

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, May 21, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 101 students of Grade 7 standing of the Provencher School. These students are under the direction of Mr. Lambert, Mrs. Dugas and Mrs. Duval. This school is located in the constituency of the Honourable Member for St. Boniface, the Minister of Health and Social Development.

We also have 25 students of Grade 6 standing of the Crestview School. These students are under the direction of Mr. Shirtliffe. This school is located in the constituency of the Honourable Member for Assiniboia.

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

Presenting Petitions: Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Radisson.

READING AND RECEIVING PETITIONS

MR. HARRY SHAFRANSKY (Radisson): I beg to present the petition of Renald Guay and others praying for the passing of an Act to incorporate Centrale des Caisses Populaires du Manitoba.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. Orders of the Day. The Honourable Leader of the Opposition.

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MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): On a point of order. There are questions to be asked of the front benches, unfortunately some of them are not here now, in fact the majority are not here. It makes it very difficult for us to deal with the question period, particularly when the Ministers who would normally be answering the questions, at least certainly the questions that I would intend to direct either to the Premier or to the others, are not present. And I wonder if this matter could just be held until they are in attendance here.

MR. SPEAKER: Would the honourable member place his question and see if it can be answered by the House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, the Cabinet has been in continuous session since 9:00 o'clock this morning until now. It is certainly desirable that the Cabinet Ministers be present during questions, the question period and that is the usual case. That is the usual case. I believe that this is the first time in seven years that this question has been raised. But if they are not then the honourable member will just have to wait until the next day to ask the questions, or he can ask the questions today and they will be taken as notice.

MR. SHAFRANSKY: He just wants to make an issue . . .

MR. SPEAKER: Order please. Questions. The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, on the point of order. I accept the comments of the Minister and I accept them, and I recognize and I think we all understand that there are some difficulties at different times in getting - well one Minister has now come in, and I'm now in a position to ask the question - but it is a very difficult thing, particularly when the questions are pertinent to the time and are not necessarily the questions that should be allowed to remain for the following day.

Well I'll direct my question to the Minister of Consumer Affairs if he is in a position to deal with it. The Consumer Price Index for the regional cities of Canada has now been published indicating once again that for the past 12-month period, Winnipeg - and that's the region of Manitoba - has in fact had and continues to have the highest increase in the Consumer Price

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(MR. SPIVAK cont'd) . . . . Index. I wonder if he's in a position to comment on that and to indicate what direction the government will undertake for remedial action to prevent this escalation from continuing.

MR. SPEAKER: Order please. The question in respect to comment is out of order. The question at this time is that we do ask questions. I take the citation in respect to Beauchesne's is that they should be terse, to the point, and so on, and the answers should be in the same vein. To ask for a comment will have a Minister speaking for 40 minutes, and that's not right. The Honourable Leader of the Opposition.

MR. SPIVAK: On a point of order, I accept what you've said but I also ask what remedial action the government would undertake, and I believe that that question is pertinent, and I believe that the government can be in position to indicate its policy direction.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, with regard to the Consumer Price Index, of course I have to point out to the Leader of the Opposition once again that increases by themselves do not mean that commodities, goods and services are more expensive here than they are in other areas of the country. It means that the rate of increase is higher, that is correct, but clearly if we start from a higher base, as exists in Toronto for example, a smaller increase may mean that even in Toronto people are paying more for goods and services than they are paying here despite the fact that the rate of increase here might be higher.

With regard to the question related to what remedies the Provincial Government has undertaken, I would have to defer any general answer to that question to my Premier, but I can point out to the Leader of the Opposition that insofar as rents are concerned and I have been undertaking, both myself and my staff has undertaken meetings with representatives from the rental agencies in this province, in this city to discuss with them the structure of the rental market, and to ascertain from the information and from the structure of the market that we can put together from discussions with them, what action might be deemed practical in the future.

MR. SPIVAK: I wonder if the Minister of Consumer Affairs can indicate to the House whether he is in a position to account for the substantial increase in the price of food.

MR. TURNBULL: Mr. Speaker, to account for all the increases in the cost of food would not be a practical exercise for me to undertake in the question and answer period, but clearly with the increase in some food commodities it is a question of supply and demand. If it is not a question of supply and demand then it might be administered prices. If it's administered prices, if I can prove that then I will take what action is appropriate and again practical.

MR. SPIVAK: To the Minister of Consumer Affairs. I wonder if he can indicate whether . . . well whether he is in a position to indicate as a result of his research that with respect to the percentage increase on all items on the Consumer Price Index that the three cents per gallon tax that has now been introduced will mean a full point of one point increase in the overall percentage of one percent.

MR. TURNBULL: Again, Mr. Speaker, the question of the Leader of the Opposition is rather unclear. I assume that he's talking here of one percent increase in the transportation component if he's talking about an increase in the total CPI. I would have to check once again, Mr. Speaker, but I do know that a two cent increase in the cost of gasoline, be it attributed to tax or just a general increase, is not anywhere near one percentage point increase in CPI. I can give a more specific answer to that after checking, but I'm certain it is not anywhere near one percent.

MR. SPIVAK: Yes, my question is to the First Minister. I wonder if he is in a position to indicate what remedial action the government intends to take with respect to the continued escalation of prices in Manitoba. This is the third month in a row that Manitoba over a 12-month period has had the highest percentage increase.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, it may be that it is the third month in a row in which we have had a higher CPI increase than the national average, but then again that might well be the result of the fact that for many many months we had a CPI increase that was well below the national average. So that one cannot look at this in

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(HON. EDWARD SCHREYER cont'd) . . . . isolation from a historical pattern. And even though the increase has been for this month higher than the national average, the base of the cost of living in Winnipeg is still lower than most cities that are in excess of a quarter million population in Canada with the exception of perhaps Regina and Saskatoon. So that I think the Honourable Leader of the Opposition would be well advised to look at the overall perspective and the historical base as well.

Beyond that, I can only say to my honourable friend that clearly if there is some unliveable, untenable increase in the cost of living then one either has to rely on the free flow of the marketplace or on rational controls, and I'm wondering which of the two my honourable friend is preaching for.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the First Minister is in a position to assure this House that within his government he has sufficient capability for the analysis correctly of what is taking place with respect to the rise in the price of the consumer price index in Manitoba.

MR. SCHREYER: Mr. Speaker, my colleague the Minister of Industry and Commerce is at an industrial opening ceremony this afternoon, otherwise he would be able to confirm to the Leader of the Opposition that, in fact, we are running calculations right now and have been for the past several weeks with respect to trying to come up with a definitive analysis of the various component increases in the Consumer Price Index as a whole.

MR. SPEAKER: The Honourable Member for Assiniboia. The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder then if the First Minister can indicate whether it has been brought to his attention by the Minister of Industry and Commerce, I guess as the Minister involved in the Bureau of Statistics, as to the reason why the food price increase has been so substantial in Manitoba.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there's nothing I can add to what the Honourable the Minister of Consumer Affairs has already stated, plus the point I just made a few minutes ago, namely, that increases in the Consumer Price Index, or any component thereof, has to be viewed in at least a 12-month perspective, if not multiple year perspective, as opposed to just seizing on a single month or two months.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. The Minister indicated to the House in a few days ago that he had initiated enquiries into the high cost of living in Manitoba. Can he indicate to the House at this time in what areas he has initiated these enquiries and when will it report to the House.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, I am trying to recall exactly what enquiries the Member for Assiniboia is referring to. There has been established an enquiry into beef prices. I am conducting ongoing discussions with representatives of the rental industry in the city and the province. Other than that, apart from general enquiries of gasoline merchandisers, I'm not conducting any formal enquiry, so if he could be more specific I could give him a more specific answer.

MR. PATRICK: Yes, Mr. Speaker. The Minister has indicated in this House to questions before today that he was going to look into the price of sugar, bread, beef, milk, all kinds of areas, and rent, and I'm being very specific. Can he indicate to the House or tell us in what areas has he initiated enquiries and when will they report to him that he can report to the House.

MR. TURNBULL: Mr. Speaker, it is true that over the course of the months that I've been Minister of Consumer Affairs, I have initiated and tried to initiate enquiries into various prices of different goods and services. If I could be reasonably assured that those enquiries could lead to a restraint on price increases, then I certainly would mount more enquiries.

I should point out to the member, as his memory seems somewhat vague, that in August, 1973, I initiated an enquiry into bread price increases. I am reasonably satisfied that that enquiry did result in some restraint in bread price increases. I have just mentioned a minute ago that there is an enquiry into beef price increases - I'm waiting for that report. As to any other formal enquiries I have not undertaken.

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MR. PATRICK: Is the Minister prepared to take any action when he receives these enquiries, Mr. Speaker.

MR. TURNBULL: Mr. Speaker, I can assure the member that I am always ready for action, to restrain prices, or indeed to control prices. But in fact in practical terms to control prices within the Province of Manitoba may mean that the goods would be inexpensive, would be cheap, but there might not be any of them, because the suppliers of those goods and services, especially the goods, might just by-pass this market, which is relatively small in the national and international scene.

MR. PATRICK: A supplementary, Mr. Speaker. Is the Minister ready to consider a wage price and productivity board at this time?

MR. TURNBULL: Mr. Speaker, a wage price and productivity board would be a policy matter that the government would have to announce in due course. I thought I made it clear during my estimates that that kind of undertaking would be one that if co-ordinated on a national scale might be one way of attempting to deal with inflation. But I emphasize it might be one way. And that certainly I would not hope that it would be the only way.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks Mr. Speaker. My question is for the same Minister. He set up a committee to investigate the gasoline prices, the different spread in gasoline prices; has he set a date in which they're to report back to him?

MR. SPEAKER: The Honourable Minister.

MR. TURNBULL: Mr. Speaker, the members of the Opposition seem to be unclear as to just what has been accomplished and what has not been accomplished, or done. There is in my department an ongoing survey of retail prices of gasoline throughout the province in the city and outside in rural areas. And that survey normally is undertaken every second month. The purpose of it initially was to see if the reduction in gasoline tax introduced a year ago was carried through to the consumer of gasoline at the retail level. The results of the surveys to the last one that was received was to the effect that the gasoline tax reduction of a year ago was indeed carried forward to the consumer at the retail level. If that's what he's referring to, I think I have given him a complete answer. There were not other committees established within my department, and I have to emphasize as he's not listening, within my department to check on gasoline prices.

MR. HENDERSON: Mr. Speaker, I have a supplementary question. Has the Minister done anything to ascertain why there is such large spreads in the price of No. 2 gasoline between different service stations.

MR. TURNBULL: Mr. Speaker, these questions could have been discussed during my estimates. There has been an investigation of various marketing techniques of the gasoline suppliers in this province, and the answer to the question of the Member for Pembina I think is pretty clear. We have spreads in gasoline prices throughout the province because the various gasoline companies are fighting it out in a free market for their share of that market. Gasoline price spreads - I can give him a more detailed answer at some other time - are based on the marketing structures that the various companies have developed over time, and of course are based on differences in freight rates and labour costs through the province.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a question of the Honourable the First Minister in his capacity as Minister of Finance. I wonder if the Honourable First Minister could advise the House, have all the service stations and retail gas outlets in Manitoba been notified by the government that they're required to take inventory of their stocks May 19th or 20th, and remit the three cents per gasoline tax to the government re the inventory that they had on hand as of - I think it has to be sent in by the 17th of June, if I'm not mistaken.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well Mr. Speaker, it is at this point an administrative procedure. I have not been advised that there have been any administrative problems encountered. That's not to say that I may not receive such information in the next day or two, but thus far I have not been told that there is any particular problem.

MR. McKENZIE: Well Mr. Speaker, if the First Minister is taking that question under advisement, I have another one for him. I wonder if at the same time will he advise - when

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(MR. McKENZIE cont'd) . . . , the gasoline prices were reduced two cents last year, did the Province of Manitoba rebate all the service stations and the retail gas outlets for the inventory they held on hand at that particular time?

MR. SCHREYER: So I am advised, Mr. Speaker, and it has been confirmed to me that some retail operators indeed, did receive such rebate or remission. Some have, only in recent date, indicated that they did not receive such rebate. But in any case the Department of Finance has repeated the offer, or it has confirmed that in the event that someone was eligible and did not apply, or for whatever reason, that upon submission of documented evidence of the volume of inventory at issue that the same consideration would still be extended even though it is approximately ten months later.

MR. McKENZIE: The final question, Mr. Speaker, and I'll direct this question to the Minister of Consumer Affairs. I wonder, due to the mumble-jumble we got from the First Minister, would the Minister of Consumer Affairs take this matter under study and bring us back some information on what is going back in the province, rebating and the taxing of people with inventory.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the only confusion is in my honourable friend's mind. Frankly his question wasn't particularly comprehensible.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Well Mr. Speaker, I have a question for the Minister of Consumer Affairs. In view of the fact that many notices that are now being sent out for the new rental season reflect an exaggerated rate to the talk about rent controls, can the Minister indicate whether he is prepared to make an immediate statement clarifying the government's position as to whether there will be a form of rent control or not?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, the question of rent controls has been discussed perhaps more by the Member for Fort Rouge than by anybody else. If there are exaggerated rent increases as a result of that discussion, then he will have to share a good part of the responsibility. If he could be more specific and give me the information that he has, certainly in the discussions that I am now undertaking with the rental managers, this particular point could be discussed.

I do not think, and I have not seen evidence yet, that rental increases have been exorbitant given the costs of operations of various rental accommodations in the city.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, in view of the Minister's last statement can we take that to mean that the government is not going to be taking any direct action then to deal with rental increases because they are based entirely to extraordinary costs and not relevant to the . . . or that there is no exorbitant pricing going on?

MR. TURNBULL: Mr. Speaker, the Member for Fort Rouge should not take that interpretation from my previous answer. Quite the contrary, part of the purpose of the discussions and the studies that my staff are undertaking is to determine what is a reasonable increase and what may not be a reasonable increase, based on the costs of operation. I think that controls of rents which do not take account of the actual costs facing the operators would be unrealistic.

MR. AXWORTHY: Well, Mr. Speaker, then in view of the Minister's last statement in terms of the study that is being done to determine what is a reasonable rate of return, can we assume then that the Minister is about, or will announce that there will be some form of rent control or rent review being announced within a short while?

MR. TURNBULL: Mr. Speaker, I hope that that rather than having to announce rent controls that we could proceed with some consensus from the people engaged in this particular business industry in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I had a supplementary question earlier for either the First Minister or the Minister of Consumer Affairs, and it relates to the Premier's statement on Page 2384 regarding inventory and the tax. I wonder if the Minister of Consumer Affairs would take that statement under advisement and explain to the House what the Premier meant on Page 2384 of Hansard.

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MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: If my honourable friend wants some clarification he should ask the author of the statement, not someone else, to clarify it.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Consumer and Corporate Affairs. In view of the fact that he answered questions posed to him from the other side about the meat inquiry, can he indicate as to whether a deadline was given to this committee for giving a report on the meat prices inquiry?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, as I recall the Order in Council which was passed some months ago, there was no deadline specified in the Order in Council setting up the beef inquiry. Naturally, I'm ever hopeful that they will make a report as soon as it is practical, and in my mind that is soon.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. EXWORTHY: Mr. Speaker, I have a question for the First Minister. Can the Minister indicate if he is planning to table the, or to move the first reading of the Disclosure Bill within the next week within the Legislature?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well certainly, Mr. Speaker, it is - I'm not sure if it has been given first reading, but in any case it is at the Queen's Printer. It has been given first reading - it will be brought forward in a matter of a week or two I would imagine. I'm not in a position to indicate precisely what day but some time soon.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I received a question from the Honourable Member for Roblin that I took partially as notice, pertaining to the contribution by the Department of Tourism and Recreation and Cultural Affairs to the Centennial Library project in the City of Winnipeg. I'd like to inform the honourable member that the amount being actually contributed by the department is \$900,000. There is an additional commitment of \$3 million coming through the Loans Program approved under the Municipal Loans, administered through the office of I believe, the Minister of Urban Affairs? I'm sorry it is Municipal Affairs. So there is a commitment of approximately \$3.9 million on the project.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker, my question is to the Honourable the Minister of Agriculture. Some time ago a question was asked of him, if he could provide us with the total cost of the funds provided for advertising the land lease program through the MACC through the various medias, and I'm receiving some correspondence asking the same question and I'd like to reply to it. Could he give us some indication when that answer will be forthcoming?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, I believe that that was in the form of an Order for Return. That data is being collected for my honourable friend's benefit.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY

MR. GREEN: Yes, Mr. Speaker. Would you proceed to deal with the bills, standing, on debate for second reading, in the ordering in which they appear on the Order Paper.

BILL NO. 16 - THE METALLIC MINERALS ROYALTY ACT

MR. SPEAKER: Thank you. Bill No. 16, proposed by the Honourable Minister of Mines. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, to review briefly the progress of Bill No. 16 up to this point. It was April the 14th that the Minister of Mines provided the explanations on the principle of the bill, and it was within a day or two of that that there was some response from the industry indicating that they were generally favourable to the principles of the bill as explained by the Minister. I think the industry considered it to be, in the

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(MR. MCGILL cont'd) . . . .light of the Minister's remarks, a reasonable approach to the area in which there had been a previous bill in the last session presented to the House, and which was not proceeded with on the basis of some technical problems. But I think, Mr. Speaker, it was a fairly immediate response from the industry that they agreed with the rhetoric of the Minister.

MR. SPEAKER: Order please.

MR. MCGILL: In due course, however, there was a more detailed examination of the arithmetic of the bill and it was at that time that there began to be a feeling that perhaps the rhetoric and the arithmetic were not entirely consistent, and this, Mr. Speaker, I think might have occurred without the full appreciation of the differences by the Minister of Mines, who I think was careful to say in some areas that there were mathematical problems related on which he was not expert but that he had been assured by his advisors that certain principles were being expedited by the bill. But now I think, Mr. Speaker, we're pretty certain that there is some inconsistency between the words of the Minister as he described the principles and the numbers contained in the nine formulae that provide the mathematical operation of the bill.

So, Mr. Speaker, if failing any further detailed technical explanations, we would take the view that the bill in its present form does not do what the Minister says it was intended to do. What is needed, I think, to dispel this position that we have taken to cause us to reconsider the position would be a forum provided for the technicians, the architects of the government that provided the mathematical section of the bill, and the critics of the bill, those who are technically competent in the industry, to debate with the government architects the matters which now appear to be different than were explained by the Minister. I think, Mr. Speaker, this would be a reasonable approach and it would be helpful to, I'm sure, the members of Legislature simply to listen to the debate which would arise, and to determine from that debate whether the rhetoric and the arithmetic are consistent or whether there are difficulties.

Mr. Speaker, I think it's generally conceded that this is a reasonably good bill which could be amended to make it operate in the manner in which the Minister intended. But I think that there definitely are some areas of the bill in which there needs to be further examination. And one of those areas I would like to deal with is the part which would affect the processing allowance. I think over the past five or six years there have been occasions when I have exchanged some views with the Minister of Mines in respect to the importance of developing a processing industry related to mining in our province and how there might be ways of encouraging this development to take place.

Mr. Speaker, under Bill 16 it is proposed that the traditional processing allowance now available to mining companies in Manitoba and across Canada, be discontinued and that insofar as basic royalty levels are concerned, mining income be taxed at 12-1/2 percent rather than 15 percent. To quote the Minister of Mines on Page 1235 of Hansard, he says: "So the 12-1/2 and the 18, plus the incremental rate, are intended to yield the same thing as the 23 percent yielded with the processing allowance, and we have discontinued the processing allowance and I have been assured - and this is not really my field, it's the field of finance - that the processing allowance is a non-realistic type of measure to have included in the legislation at this time, that they have (and I presume he means the Department of Finance in that respect) that they have wanted to repeal it for many years, and that it will not result in any disincentive towards processing in the Province."

Note, Mr. Speaker, that he says he has been assured, the Minister has been assured, and that's not really his field, but they have, meaning I think the Department of Finance have assured him that there will not be any disincentive towards processing in the province. Yesterday, the Leader of the Opposition spoke on Bill 16 and stressed the concern of the Opposition that the objectives of the bill cannot be met by the mechanics of the Act itself. How does removal of the processing allowance square with the objectives of the bill?

Mr. Speaker, one major objective of the bill, according to the Minister, is to establish basic profit levels in such a way as to be fairly certain that a reasonable return on original investment capital will be protected. He said that on Page 1232 of Hansard of April 14th. The Minister furthermore laid stress on the stability that the legislation would create in the Manitoba mining industry. Quoting again from Page 1234 of Hansard, the Minister says:

"Let me say, Mr. Speaker, that in a poor year the province will get less from the industry because if there is a poor year, and they are all operating on their income base, we will

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(MR. MCGILL cont'd) . . . . collect 15 percent in taxation instead of 23, which we are entitled to collect at the present time." Well I think he meant 12-1/2 percent at that stage. But he said "We will collect" - correcting it - "12-1/2 percent in taxation instead of 23, which we are entitled to collect at the present time."

This favourable turn of events from the point of view of stability in the industry naturally depends on the company operating on its income base. That is the taxable income less than the profit base and therefore no incremental tax. But the implication is clear. Greater Assistance to mines in low profit years than under current legislation, or so the Minister said. I think he said that there would be greater assistance to mines in low profit years than under current legislation.

Well Mr. Speaker, let's examine how removal of the processing allowance achieves the twin objectives of protecting a reasonable return on investment and improving the stability of the industry.

Mr. Speaker, for the benefit of members not familiar with current processing allowance legislation the following fundamental rules apply across Canada:

1. Approved cash expenses and depreciation are deducted from operating revenues, including revenues from processing, to obtain taxable income before processing allowances.
2. The processing allowance is calculated as 8 percent of the original cost to processing assets. Unlike depreciation and other non-cash flows, this allowance is permitted in perpetuity providing the asset continues to be used in processing.
3. The processing allowance is then deducted from taxable income before processing allowance to obtain taxable income for royalty tax purposes, subject to the following limitations:

That the processing allowance must be at least 15 percent of taxable income before processing allowance, and that the processing allowance not exceed 65 percent of taxable income before processing allowance.

In short, companies can claim at least 15 percent of such taxable income as a processing allowance, regardless of the value of processing assets actually owned. In other words, a company which does no processing in Manitoba, has no plant, has no investment, is entitled to 15 percent.

Well Mr. Speaker, what is the basic purpose of the processing allowance? The fundamental proposition underlying provincial mining taxes has always been that such taxes are intended to affect the profit created by the minerals mined in the province. The profits computed in theory at the mine pithead, or the profits related solely to the pure mineral coming out of the ground. By consensus straight across Canada mining taxes were not meant to apply to the profits created by smelting, refining, or other processing.

Taxes solely on minerals of course can be defined as royalties. There's no hint that any other stage of economic activity is being taxed by the province.

For practical reasons however, it has been necessary to introduce a processing allowance because revenues reported are normally after processing in integrated operations.

The procedures adopted to date across Canada have been such that calculation of the processing allowance is a relatively simple and uncomplicated exercise easily understood by the layman.

Now the government proposes under Bill 16 to discontinue the allowance. This means that in future the companies which chose to put processing assets in Manitoba will face a new level of taxation on these assets and the profits owned by them. Circumstances will also change for companies with processing assets outside of Manitoba; rather than 8 percent on original costs the companies will be allowed 8 percent processing allowance on undepreciated balance. In other words, the processing allowance will eventually disappear completely.

The Opposition Mr. Speaker, submits moreover that removal of the processing allowance seriously undermines the ability of the government to describe Bill 16 as a Royalty Bill. If the Federal Government were for example to reinstate deductibility of royalties for corporate income tax purposes, it's doubtful whether they would permit a royalty such as that levied under Bill 16 to be a pure royalty.

How does the Minister respond to the removal of the allowance? First of all he is not entirely self-assured on the point. I think, Mr. Speaker, when he said "It's not my field" he has his parachute all buckled on and he was ready to go over the side at the first sign of smoke from the engine.

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A MEMBER: It's a long way down.

MR. MCGILL: "It's in the field of finance," the Minister says, "It's not his particular field."

Secondly, the Minister maintains that reduction of the basic royalty rates to 12-1/2 percent from 15 percent provides the necessary compensation. This assertion can be shown to be incorrect for the vast majority of cases, and especially those operations which have invested heavily in processing assets in Manitoba.

Consider for a moment, Mr. Speaker, a company with a taxable income before processing allowance of 100, make the heroic assumption that the profit base as calculated under Bill 16 is sufficient that no incremental tax is paid. Bearing in mind the limits of 15 percent and the 65 percent on processing allowance, which we discussed before, what level of processing allowance, as a percentage of this taxable income figure, must be claimed under existing legislation to equate royalty taxes paid under Bill 16. The mathematics of this exercise will not be discussed here, but suffice it is to say that where mining companies are currently claiming more than 35 percent of taxable income before processing as an allowance, then they will pay more under Bill 16 than under current legislation.

Mr. Speaker, it would be a challenge perhaps to the Minister to reveal on how many occasions during the last five year companies filing tax returns under the Royalty Tax and Mining Act have claimed processing allowances less than 35 percent. What percentage of all the returns filed would this be?

It is clear that companies benefitting most under Bill 16 will be those who have invested least in processing assets. That is those who are claiming 15 percent --(Interjection)--Well, Mr. Speaker, so much for a reasonable return on investment being protected.

Companies who have invested in processing assets are subject to a new level of taxation. Removal of the processing allowance, in effect, generates a disincentive for further investment in Manitoba. Removal of the processing allowance, in effect, generates a disincentive for further investment in Manitoba, and Mr. Speaker, the Minister doesn't seem to be unduly dismayed by that statement. What objective is this removal supposed to accomplish? Is it not the policy of all political parties in this province to encourage additional processing, especially in northern areas where jobs are more limited? And yet this bill will provide, not what the Minister said, but it actually works toward a disincentive to the provision of further processing facilities in Northern Manitoba.

Stability has also been stressed by the Minister as an objective of this bill - yet the Minister's proposals to remove the processing allowance merely served to create instability in the industry, by providing less benefit to companies in the poorer years.

Assume that in a poor year a company could claim a 65 percent processing allowance. At a 15 percent tax rate the actual rate of tax, if the taxable income is 100, would be 65 - it would 100 minus 65, which would be 35 times .15, which would work out to 5-1/4 percent on taxable income for processing allowance, 5-1/4 percent. If on the other hand, the company could only claim a 15 percent processing allowance the effective tax rate would be 100 minus 15, or 85 times .15, which would work out to 12-3/4 percent, which gets close to what the Minister said was his allowance of 12-1/2 percent. In other words, the gift of 12-1/2 percent by the Minister in Bill 16 represents nothing more than the minimum effective rate available to all companies. It provides no relief to operations where processing allowance is, say, 50 to 65 percent of taxable income before processing allowance.

Well, Mr. Speaker, so much for the Minister's commitment of greater assistance to mines in relatively low profit years.

Mr. Speaker, in closing it's difficult to understand why the government is proposing to remove the processing allowance since this action conflicts with the stated objectives of the Minister. From the Minister's own words in the House, the initiative is obviously coming from staff of the Finance Department, who for years have wanted to remove this provision. Obviously there's a conflict brewing here. Removal of the processing allowance may well serve to regularize royalty tax revenues by the government, but it hardly serves the purpose of providing necessary relief to mines in low profit years, on mines which have assisted economic development by constructing processing assets in this province.

If anything the government should give serious consideration to strengthening the processing allowance, much as Ontario has done recently. In this regard the Minister has

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(MR. MCGILL cont'd) . . . .referred to a publication "The Winds Have Changed" by Price-Waterhouse Company. In commenting on the Ontario Mining Royalty Tax legislation Price-Waterhouse has observed, and I'm quoting: "To encourage further processing of minerals in Northern Ontario the processing allowance has been increased from 20 to 30 percent where ores are refined north of the French River, and a new fourth stage allowance of 35 percent has been introduced where processing activities beyond the refining stage are carried out in Northern Ontario. In addition processing allowances now will be granted on the cost of all assets as acquired rather than on the cost of processing assets actually in use. These new processing allowances will be of importance to the industry and may go a long way towards softening the impact of higher tax rates, particularly for those large mining companies which invest in processing facilities in Northern Ontario. To say, therefore, that the marginal tax rates, up to 40 percent in Ontario on mining profits are higher than those in Manitoba, which are up to 35 percent, is of course simply erroneous. The attractiveness of these provisions has already been sufficient to induce International Nickel Company to invest in addition processing facilities in the Sudbury area." Why is the Manitoba Government then taking this course of action, not even the British Columbia Government has seen fit to adopt this stance in its legislation."

Mr. Speaker, this is but one area of the mathematics of this bill and certainly it demands some further explanations. I accept the Minister's reservations about his expertise in the field of the mathematical computations. He is quite clearly a man of words and he puts the words together in a fashion that has indicated to us that the principle of the bill is one that is reasonable. The industry accepted his explanations as reasonable. But then they began to deal with the arithmetic and they found that they didn't quite check out. I think that the Minister probably has accepted the expert opinion of his draftsmen in many of the areas of this bill, and I think he would probably be very interested in hearing them defend their case against those who are critical of the way in which this bill works out.

So, Mr. Speaker, it would be argued that, in order that everybody who votes on this bill is fully informed that we be allowed to listen to the arguments for and against, and that from those expert opinions we are able to determine whether or not this bill is exactly as described by the Minister of Mines. I think this would be very useful, and we again say, Mr. Speaker, that this bill probably with amendment can be made to work. But certainly until we understand it, and from this brief look at one area of it in respect to processing allowances, there are definitely some questions to be answered.

INTRODUCTION OF GUEST

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the loge on my left where we have a previous Member of this Assembly, Mr. Bob Smellie. Would you welcome him please.

BILL 16 cont'd.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, I beg to move, seconded by the Honourable Member for Morris, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 34. The Honourable Minister of Mines.

MR. GREEN: Yes, Mr. Speaker, I just wanted to indicate that I'm not disposed to have any further adjournments of the debate. Members have had a long time to look at the bill. I'm just giving my honourable friend notice that that is the case.

BILL NO. 34 - - THE REAL ESTATE BROKERS ACT AMENDMENT

MR. SPEAKER: Bill No. 34, proposed by the Honourable Minister of Consumer Affairs and the Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, as was indicated I adjourned this debate for the Minister of Consumer Affairs.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

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MR. TURNBULL: Mr. Speaker, the bill to amend the Real Estate Brokers Act has not been debated by Members of the Conservative Party. Instead they have preferred to see the bill referred to committee where it can be discussed in detail, I presume, and I welcome them to that debate and thank them for enabling me to speed up consideration of the bill.

However, a member of the Liberal Party debated the amendment to the Real Estate Brokers Act last week. I have not been able to see a copy of his comments as yet reported in Hansard. But on discussion with him we have come to an agreement that I can close debate on this bill and deal briefly with three of what I understand are the major points that the Liberal member made on the Real Estate Brokers Act Amendment.

The first of these points that he alluded to was the problem of the wife of a salesman, and what he considered to be the prohibition on her from buying real estate. Mr. Speaker, that is a distortion of the bill. There is no prohibition on the wife of a salesman from buying real estate. The statement made by the Liberal member is simply not correct. The new section on disclosure does not prohibit anybody from buying anything, it merely requires that certain relationships between the broker and the purchaser be disclosed and eliminates the commission in certain cases. If the purchaser is the wife of one of the broker's salesmen then that will have to be disclosed and the broker will not be able to charge a commission to the vendor. The salesman will not be paid anything by the broker for this sale either.

Mr. Speaker, I did indicate when I introduced this bill that it does contain a measure of consumer protection and I think that including the wife as an associate and therefore requiring her to disclose if she's related by marriage to a salesman, is of course one means of extending consumer protection on those people who are entering the market to sell or buy real estate.

Mr. Speaker, a second point alluded to by the Liberal Member for Assiniboia was related to the abolition of temporary registrations of brokers I believe. The temporary registrations have not been granted to brokers for some years as I am informed. No temporary registrations have been granted to salesmen for over a year, so that both categories involved in the marketing of real estate for the last 12 months have not received temporary registrations. However, Mr. Speaker, I think it would be unwise to eliminate totally the power under the Act to grant temporary registrations. The reason for that, Mr. Speaker, is simple. Before the Act is passed and the proposed instructional courses have been set up and are operating I believe it would be in the best interests of the industry to enable temporary registrations to continue to be granted even though in fact it has not been the practice for some 12 months as I say.

The third point alluded to by the Member for Assiniboia was somewhat more complicated than the other two. He indicated that where a company is a broker the directors who are not authorized officials should not be classed as associates. Now, Mr. Speaker, the point here of course is that anyone who is classed as an associate under the Act has to make disclosure of the fact that he is related to the brokerage interests if he in fact is going to buy or purchase the property.

I gather, Mr. Speaker, that the Member for Assiniboia's concern is twofold. First he believes that some of the trust companies which are registered as brokers have a very large number of directors, most of whom are not particularly active; and secondly, the Member for Assiniboia believes that some small companies have one or two dummy directors such as a company lawyer or his secretary, and that these dummy people play no part in the business at all.

The problem is that in some cases directors who are very active are not authorized officials. This is because it is not necessary to be an authorized official if one's duties do not bring one in touch with the public. This is particularly the case with some of the larger builders who are also registered brokers.

Now, Mr. Speaker, I believe it would be difficult to relax the rule to accommodate the Member for Assiniboia's objection without permitting widespread abuse. In other words, Mr. Speaker, if the bill is relaxed in this instance here and certain people are not classed as associates, then the purpose of the Amendment to Section 19 requiring disclosure would be circumvented. As I say the purpose of the disclosure clauses in the bill are to enforce, enhance a certain amount of consumer protection. Consequently I would not want to see the bill relaxed in this regard as has been mentioned by the Member for Assiniboia.

I can point out to him though that also within my department in the Companies Branch there is discussion and preparation of a new Companies, Manitoba Companies Act. That Act will be modelled on the new Canada Business Corporations Act and at the moment I believe that the new Manitoba Companies Act will reduce the required number of Directors, and that reduction in the

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(MR. TURNBULL cont'd) . . . . number of directors by this other Act, Mr. Speaker, will mitigate the problem raised by the Member for Assiniboia.

As regard trust companies in relating to the second point that the Member for Assiniboia alluded to, we could exclude directors in the case of companies whose shares are listed on a stock exchange. However, the directors of these large companies are scattered across the country with most of them being in Ontario, Quebec, or B.C. I have some suspicion, Mr. Speaker, that there would not be more than a dozen or so residents of Manitoba involved, and consequently I don't think that a change in the proposed amendments to accommodate the Member for Assiniboia's remarks, concerns in this regard, would really be in the public interests because on this particular point the number of people involved are so small in number.

Consequently, Mr. Speaker, although as I say I have not had the opportunity of reading the remarks of the Member for Assiniboia, I think the bill should proceed to Committee, and I so recommend that it pass on second reading.

QUESTION put and MOTION carried.

MR. SPEAKER: Bill No. 40. Moved by the Honourable First Minister. The Honourable Member for River Heights, the Leader of the Opposition.

MR. SPIVAK: Stand.

MR. SPEAKER: (Stand.)

Bill No. 44 proposed by the Honourable Attorney-General. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Stand, Mr. Speaker.

MR. SPEAKER: (Stand)

The Honourable House Leader.

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

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

#### COMMITTEE OF SUPPLY

MR. GREEN: Well, Mr. Chairman, just before we commence we do not have now a committee meeting simultaneously outside of the House, but it is my hope that we will have another simultaneous committee meeting. I did discuss this with the House Leader of the Conservative Party. He indicated that the last two items on the Estimate sheet, plus the Department of Finance, in that order, that they would consider meeting outside of the House but it's not ready at this point so we should just proceed in the House with the Department of Health.

#### DEPARTMENT OF HEALTH AND SOCIAL DEVELOPMENT

MR. CHAIRMAN: I refer honourable members to the Estimate Book Page 24, Resolution 57(a)(1)-pass? The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, at this point if I'm correct there really has been a reorganization with respect to the way in which these estimates are presented, and I wonder if the Minister has any comment to make in connection with this.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): . . . I didn't get the start.

MR. SPIVAK: Well with respect to the Community Operations Division there really is a reorganization in the way in which it's being presented in some of the changes that have taken place. Is the Minister in a position to make any comment on that at this point?

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, it's quite difficult for me to do this because I'm not aware of any reorganization they had. As you know I wasn't here last year and it seems to follow. There has been some additions since then, and I think we'll take them as we come along. I don't think I could - I would much sooner that we go as we go with the item. What I can do if it helps my honourable friend, that I could do the same - I was going to say I could suggest, give you a few lines, give you an idea of what is in each item, and then we can go from there.

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MR. SPIVAK: As a matter of fact I think probably the best way in which to handle this would be - and I don't think we have this now - would be to have a more or less up-to-date organizational sheet with respect to the department. I don't expect him to have it immediately, but I wonder if that can be produced and furnished for us.

MR. DESJARDINS: Well we could - we're not finished with - if you're talking about the reorganization that we're going through, the minor thing, we're not finished with that now. If you're talking about this chart, and the way it reads now . . . we'll see what we can . . .

In the meantime what I could do is when we deal with every item I could give you a few words of explanation, and I think then we could keep on and ask the proper question on this instead of roaming all over the place.

For instance 3 (a) Divisional Administration. It's provision of administration services of the division, including provision of professional training for personnel in the field of Public Health and Social Work. Would that help if I make this comment before . . . ?

MR. CHAIRMAN: 57 (a)(1)-passed; (2)-passed; (3)-passed; (a)-passed; (b)(1) -

MR. DESJARDINS: (b)(1) It's Personal and Community Services.

(1) Social Services Administration: This is the administration part. Provision of Central Administration Services to the area of personnel services which includes social services, child and family services, day care services, and rehabilitation services.

Now (2) is Child and Family Services: Provision of adequate standards for care and protection of children and families, including all aspects of adoptions, care and supervision of wards and non-wards.

(3) Day Care Services: Provision for financial assistance to the day care facilities and to children and families as an income related basis. Also to encourage development of facilities and monitor quality standards.

(4) Rehabilitation Services to the Disabled: To prepare the physically, mentally, and emotionally handicapped for entry or return to employment, and to ensure through the provision of support of social services their ability to maintain and retain continuing employment.

(5) Vocational Rehabilitation Services: To prepare the culturally handicapped and the unemployed able person for entry or return to employment, and to ensure through the provision of support of social services their ability to maintain or retain continuing employment.

MR. CHAIRMAN: (b) (1) (a)-passed; (b)-passed; (1)-passed; (b)(2)(a)-The Honourable Leader of the Opposition.

MR. SPIVAK: Well, Mr. Chairman, I think at this point it would be important for the Minister to indicate at this stage the direction of the government with respect to the continuation or non-continuation of the statutory authorities that have been given to the Children's Aid Societies, and as to what the policy of the government will be, or is intended to be, with respect to this aspect of the voluntary sector. There has been I think, and the Minister is aware of it, some concern over a period of time as to the direction that the government has been going on, or undertaking with respect to this area, and there are a number of other questions I think that will in turn be forthcoming. But at this point I think some declaration of policy is required.

MR. DESJARDINS: I think, Mr. Chairman, I would be in a better position to answer that once we have this - there's a review being done by Dr. Ryan and this is due some time in the middle of June, or during the month of June anyway, and then we will go on and develop our policies. I might say in the meantime that we appreciate the work that is being done by the agencies in this field. This is something that we are required to do by statute, and they're doing it for us. What we will do, as I say, once we have this document is to know exactly where we're going to make sure that the policies of government are being accepted and are being carried out by these agencies, that there is no duplication, and then we will go from there. We might say that we're quite satisfied with the work that is being done at the present but . . .

MR. SPIVAK: Well that sort of begs the next question as to whether the government has really been satisfied over the period of time with what has been happening. And if that's the case, why has there really been a lack of direction over the last few years? You see, Mr. Chairman, we have a very basic problem here. The Minister is answering for the estimates that are projected for next year, and he's a new Minister, but he has a problem that he still faces the legacy of the past. The legacy of the past is the past with respect to this department of six years. You know it's an easy kind of answer to suggest that there's now another review taking place, and there is now, you know, some additional work being undertaken to

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(MR. SPIVAK cont'd) . . . . evaluate a position. But the fact is the Minister has unfortunately for himself the problem of accounting for the government action, or lack of action, in respect of what's happened in the past. I think that it is really necessary for some direction to be given as to what the government's position really is at this stage, and where the government believes, not what the Minister believes, but where the government really believes it's going at this point.

MR. DESJARDINS: We must remember also, Mr. Chairman, that part of what my honourable friend is saying is true. No doubt it's true of any new Minister taking over a portfolio, but I think that I want to tell my honourable friend that this work being done by Dr. Ryan has not been commissioned by myself. It's something, it's an ongoing thing, and I think that my honourable friend was here in the House last year when there was a change in the Child Welfare Act also, and that would give an indication of where the government is going. I'm just following through what was done by the previous Ministers. So I think that if there is a final policy, I'm not in a position to answer this at this time because of this in-House study that's being done, and that would be done even if there had been no change in ministers. The answer would be the same, and the previous Minister would say, "Well we brought in legislation last year. That gives you an idea of where we're going, now we're waiting for more intensive studies, and we'll be announcing our policy as soon as this is done." In the meantime, I think that the relationship between the department and the Children's Aid Society, for instance, are good. I'm not going to hide the fact that the Winnipeg Branch wasn't too happy with the registry, when we brought in the registry. It's only natural that the people that - you know it's going to be a little tougher for the people in the inner core of Winnipeg an exchange with the people outside of Winnipeg in the suburbs, and some are quite pleased, and the rest of Manitoba are quite pleased. But all in all, even with the Winnipeg Branch I had a good meeting with their executive, and their people, and I think that we're working relatively well together. My staff has been instructed to co-operate with them, and I have no reason to believe that this has not been done. So I think that all in all we're working together with the agencies to bring better service to these people that need it so badly.

MR. SPIVAK: I wonder if the Minister is in a position to indicate why there is no provincial standards for Child and Family Services, why that has not been established.

MR. DESJARDINS: I don't think that it would be right to say there's no standards. I think that what is needed, what has been requested, is a definition of standards that everybody would understand, and then again in co-operation with the agencies, it was felt that this will be worked on between the session, and legislation will be brought in next year that will define that.

MR. SPIVAK: Will the Minister be in a position, or is he prepared now as a result of his own understanding of the matter, and I assume that this is one of many particular matters that he has to more or less become familiar with in understanding his responsibility, not just for the presentation of estimates, but understanding his responsibilities for the decision making that will have to be undertaken. Is he in a position now to acknowledge that there are, and have been, disparities with respect to the regions of Manitoba, through the way in which the government has operated through its responsibilities and the Children's Aid Society, to the extent of the statutory obligations that it has been given - is he prepared to acknowledge that there have been disparities and substantial disparities in the service that has been in fact provided?

MR. DESJARDINS: Mr. Chairman, I don't think that I'm that familiar with the department yet, with the session and legislation and strikes, and so on, going on, and even without knowing that much about it, I think that I can be safe in saying that there certainly is to a point, and there always will be, not only in this department, in anywhere, it's very difficult for instance to get the staff to go outside of Winnipeg, and so on, but to say that it is because the government have neglected, I'm certainly not ready to admit this at this time. I think that the change that we've had in this, as I stated before, both the Ryan study and the Child Welfare Act change has been developed in consultation with all child care agencies and placing agencies, and so on, and I think that we're always trying to improve, there'll always be room for improvement. But I don't think that the - I'm certainly not ready to say at this time, I have no proof or no inkling that the department has been neglecting, purposely neglecting certain parts of the province.

MR. SPIVAK: I wonder if the Minister can indicate whether treaty Indians receive

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(MR. SPIVAK cont'd) . . . . service under the Child Welfare program if they are off the reservation, and what the policy of the government is if they live on the reservation. I wonder if he is in a position to indicate any statistical data he may have of the numbers that are covered and the numbers that are not serviced.

MR. DESJARDINS: The department is presently endeavouring to develop a policy of service to Indians, and I might say, I think it's fairly safe to say, not only in the field of health but in other areas there have been some exchange of letters between the First Minister and the Prime Minister, and between Mr. Buchanan and myself, and in fact I'm having a meeting at 8:30 tomorrow morning with part of our staff to look into this, and to keep on negotiating with the Federal Government. We're not satisfied, the government of Manitoba is not satisfied that the Federal Government is accepting all its responsibilities, especially when we're dealing with Indians on reserve, treaty Indians, and so on, and we've been promised co-operation, and we'll try to put our house in order and come in with our own policies and requests and demands, and so on, and then we intend shortly after the session to meet with Mr. Buchanan and see what could be done. I should say that before that this will be brought to Cabinet because I think we'll take a common approach in treating these matters with the Cabinet, not only in this department.

MR. SPIVAK: Mr. Chairman, I think there is a comment to be made here, because I think in what the Honourable Minister has said, we're now into an area I think, a problem area with respect to the government . . . problem area as to the division of responsibility, and as to who is going to pay the bill, and as to again whether the Federal Government is in a position to support whatever the government requires. My understanding is that those children who will be serviced, who were children of treaty Indians who are off the reserves, would in fact receive payment for their service costs from the Federal Government. That is, the Provincial Government would be able to get it, it would be funded through the CAS, that they were in fact servicing them, or through the Provincial Government.

But in the main, and I believe for approximately about 45 reserves in the province, there is no child welfare service provided by the Provincial Government, and the reality is that if one looks at this area and one looks at the problem area, and one looks at the caseload of the total children who are involved in the Child Welfare System, one has to be concerned about what has happened in the last little while in the refusal to recognize the problem and the refusal to act. If I am correct - and the Minister can support this one way or the other - approximately two-thirds to three-quarters of the total care population with respect to the Child Welfare Act are native people, are native children, and I think that that is a very significant figure, and the Minister may or may not be in a position to confirm it. If this is the case, and my percentage may be, you know - I can see some shaking their heads - and my percentage may be a bit higher, but I would believe that it would be closer to that than less than that. I mean I think that it would be pretty close to that.

If that's the case, then one has to say in the last period of time, how have we been dealing in a preventative way with respect to this problem area? It would seem to me that there is an accounting that has to be made by the government with respect to its past actions and what I consider its past failures. What I sense from the Minister is that he is going to meet with the Federal Minister and he's going to now ask him for some supporting money, which goes down to something very basic again; at what point does the government start to act and assess properly what is really happening within the framework of its policy decision-making and its policy implications, and then start to do the things that are required now. It would seem to me that again we have, you know, really a new Minister coming in who says, "I'm going to start fresh." I don't blame him for doing that; I don't think he wants to start with a legacy of the past, but I say that, you know, we have to judge what's happened in the past, and we have to judge the problem area that we're dealing with now; and then we have to judge whether in fact this is the corrective action that should be taken almost immediately regardless of cost, because in the long run the implications for cost for the province are severe, very severe, and you know, I think that it's not a question of simply, you know, waiting for discussions in months to take place, or at least months to pass before policy formations are forthcoming. I wonder if the Minister's in a position to indicate in a very definitive way what the government intends to do with respect to this particular aspect of the program.

MR. DESJARDINS: Well this has been the problem, that I think that the Province of Manitoba has been "two-bitted" to death by the Federal Government who has withdrawn cost-

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(MR. DESJARDINS cont'd) . . . . sharing in certain programs, sometimes - yes, they have withdrawn, and sometimes without advance notice - we were just informed that from now on they wouldn't cost-share in certain programs. We have the same concern of my honourable friend, this is not something that could drag on forever. We have the life and death programs with these people, but it is true, I must admit, that our staff has been told not to start any new programs in there at all until this is straightened out. Now we informed the Indian Brotherhood that we're ready to provide them the service, if they request it first of all, and if it is paid for by the Federal Government, and this is why we felt it was so important. We didn't want this to be delayed forever, and this is why I requested my First Minister to write to the Prime Minister directly, and this was done, and there's been a letter or a telex from Mr. Buchanan saying that he would be ready to meet with me, and as I said, tomorrow we're going to . . . I want to be brief . . . tomorrow morning, and as soon as possible we'll meet with him. We don't intend to have this business going on forever, it is very serious, but we must take a stand we feel, rightly or wrongly, but we feel, and our legal advisors tell us that the Federal Government has certain responsibilities, at least for treaty Indians. I've got reason to believe that it won't be as bad as we thought, that the Federal Government will co-operate . . . So I can't add much more than that, we're aware of the problems, we know the responsibilities. We know in the meantime that these people are not benefitting from the new programs that we might have, so we've done what I think is about the best thing we can do, is have the top man here, talk to the top man in Ottawa and say, "Let's straighten this thing out." The first meeting that I attended with Mr. Lalonde, the Minister of Health, that was brought up, and he said, "Well that's not my responsibility," and again it was going to be the same thing. It was on my return that this letter went from the Premier, and as I say I'm fairly optimistic that there should be results fairly soon.

MR. SPIVAK: Well, Mr. Chairman, you know, the Honourable Minister says he's aware of the problems. That doesn't mean that he doesn't take responsibility for the problems. Well, the question is, who takes responsibility for the problems? Are the problems something that simply exist in a vacuum? Are they problems that exist because the Federal and Provincial Governments have not been able to come to an agreement? Are they problems that exist because there's been a failure to identify properly the problem areas, and to take the remedial action that should have been taken? Because who takes that responsibility? Here we have, you know, I think in essence a situation which is a condemnation of the government in a very real way. First of all, the Indian and the native person in this province, and in this country, has been the forgotten person, and to a large extent the assumption has been that the Federal Government would absorb those costs that were their responsibility, and no provincial jurisdiction wanted to become involved in other areas and assume it, because by doing that they would then take away from the responsibility of the Federal Government, and with the dollars being what they were over the years, every government has wanted to be able to fund it in a way in which they would at least get 100 percent, or very close to 100 percent financing.

But the fact is we have a problem. And, you know, I think that the time has come for the Minister, at least in his own cursory way of examining it, to acknowledge that there is a very serious problem with respect to . . . Yes, you've acknowledged it, and you've been acknowledging it in a casual way and you've sort of suggested that work--(Interjection)--No, no, because I must say that for six years, what has the government been doing? You know, I want to understand - there was a Minister before the last Minister before the last Minister, what did the second last Minister do during his period of time? What was the direction of the department at that particular time? How did the government establish its priorities with respect to it? When did it determine that action should be taken? Because in accounting in this session here for the projection of estimates for next year, the Minister is not just talking now of what is going to happen in the future - and I accept the fact that there is a genuine desire on his part to correct part of the mess that he inherited. But the fact is that in this area it would seem to me that the identification of the problem was not made, or if it was made it was simply sloughed off instead of being acted on, and in that sense there is a failure, there is a failure somewhere - and now the fact that the discussions have taken place, or that the Premier has sent a letter to the Prime Minister. Now there have been many many provincial conferences in which many areas of economic and social policy have been discussed. Did the Premier at that point indicate the problem area with respect to the community in Manitoba? Because if my figures are

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(MR. SPIVAK cont'd) . . . . correct - and again, you know, I accept that those figures are subject to a certain inaccuracy because it's a guesstimate at this point - but if in fact we're talking as between two-thirds and three-quarters being native children involved in this overall program of child welfare, then I think you have to recognize that the . . . is a serious program, and that this is a serious problem.

All one has to do, I suggest, Mr. Chairman, is to look at the core area of Winnipeg to understand the nature of the problem. All one has to do is to go to the Juvenile Court and to sit in it, or to sit in the courts themselves, to recognize how serious this problem is, and the problem is the reaction of government is a response after the fact. That is one of the real problems in this situation. It's not a corrective preventative kind of action, it has not been in the last period of time, notwithstanding all the kinds of surveys, notwithstanding all the kinds of good intentions, notwithstanding all the laudatory statements that have been made by many as to what is taking place with respect to government action. The fact is that the problem is severe and a great part of this has come about because of lack of action, because of lack of policy, and because of lack of co-ordination.

It may not be that the Minister himself personally takes that responsibility but the government over there and the Premier takes responsibility for that, nor can he shirk that responsibility. Because in effect, in setting up the priorities of this government, in setting up its attitude, and its basis of concern for people's problems, there was a tendency to become more involved in other issues, to the detriment of some of the major social issues in this province, one of which was in the child care and child welfare area, and a substantial part of which was among native children, and to that extent the action that should have been taken was not taken and what is now being taken is really in many respects, you know, again after much, after a substantial period of time when action could have been undertaken, and a time when there is still confusion as to whether the voluntary sector will be involved. I dare say that I bet if we were to examine it that in the cases where the Children's Aid Society were involved, they probably serviced better than the department in those areas involved in the reserves and involved in the native children. I believe that that is a very important factor, you know, in their credibility in being maintained as part of the voluntary sector in support of the government's program.

So I say to the Minister I accept the fact that there's discussion taking place, and that the Premier's going to write the Prime Minister, and that he's going to be talking to Mr. Buchanan, and other things are going to be happening, but it does not in any way take away from the fact that within the last six years the NDP, committed as it was in the area of social policy, failed miserably because of a lack of policy, a lack of understanding, and because its priorities were all messed up, and it's now that the Minister has the job of trying to make up, or correct as best he can, a mess that he's inherited.

MR. DESJARDINS: Mr. Chairman, this department is big enough, complex enough, and I'm not that sharp, I think it'll take all my energy to try and get myself familiarized with the department, and do the best I can to administer the department. And I'll be go to hell if I'm going to start worrying about what the past or second past Minister did. Now of course I'm not interested in a - I'm not engaged in a leadership race, I'm just trying to do the best job I can with this department, and I object to the kind of statements that were made.

First of all it might be that this, as I said, the Federal Government has been two-biting us to death and it's accumulated, first of all they withdraw hospital costs, medical costs, child welfare cost, and it's a major policy review. To say that I don't seem, that I, yes, I accepted that it's a difficult situation but to seem to indicate that I'm not too interested, I don't know what else I could have done. I told my honourable friend that I pushed this as much as I could at the first meeting that I attended. As soon as I came back I insisted on meeting with the First Minister and told him what was happening, got him to write to Ottawa, right to the top, and then we received confirmation that we were going to discuss this, and although going through the estimates tomorrow morning, I think it's important enough that tomorrow morning I insisted that my staff brief me. I think that it is also very important that the Indian themselves, their viewpoints have to be taken into account. They are also saying that they want the federal to accept, the Feds to accept their responsibility under the Indian Act and the Treaties, and I'm saying, and I'm putting myself on the spot, if that is the case, and I'm promising, I'm assuring the Leader of the Opposition that we think it is very serious, that we're going to do

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(MR. DESJARDINS cont'd) . . . . everything we can, and as fast as we can. Now, you know, this could go on forever, and as I say I'm more interested in looking ahead than looking backwards to see what was done.

I think that it just reached the point after accumulation, and so on, it reached the point where the province had to say, enough is enough. This is something that they've requested the Feds to look into time and time; there is an awful lot of correspondence that I've seen, and finally - it happened to be when I took over the department, it could have been done by the last Minister, or the second last Minister - in fact the last Minister was with me at this first meeting and he was just as concerned as I am and he's working with me on this, he's helping me on this. So I say to him that we know it's serious; we are discussing with the Indians - my honourable friend said that there is a large amount. I think that he is lumping also the non-treaty Indians, the Metis, and so on.--(Interjection)--Oh! Because that is not quite the same thing. I mean, I think we are accepting responsibility with the Metis. It might be a compromise, I don't know, that we will insist that the Federal Government take care of the treaty Indians and we might be ready to assume the responsibility of others. This is something that can go as far as the treaty . . . I think there was a total of 11.5 million for maintenance of the children, and approximately 15 percent or 1.7 million is for Treaty, the Treaty Indians.

But as I said, and I hope my honourable friend will take my word for it, that it's been happening over the period of years, that it has been cancelling this, cancelling that, or not wanting to share new programs, now the government has gone in many new programs and it is felt that enough is enough, that we will have to settle this with the Federal Government. Now it reminds me a bit of a strike, some times people have to suffer to straighten things once and for all, and we don't want anybody to suffer, but in the meantime if we would say, okay we'll deliver the same service, we won't talk to the Indians, the Brotherhood or the Feds, we'll just wait, we would be prolonging the agony, and we're just saying all right now this is, we're going to resist this, we're going to talk to the Feds and straighten this out once and for all. If need be we'll go to the courts because this thing has to be solved. It can't go on forever, but I don't think that we could fault the second last Minister, and so on, I think that this has been an accumulation of things.

MR. SPIVAK: Well, I want to make it clear that when I talk in terms of Treaty Indians that was one matter. When I talk in terms of native children I was talking both Indian and Metis at that time, and I think that should be understood, and when I talk in terms of the percentages.

Now, you know, the Minister says that he can't be faulted for what happened in the past, but one wonders what happened four years ago with the Minister, and how he dealt with that problem and why he didn't deal with the Federal Government.

I want to now ask the Minister. How many native people are involved in the department in servicing the children, and I again say, between two-thirds and three-quarters of whom are of native ancestry. How many native people are involved within the department in servicing this group?

MR. DESJARDINS: Is my honourable friend suggesting now that I should ask the civil servants what racial origin they are? Is that . . . because I don't think we've got this information.--(Interjection)--No, I'm saying, I don't think we've got this information at this time.

MR. SPIVAK: I think that the Minister could legitimately answer that question of me, if it was in any other area other than with respect to the native people of this province and of this country. I think it's legitimate to suggest to the Minister, and if he's not prepared to accept that, then I will not give him the credit that I normally have, that with respect to the problem areas in this province, and this is what we are now talking about, Child Welfare Program is both a remedial program and a preventative program, and with respect to the program itself, there is a need for people to service children of native ancestry who are in fact native themselves. I do not think there is any question that that is a requirement and that is important. I'm not suggesting that it has to happen in every case; I'm not suggesting that it has to be, you know, every one, but if the caseload is as high as I'm suggesting, and I haven't heard the Minister dispute that, with respect to two-thirds to three-quarters being serviced are of native origin, then it would seem to me that there is some kind of requirement for many of their own people to be trained and to be put in a position of servicing them, and it would be a mistake not to have them. And therefore I find the, I'm sort of taken back by the question that was posed

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(MR. SPIVAK cont'd) . . . . to me by the Minister, and I would hope that he did not really put that to me in a serious vein, because if he did I think that in relation to this particular problem he is, you know, not accepting part of even what the government's direction has been with respect to some of the programs they've undertaken. The IMPACTE program undertaken by the Department of Education is clearly predicated on the ability of native people being educated to a certain level to be given certain training to be able to work among their own people. There are New Careers Programs in which this is taking place. So I mean, you know, the direction of the government is very clear with respect to that. But I'm now saying with respect to the Child Welfare Bill, whether the Minister is in a position to indicate, you know, the percentage and who of native ancestry who are in fact assisting in servicing the children who are within the care of either the Children's Aid Society or within the care of the province.

MR. DESJARDINS: With these words of information from the Leader of the Opposition, I think the least I can do is accept his reasoning, which does make sense. I think in effect he's saying he's less interested in finding out the racial origin as people that are familiar with the problems of others to do a better job. So I'll try . . . we'll take that as notice if we can, if we are going to try to arrive at numbers, but I can tell him this that we have new careerists in our northern offices in Thompson, and also in the Community Health Welfare and Child Welfare Probation Workers. Now the numbers that we have, I'll have to take that as notice and try to give my honourable friend the information. I might say also that I said on the subcommittee on HESP, and I know that we are always trying to bring programs that will help the natives, educate the natives, to have these kind of people because they're very hard to come by. There's not too many that are interested in this, and maybe their lack of education, and so on, makes it a little tougher for them, so I'm saying that we have a - I think there's a program at the University of Brandon, and there is other programs that we're going on. Now my staff here are taking that as notice, and if I can give you the more specific figure I will.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I wanted to ask the Minister some questions related to this area of child care, but before doing it, if I might, the Minister did raise what I think to be a very critical issue, and one that perhaps deserves some proper discussion in this House during the time of his estimates, and it would seem to be an appropriate place to discuss it, and that is the question of the cost-sharing arrangements between the Federal and the Provincial Governments in these variety of areas.

It appears to me, Mr. Chairman, that one of the I guess blessings and banes of life in a federal state is this fact that we must work out some form of arrangements between the different jurisdictions. But I would take from the Minister's remarks that he seems to believe that these kind of arrangements are becoming ever more fretful and beginning to circumscribe the ability of the Provincial Government here to properly plan its own programs in relation to its determination of needs because the conditions set on the cost-sharing arrangements in family and child care, and other forms of activities, simply don't allow those kinds of things to occur.

So, Mr. Chairman, I just did some quick calculation as well as I could. From the book and figures I have, for example, in 1973-74 estimates the Federal Government contributed about 150 some-odd million dollars in Health and Welfare conditional grants to the Province, which is a pretty substantial amount of money. One of the first questions I'd like to pose would be, whether the Minister, or this government, has ever made or have taken the initiative with Federal authorities suggesting that rather than having this kind of money transferred in the terms of conditional grants, that it be transferred in terms of tax points, or other forms of unconditional arrangements, so that the money could be allotted according to the way it sees fit. Of course this is what we know happens in the Province of Quebec at the present time, and without recommending that particular course of action, I would think it would be important for the Minister to indicate some of the, at least, preliminary conclusions that have been reached as a result of the number of meetings that Ministers of Health have been having over the past year on the financing of welfare and social assistance care and health care, and to determine from him at this stage where and what is the Provincial Government's stand at this point in terms of these number of cost-sharing grants, and whether there can be some ratioanlization of them.

MR. CHAIRMAN: The Honourable Minister of Health.

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MR. DESJARDINS: First of all I think I should say that the discussion that I've had with the Leader of the Opposition was mostly with the problems dealing with Treaty Indians and Indians in general. I certainly acknowledge the large sum of money that we get from the Federal Government, so as far as that part of the question I hope that all my honourable friends' questions will be as good as those. I couldn't ask for a better question if it came from somebody from the back bench here because this is exactly . . . I couldn't agree more with my honourable friend, and this is something I think that Manitoba has pushed and has pushed, and I'm told even two Ministers ago that they were pushing this to have more flexibility, and in answer to my honourable friend, I think that we're getting somewhere; I think that the Federal Government does seem to sympathize with our views. We are talking about the change in Medicare, in Hospital Insurance . . . for instance, I know that they don't want to share in acupuncture or pharmacare - they've told us that they wouldn't share with that - but I think that they are ready to give us a little more flexibility for instance in the hospital beds instead of just taking care of sharing in acute beds, they are talking about sharing in personal care beds, and in all fairness they want some trade-off. They tell us that there'll be more dollars and there'll be more flexibility, and we're working at different levels, the staff are working also to make this possible, and I have reasons to believe that we will be successful and there'll be more flexibility insofar as hospital beds, as far as Medicare, and especially what we're talking about now, the Canadian Assistance Plan. We've been told that they will probably put priority on the youngsters and on children, for instance, in this field, and also with senior citizens. So I couldn't agree more with the remarks of my honourable friend, and I think that most of the provinces . . . I must say that from the discussion that I've heard in Ottawa it seems that Manitoba have been leading in requesting this. I think that we were more advanced in certain programs, and I must say that the Minister, Mr. Lalonde has been very receptive, and I think that in the not too distant future we'll get more flexibility.

MR. AXWORTHY: Mr. Chairman, I didn't necessarily rise to be agreeable with the Minister but while we're on the subject, could the Minister tell us, or give us his assessment, on the question of, as the Federal Government moves towards increasingly what appears to be an incomes policy in the social field, where it's prepared to provide support basically for income support for people of different kinds. Is that going to require in fact the total coverage of cost for these specialized service programs that we're now dealing with to be governed by the Provincial Treasury, and if so would there be a trade-off of tax points or not?

MR. DESJARDINS: Do you think we should cover this?

MR. AXWORTHY: Well, Mr. Chairman, I don't know. I attempted to look through this thing and found out . . . I think it does have some relevance in terms of a discussion on child care because the kind of programs we're talking about here are all specific services delivered to individuals who have specialized needs. It would seem to me of some concern if we were adopting programs, accepting programs, to have a pretty heavy commitment of cost if in fact in a few years time we're going to be asked to be covering the full bill for them, as the Federal Government eases itself out of support of these programs and into an income support, whether there's going to be a trade-off in relation to the Provincial Government. Are we going to be expected to cover the full cost through our own tax load of these particular kind of individual service programs, and then allow the income programs to be covered by the Federal Government, and if so, what kind of consequences or implications does that have for the finances of this province if this is in fact the kind of direction in which we're headed.

MR. DESJARDINS: First of all I would like to make a correction. My honourable friend from Fort Rouge has quoted about \$150 million. Well it's not a correction, I think he was talking about 1973-74, well, in the estimate federal sharing for this year will be in the nature of \$210 million, so it's even better. Yes, the Feds have been proposing a new social services act in replacement for the Canada Assistance Plan, along with income support and supplementation plans, but I think that we're close now. It seems that we've had meetings that didn't produce too much because we didn't get enough information. I think that a few weeks ago we finally convinced the Federal Government that there is no way that we could deal with this without getting a little more information, and this is being done now. The concern that my honourable friend has is something that we certainly in all the provinces have also made this point quite forcefully that we didn't want to be in a position to accept all the responsibility of these programs, and so on, because we can be in real trouble. So this is something that we'll be

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(MR. DESJARDINS cont'd) . . . . very careful before we agree to any change, and I think the Federal Government realized that also. I think that if they could be taken off the hook, let off the hook, they would like that, but I think they see the situation of the province. It's a little too soon to be able to say what this Canadian Assistance Plan will do and the Supplementation Plan, but we should have something we hope fairly soon. We're supposed to hold a meeting in June, and as I say more information was needed, so there's another Federal-Provincial meeting slated for September.

MR. AXWORTHY: Mr. Chairman, I find the Minister's remarks to be quite interesting because they do have a pretty strong bearing on the evaluation of these kinds of programs and I realize that he's still in the midst of negotiation as part of the Federal-Provincial arrangements, but I wonder if it would be possible for him to give us some assessment when the decision might be made on the question of the provinces having to foot the full bill for these kinds of service programs as opposed to the income programs. Is there any way of estimating what the kind of time frame we are looking at so that we may be, I suppose, expecting in both . . . Well I would perhaps - the Minister asked from his seat whether I meant both. I would suggest that it might be the two would not necessarily be coming simultaneously, and that I am concerned at this point about the provision of services in the family child care area, which I gather that there is certainly some talk of becoming the total responsibility of the province, and it would be very helpful to know what kind of time we're looking at where that might become a reality.

MR. DESJARDINS: I think that we've been told that the Act would be ready by the end of the year, and this is about all the information - I'm talking about the welfare part now, the Health is something else.

MR. AXWORTHY: Well, Mr. Chairman, I think that that again is useful information to have, and I would wonder if at some point the Minister, or the government, would be preparing for members of this Chamber, or for perhaps the discussion of the social agencies involved, or the community that is dealing in this whole field, some basis for discussion about what the implications would be if there is to be in effect a provincial takeover of responsibility in these areas; what it does mean in terms of the kinds of programming that would be available, and the nature and kinds of services that might be prescribed. I would expect it would certainly be a basic continuation of most of these, but has the government at this stage forecast or looked at the kinds of dollars we're talking about, and what it may mean in terms of cutbacks in programs, or changes in programs, or whatever kind of alteration would be ensuing as a result of this major change in Federal-Provincial cost-sharing.

MR. DESJARDINS: We certainly don't foresee any cutbacks in programs, or any cancellation of any programs. We feel that it's going to be the other way around that we'll have more flexibility, and I think it's a little early. The Social Services Act should be ready by the end of the year, and on the Health formula by the fall of 1975, so I think it's a little . . . We haven't got enough information to do this kind of predicting or discussion with the interested agencies, and so on, at this time.

MR. AXWORTHY: Mr. Chairman, if I might just in the minute or two remaining to us, I wonder again in this same area if we could look at the other end of the spectrum, and that is the relationships of the Provincial Government to the municipalities in this area and to the private agencies. I think that we have kept brushing against the problem in discussing this department, that much of the activity of the department is channelled out through other agencies, external agencies, either to Municipal groups, or through private agencies which are working, and this is particularly true in the child care field where there has been a long tradition of agencies in the field operating and where there seems to have been some rationale from a social work point of view of maintaining this kind of close contact between, and privacy between clients and individuals, which seems to be obtained through private agencies most equitably. I'm wondering if at this stage the Minister can give us a bit more explanation about the kind of formula really that he sees applying now to the support and grants towards the private agencies working in this field.

I realize the Leader of the Opposition asked some questions relating to the Children's Aid Societies, but they are only one of several in the field, and I think in particular to go back to the previous discussion that we had, one of the things that I've noted, Mr. Chairman, is that the field of child care is going through some interesting revolutions in terms of the nature

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(MR. AXWORTHY cont'd) . . . . of the care that's being offered, and the kind of attitudes that are being displayed, and many of the traditional agencies, agencies that have been around a long time, may not be quite as quick on their feet or able as some of the newer organizations that are coming along and are innovating in some of these areas and perhaps finding better forms of treatment and care.

I'm just wondering really at what stage in terms of all these evaluations that are going on, have we arrived at some way of making sure that there is both the maintenance of the traditional institutions, which are providing good service, but the encouragement and support for newer groups that are coming along and providing perhaps a more effective way of dealing with that service, so that we can get a proper balance between what's good in old and what's new and better, and finding out exactly what kind of operational format is now being used in the department to deal with that particular problem.

MR. DESJARDINS: I'd say first of all the Federal Government has not proposed a reduction in the cost-sharing of specific social services as part of their reform of income security program. They've never proposed that for one thing.

Now as far as dealing with municipalities, and I think that my honourable friend knows that we've made a start in this direction, that we've withdrawn the necessity of owner's equity in personal care home, and also in the nursing home, and then public health services also outside of Winnipeg, and Winnipeg was compensated by getting half a million dollars, approximately half a million dollars more to compensate them for what we have done for the parts outside of Winnipeg.

Now as far as the agencies, I think that is - I might say first of all that I have no hang-ups at all. I would welcome volunteer organizations, if anything. I think it would be a sad thing for the country if we were in a position where the government did everything for everybody, and that you would not encourage these volunteers. Now this is an area that concerns me very much. I think that we need more staff, and this is part of the reorganization that we're doing with the agencies. I think that somebody's got to be able to have the guts to say no to some of those agencies, and we've got to make sure that we have a valuation, that we make sure that we know what they've done with the money, and so on. If the valuation proves that this is something that might have been there somewhere, or grants were received 20 years ago, and so, and it's a changing world and there might be other agencies that might be able to do better, I hope that we'll be in a position before the next session, well as soon as possible, to be able to have evaluation. We will have to cancel some, it'll be difficult, and I certainly would like to enlist the help of my honourable friends in the House because I know these groups are usually the best lobbyists that there are . . .

Another problem that we've had is that where there were the work incentive programs, such as LIP and PEP, these people received help from LIP and PEP, and all of a sudden this was discontinued, and they rushed to the province and they said, "We've got something going; it's a great thing," and the tendency has been for the government to say, "Fine, we're going to evaluate it." They'll say they'll accept anything, as long as they get the money, but then after it has been evaluated, it's felt that if it is not within the priorities that we set out, well this is where I'll need your help because they're going to lobby you and tell you, that it's a pretty dirty Minister of Health, and so on, that we don't want to help them and they're doing all kinds of good work. We are setting up a system where first of all any demands that come in, we will have to measure them to see if they're following the government policy - this will be the first thing; to see if they're duplication, and to see what kind of service they give, and the cost also. As I said before, and I repeat, I have no hang-up at all if the, for instance, the Children's Aid Society can do a better job than government, I'm happy - I'm certainly not after building an empire - as long as it's not costing us any more money, and if they can do the service. So I think this is one place where the department is weak at the present. There's too many . . . I'm told that there's roughly \$20 million that go out to these agencies, and that's more than the majority of other departments get, so we've got to get the proper staff that will be able to speed things up a little bit. You know, if we want to be fair with them we'll say, "Well normally we wouldn't accept it, but we'll have another look at it," and if we do and it takes us a few months, then they say we've given them the run-around, and so on, and I think that we have to have a system where we could look at their budget, look at what they're trying to do, and if it's something that you know we should differentiate between the existing one, the

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(MR. DESJARDINS cont'd) . . . . new ones, and any new programs of the existing ones. I think my honourable friend is suggesting that we evaluate their work, and it might be that some of them should be cancelled, that assistance should be withdrawn, and then that we should look at some new ones, and I certainly would go along with that. I hope that we'll have the mechanics, the staff, and the organization to be able to proceed with that as soon as possible.

MR. CHAIRMAN: Order please. The hour being 4:30, the last hour of Wednesday being Private Members' Hour, Committee Rise and Report. Call in the Speaker.

Mr. Speaker, your Committee has considered certain resolutions, reports progress and begs leave to sit again.

IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli, that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: We are on Resolution No. 1, amended, moved by the Honourable Member for Fort Garry, and amended by the Honourable Member for Fort Rouge. The Honourable Member for Assiniboia.

RESOLUTION NO. 1

MR. PATRICK: Thank you, Mr. Speaker. I do wish to take a few minutes of the House to put my remarks on record in respect to this resolution, and I was going to take strong issue with my Honourable Friend from Fort Garry, but . . .

MR. SPEAKER: Order please.

MR. PATRICK: . . . but it is so long since he's introduced the resolution, and I just briefly scanned through the debates in Hansard and perhaps I will not be too harsh on him but I do wish to say at this time that the honourable member has done something in this House that I haven't seen for a long time. I know when he got involved in the Throne Speech debate he was very vociferous and came on very strong, and said that the Green Paper was racist and when he introduced the resolution he got up and he said that he apologized and he got carried away with the debate, and I thought it was pretty big of the member because very seldom we see in this House that one gets up and says, well I wish to correct my remarks; I didn't exactly mean what I said, or meant what I said, because I got carried away in the debate. This is what he said, and I congratulate the member for that.

However, I do have some questions to ask him in respect to some other areas that he has raised. I do wish to say at this time, Mr. Speaker, that I am very disappointed that no government member has been involved in this debate. If they were, I'm very disappointed in the contribution because I believe the Government of Manitoba, the Minister, and the First Minister, has a responsibility to make a contribution as far as this important issue is concerned. Not important issue in the Province of Manitoba but, Mr. Speaker, it is important in the whole of Canada.

This is a very emotional issue, and I believe it's a responsibility for all of us, it's a responsibility to treat this issue very seriously because I know that there is a difference of opinion, not only between different parties, but there's a difference of opinion between people of same ethnic background on this issue, there's a difference of opinion of people that are of different races and different colors and among themselves they can't agree. So it is a very emotional issue and I think it has to be treated extremely carefully. I know that it's been said that we are the second largest country in the world and we should open our gates and let everybody in; at the same time somebody has told me that only 7 percent, and I've read it, that 7 percent of the land in this country is arable, and maybe it isn't as large a country as we're made to believe that we can open it to everybody. I think that it's important that people must have an input into the immigration policy, not only the politicians but other people, and we must hear their responses and their considerations.

I know that there has been some kind of information sent out to many people throughout the country where it has been returned to the computer, and the computer has indicated that at

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(MR. PATRICK cont'd) . . . . least 80 percent, 80 percent of the Canadians want a restricted and rigid immigration policy. Now I don't know what it means, but if it's restrictive on racial backgrounds, it's not acceptable to me, and I know that's the Minister of Immigration Mr. Andras said if it's restricted in any way, race, colour, or any background, then he says I don't want to be a Minister, and I don't want to administer that Immigration Act, somebody else will have to do it. So I think it's quite clear, Mr. Speaker, that perhaps the Green Paper is not in any way restrictive, and I'll try to point out that to the members in a minute. I know that we are all, Mr. Speaker, we are all immigrants, maybe a few generations back, but we are all immigrants, even our native people are immigrants, they migrated to this country I believe across the Bering Straits which is now Siberia.

In Canada, Mr. Speaker, in Canada in 1974 in only the first nine months we had over 200,000 immigrants come to this country, which was an increase of some 43 percent what it was in 1967. Now let's compare that to what's happening in some of the other nations. West Germany and most European countries have cut their immigration. I'm not saying that we do it in Canada but I'm saying just what's happening in some of the other countries. U.S. has a policy since 1965 that their immigration is somewhere around 200,000 to 250,000 per year that can migrate to that country. Now the Green Paper assumes that the future immigration policy should operate without regard to race, colour or creed, and I believe this has been happening in the past, and I hope it will happen in the future. But if it isn't, and I'll be one of the first ones to be concerned about it and argue it because it is my information that 40 percent of the immigrants that came to this country last year, 40 percent came from West Indies, Asia and India, and so on. So if that's the correct statistics, Mr. Speaker, I can't see where anyone can stand up and say this is based maybe on color, or anything else, because if those statistics are correct I can't see it at all.

Now I would like to indicate to the House again, Mr. Speaker, about the Green Paper, and the Immigration Council of Manitoba, which I would like to indicate which consists on the Board of some members, eleven countries are represented, which is Latin, India, Italy, Caribbean, Jewish, Mennonite and Serbian, and also Filipino, Pakistani, Polish, Hungarian, Hindu, Ukrainian, and all other Canadians. This is what is making up Immigration Council of Manitoba. They don't feel that the Green Paper is restrictive; they don't feel that it's in any way shape or form, in any shape or form racist in any way, and all people are represented, coloured, non-coloured, and all countries.

Now in the release there was a workshop on the Green Paper held on immigration on April 11th, and the article appeared in the Winnipeg Tribune, and there was a response from the Immigration Council of Manitoba, and this is what they had to indicate. They said, "The article which appeared in the Tribune April 14 entitled, 'Quota on Immigration termed discriminatory' fell far short of describing what really took place at that hearing, what really took place at the workshop, and was inaccurately described," and took very strong issue with the reporting at that time.

May I indicate what the Immigration Council of Manitoba had to say. They said, "That the Green Paper has provided an opportunity to participate in a national debate on immigration in order that our views can help shape an immigration policy responsive not only to the needs of our country but the world around us. Let us make good use of the democratic process and respond with candor to the issues." And I say we must do this because it's such an emotional issue and I think we have to treat it very very carefully.

The other point that they went on to say, and on record, on record that the Immigration Council of Manitoba categorically denying that the Green Paper is a racist document. What the government has done is place the documents and points of view in a public domain in aiding the discussions, but it certainly does not spell out racist or ingrowth policies. The Green Paper by certain--(Interjection)--Well, one member from his seat says it does. I wish you would get up and specify, does he want half a million people come to this country, does he want half a million all to be coloured, all to be black?--(Interjections)--Well, I would - again I wish the member would have an opportunity to get up in debate and spell out his policy, and I would say again, his leader said that we should maintain. His leader said we should maintain the point system policy that we have at the present time. That's what he said.

What does the point system policy mean? That only the educated people can come to this country. We have many many people running around with Ph. D's that can't get jobs. A

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(MR. PATRICK cont'd) . . . . great proportion of your professors now are not Canadians, and so what we're saying is that only the educated can come, and I agree with the Member for Fort Garry in parts of his debate when he said, let's attach it to the manpower, and where we need immigrants, in areas. So let's look at that question instead of saying, let's have it the same as it was. What it was, it was on a point system, and it means if you have more education, you had more points and you were able to qualify. So perhaps it's time we took a look at that.

So now the Member for Lakeside certainly doesn't agree with the Immigration Council of Manitoba, and I just pointed out to him that every nation is represented on the . . . from India, the Caribbean, from Serbia, from the Philippines, Pakistan, India, everyone is represented on this Council, and they, that's their statement, that's their policy statement. So the Member for Lakeside disagrees with what they have to say. So I understand even one of the people that the members associated very closely with was there too, I believe Frank Crockett. I didn't hear him announce that it was a racist policy in any way.

But all I have to say, Mr. Speaker, that, the Immigration Council of Manitoba certainly, certainly do not describe the Green Paper in any way, shape or form, the way it was described by some people. All I'm indicating, that 40 percent of the people that came to this country last year, came from the Caribbean, from the West Indies, and how can we say today that it's not.

I agree that the immigration policy must be consistent with national manpower policy and provincial manpower policy, and so far we have not received anything from the government, what is our manpower policy, what is the requirement, where we need people, in what areas, and what kind? We know that there are many jobs up north go begging that pay 10, 15 thousand dollars a year. They cannot be filled, and still at the same time there's many people unemployed and haven't got jobs. We know we have many native people that are looking for jobs.

So again let me say that labour market, the labour market must reflect an immigration policy, Mr. Speaker. You know we have high levels of unemployment. There are jobs for many Canadians who are not prepared to accept these jobs. Well, that's an area that we can review, we can look that maybe we should have a job vacancy survey in this province, that we know where there is a demand for manpower. And I don't believe at the present time we have any kind or any type of a survey at the present time. So this is something that I believe it's the responsibility of the government to find out that kind of information and have an input --(Interjection)--The Member for Lakeside just . . . is heckling from his seat and he's saying I'm trying to provoke him. I'm not. I'm saying that it's the responsibility of the Provincial Government to have an input into the immigration policy, and I'm saying it's the responsibility of the Leader of the Official Opposition to have some input too and say where he stands, instead of saying well look, we're against everything but let's maintain, maintain the point system that we had last year or the year before. And that's what he's said, that's what he said.

I believe that we should have a policy on population growth. I believe that many people who want to immigrate to Canada and take the kind of jobs that we have a hard time filling, that we should be able to accept them, and so I'm talking about having a proper manpower policy. I think that there must be a pattern of distribution across Canada. At the present time there is no such pattern because everybody knows that everybody ends up in Montreal, Toronto and Vancouver, in at least four cities. So I feel that the rural and urban centres must have some input, that we should encourage to develop these areas, and there again an immigration policy has come into effect.

Now I hope that the Member for Lakeside will get up and tell us what is his intention. Does he want to have in Canada, 50 million people within the next 10 years? If he feels that, he should get up and tell us that. If he wants to tell us where these people should come from, well then I will accept it. I'll say well, the member has a policy and that's his stand. But so far, nobody indicated what our immigration policy should be. Should we have more people? And I agree that we should have more people, but how many? Should we have immigration of half a million a year, or a million a year? I think that's what we should concern ourselves with.

I believe we have, Mr. Speaker, four options. The four options are:

1. Continue with the point system, with high level of education who can find employment easy, which we have now, which we have now. That's what we have now, the point system with high education with certain numerical quotas.

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(MR. PATRICK cont'd)

2. We can adopt the same as the one above which is high education but tied more closely to the job market in Canada. This is something that perhaps we can look at and I think it's the responsibility, and I would have hoped that it would have been the responsibility of the government to come up with some proposals, to have some kind of a manpower policy, and say look, this is an area where we need immigrants, or where we need to fill jobs where . . . For instance last year I know there was one industry that had to close down, and still there were many people unemployed. If we cannot train these people then we have to resort to immigration and fill those positions. But I know that when unemployment goes up naturally immigration will go down, and I don't think there is anything wrong with that. In fact, Mr. Speaker, I would like to say that we've had a pretty good immigration policy for many many years in this country, I don't care what government was in power. It was a fairly good policy, and I don't think it was ever ever suggested that any government had it based on any limitation of race or anything. In fact, the other day I noticed the former Prime Minister of Canada get up and took a very harsh position to what the Ambassador from Jamaica had to say with respect to the situation that happened in Toronto just last week, where somebody was killed, which was a small riot in Toronto. We know one happened in Montreal last week, and we had one in British Columbia.

3. So I think that we can establish a quota per year with a maximum number of immigrants per country like they have done in the United States, which bases a maximum limit of 20,000 people from any one country. That's the third option.

4. The fourth option is numerical control but tied to immigrant skills, families already in Canada, rather than by country.

I know this is a very complex situation and it would probably affect different, every person it will affect differently, every group.

So I say there are four options and the members can tell us . . . anyone can express his opinion, what should the immigration policy be, and what is our intentions? Should we develop Canada to be 40 million people within the next 10 years? Or we should go along on the basis of manpower and job opportunities and take everything else into consideration?

I think we must consider economics, social and cultural. I think that aside from the four options in the policy paper, I think the one thing that we cannot overlook, that we should never forget, the humanitarian considerations, which we . . . I don't believe that in Canada we've ever done, not for many many years. We've accepted people, and quite recently I know that the members all know, they came from Chile, they came from Czechoslovakia, from Hungary, from India, from Pakistan, from Africa, from every part of . . . and in most of these situations I just mentioned now, they all came on a humanitarian basis. So I don't think that Canada has ever been restrictive in that respect. I don't believe we can say that we have.

So I say that all these things must be taken into consideration, Mr. Speaker. I know that in today's article I just picked up, there's a Thadani and I don't know the man and I don't know if he could be a friend of the Minister of MPIC, who writes letters, but I understand this man writes, and I'll quote one paragraph of his letter, and I don't know if I can agree with him - I don't want to agree with him. He says: "Though a non-Caucasian like myself. Even in homogeneous society, conflicts between various segments erupt continuously because of economic, linguistic or religious differences," as in some of the other countries; "more intense when racial or cultural differences are included, as evident from what is happening in the U.S.

"It is unfortunate the immigration policies of our country appear to be deliberately designed to produce just that type of unsolvable problems in Canada. It seems almost unbelievable that Canadian leaders continue to ignore the pressures built up by allowing 200,000 people a year to come into . . ." from nations with different . . . from different countries. The reason why so many people have to be imported here . . . "

Well he doesn't agree with it. Well I don't agree with his statement. I think that we should accept people from every country. I think we should accept it on the basis that we can integrate them. The tolerance is here in Canada that we can accept them, we should all accept them. And that's the basis I think that we should accept; it doesn't matter what colour, race or creed. And I don't think there is discrimination on those bases.

The issue that I wanted to take with the Member for Fort Garry where he suggested the Green Paper is too rigid. I wish he would explain just what he means. And then he did say - he says the reason I suggest the paper has racist and religious, racial undertones, that I don't

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(MR. PATRICK cont'd) . . . . like - and that's after he's apologized, he still states that the paper has. Now I've contacted some of the people in the Manitoba Immigration Council and they completely disagree with that, and I said, "Is there that, because I want to be informed?"

Now throughout the whole speech, the Member for Fort Garry has indicated the restrictive, that it's very restrictive. Then he says, I have to ask the honourable member, or Honourable Robert Andras whether this society that we have here, whether the promise that we have would exist, would be here in Manitoba if we had practised protectionist and restrictive immigration policy such as I fear. Now, I'd like to know what is the restrictive policies? I'm, you know I'm for immigration, and I see nothing wrong with having 200,000 people come as long as they come here and can work, Mr. Speaker, as long as they come here from every country, that they're not discriminated, I don't care about the colour. But I think somewhere along the line the Canadians will say, well look, we want a 40 million country within the next 20 years, or how many we are going to accept, when we're allowing 200,000 in nine months to come here, and as I said 40 percent of them came from the West Indies and Asia, so that in itself has indicated it has not been restrictive. There has not been in no way, shape or form, racial discrimination at all. But I think somewhere along the line we'll have now to - where the debates are going on across the country - to say well, "What is our wish? How fast are we wanting Canada to grow? And how many can we accept that we can offer them job opportunities and employment?" Instead of saying, "Let's open the gate and let everybody in." Thank you, Mr. Speaker.

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MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I intend to be brief. As a matter of fact I hadn't intended to speak again on this resolution or on the amendment, but I feel it would not be proper of me to fail to respond at least briefly to the comments of the Honourable Member for Assiniboia and to his questions.

I want to say that perhaps my perspective on this proposal from the Federal Minister of Manpower and Immigration is somewhat cynical, but I can't escape the cynical assessment and a cynical interpretation of the motives behind the Green Paper, and behind the basic approach to immigration which the Federal Government seems to be evolving and developing.

I agree, Mr. Speaker, that I have modified the original comments that I made during the Throne Speech debate. Prior to that however before my comments on the Throne Speech debate, I did make a public statement at the time that the Green Paper was first issued, at the time that the debate was first promoted and encouraged by the Federal Minister. And I said at that time that I believed among other things, among other things, that one of the faults, one of the weaknesses in the Green Paper as I saw it was that it had what I construed to be racist undertones. I think when I spoke in the Throne Speech debate, being emotionally over-involved perhaps in some of the subjects that we were debating at that time, I then made a pronouncement that was perhaps stronger verbally than it should have been. What I should have said at that time about the Green Paper, and which I then attempted to say when I was discussing my own resolution later, and which the Member for Assiniboia has alluded to, was what I said originally, that I believed that the Green Paper has racist undertones. That is subtly different I suggest, Mr. Speaker, than saying that the Green Paper is racist. For I do believe that it has racist undertones, and the Member for Assiniboia has asked me what I mean by that, and I want to take a minute or two to explain.

I don't use the term "racist" in the usual sense in this criticism. I don't believe it has racist undertones in terms of what we generally construe to be racist. I do believe it has racist undertones as applies to the English French situation in Canada. I don't believe that it is anti-black, I don't believe that it is anti-brown, anti-yellow or anti-red, but I'll tell you what I do suspect, Mr. Speaker. I suspect that it is anti-English, anti-Anglophone, and this is what I mean when I say that I believe the paper has racist undertones.

For it's very simple, it's very simple for the Federal Government, for the Minister of Immigration federally, or anybody in the debate, to suggest that there are too many people from certain segments of the world coming into Canada and creating social problems and identifying, perhaps indirectly and rather subtly, those districts and those areas as being, let us say, as including let us say the Caribbean, for example, and the East Indian countries among them. What the Minister is saying when he says that is not that there are too many blacks coming into Canada, or too many Indians and Pakistanis coming into Canada, what he is saying, I suspect and I fear, is that there are too many English-speaking immigrants coming into Canada and not enough, not sufficient French-speaking immigrants. And this is what I meant by the term "racist".

This is what I mean when I suggest that I fear, and this may be a cynical assessment but I want to pose it for your consideration, sir, and members consideration, that what is really at the root of the thing is that the colleagues of the Federal Minister of Immigration, particularly his colleagues from the Province of Quebec, are concerned that the linguistic balance in Canada as between Anglophones and Francophones is shifting very heavily in favour of the Anglophones, and they are not able to restore that imbalance by natural processes, and as a consequence they feel that through some restrictions in immigration they can restore that imbalance, stem the flow of English-speaking immigrants, and thus give a chance for the Francophone element of the country to draw even, or come closer to drawing even once again with the Anglophones.

I don't think that that is a very laudable motive, or laudable procedure, because what they are really doing in posing the problem the way they have posed is appealing to the baser instincts of many Canadians. They are subtly suggesting that there are too many immigrants from black and brown and red and yellow countries of the world coming in, and all that kind of suggestion does is appeal to the baser instincts of the baser of those among us who then allow their prejudices against other colours to dominate their thinking. And I suggest to you that that is a very repugnant, and that is a very unattractive and a very unworthy kind of tactic. What is really at the base of it is, I fear, the Federal Government's desire, as I've suggested, persuaded and

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(MR. SHERMAN cont'd) . . . . cajoled by many of the Quebec members of the federal administration, to effect some kind of immigration restrictions that will restore that Francophone Anglophone population imbalance.

This, I think, is something we have to look at as Western Canadians. This, I think, is where the racist undertones that I've suggested come in. I'm not suggesting that the Federal Minister of Immigration is anti-Caribbean or anti-Pakistani or anti-Serbian or anti-African. What I am suggesting is that the administration in which he serves is attempting to increase the population of the Francophone in Canada and help bring it to a level where it equals or exceeds that of those peoples from all countries of the world, of all races, and of all colours who speak English as their chosen language in this country.

When I refer to Anglophones in Canada, I'm including those Canadians from all corners of the earth, from all countries, from all ethnic groups, from all ethnic origins, of all colours who are English-speaking Canadians, and we are the ones, we English-speaking Canadians who basically constitute the social and the population fabric of Western Canada. We are the mix that has built this part of the country, and the dominant language force in this part of the country is English, and I think a great many of Western Canadians of all racial and social and ethnic backgrounds, including French, agree that it is in the best interests of themselves and their families in Western Canada that they and their children and their families learn and speak and converse and live in the English tongue, in the English linguistic environment.

So I'm speaking for those Canadians when I raise this question. If I can be satisfied by the Honourable Robert Andras and his colleagues in the Federal Government that there is no such motive involved, then I'll be the first to salute a program that is aimed at accommodating the social and economic conditions of the day where immigration is concerned. I'll be the first to salute a program that matches inflow to economic requirements with no regard for racial or ethnic or colour background. But I haven't been convinced of that yet. I still suspect that the basic motive, because it can't be done by natural means, is to even up that linguistic imbalance in the country by artificial means. I said in the statement that I made early in the year, before the House went in, when I spoke publicly on this subject, that all that will do, sir, is put a further strain on Canadian Confederation. And this is what is behind my comments, and this is what I mean when I say, and I fear I'm still stuck with the suspicion in my own mind that the Green Paper, as presently constituted, appears to me to have racist undertones.

MR. PATRICK: Will the Member for Fort Garry permit a question?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker, I have one question for the honourable member. I thank the member very much because I construed his remarks the first time completely opposite. I thought he meant racial towards black and not whites, and I thank him very much for explaining that. The question to him, at the present, is one question that he has not explained that he referred to in his speech, and repeated a few times "rigid". And I took it, rigid, that you have certain numbers should come, or can you explain that, what you meant by rigid?

MR. SHERMAN: Well all I can say in explanation of that, Mr. Speaker, is that it appeared to me that of the four options posed in the Green Paper that the emphasis in the Green Paper seems to be placed upon an option which would limit inflow, limit immigration, in specific and rigid terms; that's really what I meant by the term, that there would be no flexibility, and that it would be some time, perhaps 10 or 20 years hence before any kind of flexible adjustments could be made, that we would be locked into a rigid system which would be a de facto quota system, if not a quota system in word, it would in effect be a quota system, and would thus be rigid in that sense.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, the Honourable Member for Fort Garry has indicated most of what I already wanted to say in this regard except that in so doing he also exhibited that all too typical arrogance as a member of one of the founding races of our community, and it being an Anglophone, he honestly believes that all the world is divided into Anglophones and Francophones. He thinks it's put in those kind of terms. Mr. Speaker, I want to assure you, sir, and I want to assure the Honourable Member for Fort Garry that I am rising in defence of the remarks that he just made. I just want to help him a little bit, if I may, and to indicate in a very few moments just how right his argument is, because in his presentation, which was an excellent presentation just a few minutes ago, he indicated the kind of policies that

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(MR. ENNS cont'd) . . . . seem to be implied in the Green Paper correcting, you know, a problem that the Francophone element has, and acknowledges in this country in terms of just numbers and attempting to use the agency of immigration to correct that growing imbalance.

Well the difficulty of course is that most immigrants other than Francophones, you know, and this is the correction that I want to make for the Honourable Member for Fort Garry, that immigrants coming to this country may well speak French, may well speak English, but I would suggest that his rather simplistic division of Francophone, Anglophone works not quite that way. Most immigrants that come to the country, including my fathers and mothers didn't speak either language, didn't speak either language. They wanted an opportunity though to once in the country to opt for the language of their choice, opt for the language of their choice. Now that option of course is being taken away from them in certain parts of this country namely La Belle Province de Québec, that's a concern, that's a concern. That's a concern to many of us, and should be a concern to this country in developing an immigration policy.

But surely the suggestion that we can devise an immigration policy on the simple, you know, mathematical problems of population balance vis-a-vis two language groups in this country, loses sight of many of the real purposes behind an immigration policy - some of the remarks made by the Honourable Member for Assiniboia. There are certainly the question of the kind of skills that we need in this country, the kind of manpower requirements that we need in this country, the kind of social balance that we want in this country, the kind of humanity that we want to exhibit to the world from time to time on any side of the political spectrum, on any side of the racial spectrum.

But I think what the Honourable Member for Fort Garry has said to us, and has brought forward to us, I think, in a very clear and understandable way, is what underlines some of the concerns that are beginning to surface with the true intent of the immigration policies of our current Federal Government, which seems to set out as a basis of immigration, a solving or a helping to solve an internal problem within our country vis-a-vis Anglophones-Francophones relations. And, Mr. Speaker, that is a pretty weak and a pretty poor basis on which you set up an immigration policy on. It certainly isn't the kind of basis on which we in Western Canada could look forward to for an enlightened immigration policy. Mr. Speaker, it really isn't the kind of window that we want to open up to the rest of the world vis-a-vis our attitude towards people wanting to come to this country.

So, Mr. Speaker, I just wanted to make that little correction in the otherwise excellent presentation by the Honourable Member for Fort Garry, to indicate to him that the world isn't quite yet divided into people that simply speak English and French. There are a few other people in the world who are prepared to come to this country, and many of them penniless, but they come with hope, they come looking forward to the future, and they're prepared to come to this country in this way and make their life and make their future, and then hope that they have the option of choosing the kind of language element they choose to live in.

Now the Honourable Member from Inkster, the House Leader, indicates to me that my indication of what is taking place in the Province of Quebec isn't right. I suspect that he will at some time or other correct us. But certainly, certainly the implication that's been left by the Province of Quebec, and its particular immigration policies --(Interjection)-- Well I say particular immigration policies. We have now two immigration policies in this country, one for Canada and one for the Province of Quebec, and it is the Province of Quebec that is setting up immigration offices and reception offices around the world supported by my tax dollars, and Alberta's tax dollars, and British Columbia's tax dollars.

So, Mr. Speaker, I believe that there is room for a considerable amount of provincial input into the whole and overall immigration policy that's to be developed hopefully as a result of the introduction of the Green Paper in Ottawa. Unfortunately unless there are some stronger and louder voices, particularly voices belonging to the Liberal Party across Canada that will make their views known, outside the immediate environment and attitudes of the current Federal Government, to allow for a rational approach to the whole problem of immigration. I believe, sir, that the country and the people of this country are prepared, have been prepared, with very few exceptions, with very few exceptions to adopt a very liberal attitude towards immigration. I believe that's an attitude that we would want to continue. We are exercised, sir, as the Member for Fort Garry was exercised, when we read into trends in current immigration policies an amount of deviousness, a certain amount of deception, a certain lack of clarity and

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(MR. ENNS cont'd) . . . . honesty as to intent, all of which precludes from an honest debate on the subject matter of immigration, which is an important matter in this country, and should be an important matter in this Chamber.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Would the member permit one brief question? I would just like to ask the Honourable Member for Lakeside if he would concede that during my remarks I used the term "Anglophone" throughout, not Anglo-Saxon?

MR. ENNS: Well, yes, Anglophone. I would have to check and see what term I used but a distinct impression that he left with me is that Anglophone meant the English-speaking peoples.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, the Honourable Member for Lakeside said that I disagreed with his position, vis-a-vis the Province of Quebec. As I understood him, he said that everywhere else in the country a person has a choice of what language they will utilize, but that the Province of Quebec is preventing that choice. That is what I disagreed with, if that is what he said. If I'm correctly interpreting him, and he appears to be nodding, then that is what I disagreed with. I will proceed to deal with that subject and show him why I think that that is not correct. He is correct in saying that his parents and mine came to this country, and that when we came to this country we did not speak the English language at all; we were not Anglophones nor Francophones, and that we had a choice as to which language we would use.

Now, Mr. Speaker, that is not correct. When my father came to this country, and when the honourable member's father came to this country, he came to the Province of Manitoba, which was essentially, if not entirely, essentially an English-speaking province. When I say English speaking, I don't mean that some law made us speak English, although we happen to have, Mr. Speaker, which is very unique in the country I think, a law which says that English is the official language in Manitoba. I don't think that that is the situation in other places, but in Manitoba there is an Official Languages Act which says English in the Province of Manitoba. But if that law was never there - which I don't think it's there in Saskatchewan, I don't think it's there in Alberta - both his father and my father would have ended up speaking English; not because they said, here are the choices, we speak English, but because what was far more important than laws, but the social fabric of the Province of Manitoba was one that if you wished to get ahead, if you wished to become a bank manager, if you wished to become a politician, if you wished to become a school teacher, if you wished to become anybody that was more than anybody that was somebody - that's very good - you spoke the English language, because that's the way you got ahead just as if I went to France, there would be no law which would say that I would speak French, nor would I say, I choose to speak French. What would happen is that economic, social and cultural considerations would drive me harder to the speaking of the French language than any law could possibly do.

Therefore I reject the notion that when my parents came here, or that when the people on my block generally, I would say that until they were five years old, certainly this is the case in many parts of the city and with many people that I know, they did not speak any English at all. They spoke Yiddish and other people spoke Ukrainian, and when they walked into the school if the teacher would have said to them, "Bonjour" instead of "Hello", they would be saying "Bonjour" instead of "Hello". They didn't choose English, they lived in an English milieu, and therefore they spoke English.

The problem in the Province of Quebec is not that it is different than any other province. The problem in the Province of Quebec is that it is not the same as every other province. In every province of this country - and that that is the real fallacy of what I consider to be a real misguided policy on languages in this country - that misguided policy was introduced by Pierre Elliott Trudeau, and when he introduced it he was one of the only ones who said it that every party including the Liberal Party in 1968, including the Liberal Party, adopted a position which said that if Canada is a bilingual country, then Quebec is a French province. Because you cannot have a bilingual country where the language, which is supposed to be one of the official languages, is not spoken as the language of the street in one of the provinces. And the Leader of the Conservative Party, Mr. Stanfield, the Leader of the New Democratic Party, Mr. Douglas, and at least half of the leadership candidates of the Liberal Party all agreed that there was a necessity to recognize that Quebec was a French-speaking province as Manitoba is and English-speaking province.

## RESOLUTION 1

(MR. GREEN cont'd)

Trudeau came in, and contrary to everything that had been sort of arrived at between 1962 and 1968, where there was a general consensus in the country, he said, no, we are one Canada, and we have a bilingual country coast to coast, and that means that if there's a person living in St. Boniface, he has to have the protection of the French language in St. Boniface so that he can walk into every federal post office in the province of St. Boniface and be able to speak French, and we will set up bilingual zones across the country. And one of the bilingual zones, or one of the zones is the west end of Montreal, that is an English zone. And the real effect of field language policies is to give the English-speaking person a special status in Quebec, which no French person has anywhere else in the country. Because regardless of the fact that one can protect the rights of the French language in the Province of Manitoba, as we have done so, as we have done by making French one of the languages of instruction in the schools, as we have done by protecting other French language rights, the fact is that the person who grows up in the Province of Manitoba and wants to be somebody, if he is a Francophone he speaks English. And we know that that is the case, because you will not run across many Francophones in the Province of Manitoba; go to the Centre Culturel you'll speak French or English, but they speak English. That is because Manitoba is essentially an English-speaking province, and when you live in an English-speaking province, you speak the language of the majority. That is true, that is true in every province of the country except one, people speak the language of the majority. The only province where that is not true is the Province of Quebec. The English speaking population in the Province of Quebec have never accepted the fact that they live in a French province, they have never accepted the fact that they live in a French province. And that's why Trudeau's policy, which was alleged to be helping the Francophones across this country, was really designed, whether you agree with it or not, was to project a special status for English-speaking people in the Province of Quebec.

Now what is the Quebecer doing? The honourable member says, he is preventing a choice. They really have a very difficult situation, because I disagree with the entire thrust of Bill 22, the language bill which deals with instruction in the schools. Why do I disagree with it, Mr. Speaker? In the Province of Manitoba, my daughter goes to a French school, a school where the language of instruction is French. She didn't have to pass a test that she speaks French before she goes to a French school. As a matter of fact that would seem to defeat the purpose - it's like knocking somebody's eyes out so that he can see better. She went to the French school and she learns to speak French. In Quebec, she could not go to a French school. She would have had to pass the test to be able to speak French before she goes to the French school. Now why do they have this ridiculous situation? Not because of what my honourable friend says, that they are undoing the choice of people to speak French or English. --(Interjection)-- Mr. Speaker, I know what the honourable member is referring to. I know what the honourable member is referring to. The honourable member is referring to the fact that an immigrant who comes to the Province of Quebec cannot go to an English school unless he passes a test in English. --(Interjection)-- Well, Mr. Speaker, you know, I believe and I'm not certain of the bill, the honourable member says that that's what they want to stop. I tell you that that's not what is wanted in the Province of Quebec. They have been driven and, you know, I think misguided, and I disagree with what they are doing but not because of what the Honourable Member for Lakeside said, I say they have been driven to that policy by the federal policy on bilingualism in this country, that the policies of Trudeau have absolutely driven the Province of Quebec to enact this type of legislation because they do not have it recognized in the Province of Quebec that they are in a French province, as the Member for Lakeside and I live in an English-speaking province. Because if they lived in a French-speaking province where, in order to become a bank manager, in order to become a politician, in order to become a businessman, in order to make your way up in society, you had to speak French, there would be no problem. Everybody would speak French, just as the Member for Lakeside's family started to speak English and my family started to speak English. The fact is that in the Province of Quebec, the reverse is true. It is the majority . . .

MR. SPEAKER: Order please.

MR. GREEN: Mr. Speaker, the fact is that in the Province of Quebec, the Honourable Member from Lakeside is absolutely right. That in order to get anywhere, you have to speak English, and this --(Interjection)-- Well, you know, keep talking that way and you are going to

## RESOLUTION 1

(MR. GREEN cont'd) . . . . drive, you are going to . . .

MR. SPEAKER: Order please.

MR. GREEN: You see, now you're talking about the Plains of Abraham. Now you're saying that is what it's all about, and I say to you, I say to you that when you use that argument, which I have heard used, you know, time and time again in this country, when you use that argument then the people in Quebec would have to come to the conclusion, not all of them, but five million out of six million will have to come to the conclusion that the Member for Lakeside is right. To get anywhere in the Province of Quebec, you have to speak English because essentially we are in an English-speaking country and therefore we have to have a French-speaking country. And that is the best --(Interjection)-- Mr. Speaker, the Member for --(Interjection)-- Pardon me? Well, you know, I would prefer neither. I would prefer that I live in a bilingual country; I would prefer to live in a bilingual country without a war about it. I do not want a separate Province of Quebec. I believe that the existence of Quebec as a French-speaking province in this country is to the benefit of every non-Anglophone and Francophone who lives here, and the Honourable Member for Lakeside who has --(Interjection)-- I don't have to be kidding.

You know, I said that in 1966 when I was on that side of the House when the Member for Wolseley, as he then was, introduced Bill 15 which allowed for the speaking of French as the language of instruction in the Province of Manitoba. That was the Honourable, the former Duff Roblin. I said exactly what I am saying now. That it is to the benefit of the Member for Lakeside, who turns around to the Member for Fort Garry and says, "Remember that we are not all Anglophones or Francophones," that it is to the benefit of the Member for St. George, that it is to the benefit for everybody who has neither an Anglophone or a Francophone background, that we live in a country where the diversity in background is respected. And by accident, not by any kind of genius on our part, but by accident of history, and by what was settled at the Plains of Abraham, which was that we would live in a bilingual country, we happen to live in a country which does not have an ideal of a homogenous one language, one culture, one hundred percent American pure blood person. And I have seen the effects of the contrary. You know, the people who took this to its ultimate, logical and disastrous conclusion was in 1933 in Germany when they said that you had to be one hundred percent Aryan. Now what did that mean? It meant that if you had a grandfather eight generations back who was a full Jew, that you were no longer a pure-blood Aryan and that you were not fitted in to society. So I say that not through any genius on our part, and I'm not kidding to the Honourable Member for St. James, although I know that the Federal Member for St. James would disagree very much with what I am saying, and I know something of his election in that constituency and what they dealt with and I really, you know, I'm not going to make a big issue out of it because the reverse was done by the Liberals in 1968 when people were saying that Trudeau's policy "One Country" means one language. In Manitoba, they were saying it. In Saskatchewan they were saying it. They were saying that the reason we need Pierre Elliott Trudeau is to get rid of those Frogs, that he'll put them in their place. That's what they were saying during the election campaign. The Honourable Member for Fort Rouge had never heard of that. Then the Honourable Member for Fort Rouge is deaf. --(Interjection)-- Mr. Speaker, you know, the Honourable Member says that was never said. I tell you that Trudeau said it was said. --(Interjection)-- Well I will get you Trudeau's quotes on it, because Trudeau said during the campaign, Trudeau said during the campaign - and I'll find it for you - that some of you are saying that Trudeau will put the Frogs in their place. I tell you that that is not true. That Trudeau himself denied the Liberal campaign in those three provinces so don't tell me it was not so. And Mr. Perreault who campaigned against Tommy Douglas in British Columbia at a public debate said, "One country, one language." That was his campaign in that constituency. That is right. Now, Mr. Speaker, I say that it was done by the other side.

MR. SPEAKER: Order please. The honourable member will have a little more time next time around.

The hour being 5:30, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. (Thursday)