

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, October 20, 1989.

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

BILL NO. 59—THE PUBLIC SCHOOLS AMENDMENT ACT

Hon. Leonard Derkach (Minister of Education and Training) introduced, by leave, Bill No. 59, The Public Schools Amendment Act; Loi modifiant la Loi sur les écoles publiques.

BILL NO. 60—THE EDUCATION ADMINISTRATION AMENDMENT ACT

Hon. Leonard Derkach (Minister of Education and Training) introduced, by leave, Bill No. 60, The Education Administration Amendment Act; Loi modifiant la Loi sur l'administration scolaire.

BILL NO. 70—THE PROVINCIAL COURT AMENDMENT ACT

Hon. James McCrae (Minister of Justice and Attorney General) introduced, by leave, Bill No. 70, The Provincial Court Amendment Act; Loi modifiant la Loi sur la Cour provinciale. (Recommended by His Honour the Lieutenant-Governor)

* (1005)

BILL NO. 71—THE LAW SOCIETY AMENDMENT ACT (2)

Hon. James McCrae (Minister of Justice and Attorney General) introduced, by leave, Bill No. 71, The Law Society Amendment Act (2); Loi no 2 modifiant la Loi sur la Société du barreau.

BILL NO. 73—THE HIGHWAY TRAFFIC AMENDMENT ACT (6)

Hon. Albert Driedger (Minister of Highways and Transportation) introduced, by leave, Bill No. 73, The Highway Traffic Amendment Act (6); Loi no 6 modifiant le Code de la route.

BILL NO. 74—THE HIGHWAY TRAFFIC AMENDMENT ACT (7)

Hon. Albert Driedger (Minister of Highways and Transportation) introduced, by leave, Bill No. 74, The Highway Traffic Amendment Act (7); Loi no 7 modifiant le Code de la route.

BILL NO. 75—THE INSURANCE AMENDMENT ACT

Hon. James McCrae (Minister of Justice and Attorney General) introduced, by leave, on behalf of the Honourable Minister of Co-operative, Consumer and Corporate Affairs (Mr. Connery), Bill No. 75, The Insurance Amendment Act; Loi modifiant la Loi sur les assurances.

BILL NO. 76—THE REAL ESTATE BROKERS AMENDMENT ACT (2)

Hon. James McCrae (Minister of Justice and Attorney General) introduced, by leave, on behalf of the Honourable Minister of Co-operative, Consumer and Corporate Affairs (Mr. Connery), Bill No. 76, The Real Estate Brokers Amendment Act (2); Loi modifiant la Loi sur les courtiers en immeubles.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct Honourable Members' attention to the loge to my right where we have with us this morning, visiting from the Saskatchewan Legislative Assembly, the Honourable Ray Meiklejohn, who is the Minister of Education, Science and Technology.

On behalf of all Honourable Members, I welcome you here this morning.

* (1010)

ORAL QUESTION PERIOD

Provincial/Municipal Projects Cost-Sharing

Mr. James Carr (Fort Rouge): Mr. Speaker, this has been a very encouraging week for the many thousands of Manitobans who want the downtown lab site to be chosen. Jake Epp has left the door open for City Council to re-examine its decision and the mayor has said, if elected, he will reintroduce the issue at the earliest moment and, alas, the Premier (Mr. Filmon) himself has launched a lobby, however tenuous, and it is off to a shaky start, to persuade his friends on council. My question is to the Minister of Urban Affairs. Can the Minister tell Manitobans what programs and projects have been cost-shared between the province and the city?

Hon. Gerald Ducharme (Minister of Urban Affairs): First of all, let us get to the lab site which he is referring to. We have gone on record right through this. The Minister of Health (Mr. Orchard) and myself and the Premier (Mr. Filmon) have always said that particular site was the best site.

In reference to the many lists of where we have participated, we will be into the Estimates of Urban

Affairs, and I will be only too glad to provide the Member across the way with that list when we get to Estimates.

Criteria

Mr. James Carr (Fort Rouge): Mr. Speaker, I have a supplementary question to the Minister of Urban Affairs. I realize that the list is long. Could the Minister tell the House what criteria are used by the Government to determine when financial support from the province is warranted and when it is not warranted?

Hon. Gerald Ducharme (Minister of Urban Affairs): When we sit down to do this, we consult with all levels of Government to decide on a partnership when we do enter into these negotiations. As I say, this Government has been very successful in the Shoal Lake and very successful in the Core area, they have been very successful north of Portage. I will provide him with hundreds and hundreds of lists at Estimates when we get to them.

Mr. Carr: Mr. Speaker, I realize the list of projects cost-shared between the province and city is a very long one. I am glad the Minister confirmed that for us today.

Centre for Disease Control Site Reselection

Mr. James Carr (Fort Rouge): What plans does the Minister of Urban Affairs have to join the lobby launched this week by the Premier (Mr. Filmon) to persuade his friends on City Council that the decision should be revisited?

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, we have never stopped consulting with the City of Winnipeg on the lab site or any of our particular sharing that we would like to enter into on information along the way. As he appreciates, on Wednesday there will be some new faces at City Hall because automatically there is about eight or nine that are not seeking election, with the ward combinations. At that time we will continue with our consultation with the Mayor, and we will again express our opinion, along with the Minister of Health (Mr. Orchard), that the lab site is the one that we reconfirm was the one that we selected.

Centre for Disease Control Site Selection Agreement

Mr. Speaker: The Honourable Member for Fort Rouge, with a new question.

Mr. James Carr (Fort Rouge): Mr. Speaker, I have a new question to the Premier (Mr. Filmon). We were all very pleased with the Premier's announcement this week that not only does he support the downtown site which his Government has supported for quite some time now in letters written by the Minister of Health (Mr. Orchard), statements by the Minister of Urban Affairs (Mr. Ducharme), and now the Premier himself. I wonder if the Premier could report to the House how

well the lobby is going that he launched sometime in the middle of this week.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. The Honourable First Minister.

* (1015)

Hon. Gary Filmon (Premier): Mr. Speaker, I did indicate to the Member for Fort Rouge (Mr. Carr) that I would wait until after the election to begin the lobbying because there is no sense lobbying people who will not be there after the election.

I sense that there is some hidden meaning behind this question and perhaps in particular he is concerned about the responsiveness of the deputy mayor to my entreaties. I want to first let him know that he should hear what the deputy mayor says about him and his Leader. I might tell him that after hearing the comments of the deputy mayor I did wonder, and in fact had a short discussion with the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson). She tells me she has as much difficulty reasoning with him as I am likely to have.

Provincial Involvement

Mr. James Carr (Fort Rouge): Mr. Speaker, I think that we should put it on the record right now that there is no Liberal ploy seeking to trap the unwitting and weak-kneed Premier of Manitoba. I want that to be on the record.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. The Honourable Member for Fort Rouge.

Mr. Carr: This is a very serious issue and we on this side of the House take some pride in trying to move this issue along, and we welcome the movement on the side of Members opposite.

Mr. Speaker, the Government's lobby, and we do wish the Premier (Mr. Filmon)—well, would have much more meaning if the Premier would put his money where his mouth is. Is the Premier ruling out—it is a very simple question, and we know about the very long list of cost-shared projects. Is the -(interjection)- we are hearing jibes from the Leader of the New Democratic Party (Mr. Doer) who has been conspicuously silent on this issue.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Question. Order, please. The Honourable Member for Fort Rouge, kindly put his question now, please.

Mr. Carr: My question to the Premier is a simple one. Is he ruling out provincial involvement in making possible the movement or the construction of the federal lab at the downtown site?

Hon. Gary Filmon (Premier): I might firstly put on the record that the Member for Fort Rouge comes to this House day after day after day with one simple premise, and that is that the provincial Government ought to put any amount of money on any project at any time that he and the Liberal Party raise. In fact, when the question was asked across the House to him as to how much money would you put in, he said whatever it takes. That is the kind of irresponsible attitude of the Liberal Party under that Member for Fort Rouge as Deputy Leader, Mr. Speaker. Whatever it takes, back up the Brink's truck and dump anything you want on any issue.

I repeat, \$700 million last year is what they advocated adding to the deficit or to the tax burden of the people of Manitoba, anything it takes on any issue. I repeat, I do not believe that we have to bribe City Council to make the right decision for the right reasons, Mr. Speaker.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. I have not even recognized the Honourable Member for Fort Rouge yet. I am debating whether or not I should recognize some of the Honourable Members in the back benches who are attempting to get their remarks on the record. Order. The Honourable Member for Fort Rouge.

Mr. Carr: Thank you very much, Mr. Speaker. The original price tag that was placed on the movement of the works yards is now being placed back in the hands of the board of commissioners, and there is every indication it will not be nearly so costly as first thought.

My question to the Premier is simple. Has he ruled out provincial involvement to make it possible for the federal lab to be placed downtown? Has he ruled it out or has he not? -(interjection)- We did not get an answer.

* (1020)

Mr. Filmon: The fact of the matter is we are indicating what we believe is the best policy decision that ought to be made by City Council. It is totally within the jurisdiction and responsibility of City Council to make that determination, Mr. Speaker.

That is the way Government works. There are areas of responsibility, and I know the Liberals do not understand that because 90 percent of their time in this Legislature they ask questions about federal areas of responsibility. The other 10 percent is about city areas of responsibility, and they totally ignore any responsibility to the provincial areas that we have to deal with in this Legislature. They have no background or knowledge in that, and so I forgive them, but I say to him there will be a time when decisions will have to be made. We know what the right decision is, and City Council ought to make the right decision for the right reasons.

Federal Communications Minister Resignation Request

Mr. Gary Doer (Leader of the Second Opposition): The Member for Fort Rouge (Mr. Carr) made some comments, and I think it is important to realize that we need no lecture from the Waterford crystal Liberals on this subject. We negotiated the first Memorandum of Agreement—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Member for Concordia.

Mr. Doer: Mr. Speaker, anybody who wants to use provincial taxpayers' money to top up \$30 million is a fool, an absolute fool. My question is to the Premier.-(interjection)-

Mr. Speaker: Order. The Honourable Opposition House Leader, on a point of order.

Mr. Reg Alcock (Opposition House Leader): On a point of order, I realize the Leader of the NDP, in his haste to defend the Government, has gone a little far. I would like him to withdraw that unparliamentary remark he put on the record.

Mr. Speaker: The Honourable Member for Concordia, on the same point of order.

Mr. Gary Doer (Leader of the Second Opposition): Yes, on the same point of order, the Member for Osborne does not realize that I was not defending the Government, I was merely pointing out the—I was defending the taxpayers of Winnipeg and Manitoba to spend \$30 million to move a lab.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. Are we going to get through this or not? I think we will.

The Honourable Member for Concordia (Mr. Doer) and the Honourable Opposition House Leader (Mr. Alcock) do not have a point of order. What I would like to remind the Honourable Member for Concordia is that it appears you are debating with the Honourable Member for Fort Rouge (Mr. Carr). This is not a time for debate, this is Question Period.

Mr. Speaker: The Honourable Member for Concordia, kindly put his question.

Mr. Doer: Mr. Speaker, I was rebutting but I appreciate your comments. If the word "fool" offended the Honourable Member for Fort Rouge (Mr. Carr), I would withdraw it and use the word "ill-advised."

* (1025)

Today, we learned again that big business speaks very loudly with this federal Government. It is reported today that the Minister of Telecommunications, responsible for communications in this country, met with five large business lobby organizations, very, very appropriate businesses in Manitoba, but they have a very big vested interest in lowering the rates in terms of increasing their profit.

On Wednesday I asked the Premier to call upon the resignation of the one Marcel Masse with the Prime Minister for his unilateral treatment of western Canada. Today, in light of the fact that this same Minister did not meet with the seniors organizations, the consumer organizations, the anti-poverty organizations, the poverty housing organizations, the rural telephone users and the Northerners, will the Premier now call upon the Prime Minister to remove this Minister and his unilateral and capricious action against western Canada and consumers?

Hon. Gary Filmon (Premier): Mr. Speaker, I just want to say that I find it somewhat ironic that the Leader of the NDP is now standing up defending the taxpayers of Winnipeg and Manitoba. You might call that an immaculate conversion or something of that nature.

Mr. Speaker, with respect to the reports about the so-called consultations of the federal Minister of Communications, Mr. Masse, we are offended that he is proceeding in this fashion unilaterally without any attempt to co-operate or find common ground, to protect the interests of the Governments of the prairie provinces, Manitoba, Saskatchewan and Alberta, and rather is out doing consultations with other individuals in our economy and in our society selectively to attempt to formulate his policy.

I find it equally offensive that the federal Liberal Member of Parliament, David Walker, is completely on side with this process and John Harvard, the federal Member of Parliament for Winnipeg-St. James is equally on side with this process and believes that this is the way to go and that these are the people in our society who need protection. Clearly, when people get to Ottawa and people make decisions out of Ottawa-Hull they have absolutely no concept of what goes on in western Canada, how our telephone systems evolved and how they are providing much needed service at a very, very reasonable, in fact the lowest rate in the country to the consumers of this province.

Mr. Doer: Mr. Speaker, I noted and I appreciate the answer of the Premier because I think we are all in this together, all western provinces, but he did not go further than being offended by the Minister of Telecommunications. He did not want to call upon the Prime Minister to call on the Minister's resignation.

Given the unilateral action of this federal Minister, given his high-handed approach to western Canadian consumers, why would the Premier not call upon the Prime Minister to ask for this Minister's resignation, and appoint a person more sensitive, I would think, to rural consumers, northern consumers, poorer people who are going to be most directly affected by the federal Government's action?

Mr. Filmon: Very clearly, this is not a decision of one individual. This individual had to get the support of the entire federal Conservative Caucus and the Liberal federal Caucus in Ottawa. So when you are looking at people responsible you have to take a look at the entire range of people who support this decision and clearly it is not just Minister Masse, but he has the support of the entire Government and the Liberal Opposition in Ottawa. We have to get to the point of fighting them with every means at our disposal and that is what we are doing.

Mr. Doer: -(interjection)- The Member for St. Vital (Mr. Rose) asked what the New Democrats said in Parliament. Every NDP was up on their feet yesterday raising this issue. New Democrats are prepared to stop as long as possible in the House of Commons this legislation against the steamroller for the Liberals and the federal Conservatives, I can assure you, Mr. Speaker.

Manitoba Telephone System Legal Opinion

Mr. Gary Doer (Leader of the Second Opposition): My question to the Premier is this. I have discussed this legal issue with a number of lawyers over the last two days and they say that there is very little opportunity for us to win in court. Does he have the legal opinion to support a strong legal action from western Canada in this decision which he can table in this House today, and if not, can we please mount a grass-roots campaign of seniors, consumers, and Westerners to reverse the position of the federal Government and not rely on a court decision that has very limited chance of success if any and will take long periods of time, probably longer than when the legislation may be passed in the House of Commons?

* (1030)

Hon. Gary Filmon (Premier): Mr. Speaker, I have indicated before that there have been those grass-roots types of campaigns, Bill C-22 on the federal Drug Patent legislation, many others that have not succeeded. We believe first we ought to find any legal means at our disposal—constitutional, jurisdictional, whatever to attempt to fight this—and that we would be doing the best service to the people of Manitoba if we could stop it in its tracks rather than the long-term process of attempting to get people to sign petitions.

Mr. Speaker, clearly there is no disagreement in this province or right across the prairie provinces that this a bad move and that all of us oppose it as Governments and as political Parties representing the interests of the people of our province.

Mr. Doer: Mr. Speaker, we are dealing with very powerful lobby organizations. Great-West Life, for example, gave the federal Conservative Party \$20,000.00. They gave the federal Liberal Party \$10,000.00. We are dealing with very powerful organizations with the two federal Parties that are supporting this legislation.

Grass-roots Lobby Group

Mr. Gary Doer (Leader of the Second Opposition): My question to the Premier is: why would he not use the kind of method that we used to get ships to Churchill where we took grass-roots municipalities, mayors of all political stripes, Reeves from all political stripes, Northerners from all political stripes and went to Ottawa collectively to fight? We went from zero to nine ships in the Port of Churchill. Why would we not mount that kind of campaign and mount it immediately in this province to reverse this decision?

Hon. Gary Filmon (Premier): We got results because our Minister of Transportation (Mr. Albert Driedger), working with his federal counterpart and with the various people, got the results, Mr. Speaker.

CSIS Agreement Confidentiality Information

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Minister of Justice (Mr. McCrae). It revisits again an issue which I have raised many times with this Minister.

Yet again the Security Intelligence Review Committee has criticized CSIS, "the service does not distinguish between personal information and other information. The service does not tag the release or receipt of particularly sensitive personal information," and finally, "CSIS could not tell the review committee in all instances what departments or agencies were being accessed for information under the provincial agreements."

Mr. Speaker, clearly CSIS, after repeatedly being criticized for being found wanting in the control of sensitive information has yet to correct the problem. Why does this Government continue to hold to an open-door policy with CSIS and a very, very poor agreement indeed with respect to sensitive information-gathering in this province?

Hon. James McCrae (Minister of Justice and Attorney General): I did not notice anything in the paper today about CSIS. So I am therefore a little surprised. Maybe this is the tactic that we were talking about a little while ago that the Liberals were now—a new ploy, Mr. Speaker, to use something that is not in the newspapers.

Mr. Speaker, the Honourable Member raises the question about the watchdog committee of CSIS and the concerns that committee has. Those concerns have been put to the House of Commons and the Commons committee is reviewing that. In the meantime, for our part, we are continuing to monitor very carefully the agreement that we have with CSIS with regard to their activities in Manitoba.

Suspension

Mr. Paul Edwards (St. James): Mr. Speaker, I have a question for the same Minister. In fact our agreement with CSIS gives no guarantee that information given to CSIS will even go through this Minister. The Minister

and this Government have abdicated their responsibility as protectors of privacy in this province to the review committee which has found CSIS wanting again and again and again. This is not the first time.

Mr. Speaker, will the Minister now, in light of this repeated failure by CSIS—and I emphasize repeated—the committee has found CSIS wanting repeatedly in its very, very short life. Will the Minister in light of this repeated failure by CSIS to provide accountability, at least suspend our open-door agreement until such time as the problem is rectified and as an incentive for the rectification of that problem?

Hon. James McCrae (Minister of Justice and Attorney General): I think I feel a sense of déjà vu here every little while the Honourable Member and his Leader feel it necessary to bring up the matter of the CSIS agreement, and I say today as I have said in the past that someone in this country or in this province has to be prepared to take responsibility.

The Liberals in this House are not prepared to do that. Mr. Speaker, I am, and I take that responsibility seriously. The agreement that we have with CSIS continues to be monitored carefully to protect the rights and the privacy of Manitobans. The Honourable Member knows that, but he seems to think that flogging a dead horse is a good idea. Let him go ahead.

Mr. Edwards: On the contrary, this Minister has not taken his responsibility as the protector of privacy rights in this province seriously. Ontario and Quebec have yet to start an agreement. Ask yourself why.

Mr. Speaker: Order. Question.

Mr. Edwards: Mr. Speaker, there is no shame in admitting that he made a hasty ill-advised deal.

Mr. Speaker: Order, kindly put your question.

Mr. Edwards: My question is: will he now recognize that agreement, signed very early in his tenure as the Attorney General, was a bad deal? Other provinces got better deals, some provinces have not signed any deal. Will he recognize that, recognize the concerns of all Manitobans in this area and rescind this deal?

Mr. McCrae: I recognize the concerns and the needs of all Manitobans and the answer to the Honourable Member is no.

Manitoba Liquor Control Commission PAL Promotional Material

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, while I am on my feet, yesterday the Honourable Member for Logan (Ms. Hemphill) raised three questions, actually four, one of them was ruled out of order, dealing with—

Some Honourable Members: Oh, oh!

Mr. Speaker: The Honourable Minister.

Mr. McCrae: Mr. Speaker, am I recognized to respond to the four questions put yesterday by the Honourable Member for Logan (Ms. Hemphill)?

Mr. Reg Alcock (Opposition House Leader): Mr. Speaker, on a point of order, the Minister has not been recognized to answer that question.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order. I have recognized the Honourable Minister of Justice. His answer to his question was very brief and the Honourable Minister still has the floor.

Mr. McCrae: As I said, the Honourable Member for Logan (Ms. Hemphill) raised questions which in her mind were important and deserve to be responded to. I was careful with my answers yesterday because something in the questions did not sound just right, and I thought, well, normally with the Liberal Party this is a genuine concern, but with experiences of Members of the New Democratic Party, we do not expect to see incorrect information being brought forward—

Mr. Speaker: Is there an answer here?

Mr. McCrae: Yes, there is an answer. I am sure it was inadvertent, but the Honourable Member for Logan (Ms. Hemphill) asked me whether what we are doing is promoting a private company, the Pafco Insurance Company, and offering a service that is actually more expensive than that offered by MPIC.

Mr. Speaker, I have a letter here dated July 19 from MPIC saying that they are not able to provide that kind of insurance, and I will make that available for the Honourable Member.

The Honourable Member also asked about opportunities for other insurers. We are presently checking with the insurance industry to see if there are any other insurers beside Pafco who provide this kind of service, and if there are they would be quite welcome to have their brochures in our liquor stores as well.

Psychogeriatric Planning Committee Report Recommendations

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, my question is for the acting Minister of Health.

Mr. Speaker, the Manitoba population is aging and as the population ages the number of mental health problems affecting seniors is also increasing. Last year the Psychogeriatric Planning Committee prepared a report dated March 1988, and this report contained a number of recommendations. Can the Acting Minister of Health tell this House which recommendations have been followed so far?

Hon. Leonard Derkach (Minister of Education and Training): I am sure that the Member for Kildonan would like a complete answer to that question. I will wait with that until the Member returns, and I will take that question as notice for him.

Psychogeriatric Care Training Programs

Mr. Gulzar Cheema (Kildonan): One of the recommendations was that there is no formal training program for the professionals to prepare them for the psychogeriatric programs. Can the Minister of Education tell us if he has made any progress to have programs which will train professionals to deal with the seniors on a daily basis?

* (1040)

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, we are continually working with seniors groups and with the ministry responsible for Seniors to ensure that in fact we do have programs available for seniors. With regard to the specific details of that question, I will take that as notice and get back to him immediately.

Psychogeriatric Planning Committee Report Recommendations

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, my final supplementary is to the Minister of Seniors.

Can the Minister of Seniors (Mr. Downey) tell us whether he has read the report or not, because the last Minister of Seniors did not even read the report? Can he tell us what he has done to ensure that all the recommendations are met with?

Hon. James Downey (Minister responsible for Seniors): Mr. Speaker, I am somewhat surprised at the Liberal Party, having shown such little interest in the seniors, this being the first question that they have posed on behalf of seniors this Session. I can assure him that the Government of the Day has done a lot and will continue to do what they can to enhance the livelihood and the quality of life which the seniors live in Manitoba.

Raggedy-Ann Day Care Centres Investigation

Ms. Judy Wasylycia-Leis (St. Johns): I have another day care question. Last month when revoking the licence for the Raggedy-Ann day care on Ness Avenue, the Minister attributed the problems of improper staff to child ratios, food rationing and staff qualifications to the owner's financial difficulties, a situation which we in the New Democratic Party felt would have repercussions on other centres owned and operated by the same individual.

Can the Minister of Family Services tell the House whether her department, in the last few days, has been forced to take action against another centre owned and operated by the same individual?

Hon. Charlotte Oleson (Minister of Family Services): Yes, the centre on McPhillips has had a licensing order placed with it yesterday, because when the staff went to do a regular checkup on that particular centre they

found that the staffing ratios were not appropriate as to the regulations that we have.

Ms. Wasylycia-Leis: I thank the Minister for being forthcoming with that information. I think it is important that the public be aware of that situation given that the serious situation at McPhillips Street day care must have been identified in her investigation of all Raggedy-Ann centres.

Would this Minister inform the public and all families using Raggedy-Ann day cares of the serious situation? Would she make public the full report of her investigation of all Raggedy-Ann day nurseries today, so that parents will know the kind of serious problems they are facing and be able to make alternative arrangements if they so wish, given the fact that this is another centre that—

Mr. Speaker: Order. Order. The Honourable Minister of Family Services.

Mrs. Oleson: Yes, when a licensing order is placed the Member may not be aware that it is posted in a visible place at the centres to make the parents aware that there is a licensing order in place and that there has been non-compliance with a particular regulation or regulations. So in that way the parents will be aware of that situation.

I asked the Minister if she would be prepared to go further than simply posting the licensing order in this one particular day care given that this is indicative of a more serious problem facing all of the centres under the Raggedy-Ann day nursery name. Would the Minister make public—would she stop covering up for Vicki Shane and Raggedy-Ann Day nurseries? Would she come forward with her full report of her investigation which she undertook this summer of all Raggedy-Ann day nurseries and all of the problems identified facing those centres?

Mr. Speaker: Order, please. The Honourable Minister of Family Services.

Mrs. Oleson: Mr. Speaker, there is no cover-up in this situation. The licensing order has been placed. There are regulations that have been violated in that particular centre. That does not imply that every other centre owned by this person has definitely got problems. We do not close a centre before we ask for compliance and give a chance for compliance to take place.

Affirmative Action Implementation Plan

Ms. Avis Gray (Ellice): This Government has been in power for over 18 months and the people of Manitoba were promised over one year ago that an affirmative action implementation plan, which is better referred to as equal opportunity plans, would be established. Government departments and Crown corporations, if they are to effectively provide better employment opportunities to our women, our visible minorities, Natives and the disabled, it is imperative that a comprehensive implementation policy be available.

My question to the Minister responsible for the Civil Service Commission is: will this Minister show Manitobans that her Government manages effectively and is she prepared to table the Government's equal opportunity plan as promised over one year ago?

Hon. Gerrie Hammond (Minister of Labour): That program, the affirmative action program, will be tabled during Estimates, and I look forward to sharing the information with the Member.

Ms. Gray: I have a supplementary question to the same Minister. Since we will not see this plan tabled today, my supplementary question to the Minister is: does such a plan exist?

Mrs. Hammond Yes, Mr. Speaker.

Ms. Gray: I have a final supplementary question to the same Minister. If such a plan exists, could the Minister indicate to us today why, in the letter dated in September, the Manitoba Public Insurance Corporation clearly indicated to an individual that the affirmative action plan does not exist and in fact it does not appear to ever have been created? Can the Minister tell this House why the Manitoba Public Insurance Corporation does not have—under The Freedom of Information Act it was indicated there was no such plan?

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, it is clearly up to the Honourable Member to ascertain the veracity of the information she brings to the House.

Mr. Speaker: The Honourable Opposition House Leader, on the same point of order.

Mr. Reg Alcock (Opposition House Leader): Mr. Speaker, the Member is prepared to table the letter.

Mrs. Hammond: I am certainly prepared to look into the issue that she has brought up today and just find out exactly what has happened in that case.

Northern Telecom Contract Job Security

Hon. Glen Findlay (Minister responsible for Manitoba Telephone System): I want to rise today to respond to what I said yesterday, in terms of I said I would report to the House with regard to the Leader of the Opposition's (Mrs. Carstairs) question about jobs at Northern Telecom. Unfortunately, she did not have her facts right and she created an element of fearmongering for employees at Northern Telecom.

Mr. Jerry Storie (Flin Flon): He said he is not responding to a question that he took as notice. He said he was responding to comments made by the Opposition critic. Mr. Speaker, we have questions we would like to get on the record.

Mr. Speaker: Is the Honourable Minister of Agriculture responding to a question taken as notice?

Mr. Findlay: Yes, I said yesterday I would report back to the House today.

At Northern Telecom they took on some 65 term employees this spring. It is a seasonal job that is done every year and they did that. They knew their term was up at the end of September. Their term was extended to the 1st of November, and it created -(interjection)- Mr. Speaker, they asked the question, they do not want the answer.

They created panic in Northern Telecom employees yesterday because reporters were running out there saying, who is being laid off, and no permanent employees are being laid off. In fact, the employment has gone from 300 employees in '83 up to 524 this year and some 24 temporary employees were converted to permanent employees this year. It is an excellent job, an excellent record. I would ask that fearmongering of employees' jobs not be the basis of questions in the future.

Some Honourable Members: Oh, oh!

* (1050)

National Energy Board Export License Disallowment

Mr. Speaker: Order, please. Order. The Honourable Member for Flin Flon. Order.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, order. Is there a chance that you could restrain yourself? The Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Thank God it is Friday. Mr. Speaker, yesterday I think all Manitobans were pleased to see that there may be in fact a stiffening of the spine on behalf of this First Minister (Mr. Filmon) with respect to the actions of the federal Government. So today we were treated to the usual retreat where it is going to be a war of words, not a war of action.

My question is to the First Minister. Mr. Speaker, we learned today that the National Energy Board, which has been acting more and more as a broker for our natural resources since the Tories took office, has approved the licensing of the export of 90 percent of the reserves of natural gas in the MacKenzie Delta. Mr. Speaker, given that this is going to cost Manitobans hundreds of millions of dollars over the life of this licence, will this Minister call on the federal Government, the federal Cabinet, which has to approve these licences, to disallow these licences, to overturn the approval of the National Energy Board to protect Manitoba gas consumers?

Hon. Gary Filmon (Premier): Mr. Speaker, natural gas consumers in Manitoba are protected by the Public Utilities Board. The Public Utilities Board sets rates

based on the best available price. As a result of the entreaties of this Government, as a result of the fact that the PUB has come out very strongly on behalf of Manitoba consumers, we now enjoy domestic rates that are equivalent to those in Ontario, which has a market that is substantially larger than ours, that has a load factor that is substantially greater than ours, all of which should dictate that they get preferential rates, and yet we enjoy the same pricing structure or the same rates for our consumers because of the Public Utilities Board and the excellent negotiations that have been done on behalf of Manitoba consumers.

Mr. Speaker: The time for Oral Questions has expired.

ORDERS OF THE DAY

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, would you be so kind as to call the Bills in the following order: Nos. 31, 27, 42, 34, and the remaining Bills in the order they appear on the Order Paper.

Mr. Speaker, I apologize. Under Address for Papers, would you like to call that one and the Order for Return, too?

ADDRESS FOR PAPERS NO. 8

Mr. Gulzar Cheema (Kildonan): I move, seconded by the Member for Selkirk (Mrs. Charles),

THAT the Address for Papers do issue praying:

- (a) documentation received from the other provinces as to the cost of their Pharmacare Program and Pharmacare Card Programs; and
- (b) all documents detailing Pharmacare Programs; and
- (c) documentation prepared for the Department of Health on costs and implications of changes to Pharmacare, including a Pharmacare card program.

MOTION presented.

Mr. Jerrie Storie (Flin Flon): Mr. Speaker, on a point of order. My earphones are not working. I could not hear the Member for Kildonan, and I cannot hear you. Could I ask you to perhaps speak a little louder, Sir?

Mr. Speaker: It has been moved—is it working now? Can the Honourable Member for Flin Flon (Mr. Storie) hear now?

Hon. James McCrae (Government House Leader): Mr. Speaker, this Address is acceptable to the Government.

ORDER FOR RETURN NO. 10

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, I move, seconded by the Member for Selkirk (Mrs. Charles),

THAT an Order of the House do issue for the return of the following information:

- (a) any proposals and ramifications of changes in the current Pharmacare program; and
- (b) the costs of a Pharmacare card program or an extension of the current Pharmacare program; and
- (c) the cost prohibitive effects of the Pharmacare program; and
- (d) a list of the problems involved with the implementation of the Pharmacare card program.

MOTION presented.

ADDRESS FOR PAPERS (Cont'd)

Hon. James McCrae (Government House Leader): Mr. Speaker, just on a point of procedure, was there a question needed to be put with respect to the first Address for Papers, in accordance with the motion and the Government's acceptance thereof?

Mr. Speaker: I would like to thank the Honourable Government House Leader for that. He is quite correct.

QUESTION put, MOTION carried.

Mr. Speaker: I would like to thank the Honourable Government House Leader.

ORDER FOR RETURN NO. 10 (Cont'd)

Mr. Speaker: On the Order for Return, moved by the Honourable Member for Kildonan (Mr. Cheema), seconded by the Honourable Member for Selkirk (Mrs. Charles), the Honourable Government House Leader.

Hon. James McCrae (Government House Leader): Mr. Speaker, this order is acceptable to the Government.

QUESTION put, MOTION carried.

DEBATE ON SECOND READINGS

BILL NO. 31—THE LABOUR RELATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Labour (Mrs. Hammond), Bill No. 31, The Labour Relations Amendment Act; Loi modifiant la Loi sur les relations du travail, standing in the name of the Honourable Member for St. Johns (Ms. Wasylycia-Leis). Stand? Is there leave that this matter remain standing? (Agreed)

BILL NO. 27—THE FISCAL STABILIZATION FUND ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 27, The Fiscal Stabilization Fund Act; Loi sur le Fonds

de stabilisation des recettes, standing in the name of the Honourable Member for Osborne (Mr. Alcock).

Mr. Laurie Evans (Fort Garry): Mr. Speaker, I would request leave to speak on this Bill while leaving it in the name of the Member for Osborne.

Mr. Speaker: There is not leave required by the Honourable Member.

Is there leave to have this matter remain standing in the name of the Honourable Member for Osborne (Mr. Alcock)? (Agreed)

The Honourable Member for Fort Garry.

Mr. Laurie Evans: Mr. Speaker, I welcome this opportunity to speak on Bill 27, the Bill that, in essence, establishes the Fiscal Stabilization Fund.

When the Minister of Finance (Mr. Manness) first spoke on this, and that was of course in the Budget Address, he indicated on June 5 that he would be establishing this fund.

* (1100)

Mr. Speaker, he clearly acknowledged the source of the exceptional revenues that were available to him, namely the fact that there had been a windfall source of revenue from the mining industry. The other major source of course was the exceptional level of the transfer payments from the federal Government, and I think he also went so far as to even acknowledge the fact that some of the revenues were due to the tax levels that were brought forward by the previous administration.

The Minister went on at that time to say he could have, if he had been so inclined, actually declared a surplus of approximately \$48 million. The Minister then announced the establishment of the Fiscal Stabilization Fund, but he did not announce one of \$48 million, he announced one of \$200 million. What he was essentially doing, in the announcement of a fiscal stabilization plan for \$200 million, was establishing a further debt of approximately \$152 million.

The fund, in using his words, is to be used as a fiscal shock absorber helping the province to avoid disruption of programs or the necessity of major tax increases. He also went on to say that withdrawals from the fund may be made when the revenue is constrained or there are exceptional expenditure requirements.

He indicated very clearly what the intent was, namely to be able to address exceptional financial expenditures if and when they arose, and secondly to try and eliminate the need for unexpected major tax increases. Both of course are laudable objectives.

He also went on to indicate that within this Bill additional revenue could be added to it if there were unexpected windfalls or other sources of revenue that were not essential to the operation of the Government in that particular year. The example was used that the net proceeds from the sale of Manfor could in fact be added to this fund.

(Mr. Parker Burrell, Acting Speaker, in the Chair)

Mr. Acting Speaker, to me the concept of such a fund is one with which I have to agree. I have no argument with the concept as it is laid out, but unfortunately I fear that the intent of the Fiscal Stabilization Fund could in fact be more political than fiscal. The fact that \$50 million from this fund is already being extracted this year, the year that the fund is being established, would lead me to be somewhat suspicious or even skeptical of the long-term intent of the fund.

It leads me to think very much of when my children were younger and I was attempting to create in them some attitude of financial responsibility and would convince them that they should take a little bit out of their allowance and put it into a bank account, which they would quite readily do, but no sooner had they put the money in the bank than they were interested in taking it out again.

It seems to me that this is what we are faced with today, a situation where the fund is established, the Government is essentially only putting \$48 million into that fund in terms of revenue that is available to them, they are then adding another \$152 million to that fund which is essentially borrowed money. Then they turn around within a matter of days and are prepared to extract \$50 million out of it, whereas they only put \$48 million into it in terms of real capital. So one has to I think analyze this, and it becomes very much, as I see it, analogous to when my kids would establish a bank account and then three or four days later want to draw the money out, figuring that they had higher priorities.

In the establishment of this Fiscal Stabilization Fund, Mr. Acting Speaker, one has to assume that the Government, in the establishment of their budget, have established priorities. To me this is the essential part, when you are establishing your plan for a year, to establish the priorities. Obviously they must have established in that list of priorities a point where the Fiscal Stabilization Fund kicked in, in terms of that being the next highest priority. That tells me that the many things that have been identified by the official Opposition and by the third Party obviously are lower down on the list of priorities than what the Fiscal Stabilization Fund is, the idea being that some of the things that have been identified in Health, in Agriculture, in many other areas, many other portfolios in this Government, that we on this side of the House feel are in need of assistance immediately, have been put down below the establishment of the Fiscal Stabilization Fund.

Now, Mr. Acting Speaker, to me the stabilization concept is an excellent one. I think there should be a mechanism where it is easy to put the money into the stabilization fund, but one where it is very, very difficult to take it out. When one reads the Bill, Bill 27, which is a relatively short and easy Bill to read and one that is relatively easy to understand, it does not in my opinion include the safeguards that the Minister of Finance (Mr. Manness) has indicated that he would abide by. Now I have a great deal of confidence and a great deal of respect for the Minister of Finance. When he gets up in the House, as he did when he introduced this Bill on second reading, and indicated that the safeguards were there, I am satisfied that he, as the Minister of Finance, will abide by those safeguards.

I would be a lot more at ease with this Bill if amendments were made to it that would adhere to exactly what he stated in the House in terms of the ease with which that money can be extracted. It seems to me that there is always that ease and even perhaps a desire, as you approach an election, to find that additional source of funding that can be used as a way of going out and making announcements that will be appealing to the electorate.

I suspect that while I will not go so far as to identify this as the Filmon Slush Fund, I do feel that there will always be the temptation to look at this Fiscal Stabilization Fund and say, my goodness, there is a constituency which we have held before, it is a little bit tenuous at the present time, a few votes one way or the other could swing this thing, if we can go into that constituency and announce that we are going to spend X dollars to provide some sort of a facility and publicize that it at the appropriate time, just before the election, that this is very tempting to do and the Fiscal Stabilization Fund, as I read it, does not preclude the Minister, through an Order-in-Council, being able to do that type of thing. This is one of the major concerns that I have.

The other concern that I have with the Fiscal Stabilization Fund is that it just does not make a lot of sense to me, Mr. Acting Speaker, to put the money in and then start to take it out immediately. I would have I think a little more confidence in this concept of a Fiscal Stabilization Fund if there was a tendency to even view it as an endowment fund. Now that may sound a little bit ridiculous because it reduces the flexibility, but if you had been realistic and looked at it and said, we have \$48 million that we could identify as a surplus, put that \$48 million in, and then have written into the Bill that only under very exceptional circumstances can the principle be utilized, but with the concept of leaving it in there until it generates some return on investment, it would make some sense to me.

A small fund that grows slowly, but cannot be easily attacked, which generates revenue, would seem to me to be the true concept of a stabilization fund. One where you can plug the money in today and take it out tomorrow and try to appeal to the electorate and say that this is fiscal responsibility, stretches my imagination a little bit on the true intent of this concept.

I would also like to see in potential amendment to this Bill, Mr. Acting Speaker, a triggering mechanism, in other words, that specific conditions have to be met before the Fiscal Stabilization Fund can be attacked, or money can be extracted from it, in other words, a formula that has to be met before the money can be taken out. I use as a simple example, but it may not be the best example, and that of course is the Western Grain Stabilization Fund. It is not at the whim of the Minister, on any day of the year, to decide that he is going to take some money out of that fund. The money in that fund can only be triggered when there has been a specific set of circumstances met. Then the fund is automatically triggered. At the same time, the amount that comes out is also determined by the formula that is in place.

Perhaps this sort of a policy or principle should also be looked at in terms of the Fiscal Stabilization Fund. I think it would be very inappropriate for any Government to have the option of extracting the fund 100 percent just on the whim of something that they identify as an emergency at that time. It would seem to me that the safeguards that are built into a fund such as this should be a lot more detailed, and a lot more specific, and a lot more restrictive in terms of the way in which that fund can be utilized.

So, Mr. Acting Speaker, I do not have serious reservations with the concept, but I do have serious reservations with what I regard as the laxity of the legislation in terms of the ease with which the money can be extracted from this fund. I would hope that the Government opposite, as this moves through and into committee, would seriously consider toughening up the way in which the money can be extracted from this fund and put it into the Bill itself a regulation which would prohibit the utilization of this fund in a situation that could be identified as being one that is politically expedient but not necessarily fiscally necessary.

* (1110)

I think the political truism is that every time an election comes along, there are numerous announcements made of expenditures that are strategically made on the basis of a poll in a particular area. I think that this particular fund, while the Minister of Finance (Mr. Manness) has indicated that there is no way that he would use it in that manner, the legislation itself does not prohibit someone else using it in that fashion at a future date.

I think the Members opposite would be disappointed if I did not make some comment on the whole concept of fiscal restraint. Being one of those in the official Opposition who believes very strongly in the concept of spending only when you are capable of spending, I have never been, either personally or as a Member of the Government, in favour of the concept of spending when you do not have the dollars to spend.

An Honourable Member: You are not espousing Liberal policy now?

Mr. Laurie Evans: Now I think it is very important, and the Member opposite indicates that I am not espousing Liberal policy now. I want to make it clear to him that I am espousing my personal philosophy at this time, and that is one that I feel it is extremely important that Government as the same as an individual establishes their priorities as to how they are going to utilize the money that is available to them.

I have no problem with the Government opposite identifying their list of priorities and saying that is where the cut off takes place. I may argue with them as to the accuracy and the appropriateness of the priorities that they have established, but I have no argument with the establishment of priorities itself. Now I would argue in this particular year as to whether or not the Fiscal Stabilization Fund was logical that it be brought in to place this year, but the Government in their wisdom or lack thereof, have identified this as a priority above expenditures on some of the other things that if we

were Government, we would have probably spent the money on.

I would have had great difficulty even with my own colleagues, Mr. Acting Speaker, if the priority list was established that is much longer than the money that is available to be spent, because I think that in this time where the economies are not what I would call "in the doldrums," they may not be at the peak, but they are certainly not in the worst situation that one should consider very seriously attempting to have a balanced budget. For that reason, I would have difficulty in the concept of just going ahead and attempting to satisfy all the requirements that we may feel are available today, but I think it is important that you have long-term planning.

I am a little disappointed that in the budget which the Minister of Finance (Mr. Manness) brought forward, he attempted only to give us a little glimpse of what was planned for one additional year, but certainly the concept of long-term planning was not apparent in that budget. So I think that it is very essential, Mr. Acting Speaker, that the priorities be established very clearly, and while I have problems with the placement of the fiscal stabilization plan in the list of priorities, I have no difficulty whatever with the concept itself.

I am very concerned with the fact that we, in this country, are moving further toward a welfare state than I am prepared to see us go. I am very concerned when we realize that in 1989 each of us, as so-called average Canadians, had to work some time into either the late days of June or the very early days of July before we reached that so-called "taxation freedom day." It alarms me that we, as Canadians, are now in a situation where we are working more than half a year simply to pay our taxes.

I am very concerned that we are approaching a situation where as individuals we end up with virtually no discretionary spending left to us. In other words, because of the high level of taxation and the high level of expectations that we have as individuals, we are allowing Government—and it does not matter what shade of Government it is, it does not matter whether it is the socialists or whether it is the so-called groups of us who like to think of ourselves as being in the centre or the right-wing Conservatives, every one of those Parties have knuckled under to the concept of moving towards a welfare state. I think that we have to start to think in terms of moving back a little bit so that we are not faced with the situation where our tax dollars are being drawn out of us so that we work more than half the year before we finish paying our taxation.

I think we have to start moving back the other direction a little bit. I would be very pleased to see, whatever Government stripe it happens to be, to be able to say that we have stepped back, and instead of it being the 2nd or 3rd or 5th of July, or whatever it was in 1989, that in 1990 we finish paying our taxes by the time we get to the third week in June. Eventually, in my opinion, we should be in a situation where we have completed our taxation payments by the time we get into May or some time like that. I do not need somebody to look after me from the cradle to the grave, Mr. Acting Speaker. What I need is a level of security

so that when I am in serious trouble there is a safety net to protect me. I do not want to get to the situation, and we are rapidly approaching that, where we might as well take our paycheque, endorse it, and turn it over to the various levels of Government. This to me is not the way to go.

-(interjection)- The Minister opposite asked me whether I have spoken to one of my colleagues. I can assure the Minister that I speak to my colleagues every day. There will be changes made. If there are not, it will be over my dead body in due course, Mr. Acting Speaker, because I make no apologies for being one who regards fiscal restraint as something that every Party has to start to look at. When I am accused as a Member of the Opposition of being spend, spend, spend, no one will ever accuse me of being the driver of the Brink's truck, because I think it is imperative that we start to get our spending under order and that we start to think very seriously of a balanced budget.

I fully agree with the concept that when you are having a time when the economy is buoyant, that is the time to put some money into a Fiscal Stabilization Fund so that it is there for the so-called rainy day. The decision that one always has to make is whether it is raining today or not, and I am not convinced that we are in a period of a downpour. It may be drizzling out there, but I do not think it is so serious that we have to assume that next year or the year after things are going to be much different.

(Mr. Speaker in the Chair)

So I think that we have to once again sit down and assess what is the role of Government. In my view, the role of Government is not one where you expect the Government to look after you from the cradle to the grave. I think the role of Government is there to foster the assistance of those who are prepared and able to help themselves and to help those who, for some reason that is beyond their own control, need that assistance in their time of need. The rest of the time, Mr. Speaker, I think there is a situation where the less Government the better in most cases. Under those conditions—and my Opposition to the left, the socialists, will say that I am a Tory -(interjection)- or Conservative.

Mr. Speaker: Order.

Mr. Laurie Evans: I make no apologies for being on the conservative side of the Liberal Party, Mr. Speaker, because I think it is imperative -(interjection)-

Mr. Speaker: Order. I am having great difficulty in hearing the remarks. Order. The Honourable Member for Fort Garry.

Mr. Laurie Evans: Thank you, Mr. Speaker. I have no difficulty speaking over and above the rabble.

In conclusion my main concern here is that the Fiscal Stabilization Fund be looked upon as something that has merit, but at the present time it is my concern that this may not have been the time. I think that perhaps had I been involved in the decision-making, I would have placed quite a few things higher on the priority

list than the establishment of a fiscal stabilization plan at this time, because I think there are issues in our society that need addressing at this time where funding for them is a higher priority in my mind than the establishment of a fiscal stabilization plan— (interjection)-

An Honourable Member: On a point of order.

Mr. Speaker: The Honourable Member for Concordia, on a point of order.

Mr. Gary Doer (Leader of the Second Opposition): Is it against the Rules to recommend defeat of this Bill and at the same time recommend spending now, in this Bill, which is legislatively impossible to do both things—defeat the Bill and spend the money now. Is that out of order to be legislatively impossible or is it just a matter of debating illogically?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order. The Honourable Opposition House Leader, on the same point of order.

* (1120)

Mr. Reg Alcock (Opposition House Leader): The Leader of the third Party failed to make his point when he spoke. He had an opportunity to debate the Bill. I would ask that he respect the Member when he attempts to speak on this Bill.

Mr. Speaker: I would like to thank the Honourable Opposition House Leader. Order, please. The Honourable Member does not have a point of order. A dispute over the facts is not a point of order.

Mr. Speaker: The Honourable Member for Fort Garry has the floor.

Mr. Laurie Evans: Mr. Speaker, I am not going to get into the concept of the legality of what one can and cannot do in this. I am talking in terms of the principle of this thing and at this time this Bill has not been passed.

Therefore I am simply stating that, had the decision not been made at this time to establish this fund, in my view the priorities should have been turned around so that there would have been other things that would have come into place as high priorities with this Government before the establishment of a fund.

With that in mind, Mr. Speaker, I support the concept, but I do not support the principle of bringing it in at this particular time. In addition to that, probably the most difficulty that I have with this concept is the fact that, while the Minister of Finance (Mr. Manness) has given us his assurance as to the control that will be placed on this fund, as far as the extraction of money

is concerned—and as I have said earlier I have confidence and respect in the Minister that he will do exactly what he has indicated in his address to second reading of this Bill, but in reading the Bill itself I am not satisfied that the safeguards which the Minister espoused in his address on second reading are built into this Bill. I think it is necessary that amendments be considered which would make it not simply an Order-in-Council that could extract this at any time, it would have to be done on a basis where it would be, as he has indicated, into the consolidated fund on an annual basis only. I am not satisfied that is clearly enunciated in that Bill at the present time.

I would also like to see the concept of the additions to that fund, the money that is put into that fund being very easy, whereas the conditions for extracting money from the fund are toughened up. I think it would be inappropriate to have a situation where the entire amount could be extracted at one time on the basis of what may appear to be an emergency of severity at that time which later on turns out was only serious at the time but at a later date there are much more things that are serious.

Perhaps it is necessary to have a triggering mechanism in place whereunder specific circumstances have to be met before the fund can be triggered. In other words, there is a formula in place as to how that money can be extracted.

So with that, I want to make it very clear that I have no difficulty with the concept, I have some difficulty with the mechanics under which it is being introduced, and I have some difficulty with the timing relative to whether it is or is not a high priority at the present time. Thank you, Mr. Speaker.

Mr. Speaker: As previously agreed, this matter will remain standing in the name of the Honourable Member for Osborne (Mr. Alcock).

BILL NO. 42—THE RESIDENTIAL TENANCIES ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Housing (Mr. Ducharme), Bill No. 42, The Residential Tenancies Act; Loi sur la location à usage d'habitation, standing in the name of the Honourable Member for Inkster (Mr. Lamoureux). The Honourable Member for Inkster.

Mr. Kevin Lamoureux (Inkster): Last June, Mr. Speaker, I made a comment in introducing my Bill No. 2 in regard to that it gives me great pleasure to speak on my Bill that I had introduced.

Shortly after making that comment I had suggested, well, maybe it is not quite as great a pleasure as I had wished, that in fact what would have given me great pleasure would have been able to comment on an extensive piece of legislation. I had prompted the then Minister and current Minister of Housing (Mr. Ducharme) that what is actually needed is to bring forward this legislation, and in fact that would give me great pleasure to speak on.

On that point, Mr. Speaker, I would like to say it gives me great pleasure to debate on this Bill. It has been

a long time in coming, since 1985 when a review committee was put together from the previous NDP administration representing landlords, tenants and some departmental officials in which they met. They came up with the 138, 139 recommendations in which they felt would make the landlord and tenant, along with The Rent Regulations Act, better laws for the Province of Manitoba so that all tenants and all landlords would both benefit.

I like to think, Mr. Speaker, that the Government or the official Opposition in a very positive way has encouraged and co-operated in more than one way in ensuring that this Government does bring forward this legislation. I thought it was always unfortunate that the previous NDP administration failed to bring forward this badly needed legislation.

Bill 42, I believe, with amendments, could give Manitoba one of the best landlord and tenant legislation across this country. I, and my Liberal colleagues, will be bringing forward amendments when this Bill does go into committee. One of the largest amendments or one of the amendments that I would really like to see is regarding the conditional reports. That is in fact Bill No. 2, what I had introduced back in late spring.

Tenants, Mr. Speaker, are often blamed for damages done to an apartment unit that could have been there before. Landlords are frequently put into a position where unnecessary pressure is put on them because of the denial of the damage that they believe was not there. At present a tenant and a landlord can, if they chose, fill out a conditional report, and I think that is the key, it is optional. There are many landlords who do use conditional reports and I would argue, when it comes to giving the security deposit or reaching some type of conclusion on the security deposit, that they are more successful in coming to a conclusion.

A detailed condition report is what is needed to address the problem of the tenants and landlords who currently do not have conditional reports mandatory, and both tenant and landlord should have to receive a copy. This is so that the tenant and landlord are of a mutual agreement, they both have a copy so when the tenant does decide to move out that they both have something that they know and that they went through and both had in fact signed. A conditional report will enable both landlord and tenant to prove the actual condition of their rented premises when he or she had actually took occupancy.

If the landlord and the tenant cannot come to an agreement, then I would suggest that the Rentalsman's office should move in to finalize the agreement. This could likely be more cost efficient in the long run than it is currently, because as everyone is well aware the largest number of complaints the Rentalsman's office gets is regarding our security deposits. I would argue that those complaints will dwindle down to a small number and the cost therefore would also go down.

Mr. Speaker, a tenant could move into an apartment with all sorts of deficiencies caused by a previous tenant. For example, if the apartment was not repainted, there could be all sorts of marks on the walls, holes in the walls left from mirrors, pictures and plants were

removed by a previous tenant, could be attributed to the problems. With stoves, refrigerators, could be blamed on the new tenants when it was actually the old tenant who caused the problem. So you see, it is only just that a tenant be able to demand a conditional report. If the tenant is to pay for a damage or a security deposit, then surely the record of the state of that apartment should be as accurate and as complete as possible. This is only in my opinion, common sense. It is in my opinion, as I say, the right thing to do.

This amendment or a proposed amendment of this nature will correct an existing injustice, an existing inequality. No doubt the Members of this House will want to do the right thing and pass an amendment such as this.

* (1130)

The other day, Mr. Speaker, I had a constituent come into my office and he was discussing some of the problems that he was having and what he was currently going through. He had in fact rented an apartment, No. 33 is the one he wanted to get into, but the landlord had requested that he go into 34 until 33 was done. Well, on the cheque it said apartment 33, while the landlord was under the impression that the security deposit was under 34. There were no conditional reports. When the time came to go into the other one, or when the tenant decided that he should be in the other one, the 33 was in fact rented out, and he decided that they would vacate those premises. Now the landlord is trying to retain the security deposits for damage that he believes was done. It has gone through the Rentalsman's office, and it was decided that neither of the parties could come to an agreement so now it is going to small claims.

There are many, many such cases that end up going to a Small Claims Court and so forth and in asking him for his opinion that if he thought there was a mandatory conditional report, if he believed it would have gone that far, his response was no. Mr. Speaker, it is not just the tenant. I am sure if you will approach and I have approached landlords, ask their opinions on the conditional report, I have had much the same response that a conditional report would halt a lot of complaints and possibly save money both for Government and private individuals.

Mr. Speaker, I thought it was, as I pointed out, very disappointing that the Minister of Housing (Mr. Ducharme) did not think to incorporate the amendment that I had put through, and maybe I should briefly just go over it to review it. The Opposition believes that the deposit would be withheld until the report is actually filed. That is one way of ensuring that the security deposit and the conditional report go hand in hand.

The tenant, as I have pointed out earlier, should be entitled to a copy of the conditional report. I believe that there should be a standard form of a conditional report that would report on the condition of your kitchen, your living room, bathroom and so forth, commenting on your ceilings, walls, trims, floors, closets and so forth, in all the rooms, Mr. Speaker. So that when the tenant, or when the agreement between the

landlord and tenant cease and the tenant moves out that they have something to go by in terms of the previous condition of the report.

Another major concern of ours is the length of notice for the termination of caretakers and/or employee units. Mr. Speaker, I have had a couple of landlords approach me on this particular section and they brought to light I think a very legitimate thing that needs to be looked at as another possible amendment. Currently, and I know from past experiences, in the business world if you lay off someone, generally speaking if you want to give them a proper severance pay or something of that nature, you do not necessarily want them to be around especially if you believe that they might be doing more damage to the business than good.

I think the same thing can be said about caretakers. I had one landlord who told me that a lady in his block was actually raped by the caretaker. Fortunately the caretaker was prosecuted and ended up going to jail; but what if he had not been prosecuted and went to jail, Mr. Speaker? I do not think any of us would want to argue on behalf of a caretaker who has done an act of this nature and argue that he should be entitled to stay. After all he has the security keys, he knows who the people are and so forth.

I had another landlord approach me about a block on 828 Preston in which a caretaker that he released intimidated the seniors in that block, and the seniors are one of the reasons why he ultimately let the caretaker go. Through this type of legislation the caretaker would be entitled to remain in the block for one-rent period. Mr. Speaker, again this caretaker knows who the people are in the block. The seniors are not going to feel comfortable, nor any of the other tenants. They are not going to feel comfortable knowing that there is a landlord or a caretaker of this nature that is living among them.

The whole question, Mr. Speaker, of hotels and motels I believe was not addressed, or the Government failed to address, in this piece of legislation. I was not pleased to see how they had avoided this particular issue. Many people in Manitoba live permanently, and some not so permanently, in hotels and motels across our province.

In 1986 I ran in Logan. In part of the election I spent a good deal of time going through these motels and hotels and meeting with some of the residents, or tenants as I prefer to call them, because in many cases that is what in fact they are. They are tenants. In the type of living conditions that they have to live in—I do not think anyone can really get a good handle on, unless of course they were put in that same type of a situation. I do not think very many of us anyway would last more than a month in a place of this nature.

I understand, Mr. Speaker, that there are some complications in this regard, regarding guests versus a resident, and when is a resident a resident, or a tenant, and when a guest is a guest, and so forth.

Another shortcoming of this piece of legislation is that it is very quick to jump to the conclusion that non-profit housing, or gives you the impression that non-profit housing in the Province of Manitoba is all up to par. I do not think that is quite the case.

I think if we were to look into the province's owned housing rental units that you will find many of them are inadequate, and that in fact maybe we should be concentrating some of our own efforts and some of our resources looking at what is going on in the units, some 20,000 rental units, that we have.—(interjection)—I am sorry—once we get into committee, Mr. Speaker, I think many of these questions can be answered at that point in time because there are some concerns that we need to have.

I have heard ranging figures from \$14 million to \$20 million in terms of the amounts of money that is needed in terms of capital investment to bring our housing up to par. I think if that is the case we really have to start putting some effort into how, or giving some thought into how we are going to be addressing that particular type of a problem.

Another concern that I have, and the Liberal Party has, is regarding rent control guidelines. Since the inception of rent control guidelines, the guideline itself has been set by Cabinet. I do not want to misrepresent the Liberal Party's position or my own personal position on this issue. The Liberal Party endorses rent control 100 percent. We believe that it is a legitimate need in today's society to have rent control guidelines to protect the ever-increasing costs of sheltering the tenants across, not only Manitoba but across Canada.

I also believe that we do need to consider, at least start to consider, who should be setting the guidelines. Is it in the tenant's best interest, is it in the landlord's best interest, that Cabinet sets the rent control guidelines? Mr. Speaker, I think arguments can be made on both sides. This year I have heard from different tenants associations and different tenants that 3 percent was much, much too high when you take a look at our rental market as of today. I have heard the opposite from landlords, that some landlords are of the opinions that maybe we should have had higher rent control guidelines over the 3 percent a couple of years back.

I think really what I am trying to say here is we have to start looking in terms of who should be setting the guidelines and ultimately if it is decided that it is in the best interest for Cabinet to set the guidelines, well, then maybe we will rest it with that. I do believe we do need to consider and possibly depoliticize the rent control guideline and the setting thereof of it.

As I pointed out, I do not want to cast any doubt whatsoever that the Liberal Party does not support rent control guidelines, because it just would not be the case. I think the Liberal Party's record is very clear when it comes to rent control guidelines.

* (1140)

In the 1981 provincial election, I campaigned with Miss Westbury who used to represent Fort Rouge, which had a high concentration of tenants and landlords. One of the most common issues that came to the door when I was knocking back in '81 was the rent control guidelines. The Liberal Party took a very strong stand back then on the need to have the guidelines.

Again this year, Mr. Speaker, the guideline itself has been set at 3 percent. It has been set at 3 percent

actually for the last few years. I would argue that the economy has changed while the guideline has remained the same. I think maybe that might give some credit to the argument that maybe we should be looking at an independent board or a board such as the Public Utilities Board setting the guidelines themselves.

I also wanted to comment on the security deposit trust fund. I was glad to see that the Government took action on this particular issue. In the past and in fact today there are many landlords that use tenant security deposits for day-to-day operations. There is no doubt that that is wrong, it is not proper. A tenant that gives their damage deposit or security deposit is giving it to the landlord in trust that that money is going to be retained for that purpose and that purpose only.

For a landlord to take it upon himself or herself to use that money or those monies to spend on day-to-day operations or capital expenses, whatever it might be, just is not proper. I was glad to see, or we in the official Opposition were glad to see, that now it is going to be mandatory that they hold it into a trust.

With those comments, Mr. Speaker, I think we really have to watch in terms of how it is going to be implemented. Is there going to be a phase-in? We do not want to bankrupt a landlord that might have 20 units and find out that that landlord has absolutely no security deposits whatsoever in a trust. You might want to give the landlord three months or a reasonable amount of time to put that money into a trust instead of reverting all of the rent monies in trying to get it all in one month. I think there has to be given some consideration in terms of the amount of money that you might be taking away from a landlord.

The last thing we want to do is hurt the tenants by forcing a landlord out of business or into bankruptcy. I think it is also at the same time important that we recognize that that money should have been there in the first place, and really that there is no excuse for the landlord to do what he has done and that it is important and crucial that this Government recover that money as fast as possible. I would suggest that you are looking at 30 days or 60 days in order to get that money into that trust account.

I believe it is also crucial that the Government take action on ensuring that the security trusts are in fact there soon after the legislation has been introduced.

Mr. Speaker, there is another area that I think both this administration and the past administration have failed miserably in. That is in addressing the concern of problem tenants. I do not believe this Government has taken seriously the need to develop or the development of special housing for problem tenants. Problem tenants cause a lot of hardship for many landlords that might have retired and purchased a home in hopes of using that as a pension in some form or another.

What this Government needs to do I believe is to ensure that there is special housing which would include things such as plexiglass instead of windows, steel doors and frames. In the short term, Mr. Speaker, it is going to be more costly, but in the long term you are going

to save a lot of money because you are not going to have to replace window after window or doors after doors and so forth. I think it is important that we see this type of legislation which is very progressive when it comes to getting rid of the slumlords in the City of Winnipeg. I commend them on bringing forward such strong legislation and the crucial and most important thing is to ensure that this legislation is acted upon quickly, that there is in fact teeth, that actions are taken to ensure that the slumlords, the landlords, who we are really after are not going to be supplying tenants unlivable conditions that we ourselves would be completely unwilling to live in.

Recognizing the fact that there are some problem tenants, I would argue, Mr. Speaker, that we can provide through legislation, through non-profit housing, a good quality of housing for those tenants who are having problems in maintaining in the private sector and also in the non-profit sector. As I pointed out, things such as that plexiglass window, or that steel frame door, and so forth.

I think there is a very legitimate argument that we can put forward that would make in the long run both Government and private sector housing much more cost-efficient. I think it is imperative on all three Parties to ensure that does come into being. It is ultimately the responsibility of all of us, not only the NDP who claim to have sole possession of the lower-income people or the so-called ordinary Manitoban. I believe the Liberal Party can represent them just as well, and I would argue in many cases, if not just as well, better. I am sure the Conservatives also have some concern for these Manitobans.

Another concern that I have regarding the legislation, Mr. Speaker, is the commission appointments. I think it is important or crucial that neutral members of the commission before appointment should be vetted through representatives of the landlord and tenants by the Lieutenant-Governor-in-Council. At present the commission is going to consist of a representative from landlord, a representative from the tenant. What the major concern will be, well, who is the neutral person going to be, after all this is the deciding vote, if you will. It is of the utmost importance that this person be neutral and be seen as being neutral.

I believe the Labour Board cites a very good example in terms of having a labour representative, or an employee representative, and a management representative. The third party or the neutral party is someone who is acceptable to both parties. I believe, and the Opposition believes, that this type of approach should also apply for the commission and the appointments of the commission and the deputy commissioner and, of course, the commissioner itself.

There are several other shortcomings I feel, Mr. Speaker, in this Bill. There seems to be really no definition of the habitability of units. I know and understand that it is very hard to be able to come up with a definition, but that does not mean that we should not be trying to come up with a definition. There is another point that I recognize in terms of the tenant contract which is void if the landlord does not provide the tenant the premises on the agreed-upon date. In

my opinion, that is a very good clause. I was glad to see that clause there.

I am wondering, Mr. Speaker, if there might be any way, and this again should be discussed at the committee level, that we can maybe look at the landlord and how the landlord is actually penalized. Maybe if there is something that might be able to be done in that type of a situation, I go back to the Review Committee and the consensus they had come upon regarding Clause 69. In the preamble to recommendation 68, there was some type of discussion regarding the landlord, how he/she is penalized if a tenant does not move out on the agreed-upon date.

* (1150)

I think there are two interests that have to be taken care of. I am glad to see that the tenant's has. Maybe we should discuss, in terms of if there is something that can be done for the landlords, it might work out that there might not be. I think when it does go into committee that is something that does need to be discussed.

In bringing forth the legislation, Mr. Speaker, I can tell the Minister of Housing (Mr. Ducharme) that he must have worked quite hard in trying to put together such an extensive Bill. In reading through it, and when we get into committee I will be pointing out areas in which I feel that maybe they might have rushed through it a bit too fast.

Maybe I can just cite one or two examples. If we look on page 19, on Clause 12(4), where it states where a landlord receives a security deposit in excess of the amount permitted under subsection (1), the tenant may set off the excess in accrued interest against the rent due to the landlord. Well, Mr. Speaker, I am not too sure if I fully understand how the landlord would be receiving more than his due share of the damage deposit. After all, the maximum a landlord can request is half the month's rent. There should not really be a need for that type of clause if in fact we are enforcing the legislation that states that you cannot have or collect more than 50 percent.

Before I wind up, Mr. Speaker, another clause that I found somewhat interesting was Clause 44 where it states that tenants shall not carry on or permit to be carried on an illegal activity in a rental premises. I am not a lawyer and maybe some day I might study some law, but I was always under the impression that when something is illegal, it is illegal whether you are in a rented premises or if you are in your own premises. I question having the word such as illegal in there. I will wait to hear the justification for it.

I think, and there are many other things that I could probably comment on, but I think what I will do, Mr. Speaker, is hold off until we get into committee, because a lot of the comments I have are not in jest of the Minister of Housing (Mr. Ducharme) but rather more of concern.

If the Minister is able to alleviate the concern and I believe accept some very positive amendments, amendments that I believe the NDP should be

supporting in many cases, such as the mandatory conditional report, that this Bill can be passed. I think it is important and it is crucial that this Bill be passed before we wind down, whether we take a recess before Christmas, or whatever it might be, that it is of the utmost importance because this Bill has been delayed. The recommendations have been delayed far too long already, that we take a very serious attitude towards it, that we get our comments on the record on first reading or second reading, that we get it off to committee as soon as possible, Mr. Speaker. I know that after I sit down today and my comments have been put on the record, I am hoping that we will see this Bill go into committee, if not by next Wednesday, by the following Wednesday.

I encourage the Minister to ensure and push his Government House Leader (Mr. McCrae) that if we do agree to something like this, that he will call the committee meeting so we can get the discussions going on this Bill.

I think it is of the utmost importance that the NDP administration be responsible. They showed how irresponsible they were by not introducing the legislation when they had an opportunity. They now have an opportunity to speak on this Bill, to be able to—the Member for Flin Flon (Mr. Storie) said something from his seat, I would ask him to repeat it.— (interjection)—No, Mr. Speaker, I am sorry to say, I am not nuts. I know what the NDP administration had said. Their record is clear. They had an opportunity to introduce this into legislation while they were in Government. They failed, they failed miserably. They now have an opportunity and I look at the Minister of Housing (Mr. Ducharme) and he is nodding his head that he would like to see it go into committee.

The NDP as far as I am concerned, Mr. Speaker, should also be commenting on this and trying to ensure that it gets to committee. After all, it is in the best interests of tenants and landlords that this piece of legislation pass before we break. I think it is important that the NDP do not continue to put off this type of legislation.

An Honourable Member: Whose name did it stand on?

Mr. Lamoureux: The Member for Churchill says, whose name did it stand on? Mr. Speaker, this is the first opportunity that I have been given to speak on this Bill and I am glad to say that I have spoken on it. I am hoping—we have 35 minutes to go now—the critic for Housing from the New Democratic Party can stand up. He can put his remarks on the record and then maybe the House Leader will meet with the Minister of Housing (Mr. Ducharme) and we can get this Bill off to committee.

I think ultimately, Mr. Speaker, that we need to be a responsible Opposition to ensure that this legislation comes into being before any type of a recess, that the landlords and tenants are put up for No. 1.

I have had many conversations with my colleague, the Member for Fort Rouge (Mr. Carr), and this Bill applies to the residents of his riding like it applies to

no others in this Chamber. I think it is of the utmost importance, as the Member for Fort Rouge has told me, that this legislation come into reality, that whatever might happen in the near future or the long-term future, and we do not know because it is a minority Government, that we cannot continuously put off this type of legislation, that we need each and every one of us to be responsible to address this Bill, to get it into committee, to address the concerns, to get it out of committee and to make it into law.

In conclusion, Mr. Speaker, I trust that the Conservative Government and the NDP third Party will support positive amendments put forward from my colleagues in the official Opposition which will make this, I hope, the finest legislation across this country. Thank you, Mr. Speaker.

Mr. Jay Cowan (Churchill): I move, seconded by the Member for Osborne (Mr. Reg Alcock), that debate be adjourned.

Mr. Reg Alcock (Osborne): I would like to accommodate the Member, but—

Mr. Cowan: I move, seconded by the Member for Niakwa (Mr. Herold Driedger), that debate be adjourned.

Mr. Speaker: It has been moved by the Honourable Member for Churchill, seconded by the Honourable—

Mr. Speaker: The Honourable Member for Inkster, on a point of order.

Mr. Lamoureux: I do not believe the Member for Niakwa was wanting to be the seconder on that, Mr. Speaker.

Mr. Speaker: The Honourable Member for Churchill, on a point of order.

Mr. Cowan: Excuse me, Mr. Speaker, on a point of order. We are all Honourable Members in this House, and we are all capable of making up our minds on specific issues from time to time. If the Member for Niakwa (Mr. Herold Driedger) does not want to enter into the normal parliamentary procedure of seconding a motion that I put forward, I am certain that he can stand in his place and say that.

He does not need the Member for Inkster (Mr. Lamoureux) to tell him how to think, when to stand and when to sit. Being a Whip in a caucus does not give you that sort of extraordinary power, I am sorry to tell the Member for Inkster.

Mr. Speaker: The Honourable Member for Niakwa, on the same point of order.

Mr. Herold Driedger (Niakwa): Mr. Speaker, on the same point of order, I think I have to set the record slightly straight with respect to what has to be done on my behalf or not.

Had the Member for Churchill (Mr. Cowan) given me an opportunity to actually get up, before he sprang up to do this thing, I would have been able to put on the record that I decline to second that.

Mr. Speaker: I would like to thank the Honourable Member for Niakwa.

Mr. Speaker: The Honourable Member for Churchill.

Mr. Cowan: Mr. Speaker, I am afraid I will have to move then, seconded by the Member for Rupertsland (Mr. Harper), that debate be adjourned.

MOTION presented and carried.

* (1200)

BILL NO. 34—THE LOAN ACT, 1989

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 34, The Loan Act, 1989; Loi d'emprunt de 1989, standing in the name of the Honourable Member for Brandon East (Mr. Leonard Evans).

Mr. Leonard Evans (Brandon East): We are in second reading of Bill 34, The Loan Act, which as I understand is an opportunity to discuss Government borrowing in general, Government financial management in general, and the impact of Government decisions on the economy of Manitoba.

So with that understanding I would like to touch upon a few matters pertaining to finance and the economy of the province.

I must say at the beginning there is a rather novel idea included in the Act, and that is the legislation will provide for abatement of some funds of a capital nature and also put limitations on borrowing and limitations on the use of these funds in future years.

I am not quite clear from a quick reading of this. I am not a lawyer, and I have not had an opportunity to discuss this with others with regard to the implications of this. Maybe at some point the Minister of Finance (Mr. Manness) could spend a little more time explaining exactly what is going to be abated, whether there is going to be a reduction, as I understand it. In future, for example if the hospital authority, which is \$80 million, may not all be expended and if it is not all expended will be abated and there will be no carry-over.

So if the Minister of Health (Mr. Orchard) wants to engage in this particular budget, financial program, of capital spending this year he will have to spend it this year. If he does not, there is no way of carrying that over to the next year.

An Honourable Member: Carried over a year.

Mr. Leonard Evans: For one year? At any rate, it is a novel idea, it is a matter of approach in finance.

I think what the Government is doing is limiting its flexibility. There is no question about that. You are limiting your flexibility, and in principle I have not necessarily any quarrel with it except that it is an approach. It is an administrative technique you want to use and that is fine.

I suppose what it does do—it is a good Conservative position, it really is, small "c" Conservative position—because it does control Governments from spending monies at some future time. It may not be as relevant, the Minister of Finance might argue, and that those monies should not be spent at some years past, maybe not as relevantly.

So you know there could be some argument for that in terms of good financial management, but as I said I am not quite clear as to the total impact of it. I am not quite clear from reading this Bill just how much will be curtailed and what the impact is going to be, so that remains to be seen, although maybe the Minister of Finance (Mr. Manness) will care to enlighten us a bit further on this at some other point in the debate, perhaps in closing the debate on this or maybe at the committee stage.

I note the Manitoba Data Services is included in Schedule B expenditure not yet expended or vetted so I ask from standing here, does that mean the \$10.9 million for Manitoba Data Services will be removed from the authority to spend?

I would gather, and the Minister of Finance (Mr. Manness) nods in a positive manner, namely, the authority that had been previously granted to that corporation will no longer be with the passage of this.

As I understand it, that authority was related to the possible construction of a new building that was required by MDS, because of the expansion that has taken place over the last few years.

I am not clear and I do not remember all the specifics, but it seems to me that is a number that is sort of a ball park figure with regard to the needs of that corporation. So what this means then, Mr. Speaker, perhaps it fits in with the Government's plan of selling of MDS, that they want to sell it and they do not want to be concerned about a building, which brings me to the point that I would like to make again, Mr. Speaker, to take this opportunity to express our opposition to the Government's move to sell the Manitoba Data Services Limited.

Manitoba Data Services used to be part of the Manitoba Telephone System. It was spun off as a separate Crown corporation under Premier Sterling Lyon when he was Premier of this province. A decision was made that it was a good efficient way to go, and indeed the corporation has approved its worth over the years.

As I was saying the other day when I referred to the last annual report of Manitoba Data Services, what was \$1 per unit of computer services nine or 10 years ago is only 45 cents today. In other words, they have, through proven technology continued efficiency, they have delivered computer services at a decreasing cost, which is a rather novel thing. Perhaps it is being done in the

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private sector as well, but the fact is that MDS did, and ultimately the taxpayers of Manitoba have benefited from that, and benefited because the departments that are using the services of MDS are being able to obtain those services at a lower rate. When you take inflation into account it is even more significant that MDS has been able to pass on the efficiencies of improved technology to Government departments.

Having done that, Mr. Speaker, MDS has still shown a profit year after year after year. I know what the Minister of Finance (Mr. Manness) might say in retort to that, and that is, well after all, most of its business, perhaps not all, but most of the business is done with Government departments, so naturally they are in a good position to be profitable. They have got sort of a monopolistic or quasi-monopolistic position.

Mr. Speaker, this is the very point that we make in our opposition to privatizing this company, because in our opinion no private enterprise would be interested in obtaining this company unless there were some assurances or guarantees that a certain amount of business will be allowed to go to the MDS as a privatized corporation in the future. If that is the case, Mr. Speaker, I think that this might be a very bad deal for the people of Manitoba, because we do not know whether a privatized MDS will indeed pass on savings through improved technology at the rate that they should pass them on, given the fact that there are improvements in computer technology, that there are improvements in the efficiency.

Therefore, if we have no guarantee, if we had no way of ascertaining that, I suggest, Mr. Speaker, that the people of Manitoba, through the Government, could be ripped off by such a company. What assurances can we give to the taxpayers, what assurances can the Government get that they would get the service at the lowest possible cost to the Government? None, none.

An Honourable Member: None, you will not get any.

Mr. Leonard Evans: Yes. They have no assurances. Therefore, Mr. Speaker, this could be a very serious thing. I mean on the one hand the Minister of Finance (Mr. Manness) likes to boast about how they are efficient, how they are not going to spend money unnecessarily, how they want to keep spending down. Yet, at the same time you may provide a situation where you will be spending more money than you would if MDS was kept in the public sector. It has done an excellent job. It has shown a profit over the years, and as I said has reduced the rates simultaneously.

* (1210)

The other concern we have about MDS being sold to the private sector is that the control of it may slip out of the hands of the people of Manitoba. We have just seen too much of this happening over the years where locally-owned companies have been bought out by national corporations, and sometimes those national or international, multinational corporations have not made decisions that are in the best interests of the people of Manitoba, not to the same extent that a locally controlled company would. I believe that it is in the

interests of the people of Manitoba, as much as possible, to keep industries that operate in Manitoba controlled by Manitobans, to the extent that it is possible. Goodness knows, the vast majority of manufacturing, the vast majority of industry is already controlled outside of the province.

The same principle occurs, I suppose, with MTS. MTS may remain owned by the people of Manitoba, but the Public Utilities Board control and administration is being undermined, being wiped out virtually, and assumed by Ottawa, assumed by the federal Government through the CRTC, which again virtually removes some control from the people of Manitoba in this important utility.

So there have been rumours rife that the Government is about to sell MDS to a company that virtually may be a subsidiary of the Bell Telephone Company. That is exactly what we do not need, Mr. Speaker, to sell to a company that could be a subsidiary of the Bell Telephone Company. Indeed, a lot of small computer operators in Winnipeg have expressed concern about this because apparently this subsidiary Computerland does business now with MDS and they feel that Computerland will be treated unduly favourably by a company that has the same parent owner.

If that is the case, what you are also doing is jeopardizing the position of all these other small computer software companies in Winnipeg. They were quoted just a few days ago—I do not have the article with me—in the Winnipeg Sun expressing their concerns that the Government should not—here is private enterprise saying sell MDS. These people are pleading with the Government, they are private enterprise, they are not Members of the NDP. I do not know who owns these companies. I have seen the names of them, reputable Winnipeg companies. They do not want the Government to sell MDS because it is not in their interests and therefore in the general interest of people in the computer software business.

Therefore, I am taking the opportunity to try to appeal to the Minister of Finance (Mr. Manness) and the Government to rethink this course of action that they are on. We think that it is not in the public interest. It is a course of action that is going to lead to a situation where we could be ripped off by a quasi-private monopoly, a situation where control will be removed from the people of Manitoba and slip outside of our boundaries.

At any rate, I hope the Minister now has been ordered, I suppose by the Ombudsman, to remove the gag order. Let us hope, let us see if we can get a bit of information on that. Really the information that has been requested from the departments is not very vital frankly, from my point of view, to the negotiations as I would understand it because all that has been asked for is a listing of the kinds of data that the departments now ask MDS to process. That is a pretty innocent type of request for information, and why the Minister of Finance (Mr. Manness) would put a gag on the departments for that reason is beyond me.

Nevertheless, I trust that the Minister is going to look carefully at the fact that a sale of this company would be in contravention of The Legislative Library Act. This

was pointed out to him the other day. He said that he would take it under advisement, the Government was going to take this very seriously, and therefore it would seem to me that the Government cannot sell Manitoba Data Services without an amendment to that particular piece of legislation.

Regardless, I hope that the Minister will have a change of heart and not proceed with this. I repeat it is not in the public interest. We have a good money-making Crown agency that is doing an excellent service and it is in the public interest for it to stay where it is. I might add, Mr. Speaker, that even Sterling Lyon, the former Conservative Premier of Manitoba, had no suggestion to sell this. In fact, it was set up during his administration. At any rate, as I said, although I do not know whether the Minister of Finance (Mr. Manness) can hear me at the moment, nevertheless, this is a matter that should be reviewed and hopefully the Government will change its mind in this regard.

There was one other argument that the Minister used about MDS and that is that it would lead to economic spin-offs if we privatize it, that we would get more jobs and so on. Mr. Speaker, I would remind the Government that there was a favourable spinoff, there has been a favourable spinoff in the past by Manitoba Data Services. It has been able to—and I will not go into the detail of this—in the last few years ensure jobs at UNISYS, a plant in Winnipeg, through its purchasing power. The fact is that there have been economic spinoffs from a publicly-owned MDS in the past and there can be in the future.

Another item in this Bill pertains to the Manitoba hospital capital finance authority of \$80 million, which incidentally according to this legislation now may not be fully spent and after a couple of years will lapse, and therefore we are not sure that we are going to get \$80 million worth of spending out of this item.

I stand to be corrected on this, but it would seem to me that the Minister of Health (Mr. Orchard) has yet to table the detailed Estimates of the capital spending of the Department of Health, unless he has just done it in the last day or two and I have not been aware of that, but my understanding is we do not have that information.

We were upset about this in the closing days, the closing hours I might add, of the last Session, or prior to the recess rather, when we had asked that the Government table this report so that the Members of the Opposition could see exactly where the Government was spending to spend monies on hospitals, new hospitals, renovations of hospitals, nursing homes, either new or renovated nursing homes and they stonewalled us. They just simply refused to give that information. It would have been in the public interest for that information to have been tabled so that everyone in Manitoba, including all the Members of the House, would have that detailed information which is a public document that has to be tabled.

At any rate, Mr. Speaker, because of the limiting nature of this Bill, I would suspect that this would apply therefore to MHSC Capital Expenditures. They will be more constrained now in long-term planning for health

institutions in this province, and I do not know whether that is a good thing. It is something that may be very detrimental actually to the way the Government, through the Department of Health, The Manitoba Health Services Commission, can plan health facilities because it does take a period of time before you are in a position to finally build a facility or to undertake a major renovation.

Mr. Speaker, I would like to also remark on the state of the economy because we seem to get from time to time statements from the Members opposite how great the economy is, how many jobs have been created, and so on. If you look at the economic indicators that we have, the Province of Manitoba's economy, I am sorry to say, is just limping along. It is just limping along because the employment growth has been below the Canadian average.

The Premier likes to brag about the jobs that have been created but if you look at what has been happening lately, you will see that if you took the latest information we have showing what has happened so far in '89 compared to '88, and because you get volatility month to month, the more reliable figures are those that are collected for a whole year or for a part of the year. So according to the official statistics made available, and I do not have the January to September report yet prepared, but the Labour Market Bulletin refers that I have the latest that has been made available to the public is for January to August, and you see that the employment growth has been below the Canadian average. Our employment grew by 1.7 percent in that period of time; however, the Canadian average grew by 2 percent.

So the fact is, therefore, that the job performance in this province is below the Canadian average, so I do not know how we can want to stand up and brag about that. Mr. Speaker, although the Government would like to say, well, unemployment is down a bit, and indeed it has been down across the country, the fact is part of that reduction in unemployment is the fact that the labour force has not been expanding very rapidly and inasmuch as the unemployment rate is really a percentage of those not working out of the total labour force, and of course if your labour force is not growing or diminishing, then it is far easier to say that you have a dropping level of unemployment rates.

The fact is, Mr. Speaker, in this period the first 9 months of this year, of January to August of 1989 compared to January to August of 1988, the labour force for the young people in this province actually dropped. The reason the labour force size dropped for those people under 25 is the fact that the population actually dropped in Manitoba for people 15 to 24. According to the Labour Force survey there were 5,000 fewer Manitobans in the 15- to 24-year-age bracket. In other words, in 1988 we had 160,900 Manitobans under 25. By this year, the same period, it had dropped by 5,000 to 155,900. That is a drop of 3.1 percent in the population of our province. No wonder they can say that the unemployment rates are improving. Well, they are improving at the expense of loss of population, of a dropping labour force.

* (1220)

Other signs, talking about the population generally, Mr. Speaker, a part of the scene of the economy has to do with population trends generally.

We look at the figures released by Statistics Canada and we see where last year, the latter part of last year, the population of this province actually dropped in totality. In fact we lost our population—I am not talking about interprovincial migration, it is because of a loss in interprovincial migration, but when you take the interprovincial migration and the natural rate of increase together, you will find that the interprovincial migration superseded the natural rate of increase.

So that whereas in the second quarter of 1988, we had 1,084,900 people in Manitoba, by the third quarter the population had dropped by almost 1,100 people to 1,083,800, and then by the fourth quarter of 1988 the population dropped again. Our population dropped to 1,082,500. It will be interesting to see what is going to happen in the balance of this year.

The fact is therefore, Mr. Speaker, we had an actual drop in population the last two quarters and "that ain't good," as someone in the theatre once said. It is distressing to see our population either not growing or growing very little, so that on balance we virtually have no change. As a matter of fact, I guess if we got right up to the last few months of this year that are available, right up to about August or so, I gather the year-to-date figures would show virtually no change in our population. So either we are diminishing, or we are really not growing. I say that is a serious situation and reflects very poorly on the provincial economy.

We look at bankruptcies. It will be interesting to see what happens in the balance of this year, but so far this year the Manitoba economy has fared very poorly. In fact, we ranked the second worst in Canada after Nova Scotia.

If you look at the first nine months of the year, January to August, there has been a 33.7 percent increase in bankruptcies in this province in that period time, whereas in all of Canada there was only a 4.1 percent increase. In fact in some provinces, such as Ontario and B.C., there has actually been an improvement. There has been a drop in bankruptcies. I am not talking about personal bankruptcies here, we are talking about business bankruptcies.

I say, Mr. Speaker, this is another sign of a very weak Manitoba economy. We could look at other figures as well. If you look at the value of building permits, again these figures are not as recent, they are the latest available, but they are not as recent as the population figures or business bankruptcies. Nevertheless, it shows a drop in the value of building permits of 5.2 percent. We rank third worse in the country in terms of the value of building permits.

I say this again is a very serious matter because what it does is tell you that construction levels are going to decline, or have been declining, because this is an indicator of the value of construction that is about to take place. If you talk about construction, you are talking about real investment, a part of real investment. If we do not have real investment, we do not grow. We do not have jobs.

An Honourable Member: What was the Canadian average?

Mr. Leonard Evans: The Canadian average actually, Mr. Speaker, in direct contrast was an increase of 16.8 percent and we were down 5.2 percent so while the country as a whole was showing an increase in the value of building permits, therefore indicating an increase potential in construction, the Province of Manitoba was going backwards.

An Honourable Member: Out of sync.

Mr. Leonard Evans: Out of sync, definitely. It is interesting that the Minister of Industry (Mr. Ernst) and others, the Minister of Finance (Mr. Manness), and the Premier (Mr. Filmon) from time to time brag about how good the Manitoba economy is, and if you start looking at the economic indicators you find that the economy is rather weak. Our population is either declining or standing still, business bankruptcies are negative, value of building permits are negative, and as I said earlier if you look at some categories of population, you see the 15- to 24-year-old category is currently declining.

An Honourable Member: Our youngest and brightest.

Mr. Leonard Evans: Our youngest, our brightest, the people that have all the future ahead of them are leaving this province.

If you look at other areas too, you look at urban housing starts, we rank eighth out of 10 provinces, and again it is because we have a serious drop in building permits. These are the current figures that we have that takes us up to, that I have in front of me, up to July, the first seven months, the decline of urban housing starts, where most of the starts take place, Mr. Speaker, is 22.7 percent.

Again this is in contrast to what is happening in the country. We are out of sync. We have some provinces showing a great deal of strength, but the Province of Manitoba is showing a decline. That is in direct contrast with what happened two years prior to that. For many years prior to that we have had continued growth of housing starts.

Similarly, we have had some weakness on the retail trade area. Relatively, we are not quite as bad, but the fact is that we are not good. We are not at the top of the heap, Mr. Speaker.

In terms of farm cash receipts, you just cannot blame the weather on that, because the Government policy has a bearing on this, particularly when we are into marketing boards and so on and we are talking about all kinds of farm cash receipts. We find that there has been a serious decline of almost 10 percent, a 9.9 percent decline this year over last year so that Manitoba has the unenviable position of being 10 out of 10. In other words we have the worst situation in Canada in terms of farm cash receipts. I say to the Minister of Agriculture (Mr. Findlay) and the Minister of Finance (Mr. Manness), what have you got to say about that? The fact is that these figures definitely reveal that the economy of Manitoba is weak, the economy of Manitoba is not going along strongly.

Unfortunately, this Government has supported the federal Government's move on free trade. We all know what has been happening because of free trade. There has been a serious erosion of our industrial base—Molson's, Ogilvie's, Toro Engines, Marr's Leisure Products, and on and on and on.

Campbell Soup, I know none of them will say it is because of free trade, but ultimately when you get into it, you find they are either getting ready for free trade, so they want to get ready for free trade and more competition. We have to move Campbell out of Portage and concentrate in Toronto so they can be more efficient in fighting in the new competitive North American market. As far as I am concerned, therefore, that is the result of free trade.

There is no question about Toro Engines going back to Minnesota. They felt that the plant here was marginal. If you do not have to pay a tariff to bring it into Manitoba, why stay in Manitoba? So they move lock, stock and barrel back to Minnesota, a very sound move from their point of view. Again, we are the losers. The people in Steinbach are the losers on account of that.

Also, there are other bad things that have been happening that negatively effect this province. VIA Rail, this Government has got to do more. It is not just good

enough to sit down with the mayor of the City of Winnipeg and the Chamber of Commerce and the labour unions. You have to bring the grass-roots approach. All Manitobans should be involved in this very symbolic gesture, again hurting rural Manitoba, Mr. Speaker, and the North, probably more than the City of Winnipeg.

We have seen deregulation of the airlines. Again, I maintain deregulation is going to hurt this province, particularly in the North, and in rural Manitoba. I know the service to the City of Brandon is much poorer today because of deregulation than it was prior to deregulation. There are a number of things that are happening that I maintain, Mr. Speaker, that this Government has not done a good enough job in opposing. I would urge them to unite with all Manitobans to fight this issue.

Mr. Speaker: Order, please. I am interrupting the proceedings according to the Rules. When this matter is again before the House, the Honourable Member will have 10 minutes remaining.

The hour being 12:30 p.m., this House now adjourns and stands adjourned until 1:30 p.m. Monday.