even be used to buy up existing debt. If the federal government so chooses, the bank could buy up existing debt held by the commercial banks and simply do that, give the banks the money. The central bank gives the commercial banks the money, takes over the debt, and to that extent relieves a burden of interest to the federal government.

Now, just by way of figures, I have lots of figures here, and I am not going to bore you with all of them, but the outstanding federal government debt during the war was quite high, and even for many years after the war a high percentage was held by the central bank. I will just take one number here. In 1975, over 20 percent of the federal government debt was held by the Bank of Canada. Today, it is down around 4 percent or 5 percent. I do not have the very latest figures. I have to 1994 and it was 5.8, but I think it is down to around 4 percent.

As you would expect, a higher percentage is being held by charter banks, and, of course, a higher percentage is being held off-shore which is a real problem, but the fact is we can reverse the situation. We can do what we did during World War II and right after the war, use the bank in a very progressive way. We fought Hitler, we fought the Nazis with the use of

the Bank of Canada. You know, it is often said, well, I was unemployed. You talk to the grandfathers and great-grandfathers around here that went through the Dirty Thirties, and they will tell you they could not get a job; there was no money to be had. Once the war came along, boom, there was money, and why was there money?

An Honourable Member: So are you advocating a war? Is that what you are advocating? My goodness.

Mr. Leonard Evans: No, I am advocating that the minister listen carefully, that the bank was used and used successfully and throughout the war to fight Hitler and for a great time after the war to permit post-war prosperity, and we could use it today.

You know, I refer to Paul Hellyer, who by any stretch of the imagination is no raving socialist. In fact, he was a one-time federal cabinet minister, a successful businessman—[interjection] Paul Hellyer, a former cabinet minister and businessman and activist. In an article that he has written in a magazine entitled Monitor magazine, he has very clearly stated that the Bank of Canada—I will just quote the one paragraph, Madam Speaker: It was only when World War II broke out and government started letting contracts for ships and planes and guns that jobs were created and the economy grew to its maximum potential. This was made financially possible when the Bank of Canada entered the money creation business in a major way. At one time, it created more than half of all the new money. It was a process which allowed us to escape the Depression, finance the Second World War, and laid the foundation for the best 25 years capitalism has ever known, unquote.

Then he goes on to say that since the mid-'70s, the bank has withdrawn from this and the commercial banks have come in. But, Madam Speaker, we still have a lot of unemployment around the Atlantic region, in particular, parts of Quebec and so on, and we have it in parts of Manitoba, as well, but the point is—well, in northern Manitoba, there is a lot of unemployment, unfortunately.

An Honourable Member: No, there is not—

Mr. Leonard Evans: There is not in northern Manitoba? Well, talk to our colleague the MLA for The Pas about that.

At any rate, Madam Speaker, the Bank of Canada could be used to finance construction projects, to finance various programs, to create jobs, to stimulate jobs. You might say, well, that is deficit financing. Yes, it is, but it is deficit financing at interest-free, that is the point. A lot of people have spoken about this and advocated this; they are not necessarily left-wing politicians by any means. I do not think Mr. Hellyer considers himself in that category whatsoever, having been a successful businessman and former cabinet minister and so on.

At any rate, Madam Speaker, the other point I would make is that under the Bank of Canada Act, that bank, the central bank can lend money to the provinces. It did that—that clause is put in there for a very good reason because in the Depression there were some provinces like Saskatchewan that were virtually bankrupt, and this would be one way to save them. In fact, if the government wanted to be progressive, it could help all provinces, including Manitoba, by lending money, maybe not interest-free but at a much lower rate of interest. [interjection] Well, what happens to private sector, the private sector continues. I am not suggesting you eliminate the commercial banking system. I am not suggesting you eliminate all the private banking; I am saying there is room for increased central bank financing in the way that I have described. It will help the provinces as well as the federal government.

So the trade-off—and I know my time is short—is instead of the government saying we have no option, as Paul Martin would say, but to cut, cut, cut. The option is indeed use the bank, take over some of the debt, ease the interest burden, and do not cut the transfers to the provinces, do not cut the social programs. Cut the zillions of dollars that are going to the commercial banks because they are getting rich at the expense of health care that is diminishing in quality, at the expense of education, at the expense of social services in this country of ours. Let us get our priorities right. Instead of making the banks—and all the evidence is there, the banks are bloated with billions of dollars of profits. In the meantime, governments are having to cut seriously

and deprive people of the kind of health care they need, the kind of education system they need or whatever we choose as a people.

I would trust that there would be unanimous support for this resolution in this House. It is a progressive, intelligent suggestion, and members opposite should have no problem whatsoever with this proposal that I have put forward in this resolution. Thank you, Madam Speaker.

Hon. Harold Gilleshammer (Minister of Labour): Madam Speaker, it is a pleasure to rise and be able to speak on Resolution 16. I will not have the member for Brandon East (Mr. Leonard Evans) wait very long to see what direction we would vote on this.

Madam Speaker, this resolution has no merit whatsoever and must be rejected by the House. Let us cut through the misleading rhetoric, the preamble, and be clear about the real motivation behind this resolution. It has been put forward by a party whose banner is proudly emblazoned with the motto Deficit Financing Forever. This is a party which heaped debt upon the shoulders of our province with wild abandon during their unfortunate period in office.

How much debt might you ask? Did they double the debt of the province? The answer is no. Did they triple the debt of the province? Again, the answer is no. Did they quadruple the debt of the province? Again, the answer is no. Madam Speaker, they quintupled the debt of the province, that modest debt that was there in 1981 and multiplied it by five.

* (1720)

Of course, there is a huge interest bill attached to all that borrowing, a bill which exists solely because they spent far more money than Manitobans could afford to pay. But do they accept responsibility for that interest bill? Absolutely not. They blame the Bank of Canada for purportedly being obsessed about inflation and raising interest rates here in Canada, and they want the Bank of Canada to bail them out by acquiring that debt. That is what this resolution is all about, blaming others for their errors, getting others to take responsibility for fixing the problems that they created during their period in government.

Let us also have a closer look at the claim that the Bank of Canada was too concerned with inflation and raised interest rates too high. In the late 1980s, inflation was becoming a more serious threat for the simple reason that governments in this country were applying a huge amount of fiscal stimulus to the economy. They were doing so at a time when the economy would have done fine without the extra stimulus. The rest of the industrialized world was growing strongly, and Canada would have grown at a healthy pace without any government stimulus. Indeed, governments should have been running surpluses starting in the mid-'80s to offset the deficits run up during the recession of the early '80s. Instead, governments in this country, including the government of Manitoba, ran huge deficits.

Running large deficits during a period of economic growth will generate inflation. In fact, as members know, there were double-digit increases in government income at that time, and yet the government of the day during that period of the '80s ran huge debts that we now have to pay off.

Governments in this country could have eliminated those inflation pressures by balancing their budgets. They did not do so. They left the Bank of Canada to fight inflation singlehandedly.

Now, it is quite true that to have the bank fight inflation by raising interest rates was not the most desirable course. The better option was deficit elimination, but deficits were not eliminated and higher interest rates were the only option. In fact, if you look at the comments made by the member for Brandon East (Mr. Leonard Evans) and all the members on the other side when we brought forward the legislation to have balanced budgets and to repay debt, if you look at their comments, they were all totally opposed to it, and they are still opposed to it. They would sooner see governments run deficits and raise that debt.

It is unfair to blame the Bank of Canada for acting when governments failed to. In addition, it is unfair to blame the Bank of Canada for all the rise in interest rates. As the honourable member for Brandon East should know, the central bank has a strong influence over short-term interest rates, but it has little or no direct influence over long-term interest rates.

In fact, the only way it can bring down long-term rates is to convince lenders and borrowers that inflation will remain low and stable so that there does not have to be a high inflation risk premium in interest rates.

The reason long-term interest rates rose so high in the late '80s is twofold. First, the high deficits generated inflation pressures which caused lenders to demand an inflation risk premium in the interest they charged; and, second, the extremely high level of government borrowing drove up interest rates in the same way that excess demand for any other commodity will drive up the price of that commodity. After all, an interest rate is merely the price at which you can borrow money.

I would hope that the member for Brandon East maybe would listen and get a better understanding of this so that maybe he would have an influence on NDP governments in other parts of Canada and try and encourage them. In fact, the government of Saskatchewan—and I believe the member brags about the fact that they have a balanced budget and now a surplus—understands what happens when you run a deficit and create more debt.

In short, interest rates became very high because government deficits were very high. Similarly, interest rates have now fallen because government deficits have fallen. Balanced budgets mean less risk of inflation, and lower government borrowing means governments are not bidding up interest rates by trying to borrow more than the market can supply at moderate interest rates.

You know, the member for Brandon East, who spoke so negatively about balanced budgets, has more recently been bragging about the fact that Saskatchewan has balanced their budget— [interjection]

Madam Speaker: Order, please. I am experiencing difficulty hearing the honourable Minister of Labour.

Mr. Gilleshammer: Thank you, Madam Speaker. I do wish that the member for Wolseley (Ms. Friesen), and the member for Brandon East (Mr. Leonard Evans) would listen and try and get a better understanding of this issue.

I would also say that Manitoba—[interjection]

Madam Speaker: Order, please.

Mr. Gilleshammer: Madam Speaker, this truly is a very important issue, and I do believe that members opposite should listen carefully because they may have some influence on left-wing governments in other parts of Canada, and can maybe assist them in not pursuing the path that the NDP in Manitoba followed during the 1980s.

Madam Speaker, I would also say that Manitoba deserves some of the credit for reducing interest rates, because this government was one of the first in the country to begin tackling the roots of the deficit problem. It was one of the first governments to balance its budgets. By cutting our borrowing, we have made a significant contribution in the lowering of interest rates in this country.

Madam Speaker, if this resolution has any value, it is that it exposes the lack of economic understanding possessed by the members opposite. Not only do they fail to understand such things as the causes of inflation or the reasons why interest rates rise and fall, they also fail to understand the basic rules that we must all follow if we are to get along together in society.

One of these rules is that if you borrow something from someone, you must pay it back. When the members opposite formed the government, they borrowed money. The money was lent to them in good faith. I might add that it is not chartered banks that lend most of the money, contrary to the remarks made during budget debate by the member for Brandon East (Mr. Leonard Evans). No, most of the province's bonds are held by institutional investors such as pension funds and life insurance companies. They hold those bonds on behalf of the millions of ordinary people who expect to retire on a pension or who may need to collect on a life insurance policy someday. They lent us money in good faith, and they expect to be repaid. They have a right to be repaid, but members opposite borrowed in bad faith. They do not want to fulfill their half of the bargain. They do not want to repay all the money they borrowed, and they think they have hit upon a trick they can use to avoid this repayment. Just get the Bank of Canada to print a bunch of money and exchange it for bonds. That is precisely what it means for the Bank of Canada to acquire bonds; it creates more money.

As experience in many countries has shown with painful clarity, when you print money not in accordance with the needs of the economy but in accordance with the spending desires of the government, the result is inflation. There can be absolutely no argument on that point. When you create inflation, you devalue the purchasing power of the currency. What this means is that the ultimate bondholders, the pension plan members, the life insurance policyholders, have lent money to governments with a certain amount of purchasing power, and what they will get back is money with less purchasing power.

In short, through a conscious policy of printing money to retire debt, the members opposite are actually calling on governments to rob ordinary people in this country of their hard-earned savings by inflating away the purchasing power of the dollar.

It is shameful that this House is even being asked to consider such a policy. The resolution must be firmly rejected. Thank you, Madam Speaker.

Mr. Steve Ashton (Thompson): I really wish the member had said what he really thinks, instead of reading that kind of drivel onto the record, Madam Speaker. I really say to the member opposite, he displays a complete and absolute ignorance of the fundamental aspects of economics.

* (1730)

I mean first of all, for any Conservative to get up in this Legislature and talk about debt is interesting—or deficit, because when was the highest deficit in Manitoba history? It was 1992-93, under that Conservative government. You know, when they were elected in 1988, they ran a deficit. They ran one in 1989, they ran one in 1990, 1991, '92, '93, and you know what? Where is the debt of the province today? It is at a higher level than it has ever been in Manitoba history, so let not that member opposite put on the record that kind of drivel about the Conservative Party.

You know, Madam Speaker, the facts are very clear. If you look at economic policies that we have faced in this country the last period of time, more and more economists, mainstream economists, are saying that one of the biggest mistakes that were made in this country

was made when we had the Bank of Canada pursue some of the strictest inflation targets in the world to the point where we lost percentages of growth in GDP, where we had a more severe recession between 1989 and 1992-93, how we ended up with higher unemployment. That is the reality of when you have the kind of extreme policies that we saw in place by the Bank of Canada. No mention of that from this member. He obviously supports the Bank of Canada policies that we have had in place, the John Crow policies, which have been condemned by many people, including by many of the people on his side of the political fence nationally, but the minister lectures us on economics here.

You know, the fact is let us look at the question of debts, let us look at the question of debt financing. There has been a big explosion of debt in this country since the 1960s. Do you know where it has come from? It has come from the corporate sector, and to the Minister of I, T and T (Mr. Downey), who, I remember, a few years ago got up in the House and said how proud he was to be a yahoo, this is yahoo economics. The corporations in this country are existing on debt financing. The kind of debt equity ratios that were in place in the 1960s no longer apply in the 1990s. There is not a single corporation in this country that has 100 percent equity financing.

Where does that financing come from? It has come from the banking system, as the member opposite pointed out. We have more and more creation in this country of debt and money in the banking system. Go to an ATM, go to a bank, and you will see what is in place. You know, I find it absolutely bizarre that the members opposite do not deal with that reality.

What the member is saying, and what the minister fails to point out—the member for Brandon East (Mr. Leonard Evans) is suggesting that what we have to look at very much is who finances the debt, not just the debt levels, but who finances it. One of the biggest problems we have had in this country is the fact that a significant amount of our debt is being held outside of this country. Does the member agree with that? By the way, who borrowed it for the Minister responsible for I, T and T? Brian Mulroney borrowed a good chunk of it, his favourite political leader of all time. The federal

Conservatives, who were running some of the biggest deficits in history—\$40 billion-plus. But, you know, the minister read into the record the kind of drivel that I say I am disappointed in. It is not unusual for that member, but what is he saying? That we should not look at refinancing the debt, refinancing a debt that is held out of the country, the federal debt?

By the way, Madam Speaker, there has not been an NDP government federally; it has been federal Conservatives and Liberals that have built up the \$600-billion debt.

An Honourable Member: There never will be.

Mr. Ashton: Well, it is interesting, the member opposite says that there never will be, and I tell you with the Conservatives now, the situation they are at, I do not think they are going to be in for federal government for quite some time, so he has some experience of that. He supported a government that went from a majority government to two seats, and I must admit that when they went down to two seats, I was disappointed. I thought that was two too many, given what they had done to this country.

But this member, the great economics expert on the other side, says, no, we should not look at refinancing the debt that is held by those institutional investors he is talking about. Do you know who those institutional investors are that hold the debt? A lot of them are institutional investors based outside of this country. Are you suggesting that the debt should be held outside of the country?

An Honourable Member: That is where MTS is being held.

Mr. Ashton: Well, that is right. I mean they do not have any problem with 80 percent of MTS shares being held outside of the country, so what would they care? Why do you think we have had problems with the balance of payments in this country in recent years? It is because our debt is held outside of this country. We are paying to those bondholders you were talking about, and for you to get up and make this ridiculous statement that somehow anyone is suggesting not

paying the bondholders is at absolute ridiculous extremes to go to in this House.

What we are talking about is refinancing the debt, getting it out of foreign hands, getting it into Canadian hands with the Bank of Canada, using our banking system to get control back on that debt so that we do not end up paying the price of \$600 billion in interest payments to go outside of the country, affecting our balance of payments. That is simple economics everyone can understand.

The Minister responsible for Industry, Trade and commerce is sitting there making gestures with his hand. If he wishes to speak with his mouth, he can do so afterwards. I was just out in the minister's constituency, and I found it interesting—[interjection] Well, he might as well use his hands. It is about all he has to contribute to this debate, is empty mouth movements.

I say to members opposite, get involved in a constructive debate. I say to the member with that speech, I do not know who wrote that speech. I know the minister did not write that speech. He read it. But I would say get involved in a constructive debate. What are you opposed to in this resolution that is so much of a difficulty? Forget about the rest of the stuff you put out. Refinancing the debt through the Bank of Canada—

Point of Order

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, we have a wonderful new sound system in the House, and the member maybe could know his microphone is working. It is almost harder to hear when he is shouting so loud than it is if he just used the microphone. He does not need to shout. The microphone works.

Madam Speaker: The honourable Minister of Education and Training does not have a point of order.

* * *

Mr. Ashton: Madam Speaker, I was being heckled by about six different government members. If I raised my voice to try and get over the din of members including

the Minister responsible for I, T and T and others who were making comments from their seats and if I offended the Minister of Education in any way, shape or form, I apologize.

To the minister who sits there, makes a comment, Madam Speaker, and then makes, again, these kinds of dismissive gestures that she is known—I can tell her, I will not be stopped by any members opposite, including the Minister of Education, in putting on the record what I feel is the important thing. I suggest to the member, why does she not go back to her office and write a few more memos on God Save the Queen. I think she will probably find that a lot more satisfactory.

I say to members opposite, are you suggesting in this House that we should not deal with the question of how that debt is held? Do you not think it makes a difference? You know, one of the things we did as a government that is being continued by members opposite is financing our needs here in this province—HydroBonds, an excellent idea. Why not go to Manitobans and ask Manitobans to invest in their own province.

Let us not forget, because members opposite, when they attack debt—it was interesting when the member talked about debt. One thing he did not talk about was where a lot of that debt is held, Manitoba Hydro. Yes, we had to debt finance the construction of Limestone. You know what? We did it for a billion dollars less than was the budget. It is now in place; it is producing a hundred million dollars a year for this province, a hundred million dollars a year.

If you follow the kind of voodoo economics that the member said, we would never have financed the construction of Limestone. I say to members opposite, how do you think in this province we have financed things like the Floodway, hospitals, schools? We financed it in the same way.

Corporations do it; governments do it. For this member to suggest that somehow we should no longer ever look at that kind of investment I think is a disgrace to the legacy of his own party, because I can tell you, if we relied on his economic philosophy, Duff Roblin never would have built Duff's Ditch. That is the reality, Madam Speaker.

If they want to get into a debate about the levels of debt, the debt-servicing costs and deficits, that is fair ball, but to give a blanket sort of statement about public finances without looking at the fact that a good percentage of that is dealing with what is good for this province, I will argue with anyone who says it was wrong to do what Duff Roblin did with Duff's Ditch—I will argue with anyone—or what the Pawley government did with Limestone. It is paying back the investment many times over.

* (1740)

You know, what governments need to do is probably in a lot of ways deal with it the same way you would in the private sector, because there is not a single private sector corporation out there that does not look in terms of investments and when it engages in any kind of borrowing whatsoever, it is going to look at debt-servicing costs, it is going to look at the return on that investment. That is, I think, what the public expects from their governments, that money be spent wisely, that it be invested in what we need, whether it be health or education or floodways or highways or, yes, building up our hydroelectric system.

But, you know, we get back again to this attack on the resolution. What is the problem here? Now, if you support the Bank of Canada's restrictive monetary policies, I say, so be it. That is fair ball, it is a good discussion, a good debate. The evidence has proven now that even the Bank of Canada has moved away from its zero percent target. It now is targeting one to three percent. Even the Bank of Canada has disowned that policy.

What else do you have a problem with? The member for Brandon East (Mr. Leonard Evans) talked about the high real levels of interest rates. That is a fact, Madam Speaker. Interest rates have been high relative to the rate of inflation now for more than 10 years. Government, of all people, should understand that because, when that happens, that costs us more as a province. So what do you have difficulty with that?

And as I went through it, you know, whoever sat down and looked at it must have said, oh, good chance to get up and give our usual political speech on this. But, you know, let us have a rational debate on

economics and public finance. [interjection] Well, I am starting it, to the Minister for I, T and T, by putting on the record the reality.

It is unfortunate the member for Lakeside (Mr. Enns) cannot be directly participating in this debate. I cannot reference why but, you know, he was part of a government that had a very different approach. As I look at the minister opposite, he was part of another government that had a very different approach. What this government is doing when it gets into issues of public finance I guess is after running up the highest deficit in Manitoba history is turning around with the help of VLT revenue and the slush fund, trying to turn around and say they do not believe in deficit financing or debts. It just does not wash.

When they faced that situation in '92-93, they had a deficit because of the recession. It happened. What is going on, if you look at what is going on, they mention about Saskatchewan. What is interesting about Saskatchewan is Saskatchewan faced a much higher debt situation than we have ever been in in this province. You look at the recent budget, we are third lowest in debt in this province. B.C. I think is lower than us. I think Prince Edward Island is the lowest again. Prince Edward Island, by the way, the Conservative government there is running a deficit this budget. They said there are more important things than deficit. You want to talk about quotations on deficit, that is what the Conservatives say there. But you look further west to Saskatchewan, again in terms of public financing, the Conservative government there, through the incompetence under Grant Devine, ran up the debt to one of the highest levels in Canadian history. That is when you have a major problem. That was the problem the Saskatchewan government faced.

I tell you, it was not a creation of themselves, it was a creation of the previous Conservative government, most of whom are in jail right now, and rightly so, given what has happened in that province. [interjection] The member says, be careful. He should look at how many of the Conservative MLAs are currently in jail. A good number of them are. This is in Saskatchewan, not in Manitoba.

If you look at the reality, the Romanow government has dealt with the situation there, but they have dealt

with it in a way that reflects a balance, just as if, Madam Speaker, as an individual, if I have a mortgage on my house, I have to make sure it is affordable, I have to be concerned about who I am paying it to, if I have a 30-year time frame, and I have to make sure that it is affordable. That is the same issue in public finance. In this case, does it make sense to have our mortgage, in this case our debt as a nation, as the member pointed out, held by institutional investors, the vast majority of whom are out of this country. Why not repatriate that debt and bring it down and bring it down?

Well, once again the members opposite have not even read the resolution. The federal debt, which is over \$600 billion, why not repatriate it and use the Bank of Canada as a way to ensure that that debt, the first step is to repatriate before we can bring down the burden of debt, because by repatriating, when you do not have to pay to the brokers on Wall Street and the institutional investors, when you finance it within Canada, that is the first step. The next step could be in terms of making a lower percentage of GDP, which is what we need to do.

So let us have a logical debate. Let us not have the kind of speech that the member previously read into the record. I actually look forward to his own personal view sometime, because I do not think even he would subscribe to all the things he read onto the record. Thank you, Madam Speaker.

Mr. Gerry McAlpine (Sturgeon Creek): It is interesting, and I really appreciate the opportunity to put some comments on the record. I have listened to the member for Brandon East (Mr. Leonard Evans) read his resolution into the record and his comments that he has made and the honourable member for Thompson (Mr. Ashton) as well. It really surprises me that the honourable member for Brandon East, with his background—mind you, he has been in this Legislature for a long time, and maybe he has lost sight of the reality out there in the real world, in the business world, because for anybody that has any background in economics would certainly understand that this is not the road to go.

The honourable member for Thompson also referenced and suggested that we build up—if we are

going to follow what he has said, we are following the same thing that the Chinese did many, many years ago when they built the Great Wall of China. We know what has happened with that today because exactly what he is suggesting is that we should build walls around this country and shut everybody else out, not to allow any other economic influence coming out of any other part of the universe other than what is within our own boundaries. That, to me, is ridiculous, Madam Speaker, and the honourable member for Brandon East should know better than that.

The resolution basically is calling on the members of this Assembly to make fools of ourselves, and that is really what it is all about. That is certainly how we see it as far as this resolution proposes, to call on the federal government to print more money to pay the government debt and, at the same time, bring down interest rates. If you listen to what the honourable member says, he would have money growing on trees, and we know that is not possible.

You know, it is interesting that the honourable member is suggesting money growing on trees and would still maintain the value of the dollar. You cannot have it both ways, and the person who has an economic background should know that. That is what really disappoints me with this honourable member.

We have to disagree philosophically on this because I just cannot buy into what he is suggesting. I mean, if we do that, if we do what he is proposing, then we are going to go back into the '80s, the '82, '83, when we saw interest rates at 18, 20, 22 percent. That is what he is advocating. [interjection] The honourable member chirps from his seat; he does not want any debate. He wants everybody to subscribe to what he is saying and rather than listen to something—you know, they say we do not debate the issue, and then he says, yes, we do not know what we are talking about. If we do not hitch up to his team, we do not know what we are talking about.

Well, let me tell you there are other people in this Chamber that have views other than what might be the views of the honourable member for Brandon East (Mr. Leonard Evans) or the member for Thompson (Mr. Ashton). I would hope that these members could respect that—[interjection]

Well, the honourable member for Thompson talks about a speechwriter. The honourable member might do well to get one because the honourable member across the way, in putting the rhetoric on the record—and he is entitled to that, but I call it rhetoric.

Interest rates are now much lower than they have been during most of the past three decades. Mortgage rates in particular have returned to the range that prevailed in the early 1960s. That is good for the economy. Those are the engines that drive the economy of this country and this province.

The honourable member for Brandon East (Mr. Leonard Evans) should know better. He should know that.

Furthermore, interest rates in Canada are below those in the United States and have been for two years. For many years most economists and investors thought that it was impossible for Canada to have lower interest rates than the U.S., but now we do, and we are the benefactors here in Manitoba. That is what we are doing in terms of what is driving the economy. That is what is creating jobs.

*(1750)

Then the honourable member has the audacity to speak from his place in this Chamber suggesting inflation, because that is what is going to happen, and high interest rates. When you have inflation, you end up with high interest rates.

Still members opposite want us to call for lower rates. Let us remember that very low rates are not good for everyone. Look at our seniors, who rely on their fixed incomes. They look to interest income for a source of their income. Many of them have been distressed to learn that members opposite want even lower rates.

A balance must be attained between the benefits of borrowers and the lower rates and the benefits to savers of higher rates. Even lower rates than what we have now would not, I think, be fair to savers. What we have is a balance.

The fact is that we are going to look very foolish calling on the federal government for lower interest

rates when they are already as low as they should and can be. We will look doubly foolish because we are also asking for the federal government to do something which would actually raise interest rates. Yes, this is precisely what would happen if the Bank of Canada were to acquire a significant larger share of the government debt. How are they going to re-source that?

We have a system in the banking industry today where the banks, the chartered banks, borrow money from the central bank and they turn around and they lend that money out as a business. That is what makes the world go around. That is what the honourable member for Brandon East (Mr. Leonard Evans) just does not get. They do not get it over there.

The mover of this resolution does not seem to understand the simple facts of economics, that a change in the central banks holdings of government debt directly changes the money supply. When you call on the Bank of Canada to acquire more government debt, you are really calling on the bank to increase its money supply, printing more money. [interjection]

The honourable member chirps from his seat, you know, who brings the money?

Point of Order

Mr. Leonard Evans: I wonder if the honourable member would submit to a question on the reserve ratios to be implemented for the commercial banks to curtail inflation. Would the member submit to a question?

Madam Speaker: The honourable member for Brandon East does not have a point of order.

* * *

Mr. McAlpine: I respect the honourable member would like to interfere with my remarks because my time is running short, and I certainly do not want to—I think that he had the opportunity to put his remarks on the record, and I hope that he would give me that. After, if we have an opportunity to speak privately, we can do that.

Madam Speaker, the money supply should grow approximately in line with the growth of the economy, and they have to be connected. If it grows much faster, the result is simply inflation, and when we have inflation, we create high interest rates. The fact of the economic life which has been proven countless times by the experience of many countries, not only this country and the province of Manitoba—and the honourable member for Thompson (Mr. Ashton) he talks about, he puts on the record about creating the debt and this government doing that.

Our Premier (Mr. Filmon) today, I think, is the 19th Premier of the province. I might be wrong. It is either the 18th or the 19th Premier, but 18 Premiers in this province, 17 Premiers actually created all this infrastructure and the debt. At that time, we built universities, we built streets and all the roads and highways and Duff's Ditch. All these things were built. All this whole infrastructure was built.

The six years that Howard Pawley, and the honourable member for Brandon East (Mr. Leonard Evans) was a member of that government, created, they more than quadrupled, the debt in those six years because of that ideology.

Why would we want to go back to that? The people of Manitoba do not want that. We have all lived through that. We are trying to pull ourselves out of that now, and I think that we are making some headway and making some success.

Madam Speaker, when inflation rises, interest rates go up because savers have to be compensated for the loss of purchasing power they suffer as the prices rise. In fact, one of the major reasons for the current very low interest rates is Canada's five-year record of low stable inflation. That record gives savers the confidence that their savings will not be eroded by inflation and allows them to accept a lower interest rate. Manitoba and the people in Manitoba whom I am in contact with are looking for stability. They want stability because otherwise they are not going to invest in what we are looking for in terms of business, the businesses creating the jobs.

In short, if the Bank of Canada acquires more government debt, the sole result will be higher inflation and therefore higher interest rates. Therefore, this resolution would have us call on the federal government to do two inconsistent things.

Unfortunately, the member for Brandon East (Mr. Leonard Evans) does not understand this, and he has argued that the Bank of Canada held 21 percent federal debt in 1976, and today it holds only 5 percent. Of course, 1976 was just two years after the federal debt reached its post-war low as a share of the GDP so there was not very much federal debt available for the Bank of Canada to hold. Since the mid-'70s, the federal debt has grown steadily and rapidly. In 1976, the debt was equal to less than 20 percent of the GDP; today, it is roughly 75 percent. So what the member for Brandon East is saying is that the Bank of Canada should hold a constant share of the public debt, which means that the money supply should increase, not in line with the economy but in line with the government borrowing. That is a recipe for hyperinflation.

Madam Speaker, in his speech during the debate in the 1997 budget, the member for Brandon East (Mr. Leonard Evans) calculated the Bank of Canada should be holding an additional \$96 billion of government debt. He obviously does not realize that the current money supply is about \$70 billion, so he is calling on the central bank to more than double the money supply, and for the money supply to double in a very short time would be an economic disaster. Prices would skyrocket and the economy would be thrown into turmoil.

Madam Speaker: Order, please. The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

Order, please. Just for clarification, the resolution will remain open. The honourable member's time has expired.

The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 22, 1998

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