

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 7 May, 1982

Time — 10:00 a.m.

**OPENING PRAYER by Mr. Speaker.**

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

## READING AND RECEIVING PETITIONS

**MR. CLERK, Jack Reeves:** The Petition of the Mennonite Brethren Church of Manitoba praying for the passing of an Act to amend an Act to incorporate the Mennonite Brethren Church in Manitoba.

**MR. SPEAKER:** The Honourable Member for Ellice.

**MR. BRIAN CORRIN (Ellice):** Mr. Speaker, I have a petition to present to with respect to an Act to incorporate the Menno Simons Collegiate.

**MR. CLERK:** The petition of Dr. David Friesen et al praying for the passing of an Act to incorporate the Menno Simons Collegiate.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. JERRY T. STORIE (Flin Flon):** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same, and asks leave to sit again. I move, seconded by the Honourable Member for River East, that the report of the Committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. AL MACKLING (St. James):** Mr. Speaker, I would like to draw your attention to the trees which have been placed on the desk of each member.—(Interjection)—

**MR. SPEAKER:** Order please.

**MR. MACKLING:** This is Manitoba Forest Week, a week during which the residents of this province are asked to consider the value of Manitoba's forests and their many uses. This year the theme of the week centres on the use of the forest as firewood. During the past few years with the increasing costs of nonrenewable fuel sources, more and more people have been turning to a more traditional source of heat for their homes and cottages. Indeed, many new homes built in our province now feature some type of fireplace and countless hundreds of other Manitobans

have turned to using wood stoves as auxiliary heating systems.

The tree which has been placed on your desks, as you will have noted, is a new variety of poplar. It is called a Tower Poplar. The tree has many of the shape characteristics of the Lombardy Poplar, a tree that is well known in Europe and is used extensively in hedgerows and between field because of its upright shape. This new variety of poplar is hardy in our Western Canadian climate, unlike the Lombardy, and is expected to become a popular tree in driveways, along fence lines and in areas where space is at a premium.

I might say in addition, Mr. Speaker, that these trees which you have on your desk have come out of a sheltered environment and it wouldn't be appropriate to immediately plant on a day like this, this tree in your back yard, because it does deserve a little love and attention for a short time before you return it to the elements.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**HON. STERLING LYON (Charleswood):** Mr. Speaker, I am sure all of us in the House would want to acknowledge Manitoba Forest Week and to acknowledge the example of poplar that has been kindly given to each of the members for planting and for exhibition on his or her property. I noticed there was some preoccupation of the Minister with talk about hedgerows and talk about the sheltered environment in which the trees have been kept for a while. It reminded me somewhat, Sir, of the government and its policies, very sheltered until it faces the realities of life and then all trouble hits it.

**MR. MACKLING:** Mr. Speaker, this is National Forest Week and it is appropriate therefore for me to provide the following information to the House.

Increased forest renewal activities are being planned in the vicinity of ManFor's harvesting operation in Northern Manitoba. Noting that this is National Forest Week, I want to indicate that it is timely to announce the beginning of an expanded forest renewal program in Manitoba. This program will ensure future supplies of timber to the forest industry while continuing the economic and social benefits to Manitobans.

The first step in the development of a northern nursery is the location of a suitable site for the greenhouse and container seedling portion of the program. The funding for this program will be found within the department's 1982 and 1983 Budget. The development of the nursery site is expected to provide some employment opportunities at the local level. The nursery site will be established in the vicinity of The Pas.

In addition to the nursery project, additional funding will be given to the already established Provincial Nursery at Hadashville, Manitoba. This will ensure that the demand for seedling requirements for the Forest Renewal Program in the southern portion of the province will be met.

I would like to see an improved northern forest renewal program and my department expects to establish a greenhouse facility and nursery site, so that seedlings from the northern greenhouse operation will be available for the 1983-84 planting season.

Mr. Speaker, there is a backlog of area in Manitoba that requires reforestation because of neglect in past years.

**MR. LYON:** Mr. Speaker, I am sure that all members of the House would welcome the announcement by the Minister during National Forest Week of the extension of the facilities to Northern Manitoba, of the nursery facilities that is, to Northern Manitoba and of his assurance that this will not in any way detract from, but rather will help to enhance the existing facilities at Hadashville which have served the province so well. We will, of course, watch with keen interest the development of this facility and hope that it will, as the Minister says, benefit the whole forestry industry and the whole forest covered area of this province in years to come.

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. VIC SCHROEDER (Rossmere):** Thank you, Mr. Speaker. I just have an announcement to make with respect to the date of the Budget. It will be presented on Tuesday, May 11th at 8:00 p.m.

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

**HON. WILSON PARASIUKE (Transcona):** Yes, Mr. Speaker, I rise today to state the government's policy on hydro-electric rates and in particular, the Hydro rate freeze which went into effect on February 1st, 1979.

When the Hydro rate freeze was introduced in 1979, the government of the day believed that the removal of foreign exchange risk from Manitoba Hydro would provide the utility with sufficient elbow room to fix rates and rebuild reserves during the five-year period. The removal of the foreign exchange risk has cost the Manitoba taxpayers some \$76.5 million to date. However, the last two years of substantially lower water levels have reduced Manitoba Hydro's capacity to generate revenue through export sales. In addition, interest rates have risen from approximately 9 percent in 1979 to almost 18 percent in 1981-82, and the end to the high interest rates is not yet in sight. Inflation has also increased significantly in the last three years since the Hydro rate freeze began from a forecast of 6 to 8 percent a year to some 12 percent last year. The result is a deficit for the last two fiscal years which will exceed \$40 million.

Given these changed circumstances, it was my duty to ask Manitoba Hydro for a technical report on its present and future financial position. I have received that report and it is appended to this statement. The most significant findings of that report are that if we continue the rate freeze and have average water levels, predicted high interest rates and inflation, Hydro will still have a deficit of \$22.7 million in 1982-83 and \$59.6 million in 1983-84, when a major refinancing of Hydro debt will have to take place. This would reduce

reserves to such an extent that revenue would have to increase by some 31 percent in 1984-85 to avoid exhausting the reserves.

These projections have led the management of Manitoba Hydro to recommend an 11 percent rate increase in 1982 and further rate increases in future years which would have the effect of maintaining existing reserve levels. Notwithstanding this recommendation, it is the policy of the Government of Manitoba to continue the Hydro rate freeze for a fourth consecutive year. This year's projected deficit of \$22.7 million with average water flows can be absorbed by the existing reserves of approximately \$100 million while still leaving sufficient time and financial room to make adjustments if required next year.

We believe that reserves should be used for these contingencies. It is the hope of the Manitoba Government that during the course of this year, water level conditions improve, interest rates go down, inflation goes down and export sales go up. Any and all of these factors will have a substantial impact on this year's actual operations and the projections for next year. They can improve Hydro's financial position or they could make it worse. Therefore, we will be monitoring water levels, interest rates, inflation and export sales on an ongoing basis throughout the year. We will, of course, review this issue again next year and make our position known at that time in the light of this year's actual experience and the refined projections available then for 1983-84.

Mr. Speaker, I ask that the appended financial forecast for Manitoba Hydro be referred to the Public Utilities Committee for consideration when the Annual Report of the Manitoba Hydro Electric Board is dealt with by that Legislative Committee.

**MR. LYON:** Mr. Speaker, I wish to thank the Minister for his statement and I would say, particularly, to commend him for making the statement today in advance of the Public Utilities Committee meetings which start next Tuesday. I think it is useful and helpful to all members of the House to have this information at hand before we go into those committee hearings.

Secondly, of course, we are happy to see that the government has made a determination to carry on the Hydro rate freeze for a fourth year. This is the one area where the people of Manitoba have guaranteed to them an inflation-free product which is something that is fundamentally important to all people and to all industry in Manitoba. It would have been wrong not only in principle; it would have been wrong in practice for this government to remove the freeze which was placed on with an undertaking by the previous administration that it would stay there for five years. It is not my point at this stage to engage in any debate or argument with the Minister with respect to arguments that may have been raised in the past about validity of the freeze and so on. I merely note, however, that the legislation that was put into place some two to three years ago contemplated that the Government of Manitoba, that is, the taxpayers of Manitoba would assume the responsibility for the foreign borrowing attributed to Manitoba Hydro on the assumption of borrowing which was presumed to have been made by Hydro at the Canadian rate of that time. It points up

again, Sir, the extreme dangers of any government borrowing in foreign money markets and one of the reasons that the legislation had to be brought into place was to free up the Manitoba rate payers, those who use Manitoba Hydro, from borrowings that were made in the 70s which were not appropriate at the time and which were called as being not appropriate at the time.

I mention as well, Sir, that the 76 million that has been used to equalize this borrowing rate to the Canadian level, when compared to the reserves of 100 million, indicate also the futility of the argument that was used at that time that the Hydro rate freeze was not needed. The Hydro rate freeze was needed when it was imposed. It has been needed every year since it has been in effect. It is needed now and the people of Manitoba will be happy to know that it is being kept in place for at least a fourth year. We will hope that next year we will have the same kind of an announcement from the Minister that the five-year freeze will be kept in place. In the meantime, we are thankful for his announcement this morning.

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

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before we reach Oral Question, can I direct the attention of honourable members to the Gallery where we have 30 students of Grade 5 standing from the Winnipeg Hebrew School. These students are under the direction of Mrs. Brenner and the school is in the constituency of the Honourable Minister of Consumer and Corporate Affairs.

We also have 43 students of Grades 9 to 12 standing from the Sydney Academy School. These students are under the direction of Mr. McKenzie, Mr. Bryson, Miss Inglis, Miss Martell and the school is located in Sydney, Nova Scotia.

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

### ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. LYON:** Mr. Speaker, a question to the Minister of Finance. While thanking him for confirmation on this date, Friday, the 7th of May, that the Budget will be brought down on Tuesday, the 11th of May, I would ask him if he could advise the House if he will steer clear of ill-advised recommendations that are made from time to time for the inclusion in the budgetary process in Manitoba of the broadening of the sales tax to include service industries such as the dental profession, the legal profession and other professional services that are offered to the people of Manitoba? If he will comment upon whether he is going to be able to avoid that kind of tax that has never been found necessary in the history of the province and one would hope, one that we would not hear from him on Tuesday next.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. SCHROEDER:** Thank you, Mr. Speaker. I am sure that the Leader of the Opposition will be delighted to hear that on Tuesday evening, he will get an answer to his question.

**MR. LYON:** Well, Mr. Speaker, while in some ways anticipating the response of the Minister of Finance, would the Minister of Finance care to comment upon previous action that was taken by an NDP administration in the 70s when they broadened the tax base to include a sales tax on production machinery in Manitoba, which has proved to be a regressive tax even though it is a lucrative tax and one that acts as a de-stimulant to industry in Manitoba. Will he keep that in mind as he is formulating policy for his Budget next Tuesday night?

**MR. SCHROEDER:** Yes, Mr. Speaker, we are keeping all areas in mind as we are coming closer to Tuesday evening and the Leader of the Opposition had four years in which to change that particular tax, in fact, to take it off if he felt that was going to improve the economy.

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

**MR. G.W.J. (Gerry) MERCIER (St. Norbert):** Mr. Speaker, my question is to the Minister of Labour. In view of the increase in actual unemployment in Manitoba in April of this year to 8.1 percent compared to 6.6 percent in April of 1981, and in view of the seasonally adjusted increase from April of '81, 5.9, to April of '82 this year of 7.2 percent, and the fact that there has been an increase of 8,000 people to 40,000 people now unemployed in Manitoba in April of '82, would the Minister of Labour admit the absolute failure of his government to fulfill his party's promise that they could turn around the harsh economic circumstances of the past four years?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. SCHROEDER:** I take it the Member for St. Norbert can't read very well. The unemployment rate in Manitoba is actually lower than last month unadjusted; it is higher than it was last year, but compared to what? Compared to the rest of Canada, we are the third lowest, and Alberta and Saskatchewan are moving closer to where we are than they were last year when those people were in office. There are more people working now than there were last month in Manitoba. In fact, while in Canada, there are fewer people in total working than there were this month last year; in Manitoba, we have at least the same number working this month as we had working at the same time last year. That is surely an indication that in Manitoba, under this government, we have done a lot better than governments in the rest of the country, all of which now are Conservative or somewhat similar in leaning and they haven't been able to do better than we have been able to do.

**MR. MERCIER:** Mr. Speaker, the facts are that the actual unemployment figures have gone up from 6.6 percent in April of last year compared to 8.1 percent in

April of this year and it was their party who said that they could turn around the allegedly harsh economic circumstances of the past four years.

Mr. Speaker, in view of the fact that there are 12,300 young people between the age of 15 and 24 years unemployed in Manitoba compared to 11,400 last year in April of '81, and in view of the fact that we introduced a Youth Employment Program that provided jobs for 5,000 young people and the Minister has introduced a program that only provides jobs for 1,500 young people, considering there are 900 more young people out of work in April of 1982 compared to last year with the Minister now; in view of the fact that it is now May 7th and young people out of university are looking for work, would the Minister immediately review his job program in order that he can provide some 5,000 jobs that our government was able to provide last year for young people?

**MR. SCHROEDER:** Yes, maybe we could get some young people to work on tutoring the Opposition on reading statistics to see that Manitoba in terms of Canada and the rest of the western world is doing extremely well. The youth unemployment rate for Manitoba is down from 14 percent last month to 12.3 percent this month in Manitoba, and that is based on what is happening out there in the total world, doing extremely well. I would also point out to the Member for St. Norbert that the unemployment rate while in all of Canada, it is the highest since the depression; in Manitoba, we are tied with September of 1978. We are at the same level we were at in September of 1978. I should also point out to the member that while in Canada, the participation rate in the labour force is down by more than one point; in Manitoba, the participation rate is staying approximately level. That certainly has an impact in terms of hidden unemployment.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. ROBERT (Bob) BANMAN (La Verendrye):** Thank you, Mr. Speaker. I direct my question to the Minister of Economic Development. I would ask her if she could assure this House and the people of rural Manitoba that her department will not use Enterprise Manitoba Incentives Program or any other incentive programs or grant programs to determine where an industry locates in rural Manitoba?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. MURIEL SMITH (Osborne):** Mr. Speaker, this is a question that has come up many times in the process of the Estimate discussion, where we indicated that our approach to spending public money to promote industrial development involves us in having some influence on whether industries locate where the need is greatest. When we say influence, Mr. Speaker, we did not say control. It would be one question that we would bring to the negotiating and in balance, of course, we want industries that are going to be economically viable. So we would never be pushing for a decision to locate in some setting where it could not be economically viable. But, Mr. Speaker,

when spending public money we do not believe that the government should play a neutral role.

**MR. BANMAN:** Could the Minister confirm that the government has instructed civil servants in her department to try and locate industries in certain areas of the province and try to move them away from other areas in the province? In other words, to try and get industry to locate in specific areas that she has designated.

**MRS. SMITH:** Mr. Speaker, that sounds to me like the same question asked just another way. We have asked our civil servants to take location as a factor and if other things being equal try to move industry where the unemployment is greatest. The reason for doing this, Mr. Speaker, is that we would like to see more balanced development in the province. We would not however push a location in an area where an industry would not be viable. So it's an attempt to bring it as an active factor into the negotiating, not to direct or control the decision.

**MR. BANMAN:** In order to accomplish this program of discriminating against certain areas in the Province of Manitoba, is the Minister saying that the incentive programs such as the infrastructure program and other programs that the government is contemplating and has currently on the books, that those programs will be used as a way and a means of encouraging industry to locate either in one part of the province rather than in another part.

**MRS. SMITH:** Well, Mr. Speaker, it just sounded to me like we are getting not just a second version of the same question but a third version of the same question. We have said, if the members opposite can understand, there are many factors taken into account when negotiating these types of grants. We've said that one of the key factors is location and other things being equal, if economic viability is there, that we would like to see industries locate where the highest unemployment is. Now, to me that seems to be a very defensible and responsible position, Mr. Speaker.

**MR. BANMAN:** Thank you. A final question, I wonder then if the Minister could confirm that the Government of Manitoba will now, through different mechanisms, determine where industry locates within the Province of Manitoba; in other words, new industry, and that certain areas where they feel that they don't want the industry to locate, they will then go ahead and tell those companies that they would rather see them locate in another part of the province than in an area that they're looking at?

**MRS. SMITH:** Well, Mr. Speaker. We have version number four of the same question. I think what the members opposite forget is that questions are not considered as black and white. There's all sorts of decision points from one point to another.

What we have asked is that the location, that the government play a more active role in influencing it. It's not a question of saying that they will dictate or that they will insist on 100 percent satisfaction in terms of what our priorities might be. It's a negotiating

stance, Mr. Speaker. I think it's a responsible stance, and in no way will the government be saying nothing will go to an area where there is not a high unemployment, but we're saying other things being equal, when public money is spent — mind you that's the difference — we have some responsibility to try to get the investment in areas where the need is greatest. It is a major consideration, not the only consideration.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. DONALD ORCHARD (Pembina):** Thank you, Mr. Speaker. A question to the Minister of Economic Development. Who in her department, or will she be making the decision — when an industry is prepared to invest thousands of dollars in Manitoba, will she be making the decision as to which area the industry will be viable in, rather than the industry who is making the investment?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**MRS. SMITH:** Mr. Speaker, when private industry comes into the province and makes its decisions, it makes them on its own. When private industry is looking for some public money to contribute to the package, then, Mr. Speaker, it's only sensible for the people representing the public to have some influence. It's foolish to enter into a negotiating stance from an empty or nil position. When public money is being spent we believe that the public authority has the right to have some preferences. Now I think the member opposite, Mr. Speaker, knows full well that decision-making, the final authority and responsibility rests with the Minister and with the Cabinet, but that any any Minister worth their salt will spend a great deal of time understanding and considering the careful analysis given to them by the members of their department.

**MR. ORCHARD:** Thank you, Mr. Speaker. Now that we've established that the Minister will be deciding which areas a given industry will be viable in, can we have the assurance from the Minister that her decisions on the viability of industry and their location will not follow the previous record of the last ND Government in Manitoba of locating such industries as Saunders, which lost \$40 million for the province? Is that the kind of viable decisions that the new Minister is intending to make on behalf of industry in Manitoba?

**MRS. SMITH:** Mr. Speaker, I'm amazed that a person who has spent four years as a Minister in this province does not understand that Ministers must make decisions and that the wisest way to make decisions is to consider all the evidence they can possibly get their hands on. This side of the House is interested in sane and strong responsible economic decisions. It would be foolish of us not to look at all the factors. Of course, we'll be taking them into consideration and making a balanced judgement, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Emerson.

**MR. ALBERT DRIEDGER (Emerson):** Thank you, Mr. Speaker. To the Minister of Natural Resources. Can the Minister indicate whether there has been a change in policy regarding the conservation officers laying charges of violations under The Wild Life Act?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**MR. MACKLING:** Yes I can, Mr. Speaker, there has been no change.

**MR. DRIEDGER:** Can the Minister then maybe make himself aware of a letter that was sent out to the various resource branches indicating that the conservation officers would not be involved in laying charges under The Wild Life Act in the future?

**MR. MACKLING:** If the honourable member has a copy of a letter or some document that I haven't seen, I'll be happy to look at it.

**MR. DRIEDGER:** Mr. Speaker, to the same Minister. I wish the Minister would finally accept some of the responsibility when some of these decisions happen, because he always seems to say get me the information. I think that responsibility should be his and he should know what's happening.

I will try and get a copy of the letter to the Minister and would ask if that is the case whether he would then retract that kind of position?

**MR. MACKLING:** Mr. Speaker, I don't know what the honourable member is complaining about, but certainly any problem that he has, if he wants to bring it to my attention we will look at it, but if he wants to talk in vague generalities that's his prerogative, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. DAVID R. (Dave) BLAKE (Minnedosa):** Thank you, Mr. Speaker. My question is to the Minister responsible for Tourism. In view of the importance of the tourist industry to the Brandon area and the fact that their Centennial is presently being celebrated, I wonder if she could inform the House what experience she has had in her enquiries to obtain the permission of the railways to allow the Prairie Dog Central attraction to visit that area this summer?

**MR. SPEAKER:** The Honourable Minister of Tourism.

**MRS. SMITH:** Mr. Speaker, I appreciate the great advantage to the Brandon Centennial Celebration the arrival of the Prairie Dog Central there would really represent. Following up from the question asked by the member opposite a few weeks ago, I did ask my department people to investigate and see if there were good offices that our department could perform to ensure that such an agreement might be arrived at or at least to understand if there was good reason why not.

I assure the member opposite, Mr. Speaker, that we are using our good offices to see if we can come to a satisfactory decision and I will undertake to commu-

icate to the member opposite when a final decision is arrived at.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. CLAYTON MANNES (Morris):** Thank you, Mr. Speaker. I would like to ask the Minister of Natural Resources a question. Earlier this morning, he made an announcement entitled the Forest Renewal Expansion Activities Project and I am wondering if he could indicate two things. First of all, where from within his budget will funding be found for this program and how much funding is going to be spent on it?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**MR. MACKLING:** Mr. Chairman, the funds are within the budget. The details of that, I will be happy to provide if the honourable member wants to file an Order for Return.

**MR. SPEAKER:** The Honourable Member for Niakwa.

**MR. ABE KOVNATS (Niakwa):** Thank you, Mr. Speaker. I also have a question for the Honourable Minister of Natural Resources concerning the proposed new nursery at The Pas. I was out at Hadashville the other day and I noticed that they probably go through about 5 million seedlings a year and after culling, they probably distribute somewhere around 3.5 million. Would the new proposed nursery at The Pas be a duplication of services that come out of Hadashville?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**MR. MACKLING:** Mr. Chairman, we have completed a 20-year forestry study and that study indicates a very serious backlog in this province of reforestation. High priority is given to the establishment of additional nursery capacity, both at Hadashville and at The Pas.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. MANNES:** A further question to the Minister of Natural Resources, can he tell me if the amount required to fund this program, will it be found exclusively within in the Forestry section of his budget?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**MR. MACKLING:** Mr. Speaker, I have indicated that the honourable member can file an Order for Return. These are capital projects and the money is within the Capital Budget.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

#### POINT OF ORDER

**MR. LYON:** Mr. Speaker, just to seek your advice, Sir,

on a Point of Order. I have never known it to be customary to have to file an Order for Return to find out where an expenditure item is included under capital or current spending items. All the Minister has to do is advise the member of the vote number under which it is found and the amount. That doesn't require an Order for Return, unless we are becoming a bureaucratic, centralized, socialist, nonsensical government.

**MR. SPEAKER:** The Honourable Minister of Natural Resources to the same Point of Order.

**MR. MACKLING:** Is it a Point of Order? Mr. Speaker, the suggestion that it is inappropriate to file an Order for Return, I think is itself uncalled for. Certainly, if it is a detailed question as this is, an Order for Return is in order.

I certainly don't like the tone of the Honourable Leader of the Opposition's remarks, considering the kind of neglect that he indicated for this province for four years.

**MR. SPEAKER:** The Honourable Leader of the Opposition to the same point of order.

**MR. LYON:** No, Mr. Speaker.

**MR. SPEAKER:** I believe the information sought by the Honourable Member for Morris has been given by the Honourable Minister.

The Honourable Member for Fort Garry.

**MR. L.R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, my question is to the Honourable Minister of Community Services. I wonder if the Minister can advise the House, Mr. Speaker, of the criteria applied in the decision by his department to order the Children's Aid Society of Winnipeg to release confidential information to a former ward of the Society who had applied for such.

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. LEONARD S. EVANS (Brandon East):** Mr. Speaker, the member asked for the criteria. I think all along one recognizes the very great importance of confidentiality and perhaps this is what the member is alluding to. This particular case is a special case of an adult requesting background on his earlier childhood when he was a ward and there is a feeling by our staff that, providing there are sufficient amendments or deletions rather to names of individuals involved over many years back, that it would not contradict the general approach of confidentiality.

I might add, Mr. Speaker, that the individual involved has been able to look at his file on numerous occasions, I believe. He certainly has had that opportunity and has indeed been given that chance by the Children's Aid Society.

**MR. SHERMAN:** I am aware of the latter, Mr. Speaker. I thank the Minister for that information, but I am aware of the latter, which is really what lies behind my question. That being the case, what criteria has the

Minister applied in issuing this instruction to the Children's Aid Society and is this an isolated case? Does he foresee any widespread ramifications for the whole concept of confidentiality of information in these situations?

**MR. EVANS:** Mr. Speaker, it is a difficult question. As per usual, there is no black and white answer, but after due consideration it was felt that this was a special case and that this was a reasonable approach. There is a great deal of pressure by people who, at one point or other, have been adopted and are now adults and are desirous of having information with regard to relatives, with regard to individuals that may have had something to do with their past and I believe the honourable member is appreciative of that. It's a dilemma to know to what extent you should accommodate the needs of these people who are now adults, as opposed to providing total confidentiality so you do not jeopardize the positions taken by individuals, doctors, social workers and others in years gone by who may have been involved in that particular case.

**MR. SHERMAN:** Mr. Speaker, can I ask the Minister in the circumstances, in the context of what he is doing and what is happening in this particular case, whether he can and will reassert to the House his commitment to the principle of Section 40 of The Child Welfare Act, the principle of respect for confidentiality of this kind of information in order to discourage or head off what could potentially be a fairly substantial range of applications from persons seeking that very kind of information who perhaps interpret the position being taken by the government in this case as a change in policy?

**MR. EVANS:** As I indicated, Mr. Speaker, we deem it to be a very special case or rather an unusual situation, but the whole principle of the degree of confidentiality is something, I think, that is being addressed almost constantly by the Children's Aid Society and by the appropriate people in the department. I think at some some point, it would be a worthwhile exercise to have a policy review of this legislation including that particular section. As the member knows, there is increasing pressure for more information to be made available, freedom of information, and I don't know what implications there are from other legal moves that have been made, what implications there are with the Charter of Rights or the new Constitution.

I would want to assure the member that no decision in this matter has been taken lightly. It has been a matter of many, many weeks of discussion by staff with Children's Aid Society and I can assure the member that the department will continue exercising its responsibility in a very careful manner.

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

**MR. MERCIER:** Mr. Speaker, last Friday I asked the government, and the Minister of Urban Affairs took the question as notice, whether the Highways Department would defer their construction project on the Perimeter Highway between Roblin Boulevard and Portage Avenue, in view of the reduction in traffic

to one lane in each direction and in view of the fact that the city, when they undertook their work on the St. James Bridge and Route 90, advised motorists to use alternative routes such as Maryland or the Perimeter Highway. This project has increased the traffic congestion considerably, I am advised and the City has requested the Highways Department to defer that project, Mr. Speaker. Could the Minister of Highways now confirm that project will be deferred to reduce traffic congestion in that area?

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. SAMUEL USKIW (Lac du Bonnet):** Mr. Speaker, yesterday it was drawn to my attention that there was a problem in this area. Subsequently, I asked the department to provide for me a report and I have not yet received that report, Mr. Speaker.

**MR. MERCIER:** Mr. Speaker, the question was asked one week ago and I hoped the Minister would treat it with some urgency and arrive at an early decision on that matter.

Mr. Speaker, in view of the announcement of the Budget, a supplementary question to the Minister of Highways. In view of his announcement with respect to personalized licence plates, could the Minister advise whether the letters NDPTAX will be available?

**MR. USKIW:** Mr. Speaker, I'm sure the former Attorney-General is aware as to the restrictions that have been indicated as to the lettering that might be acceptable. I believe that the only kind of lettering that is not acceptable is something that might be profane or suggestive.

**MR. MERCIER:** Mr. Speaker, a supplementary question to the Acting Minister responsible for the Workers Compensation Board. On March 25th, the Minister indicated that he would be tabling in this House his his amended version of the report on the inquiry into the Workers Compensation Board. It is now May 7th, Mr. Speaker. I wonder if the Acting Minister can indicate when that abridged report or amended summary will be tabled in the Legislature?

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

**MR. KOSTYRA:** Yes, Mr. Speaker, I will take that question as notice on behalf of the Minister.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. LYON:** Mr. Speaker, a question to the Minister of Mines and Energy. In view of the fact that the new Government of Saskatchewan is going to be sworn into office tomorrow, could the Minister give the House some undertaking as he appeared to do some week or two ago, that he will lose no time in getting in touch with the new Minister who is responsible for the ongoing negotiations with respect to the Western Hydro Power Grid or Inter-Tie in order that very valuable Inter-Tie and very valuable regional project,

which can mean many hundreds if not thousands of jobs for Manitobans, may not be further delayed?

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

**MR. PARASIUK:** Mr. Speaker, I was waiting indeed for the Cabinet to be sworn in so that I would find out who, indeed, was the Minister responsible for this and I certainly intend to get in touch with that Minister as soon as possible because we do have a meeting scheduled for May 12th. I am hoping that we can still proceed with that meeting. I might point out that my Premier has been in touch with the Premier-elect and among other matters discussed, raised this whole point, so I think that we are pursuing an expeditious development of an interim agreement on the Western Inter-Tie.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister responsible for Manitoba Telephone System. In September, 1981, at a Federal-Provincial Communications Ministers' Conference, there was an undertaking given by the Federal Minister to proceed with a meeting on jurisdictional responsibilities between the Federal Government and the Provincial Governments with the clear intention to resolve some of the jurisdictional disputes between the two levels of government. Has that meeting proceeded and is there any resolution of those jurisdictional disputes?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**MR. EVANS:** Mr. Speaker, I thank the honourable member for that question. Much to the frustration of many provinces, a meeting has not yet taken place. There is great demand on the part of most provinces to resolve this matter and I think Manitoba is no different. However, I am pleased to report that a meeting is scheduled later this month, I believe in Calgary, and many of these matters will be discussed. Whether there will be satisfactory resolution, of course, remains to be seen but there will be a Federal-Provincial Conference of Ministers of Communication in Calgary later this month.

**MR. ORCHARD:** Thank you, Mr. Speaker. A supplementary question to the same Minister. Does the Minister now have an understanding with the Federal Government vis-a-vis the interim delivery of United States television signals by satellite to many communities in Manitoba outside of the City of Winnipeg and the continuation of the delivery of those U.S. satellite television signals?

**MR. EVANS:** Mr. Speaker, we have no formal agreement and I suppose we don't even have a formal understanding that anyone will recognize in Ottawa being the fact that this is a national policy that the government feels that it's necessary to uphold. I would trust that people in the Federal Government are

reasonable people and are ready to agree with the Province of Manitoba and I think all parties in this Legislature that the people of Northern Manitoba are deserving of a variety of television service that is available to those of us living in the southern half of Manitoba.

I can also advise the member and other members of the House that it seems that the Cancom, which is the Canadian satellite operation, is seeking a licence sooner rather than later, I gather, from CRTC to be able to broadcast the three American major channels plus PBS over the Canadian satellite. At that time, I would assume that our cable operators in Manitoba would wish to pick up the signal from that particular satellite and therefore the question should be resolved.

Having said that, I would repeat what I indicated before that the matter of jurisdiction in this case is one of dispute. It could be argued that under the terms of The Broadcasting Act in Canada that receipt of a signal from a satellite is not broadcasting.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. ORCHARD:** Thank you, Mr. Speaker, a final supplementary to the same Minister. I am not only concerned about the delivery of U.S. satellite television to northern communities but communities in the western portion of the province, the deliverer of cable television out there has an application which I believe is deferred by the CRTC and his application involved the interim delivery of satellite signals. My question to the Minister is, is the provincial Department of Communications prepared to more solidly support Westman media's application before the CRTC to assure that uninterrupted delivery of television programming to many communities in Western Manitoba continues uninterrupted?

**MR. EVANS:** Thank you, Mr. Speaker. I share the member's concern that service not be interrupted and I think we should do whatever we can, if it comes to that, but I would trust that the CRTC will be reasonable and not cause such service to be terminated. I think that would be totally ridiculous and irresponsible on the part of bureaucrats in the CRTC.

#### INTRODUCTION OF GUESTS (Cont'd)

**MR. SPEAKER:** Before we reach Orders of the Day, may I direct the attention of honourable members to the gallery where we have 80 students of Grades 4 to 6 standing of the F.W. Gilbert Elementary School. These students are under the direction of Mrs. Ida Hancock and the school is in the constituency of the Honourable Minister of Government Services.

There are also 25 students of Grade 5 standing of the Maple Leaf School under the direction of Mrs. Strachan and the school is in the constituency of the Honourable Member for River East.

We have a group of 8 students of Grades 10 to 12 standing from Bismarck High School under the direction of Mrs. Jackman. The school is from Bismarck, North Dakota.

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



## ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. ROLAND PENNER (FortRouge):** Mr. Speaker, would you please call the adjourned debate on second reading on the proposed motion of the Minister of Consumer and Corporate Affairs, No. 19.

### ADJOURNED DEBATES ON SECOND READING — PUBLIC BILLS

#### BILL NO. 2 — THE RESIDENTIAL RENT REGULATION ACT

**MR. SPEAKER:** Bill No. 19, the proposed motion of the Honourable Minister of Consumer and Corporate Affairs.

The Honourable Member for Tuxedo.

**MR. GARY FILMON (Tuxedo):** Thank you, Mr. Speaker. In addressing the bill which is before us, Mr. Speaker, Bill No. 2, The Residential Rent Regulation Act, let me begin by saying that the issue of rent controls has been debated many times in this House and indeed outside the House in the past and, in fact, has been debated in jurisdictions right across this country and throughout North America. I am sure that regardless of the outcome of this particular deliberation and debate, it will continue to be a topic of interest and concern to people in Manitoba and throughout the country in future. In particular, of course, it was aired thoroughly during the election campaign last fall. The positions of members on both sides, I think, are quite well known.

Mr. Speaker, members of the Opposition are not opposed to having a mechanism of control on the residential rental market per se. A legislated authority to guard against the excesses which can occur in the residential rental market in Manitoba is in place, put in place as a result of legislation brought forward by our government in 1980. Indeed, under our administration, we had a very good control mechanism on the potential for excess in the residential rent market in Manitoba. It was effective; it was powerful; it was tested in court and it worked to the benefit of all tenants because it provided a safety net that gave them powers, powers to oppose and have judged the advisability or indeed the fairness of any residential rent increase with which they might be faced now or in future.

It had a very thorough mechanism that involved mediation, arbitration, a minimum of bureaucratic entanglement and a maximum of opportunity to ensure that the interests of the tenants were protected. As well, it had an opportunity for ministerially ordered compulsory arbitration so that if tenants themselves might have been reluctant or not been aware of the market forces at play and the opportunity or the necessity to protest was not taken up, the Minister himself or herself could take the authority to ensure that a fair and thorough review of any increases, either in general, across the board, for particular landlords or in particular for individuals could be ordered and carried out on ministerial authority, an arbitration

process could be triggered and could work effectively on behalf of the tenants.

So, I say, Mr. Speaker, that the legislation in place currently provides general protection for all tenants and has provided, during the past year and-a-half, specific protection for thousands of tenants who have benefitted from individual rollbacks and collective rollbacks during our year and-a-half of experience with it. I say, Mr. Speaker, that the legislation in place has worked well and in a variety of different ways. There is evidence to support that position.

Firstly, more than half of those who were faced with increases during the past or at least during the first year of the Act that exists today, during the first year more than half the tenants in Manitoba, according to the statistics developed and accumulated by the Department of Consumer and Corporate Affairs, experienced increases of under 8 percent. The average throughout the province, Mr. Speaker, in that first year was 9.5 percent.

Mr. Speaker, we are not opposed to this legislation because it represents rent control per se. What we are concerned about is that it is bad legislation that controls the market in inappropriate ways and will be damaging to the interests of tenants and all Manitobans in the long run, at least, but probably in the short term as well.

Now, it would be ludicrous for us to say that we are opposed to rent controls per se, because we had controls on the rental residential market in this province. In fact, I recall last fall, September or August, there was a lengthy review in either the *Globe and Mail* or the *Financial Post* of the experience of rental increases throughout the country. They listed those provinces under controls and those provinces outside of controls, and they indicated what the experience has been vis-a-vis the residential rental market in those provinces. They very significantly listed Manitoba as being one of the provinces under controls, because they perceived, as was absolutely the case, that there was an effective mechanism in place that would, indeed, control the market to prevent excesses.

In fact, members in the House will recall a number of instances of rather large complexes in which, through ministerially authorized arbitration or merely through protest, the rents were rolled back rather substantially in a variety of different complexes. There was a well publicized issue in Brandon; the Courts of St. James, I understand, have been proceeding since the turnover of the government, have been proceeding for the benefit of the tenants to ensure that they are not faced with unreasonable increases.

Mr. Speaker, the Minister has said on a number of occasions, both in the introduction of the bill and in news releases and in news conferences that he's held, that in presenting this legislation his government is fulfilling an election promise. That is, by electing this government the public has demanded rent controls, or stronger rent controls, or different rent controls. I do not believe that the public in the past, either in the election campaign or otherwise, demanded rent controls or different rent controls.

I think rather, what they responded to throughout the course of the various promises and campaigns stimulated initiatives that the New Democratic Gov-

ernment put forward was the implied promise of cheap rent, which is what I believe they thought they would get by electing this government. I don't believe that this government through this legislation or any other legislation can assure tenants in this province of cheap rents. No more so, than our Prime Minister, the Right Honourable Pierre Elliott Trudeau, could assure the people of Canada that he could provide them with cheap gas in the future when he was running on a campaign opposed to an 18 percent a gallon increase in gasoline at that time in 1980.

I believe that most renters want an assurance that their rents will be fair and equitable, their rent increase increases will be fair and equitable, and I believe that the best way to provide this is through a competitive market which provides ample choice for the style, the type and the location of rental accommodation available throughout the province and enough competition to ensure that rents are always kept reasonable.

I believe that many of the aspects of this legislation that's before us will have the opposite effect, Mr. Speaker. I believe that in many ways this legislation will sentence the tenants of this province to a fate which involves no choice, no opportunity to move, frozen in deteriorating premises under a tight-market situation and with a government controlled market system that allows pass through of costs that will probably exceed their expectations in any case.

Mr. Speaker, I believe that this legislation is not good legislation principally because it will not help the people it was intended to. I believe it will harm tenants because some will, as a result of this legislation, experience higher increases than would have been the case under the system that was in place. I believe that the evidence is available and the Minister will certainly be able to review it and see that half of the rental market population in this province who experienced increases of less than 8 percent during the first year of our legislation were primarily in the areas of low income tenants, in the areas of lower priced accommodation and those people benefitted significantly by having some of the market forces at play that allowed a little freedom and adjustment.

I believe that tenants will be harmed as well because of the limited choice that inevitably will occur because of the very strong bureaucratic control and total market deterioration that will occur as a result of this legislation. I believe that tenants will be harmed because they will live in deteriorating circumstances. Their accommodation will not be repaired, maintained and upgraded to the extent that it ought to be in order to give them better opportunities to enjoy the quality of life in Manitoba.

I believe the taxpayers will be harmed in a variety of ways. They will bear the burden of the shifting costs that will occur because the rental market is in some way controlled. In order to staff and maintain this kind of system, costs will be shifted off the rental market and onto the other general taxpayers in the province. As well, there will be the bureaucratic costs of an ever increasing number of people who are going to be required to take care of so many of the aspects of this legislation that I find troublesome. I believe in the long run, Manitoba will be harmed because of the limits to investment that will occur, the limits to construction, trades people are going to lose jobs and opportunities

for employment here, the limited development that will occur because of this legislation. The Minister has used statistics selectively, and I guess we are all guilty of that from time to time in suggesting that the past five-year statistics show that more construction occurred under rent controls in this province than what he says was out of rent controls.

Of course, as I have indicated earlier, Mr. Speaker, I don't believe and the experts in the field don't believe that Manitoba was out of rent controls during the past year-and-a-half. But I believe that in his statement of even comparing the two systems, he is either deliberately or naively ignoring too many factors when he takes the simplistic statistics of how many apartment units were constructed during certain years and how many were not during the last year-and-a-half because under the former New Democratic system of rent controls, we had a variety. The first couple of years, in his discussions with the media and in his news releases, he cited the fact that there were more apartments constructed during, I believe it was '77 and '78, but he has to recognize that in those years, the province also had a rather large vacancy rate. It had a considerable number of federal programs at its disposal which encouraged and initiated significant numbers of the units that were constructed in that period of time.

I am talking about the ARP, the limited dividend GPM and those sorts of things and as well, we had interest rates, Mr. Speaker, in the 10 to 12 percent range. He then compares it to the last year-and-a-half in the area that he calls out of controls or outside of controls where we had 16 to 20 percent interest rates, 5 to 6 percent vacancy rates and we had an absence of federal programs, many of which had been withdrawn by that point, if not all. So there was an entirely different set of circumstances in those two periods and to say merely that those years in which there were the NDP controls, produced more units and those years in which the Conservative Government put in its system of controls, there were fewer units constructed is like saying that if you walked outside on January 16th, 1980 and it was plus 40 degrees Fahrenheit or plus 4 Celsius, that ergo winter in Winnipeg is relatively mild and really it doesn't freeze or any of those things. It is taking something entirely out of context and that is precisely the kind of analysis that I think has led to bad legislation.

I believe, Mr. Speaker, that indeed this is legislation that was put forward in fulfillment of an election promise of a strong campaign that was run by the New Democratic Party last fall that really convinced people through their advertising, through their door-to-door, through their campaigning, that rents were running wild when the evidence didn't support that kind of position. Yes, one could point to exceptions and to unusual circumstances that resulted in larger increases than, on the face of it, might have seemed to be reasonable. But I would suggest to you, Mr. Speaker, that even under this system, if the pass-through as the Minister says will be fair and will take into account all of the things that are happening to the cost in specific units, that those situations are likely to continue to happen and are going to continue to happen with government blessing of this program.

I know that the campaign was run very strongly door-to-door. As the Minister who was responsible

for the administration of the legislation that was in place by our government, I made it my point during the campaign to go into many of the areas in which there were significant numbers of tenants. In the course of the campaigns, I was told by people that the candidates themselves, many of whom are sitting opposite and even on the front bench, were telling tenants — do you realize that as a result of the negligence or the lack of care and concern of the government of the day, that you will be facing 20 and 30 percent increases in your rents in the next while and that you will have no recourse whatsoever to appealing those increases. There was a desperate anxiety on their part to be elected and they were willing to go to any extent to blow the thing out of proportion and very few of them, if any, can deny that they were a party to those kinds of threats and scare tactics.

I suggest, Mr. Speaker, that this bill will not deliver the kind of protection that they say it will and, of course, this is always the question, if it also presumes to be fair to the owners, the investors or the landlords. The Minister has said that but obviously, we have some concerns, because he couldn't have it both ways. I do not believe, Mr. Speaker, that it's going to protect the low income people of Logan and Ellice, that half of the rental universe who already experienced during the first year of our program, less than an 8 percent increase. I don't believe that it will be in their interest because they are going to now get a government authorized 9 percent increase this year and of course, it may be more next year, we don't know.

The members opposite, the Minister will say well, of course, it can be appealed even if it is under 9 percent but then that is what they criticized about our plan. They said, you know, why should people have to appeal it? They said that it ought to be reviewed, but they have set a ceiling which becomes a floor which is going to be not in the interests of many people in the low income and the lower level rental accommodation in this province already, and they are saying, well, they can always appeal it, that's part of the legislation.

Well, again, I think they try and have it both ways. They try to speak out of both sides of their mouth. They oppose the principle that people should have to apply for their rights; in effect, is what they are saying. But at the same time, they have just announced a change to the pensioners' school property tax plan which reduces the level at which the \$175 special grant to seniors for school property tax abeyance triggers in; it is now down to 162.50. I would say that probably something in excess of 95 percent of pensioner homeowners will be paying property tax for school purposes in excess of that level. Therefore, something in excess of 95 percent of them, if not all of them, will qualify for that special \$175, but they have to apply, they have to go and make special application for it; so they haven't changed that aspect of it. They recognize that it's not unreasonable to have some onus on people to go and apply for these kinds of government programs, but here they have said that it was unreasonable for people who were opposed to a prospective increase in their rents to have to appeal it. They are still keeping that aspect in vis-a-vis the people who are in the low income, low level rental accommodation in this province because if it is under

9 percent, they are going to have to appeal and make a case for their appeal.

So it appears to me, Mr. Speaker, that the legislation has as many difficulties as they say ours had and I think it has many more in fact in the long run. Mr. Speaker, there are a number of sections that I think are going to attract a great deal of attention.

The Minister has said that this is the best act in Canada. It's fair to everybody, but I think, Mr. Speaker, it isn't fair to everybody, it can't be fair to everybody. In some way, ultimately, in being unreasonable to everybody's concerns, it is going to be rejected and opposed by everybody on both sides of any issue, whether they be the investors or the owners or the landlords or whether they be the tenants who all of us want to assure have their rights and are protected from the excesses of the marketplace as it exists. It takes away, in fact, virtually the rights of some people and I have concerns about that. As a democratic government, as an open government, as a government interested in civil liberties, I find that there are some aspects of this that are hard to accept because they simply remove people's individual rights and freedoms.

I find that it has a vengeful aspect to it in one way. I have never seen legislation which in effect gives certain people an opportunity to get even with other people. I am speaking in particular about a provision in the Act which allows either the Rent Regulation Review Officer or ultimately the Arbitration Panel or Appeal Panel, tribunal that is appointed if a decision of the officer is appealed by other side, allows them to go back two years to investigate what has happened with respect to that property for two years in order to make their decision on this year's appeal of a rent increase.

I can understand, although I think in general most of us in talking about people's rights and liberties don't like to see retroactive legislation, but I can understand why it can be argued on principle that to have gone back to January 1st of this year is fair. The reason is that the government openly declared prior to January 1st that legislation was coming in place for rent controls in this province. Therefore, you might say that there was a caveat emptor situation placed upon the property managers or the landlords or the owners or so on and I will accept that, but when you say to them that in reviewing this year's appeal for an increase and again, I'll go back to the point that the Minister makes that anything is appealable even a 1 percent increase to take the extreme in this year's rental situation, anything is appealable and either the officer or the tribunal has the right to go back two years to decide whether or not this year's increase is reasonable. I say that you are playing a very dangerous game in dealing with that situation on behalf of an investor.

For instance, if you go back two years to determine whether or not this year's increase is reasonable and based on the review, you determine that the landlord possibly in some way got more than he should have last year or the year before and you use that as the basis upon which to roll him back this year, and you can roll him back below 9 percent to 0 at its most extreme case, then I think that you are dealing with all kinds of rights because that person has paid tax, he

has possibly planned his investments over a period of time so that he has had certain income last year and the year before and paid taxes on it already and now his income is going to be restricted this year and it may totally alter his tax position. It may totally alter his own financial stability as a result of taking two years back review on the situation. That, I don't think, is in any way a reasonable provision.

I think, moreover, in the appointment of arbitrators and I know that the Minister has appointed arbitrators. I am not sure if it is his intent that these same arbitrators will carry on as the people from whom the tribunals will be selected in future, but I know that although the Minister says he wants to be fair, some of the people who were appointed appeared before our Legislative Committee in 1980 when they were opposing the Act which currently exists.

One in particular, who is on the list, made statements to the effect that the tenant should have total control over the landlord, should be able to say through any mechanism that, no, we don't want to have to move out; no, we don't want to have to change; no, we don't want to have any freedom of choice; we want to stick it to the landlord, in effect. I know that the former Member for Inkster argued that point out with that person, could not even accept that anybody could have such an irrational view of fair and decent dealings between any group of people in society and that person has now been appointed to the Arbitration Panel and I presume is going to carry on as part of the tribunal and will be sitting in judgment to decide whether or not any potential applications for increase are reasonable.

I think and I believe that the Minister, as somebody who has been involved in the Labour Movement, thinks as well that the best possible position is when people on both sides have rights, people on both sides are in an equal position to deal with each other and argue their case and be treated in a fair and open and equitable manner. But, if through regulation, if through legislation, all of the power is transferred into the hands of one group, whichever group it is, it is not in the interests of anyone in society, neither our society nor our economy nor anyone else's.

It seems to me that the First Minister argued when there was a position put forward, I believe, either just during the election campaign or shortly after that some of the provinces were considering controls on the increases allowable to public sector employees in their province. The Minister said there is no way that one group should be singled out and have their potential income controlled by legislative authority. Yet, this Act does precisely that. This Act attempts to single out one group of people and say that their rights will be drastically limited in future and that their income, in fact, will be totally controlled and that at the whim and the desires of the government of the day.

Mr. Speaker, I believe that this legislation will prove to be a deterrent to renovation, to upgrading despite the particular provision of the four year exemption which can occur as a result of renovation and improvement to a dwelling unit. I don't believe that that is going to be utilized too often. I don't believe it will be a sufficient encouragement to very many landlords and I know that time will tell. It won't be a suffi-

cient encouragement to too many of them to go forward with renovation in their buildings. I don't believe, Mr. Speaker, that this in any way can encourage new construction in the residential rental market in this province.

Mr. Speaker, I believe that the Minister has not been fair in dealing with all of the people who have a stake in this particular issue. I believe that he has said that he has consulted with all of these different groups, but I also happen to have some of the presentations that were made to him by particular interest groups within the whole sphere of the residential rental accommodation market of this province, and I know that although he's consulted he certainly hasn't listened.

He says, Mr. Speaker, that there is a four year exemption for new construction, but in effect the exemption for that construction that has occurred up until this point only goes back to January 1st, 1979. That's about three years and four months, or five months, not the four years that he said.

I also know and sufficient evidence has been provided by many, many sources that many blocks, many types of accommodation, and in fact Federal programs, that provided incentives for the construction rental accommodation in this province, were perpetrated and were set up on the basis of a five-year rent-up situation, whereby people made the investment and accommodation did not even break even for the first five years; yet he has said only four years, and in fact less than four years for anything that has been constructed up until this point. So I think that's going to be a serious problem, and one that I don't know how he's going to deal with.

Mr. Speaker, I think that the Central Registry component of the Act, the fact that every time somebody moves out and somebody moves in there's going to have to be name, address, phone number, all sorts of details kept in a Central Registry, violates individual tenant rights and freedoms. This gives another dimension and ability for the government to keep track of everybody in the province. Although the Minister will argue that it's in the tenant's interest because they're keeping track of the unit cost of the units, the fact of the matter is that he's infringing upon the individual rights of the tenants as well by doing this kind of thing and it smacks a little bit of a police state. I think if anybody else but the government did this, they'd be in some difficulty.

I think that the aspect of the bill that allows, shall we say, in effect, search and seizure of records and information, is again putting in the government's hands the power virtually to break, enter, and take materials and information which they deem that they need to make their analysis and to make their judgments. I think it goes beyond what most Manitobans would accept as being reasonable under the circumstances.

Mr. Speaker, I don't believe that this bill can in any way improve standard, quality, the availability of the residential rental housing sector in this province. I think that, as such, we have very grave and very serious concerns about the manner in which it's being brought forth, the manner in which it's being put into place, and ultimately the manner in which it's going to be administered in the province. I think as well it treads on areas that will cause other problems for the

government. I think that the fact that it doesn't grant exemption to certain of the projects that were built during the past number of years and whose rental rates are already controlled; I'm talking about limited dividend project; I'm talking about ARP projects; and that there were planned increases in steps that were scheduled as part of the agreement for people to build this accommodation and may be impossible to fulfill. Some of these agreements may be impossible to fulfill because of this legislation, and they're going to run into a jurisdictional problem with the federal agencies who have put forth the money for these projects.

I think that the serious deterioration that will result in the quality of rental accommodation in the province will not be in anybody's interest, as I say. I think that ultimately the fact that people in this province, in order to promote and support this particular program, will see the assessment on rental accommodations go down, which will result in a subtle transfer of the proportion of taxes that are raised on property taxes in this province transferred off of rental accommodation onto the owned accommodation in this province. That transfer will, of course, be a detriment to many taxpayers in this province and to Manitoba in general, because the side effects of it of course will continue to be the reduction in terms of overall assessment, the reduction in terms of construction in Manitoba, and all of the opportunities that we would like to see here.

So, aside from the fact that the damages to the market will include the destruction and freedom of choice, the opportunity to move, the fact that both parties are not going to be on an equal footing, and that a tight market in Manitoba helps no one, I think that there are many aspects of it that are really seriously open to question.

In conclusion, Mr. Speaker, I have to say as I said in the beginning, we're not arguing or I am not arguing against controls in the market. If I were, then obviously there is no way that we would have put forth the kind of control mechanism that we did. We did indeed control the market in the former legislation that we had but this goes a step further. It puts into place a very rigid, massive, bureaucratic structure that is going to harm all of the natural market forces, not enable Manitobans to enjoy the kind of growth and development that ought to occur, and at the same time cost more to the taxpayer.

The Minister has said that there was no incentive for construction of residential rental accommodation because the Federal Government has removed all the incentives. I agree with that, but the problem is, and the point is, if he's bringing in this, which will undoubtedly cause future disincentive, regardless of the fact that all of us hope that interest rates will decrease, that would have ordinarily caused some incentive for construction. This will not, this will work against that, and so I have to say then, what does the Minister intend to do to provide incentive through the provincial vehicle for such accommodation increase, because it will be necessary? Otherwise, it will go down to zero vacancy rate, it will harm the tenants' interest, and therefore it's not going to be in anybody's interest to do so.

So, Mr. Speaker, while I cannot oppose in principle the idea of controlling the market, because as I said we had effective control mechanisms, I believe that

this contains many excessive and unreasonable powers and restrictions which will need to be changed. I hope that the Minister is going to be flexible, and I hope that he's going to be open, and prepared to listen to the many Manitobans, and the many groups that are involved in this whole industry and involved in this whole question to ensure that some of the bureaucratic and administrative excesses, indeed many of them, ought to be changed to make something that's workable, to make something that's reasonable and to make something that would be better for the interests of all Manitobans.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Ellice.

**MR. CORRIN:** Mr. Speaker, I beg to move, seconded by the Member for Flin Flon, that debate be now adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. PENNER:** Mr. Speaker, before I call for third readings, I would like to make a correction on the record. When I asked you to call the debate on the bill, which has just been spoken to by the Honourable Member for Tuxedo, I inadvertently called it as 19. It was clear that it was No. 2, and it was No. 2 that the honourable member was speaking to. We had our signals right but I had the numbers wrong. That's the way they play football in this city, I understand.

**MR. SPEAKER:** The bill was presented to the House as Bill 19. If there was a genuine mistake, perhaps by leave of the House, we could change that to Bill No. 2 and not prevent the honourable member from speaking on 19 in future. Do we have leave — the Honourable Member for Tuxedo.

**MR. FILMON:** Mr. Speaker, I did indeed in my introduction say that I was speaking to Bill No. 2, The Residential Rent Regulation Act, and so there is no question in my mind and I accept the Attorney-General's correction.

**MR. SPEAKER:** Then Bill 2 will stand adjourned in the name of the Honourable Member for Ellice.

The Honourable Government House Leader.

**MR. PENNER:** I always go slightly mad when I enter the forest. Would you please call the third reading on the bills in the order in which they appear in the order paper?

### THIRD READING — AMENDED BILLS

**Bills No. 4, 6 and 16** were each read a third time and passed.

### THIRD READING Bill NO. 9 — AN ACT TO AMEND THE INSURANCE ACT

**MR. PENNER** presented Bill No. 9, an Act to amend

The Insurance Act for third reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for Tuxedo.

**MR. FILMON:** Thank you, Mr. Speaker. During second reading, I raised certain concerns about some of the aspects of Bill No. 9 and, unfortunately, I was not at committee when the bill was considered and at that time, the Minister of Consumer and Corporate Affairs did not have an opportunity to have seen my remarks in Hansard, I gather. So, therefore, the matters that I raised were not even discussed and there was no opportunity to give them an airing at committee stage. The Minister has been kind enough to respond in writing to the concerns that I raised and based on his response, I still have a number of concerns or at least one in particular. He has satisfied me with respect to all of the concerns with one exception.

Mr. Speaker, the exception is that aspect of the bill which changes what had been a positive statement in the existing Section 371(1) of the Act which said that the superintendent shall, if satisfied that an applicant is a suitable person and intends to publicly, and I think that's the operative word, carry on business in good faith as an insurance agent, shall issue the licence to that sort of individual or company.

Now, that has been changed from a positive statement which would have allowed the discretion of the superintendent of insurance to a negative statement in which under the present proposed amendment, the superintendent, rather than merely having the right to refuse a licence to somebody who was not going to be publicly carrying out the business of an insurance agency or brokerage, now the superintendent must refuse the licence. That will result in the fact that somebody who did want to set up a brokerage or an agency solely for the purpose of acting on behalf of an individual, a group, partnership, a corporation, as estate or any entity, who could have been able to do that formerly as long as it was in the public interest and there was a discretion of the superintendent to decide that, now the superintendent cannot do that.

I did point out during second reading debate that there were instances in the past in which that sort of agency or brokerage was set up in Manitoba and did carry on as agent or broker on behalf of one organization and ultimately, what happened with those that did occur in that way was that they ultimately became public and did become an agency or brokerage, as we know it, that trades and deals with the entire public. So I don't see that as having been a problem in the past and I am not sure of the specific public interest that would prevent that from continuing to be the case in the future.

I mentioned to the Minister in second reading that one of the justifications he was giving was that it was in the interests of the industry to ensure that there was some commonality of legislation across the country and he said that many jurisdictions had already adopted certain changes that were proposed in this bill and others were going to. So I made it my business to try and find out what other jurisdictions were doing and there does not appear to be this kind of provision in many provincial acts across the country.

Now, as well, I will in fairness read what the Minister has said to me in response to his justification for having this aspect in the bill. He said, and I'm quoting and he can correct me, I believe he'll have an opportunity should I misquote him, "With the respect to the prohibition of licensing of an insurance agency, which is set up wholly or principally for the purpose of serving the business of one policyholder, it is clear that the commissions paid to the agency for insurance protection sold to the agency's single client would flow back to that client who is the policyholder. This is a form of rebating which is prohibited under the Act. If this rebating were permitted, it would encourage the development of effective price cutting of premiums. The end result may very well be that interagency competition would emphasize primarily price rather than the actual insurance needs of clients. This prohibition also exists under Subsection 353(2) of The Insurance Act of Ontario."

Well, I don't know in whose interest or why it's in the public interest to prevent interagency competition. It seems to me that's in everybody's interest and for the insured, the people who want to be insured out there in this province. I don't see why it's in anybody's concern if somebody's premium goes back to them. It in effect means that they are self-insuring and gives them that option.

It seems to me that in changing it, we're having the effect of limiting competition which I don't believe is in the public interest and, frankly, I think if there was any concern that the government or at least that an agent would not be properly qualified because he was only having a limited practice just carrying insurance on behalf of one particular group or entity, if there was any concern about that, there shouldn't be. Because after all, the government licenses those people, tests those people and ensures that they are up to a certain quality standard of knowledge on the subject for which they are responsible; otherwise, they ought not to be licensed.

If there is any concern that those people might be less qualified because they're only acting for one limited group, then I don't think that's a valid concern and as I say, it could have the effect of limiting competition now and in future. I think it could also have the effect of, if the market became more restricted, if collusive practice could possibly exist, in other words, prices and rates on insurance in a very narrow market, if there were only several large companies ultimately dealing in Manitoba, the only option that people could avoid in dealing with those major companies would be perhaps to in effect become self-insurers. That would be a very valid and a reasonable response to a tight collective collusive market situation would be for them to act as their own brokers or agents and, in effect, self-insurer. I think that option ought to be left open in the interests of the people who utilize insurance and who carry insurance in this province who must be insured.

So, I don't believe that this is a matter of government principle. I don't believe that it's a party principle on either that side or this side. I believe that there may be some administrative convenience to specifying this kind of thing in black and white to avoid a possible court challenge to the Superintendent of Insurance decision on whether or not somebody ought to be

licensed because it makes it more restrictive and therefore it's easier to interpret in the courts, but I don't think that there is any degree of public interest there. Therefore, I don't think that this is something that is necessarily, as I say, a party position or indeed a government position that should have that strong a context placed on it.

Therefore, having said those remarks, Mr. Speaker, I would move, seconded by the Honourable Member for Sturgeon Creek, that the proposed Subsection 371(2.1) of The Insurance Act as set out in Section 10 of Bill 9, an Act to amend The Insurance Act be struck out and the following subsection substituted therefor:-  
Restriction on issue of licences . . .

**MR. DEPUTY SPEAKER, Jerry T. Storie (Flin Flon):** The Honourable Member for Springfield on a point of order.

### POINT OF ORDER

**MR. ANSTETT:** Mr. Speaker, an amendment of the nature being proposed by the Member for Tuxedo at this stage is inappropriate on third reading and I would suggest that such an amendment would have been appropriate under reports as a report stage amendment had it been tabled in the House prior to the calling of third reading, but certainly on third reading it's an inappropriate amendment.

**MR. DEPUTY SPEAKER:** The Honourable Member for St. Norbert on a point of order.

**MR. MERCIER:** Mr. Speaker, on the point of order that's raised, I want to remind the Government House Leader that I think during the past four years we attempted to accommodate members who wished to raise amendments of reports at report stage and if there has been a slight misunderstanding, Mr. Speaker, I would ask the Government House Leader to revert to report stage to allow the member to introduce his amendment and vote on it.

**MR. DEPUTY SPEAKER:** The Member for Tuxedo on a point of order.

**MR. FILMON:** Mr. Speaker, just on that same point of order. My assumption was that this was the report stage and so therefore if it is not then obviously that is why this situation has occurred.

**MR. DEPUTY SPEAKER:** The Honourable House Leader.

**MR. PENNER:** Mr. Speaker, because there has been a misunderstanding and wishing to accommodate the honourable member, I'm satisfied in terms of the convention that has been mentioned that there is such a convention and to agree to allow the amendment to be made.

To clarify that, we revert back to report stage, to be considered as if it were report stage.

**MR. DEPUTY SPEAKER:** With the understanding of the House that we consider this amendment under the report stage, the House will give leave to accept the

motion. (Agreed)

The Honourable Member for Springfield on a point of order.

**MR. ANSTETT:** Mr. Speaker, on a point of order, I would suggest that what we should do is discharge the motion for third reading so that we revert to a bill on the Order Paper for third reading and then circulate the report stage amendment. Because at the present time, if we do not show in our Votes and Proceedings the fact that the motion for third reading has been withdrawn, then we will have a procedural problem and a precedent showing a substantive amendment on third reading and I think we don't want to set that precedent. So, Mr. Speaker, if that's an agreeable procedure, I'll leave it to the House Leader to move that motion. I'm not sure of the proper wording, the Clerk can advise to discharge the motion for third reading and revert to report stage.

**MR. PENNER:** Mr. Speaker, I accept that and I would happily move that with respect to this bill that the motion for third reading be discharged and that we revert to report stage and that motion is seconded by the Honourable Minister of Health.

### MOTION presented and carried.

**MR. SPEAKER, Hon. D. James Walding (St. Vital):** The Honourable Government House Leader.

**MR. PENNER:** Yes, we can call the remaining third readings, please.

**MR. SPEAKER:** Does the Government House Leader intend to move the third readings?

### THIRD READING

**Bills No. 10, 12 and 17** were each read a third time and passed.

**MR. SPEAKER:** The Honourable Government House.

**MR. PENNER:** Mr. Speaker, there is an agreement that there will not be a Private Members' Hour today and by leave I ask that we call it 12:30 and accept a motion for adjournment. In that spirit, I would move, seconded by the Minister of Health, who has always wanted to second such a motion, that this House do now stand adjourned until 2:00 p.m. Monday.

**MOTION presented and carried** and the House accordingly adjourned and stands adjourned until 2:00 p.m. on Monday afternoon