



First Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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39 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward, Hon.	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack, Hon.	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, November 23, 1990

The House met at 10 a.m.

## PRAYERS

### ROUTINE PROCEEDINGS

#### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**Mrs. Louise Dacquay (Chairman of Committees):** The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for La Verendrye (Mr. Sveinsson), that the report of the committee be received.

**Motion agreed to.**

#### TABLING OF REPORTS

**Hon. Leonard Derkach (Minister of Education and Training):** I would like to table the Annual Report 1988-89 for The Advisory Board of Education and Training.

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I am tabling the Provincial Auditor's report—not for 1990. I understand that the Provincial Auditor is hoping to have that report made public before Christmas.

At this time, I am tabling the report of the Provincial Auditor of the Legislative Assembly for the fiscal year ended March 31, 1988, and I would tell Members of the House, this has already been considered by the Public Accounts Committee.

I am also tabling the report of the Provincial Auditor of the Legislative Assembly for the fiscal year of March 31, 1989, and the supplement that goes with it. These will be considered at the next Public Accounts hearings.

#### INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to Oral Questions, may I direct the attention of Honourable Members to the gallery, where we have from the John W. Gunn School seventy-eight Grade 9 students. They are under the direction of Wendy Rutherford. This school is

located in the constituency of the Honourable Member for Transcona (Mr. Reid).

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

#### ORAL QUESTION PERIOD

##### Retail Sales Tax Revenue Forecast

**Mr. Gary Doer (Leader of the Opposition):** My question is to the Minister of Finance.

About a week ago in this Chamber the Premier of the province (Mr. Filmon) stood up and said that the forecast for Manitoba's retail sales tax revenue was 4.5 percent. I would refer the Minister of Finance to the Hansard—(interjection)—well, the Minister says it does not say that. I refer the Minister to Hansard of November 15 in answers to questions posed by our Finance Critic, the Member for Brandon East (Mr. Leonard Evans).

Yet today, Mr. Speaker, the numbers have come out and Manitoba is the lowest in western Canada in retail sales with a drop of 3.4 percent.

My question to the Minister is: How many jobs is it going to cost in Manitoba in the retail sector area for this massive decrease in retail sales? Secondly, how will that affect the budget in that the Minister of Finance projects a \$6 million increase in revenue on retail sales and a drop of 3.4 percent prior to the GST coming in will result in close to a \$20 million drop in revenue in the provincial budget that he tabled a few weeks ago in this Chamber?

\* (1005)

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I do not have Hansard in front of me, but I was prompting the Premier during that answer. I think he specifically said retail trade. That is not retail sales.

Retail trade is a number that is composed by taking—as it has been, the methodology has been in place for several years through indeed this Government and the one before us—into account trade reports by certain sectors of our economy.

At that time in the budget, we indicated that

number would increase by 4.5 percent. That is the number that the Premier referred to in his answer, and that number still holds.

With respect to revenue, Mr. Speaker, retail sales tax revenue, that number is as forecast in the budget. It is slightly increasing. It has not changed since the budget forecast.

**Mr. Doer:** Mr. Speaker, we will note that in the first quarter statement that the Minister tabled with the public he was off about \$8 million in his planned versus actual.

### Ministers of Finance Meeting GST Discussions

**Mr. Gary Doer (Leader of the Opposition):** I have a further question to the Minister of Finance.

He is hosting a Ministers of Finance meeting in Manitoba on December 5 and 6. We were quite concerned to see that in an economy that is deteriorating right across the country—and certainly Manitobans are feeling the same impact of Tory economic made-in-Canada recession policies in Manitoba.

Why is the First Minister, on the agenda, not having the issues of the GST, the high dollar and high interest rates? Rather, he has chosen issues of jurisdictional dispute between the federal Government. Why is he not dealing with the real economic challenges to get our economy going at that Finance Ministers' meeting in Manitoba next week?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, there is not much use dealing with the GST when the federal Minister of Finance is not going to be there. Indeed the GST is not the tax of any of the 10 provinces that I am hoping will be in attendance.

With respect to the reason for the calling of the meeting, we sense that there is a lack of economic leadership in the country as a whole. We sense that possibly the provincial Ministers of Finance have a role, if they can drop for a moment their political ties and indeed their political stripes, to try and find some solution to the malaise that we find ourselves in, in this country. If we do not, the Members opposite, indeed whoever happens to be in Opposition in this province or in any province in the country, are going to break Government of the Day for not spending enough.

Mr. Speaker, you cannot spend more on social programs if wealth is not being created. The solution

to creating wealth right today is to come together and deal with something called massive debt. That is the purpose of the meeting.

**Mr. Doer:** Mr. Speaker, the question really is: Why are the Ministers of Finance not dealing with strategies to have our economy start to grow rather than dealing with strategies as to how to manage the absolute weakness and decline in the Canadian economy under the federal Conservative Government of Canada?

My question to the Minister of Finance is: Why is the Government not hosting a meeting that will deal with the way in which our economy will grow so that people who are unemployed can start working, people who are on welfare can get jobs and people can start getting our economy going again? Why is he actually surrendering to the recession with the items on the agenda that he has hosted for the meeting in Manitoba?

**Mr. Manness:** Mr. Speaker, that is exactly what we are attempting to do. We are saying, indeed all of us, as I have canvassed my colleagues in other provinces, we all agree, regardless of your political stripe, that the very first step you have to take is, come to grips with the tremendous debt that we have as a nation and, second, that we have as provinces. Everybody agrees to that.

So as Ministers of Finance, we are going to try and develop a consensual position so that indeed we can make that presentation to the federal Government and try and put our own provincial economies and the national economy on the road to success again. With the lack of leadership that happens to be occurring not only nationally, but certainly as indicated by the Leader of the Opposition, who would have us go further into debt to try and buy our way into a wealth position, I say that we have the solution, he does not.

**Mr. Doer:** Well, the Minister of Finance will soon realize that if people are not working, they are not creating wealth.

\* (1010)

### Rafferty-Alameda Dam Project Water Quality Status

**Mr. Gary Doer (Leader of the Opposition):** I have a further question to the Minister of Natural Resources.

The former Minister of Natural Resources stated in his release of the technical report that their study

in the Department of Natural Resources indicates that Manitoba's benefits will be enhanced with the proposed Rafferty-Alameda dam, something that Premier Filmon said on later dates.

I would ask the Minister of Natural Resources: What is the status of the Rafferty-Alameda dam in terms of water quality and quantity as far as the Department of Natural Resources is concerned?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I cannot and nobody indeed can comment on what the status of the water quality is in the reservoirs that are to be formed behind the dams at Rafferty and Alameda. I can indicate to the Honourable Member though that we have set in place management teams that will monitor and that will enable Manitoba for the first time to ensure that in the first instance the quality of the water becomes a known fact, that we have an opportunity to determine the regulations regarding as to how the dams are to be operated in the interests of Manitoba.

That committee is in place just as it has been in place and working very effectively at the Darling dam that ensures that the water that we currently have in the Souris River in Manitoba to a large extent comes from the fact that that dam is in place in North Dakota.

### Manitoba Representation

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, but of course the monitoring body has no teeth if the two dams are built, and the Minister well knows that, if it adversely affects the Manitobans.

My further question to the Minister of Natural Resources is: Authorities for the Souris River basin yesterday stated, and I quote, you see people like Glen Cummings standing up and saying things that he is saying despite the fact that the Manitoba Government indicated that the Canada-U.S. agreement was signed and that they were in favour of it. So politicians can only find so many sides of their mouth to speak out of.

My question to the Minister is: Is the authority for the Souris basin development telling the truth about the Manitoba position or is he wrong and will the Minister say that on the record today?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I am always pleased to be associated with my colleague the Minister of Environment (Mr. Cummings), who has in my

judgment and I think in the judgment of most Manitobans handled the responsibilities of the environment in Manitoba in an extremely responsible manner.

The questions really are hypothetical in the extreme. In the first instance, the dams in question of course have yet to be completed, a special reference to the Alameda. Second, we hope—and in fact, that is one of the concerns of those who oppose it—that providence, Mother Nature, will provide us with the moisture conditions to fill the reservoirs. So at this point it is conjecture, it is hypothetical as to what will be the result.

While I am on my feet, Mr. Speaker, the monitoring management teams that I am referring to are not by any means simply there on paper. They have specific regulatory powers entrusted to them.

Manitoba has the same representation as Saskatchewan and North Dakota. It is a tripartite group that will effectively determine how those projects will be managed. We will ensure that they will be managed in the best interests of Manitobans.

**Mr. Doer:** Yes, but it does not have the retroactive authority to roll back the dams, Mr. Speaker, that will create the water quality and quantity problems for Manitoba.

My last question to the Minister of Natural Resources—(interjection)—The proponents of the dam are still the proponents of the dam on the Conservative side, Mr. Speaker.

I have a final question. If as the Minister says Manitoba is opposed to the project until we know the water quality and quantity impact and if as the Minister says we disagree with Saskatchewan in terms of their comments about Manitoba, how does the Minister of Natural Resources justify the fact that Quebec showed up in the court in Saskatchewan, the federal Government showed up, the Saskatchewan Government showed up and the Manitoba Government was sitting in the bleachers nowhere to be seen on behalf of Manitoba's water quality and quantity?

Do you not think that justifies the statement made by the Member from Saskatchewan in terms of the Government of the Day ducking this issue for people in Manitoba?

\* (1015)

**Mr. Enns:** Mr. Speaker, the Minister of Environment—I certainly do not wish to speak for

him here in this Chamber. My Premier (Mr. Filmon) and the Government have been opposed and have questioned—and we made that very public—the process that Saskatchewan has followed. We have made our opposition known to Saskatchewan, to the federal Government and to Manitobans in this Chamber.

I cannot let this opportunity go by without reminding the Honourable Member that he ought to visit different parts of water-short Manitoba, most notably Lake of the Prairies behind the Shellmouth dam. Virtually the only water that we have in water-short Manitoba is behind man-made structures, whether they are at the Jackson dam, whether they are at the Stephenfield dam at Morden and so forth. So there has to be an understanding of how these projects operate.

### **Ronda Lauzon Case Trial Justification**

**Mr. Paul Edwards (St. James):** Mr. Speaker, my question is for the Minister of Justice.

The Crown has just had its case against Ronda Lauzon summarily dismissed by Mr. Justice Hanssen. In doing so Justice Hanssen stated that there was not the slightest evidence of criminality and it was unfortunate that she had been prosecuted and subjected to a trial. In fact, Mr. Speaker, after the preliminary inquiry the Crown did withdraw the most serious of the offences, criminal negligence causing death.

My question to the Minister is: Why did they persist in putting this woman through a trial when they could not put forward even the slightest evidence of criminality, in the words of the judge?

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, the finding of Mr. Justice Hanssen was at one stage of the proceedings and the finding of the judge at the preliminary hearing was a finding in another stage. It was found at that stage that there was evidence that should require a case to go forward.

It is on the basis of the preliminary hearing finding of a committal for trial that the Crown proceeded with this very, very difficult case. The Honourable Member would know the difficult time the Crown prosecutors would have prosecuting a case like that.

### **Parent-Child Centres Government Support**

**Mr. Paul Edwards (St. James):** Mr. Speaker, my supplementary question is for the Minister. It is indeed tragically ironic in my view that just weeks ago the Minister of Family Services (Mr. Gilleshammer) refused to fund Winnipeg's five parent-child centres, which are now in the process of cutting back and in fact closing.

Ms. Lauzon was just the type of person we had hoped, and these centres had hoped, to attract and indeed who had used it in very large numbers, 24,000 each year at these centres cumulatively.

Will the Minister of Justice now himself, armed with vivid evidence given by Judge Hanssen of the difficult lives poor parents have, go to his colleague the Minister of Family Services and advocate for the support of parent-child centres in this province?

**Hon. James McCrae (Minister of Justice and Attorney General):** The circumstances of the case go back to February of 1989, Mr. Speaker. At that time there was some concern about the manner in which the case against Ms. Lauzon was being handled by the police. At that time I undertook to satisfy myself or look into the circumstances surrounding her apprehension and the circumstances surrounding the potential prosecution.

I did precisely that and satisfied myself at the time that procedures had been followed properly, satisfied myself that the police authority in those circumstances handled the accused in that case as sensitively as the circumstances would warrant, and the Crown has handled the case in a similar manner. -(interjection)-

The Honourable Member for Osborne (Mr. Alcock) suggests I am wrong. Perhaps he can show me in which way I am wrong.

\* (1020)

### **Ronda Lauzon Case Trial Justification**

**Mr. Paul Edwards (St. James):** Mr. Speaker, perhaps the Minister can tell us in which way he is right.

Perhaps he can tell us if it is indeed proper policy and a policy that he supports that this woman was put in jail for the night the very day that her child died and her other child was taken away for a petty theft

in which she had stolen milk and diaper ointment for her children.

**Hon. James McCrae (Minister of Justice and Attorney General):** I would welcome an opportunity to discuss with the Honourable Member the circumstances that led to the actions that were taken.

If the Honourable Member thinks he is helping the cause of children and helping the cause of people like Ms. Lauzon by discussing the matter in the way that he is on the floor of the Legislature of this House, then I very profoundly disagree with him, and I will be happy to discuss the matter with him privately.

### Point of Order

**Mr. Edwards:** Mr. Speaker, the Minister has impugned that my motives were improper in bringing this question to the floor. Let me tell the Minister, any time a court in this province goes out of its way to summarily criticize this Minister and this Government it is indeed a—

**Mr. Speaker:** Order, please. The Honourable Member does not have a point of order.

### Economic Growth Government Initiatives

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, I have a question now. It is for the Minister of Finance (Mr. Manness) or perhaps the Acting Premier.

There is increasing evidence of a downward spiral of our economy, and there are more victims of free trade everywhere. Consumer and business confidence are at very low levels. Welfare case numbers are up. The retail sector is weak. Bankruptcies are up. Housing starts are down significantly.

Now, recent reports from Statistics Canada reveal, contrary to the impression being left by the Minister of Industry, that manufacturing shipments in Manitoba are declining. If you take the first eight months of this year, manufacturing shipments have declined by 0.5 percent compared with last year, but they are accelerating—the decline is accelerating. In August the decline was 1.2 percent and in September, 7.2 percent.

In light of this information, Mr. Speaker, would the Minister of Finance or the Acting Premier indicate whether the Government of Manitoba is now

prepared to consider taking some action to offset the accelerating recession which we are now experiencing?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, it is obvious that the Members opposite want us to do one of two things. They want us to borrow an awful lot more money to try and stimulate the economy or they want us to significantly decrease taxes.

I can tell you that if we have our choice, we will continue along the path that we have walked so far and try and reduce taxes, but then I implore Members opposite to stop asking us to spend money, question after question after question, like they continue to do in this House.

Mr. Speaker, I do not have the September numbers, but I do know that in retail sales for the first eight months of this year—

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please; order, please. I am having great difficulty in hearing the response of the Honourable Minister of Finance.

**Mr. Manness:** Mr. Speaker, I do know that in the first eight months of this year—not looking at a snapshot at one month, the first eight months—then retail sales increased 5 percent in the first eight months in Manitoba as compared to Canada up 2 percent.

Mr. Speaker, that answers the specifics of the questions of the Member. Manufacturing shipments from January to September this year versus last year is virtually flat. It is down a half of 1 percent over those eight months.

**Mr. Leonard Evans:** The fact is the rate at which manufacturing shipments declined is accelerating.

I would ask the Honourable Minister of Finance whether he is prepared to look at some programs, some initiatives that could stimulate the private sector in this province and could stimulate the economy in general. I would remind him that even John Diefenbaker used public works once to offset a serious recession that occurred during his tenure in office.

So I would ask this Minister, is this Government prepared to consider instituting a program of acceleration of needed public works?

**Mr. Manness:** Mr. Speaker, the Member talks about public works. We have the second highest Health budget that has come down in this province in the

last decade or if not longer. We have the largest Highways construction budget that has come down in the last 15 years. We have a very high school capital budget. The Government Services capital budget is amongst the highest.

We have made commitment to capital, and I do not know what else the Member really is wishing.

\* (1025)

**Mr. Leonard Evans:** Given the fact that even the Mulroney Government recognizes that we are facing serious job losses with long-term employees being thrown out of work, will this Government at least look at some measures, any measures, that would particularly concentrate on the deteriorating economy that we are facing, continuing decline of jobs, the loss of jobs, particularly in the major industries such as manufacturing and transportation?

**Mr. Manness:** Mr. Speaker, the Member uses the words, declining economy. Do I have to recite again chapter and verse the numbers which show that the province's economy is growing far above the national average for 1991 forecast in the range by some forecasters at 3 percent?

Mr. Speaker, I am not going to let the Member put on the record the fact that the provincial economy is not doing well. I wish it would manifest itself in greater Government revenues. I wish it would manifest itself in ever greater employment growth, but the fact is in relative terms, the provincial economy is doing exceedingly well.

### CP Rail Rail Car Inspections

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I took as notice three questions from the Member for Transcona (Mr. Reid) the other day regarding safety inspection on CP Rail cars.

I want to indicate that staff have contacted Transport Canada and CP Rail officials. They confirm that all cars are being inspected at Winnipeg by carmen before being cleared for onward movement in accordance with the rules. Loaded cars that are in need of minor repairs and which do not represent a hazard to safety are allowed to move through to Thunder Bay for unloading before repairs are effected. All carmen are subjected to intensive training in order to become qualified car inspectors. Their judgment is based on this skilled knowledge.

The second question: Transport Canada officials ensured that CP Rail adheres to the safety rules and there are penalties for non-compliance. They advise that they are satisfied that CP has not breached the rules in this instance.

### Winnipeg Housing Rehabilitation Corp. Property Purchases

**Mr. Doug Martindale (Burrows):** Mr. Speaker, my question is for the Acting Minister of Housing.

In some north end neighbourhoods where housing conditions are deplorable one group is making a difference, MAPS Housing Co-op. In the fight for unit allocation and in the search for suitable buildings, they are up against Big Brother, and in particular they are competing with the Winnipeg Housing Rehab Corporation.

My question is: Why is Winnipeg Housing Rehab Corporation being allowed to buy a building which their General Manager, Mr. Al Ducharme, condemned as unfit for rehabilitation, a building on the same street that MAPS Housing Co-op is buying and renovating houses?

**Hon. Harold Neufeld (Acting Minister of Housing):** Mr. Speaker, I will take that question as notice for the Minister of Housing (Mr. Ducharme).

### Non-Profit Housing Co-ops Unit Allocations

**Mr. Doug Martindale (Burrows):** I have a supplementary for the same Acting Minister.

On what basis are units allocated to non-profit housing corporations in Winnipeg, and are cost overruns and vacancy rates in existing properties of non-profits considered in allocating units?

**Hon. Harold Neufeld (Acting Minister of Housing):** Again, Mr. Speaker, I will take that question as notice.

### Winnipeg Housing Rehabilitation Corp. Unit Allocations

**Mr. Doug Martindale (Burrows):** My final supplementary, Mr. Speaker, is: Has the Minister made a commitment in advance to allocate units to Winnipeg Housing Rehab Corporation for 1991-92 and '92-93 when the normal practice is to allocate units on an annual basis?

**Hon. Harold Neufeld (Acting Minister of Housing):** I will take that question as notice as well.



### Natural Gas Pipeline Consumer Protection

**Hon. Harold Neufeld (Minister of Energy and Mines):** Mr. Speaker, while I am on my feet, can I respond to a couple of questions that were taken as notice on my behalf?

**Mr. Speaker:** That you have taken as notice?

**Mr. Neufeld:** Mr. Speaker, several questions were taken as notice and both were in regard to the rolling in of incremental costs of pipeline construction. The first one was whether or not we would appear before the Public Utilities Board as an intervenor when Inter-City next appears before the Public Utilities Board with its rate increases. We have never made the habit of appearing before the Public Utilities Board as an intervenor. The Public Utilities Board operates at arm's length from the Government, and we will continue that practice.

The second question had to do with why we had not appeared as an intervenor at the National Energy Board when they decided to not break with tradition of rolling in the incremental pipeline cost. Mr. Speaker, in 1993, when Manitoba will have to transport to and from storage, the incremental pipeline cost for that transportation will not be rolled in. We will be quite happy with that not rolled into the rate base. That will save Manitobans a great deal of money.

\* (1030)

### Decentralization Statistics

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** My question is to the Minister of Rural Development (Mr. Penner).

During the Estimates process, it is becoming increasingly clear that the decentralization proposal as outlined by this Government is not working. In questions in the Department of Education, it was clear that zero employees from Teachers Records and Certification are prepared to move to Russell. It was clear that less than 10 percent of the employees of the Independent Study Branch were prepared to move to Winkler. We know that zero employees of Vital Statistics are prepared to move to Dauphin, and we have been told by the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson) that fewer than 10 percent of the employees that will be decentralized in her department are prepared to move.

Can the Minister responsible tell the House how many of the 592 Civil Service, not Crown corporation but Civil Service employees, have agreed to move?

**Hon. James Downey (Deputy Premier):** Mr. Speaker, the only place it appears that decentralization is not working is in the mind of the Leader of the Second Opposition Party. It has been very clear as to the confusion which has been going through her mind in this whole issue. At one point she was going to physically take the civil servants and cast them into the regions of the North. "Physically" was her approach; "warm bodies" was what she said. That is how she was going to handle it.

I will get the specific information on numbers of people who will be moving with their positions. Remember the basis of what it was established, that we were moving positions, giving every person the opportunity who was in that position to move and fill that job, and other accommodations will be made for them if they in fact do not move.

**Mrs. Carstairs:** As we go through the Estimates, it is very clear that the Ministers are at least admitting that it is not working, even if the Deputy Premier will not.

Can the Minister responsible, because it is our understanding that it is the Minister of Rural Development (Mr. Penner) who is responsible, will the Minister of Rural Development tell the House today how many civil servants and their families—because I am not interested in the commuters—have actually left employment in the City of Winnipeg and moved to locations determined by this Government?

**Mr. Downey:** Again, let me assure you that this Government has done everything possible to accommodate those individuals who have not made the decision to move with their position. Human sensitivity and caring is the motive of this Government in the handling of this issue, Mr. Speaker, and I have had calls complimenting the manner in which it has been handled by the civil servants, the people who are involved.

It is my understanding that as of the 1st of September, and this figure I will put on the record in an estimate, is approximately 120—some positions that have to date been identified for move and actually been moving. We are in the process of doing it. Contrary to the Leader and the negative

position of the Leader of the Liberal Party, I believe it is working very well.

### Equivalent Employment

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, some valuable employees have actually chosen to take jobs in Nova Scotia rather than to continue to fulfill their obligations here in the Province of Manitoba, because they would not accept this highhanded attitude of this Government.

Can the Minister responsible for Rural Development tell the House how many civil servants have been given equivalent positions in other departments because of their refusal to move from their present location?

**Hon. James Downey (Deputy Premier):** Mr. Speaker, again, I will take the specifics of that question as notice so that we can give the information to the Member. I am again extremely disappointed in her approach to the whole issue of decentralization. Two of the objectives of decentralization were to take Government closer to people and help the economies of some of our rural and northern communities with Government—

**Mr. Speaker:** Order, please. The Honourable Minister has taken the question as notice.

### Transportation Industry Open Sky Policy

**Mr. Daryl Reid (Transcona):** Mr. Speaker, last night the Minister of Highways and Transportation admitted that with just one week to go before the House of Commons open sky committee comes to Winnipeg, he is still thinking about what his policy should be.

My question is for the Minister of Highways and Transportation. Why does this Minister not have a policy on a serious issue that will cost this province hundreds of jobs and in fact could jeopardize 3,600 jobs in the airline industry?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I cautioned the Member yesterday to not try and strike fear in the hearts of some in Manitoba until he had the facts, and this has happened before. I also indicated that the open sky policy was basically announced six weeks ago by the federal Minister. I have indicated, as our Premier (Mr. Filmon) did, that the Department of Industry, Trade and Tourism and my

departmental people have been working together. We have had numerous meetings in terms of establishing a position that we are going to be taking.

The Leader of the Opposition when he raised that question said, how come we do not have a position? I indicated yesterday—and if the Members want to read the remarks I have put on the record in terms of some of the complexities in terms of developing that position—we are doing that. We have had meetings, and we will have ongoing meetings to establish that kind of position.

### VIA Rail Northern Route Protection

**Mr. Daryl Reid (Transcona):** Mr. Speaker, last Friday the Conservative appointees running VIA Rail announced that they wanted to abandon all remote mandated routes, which will cause a loss of essential services to many communities and the loss of 100 Manitoba jobs.

My question is to the same Minister, Mr. Speaker. Why does this Minister still cling to his fantasy that Benoit Bouchard, who killed half of VIA routes in this country, would somehow come back and save the communities of The Pas, Lynn Lake, Churchill, Gillam, amongst many others?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, yesterday in my Estimates we had some debate about the aspect of what has happened with VIA Rail. My discussion with the Members who were present at the time indicated the frustration, I suppose, when the Government of Manitoba, the City of Winnipeg, the labour movement, Mr. Al Cerilli and his people, when we all went down to Ottawa and had our chance to make our presentations known at that time, a very strongly organized presentation. As a result, no changes happened anyway.

I have indicated many times in this House and put my position forward in terms of the federal Government as to how we feel about the cutbacks in VIA Rail, and we will continue to do that. In fact, Mr. Speaker, the Minister of Rural Development and I are anticipating to meet with the federal Minister very shortly where we will again be bringing forward as strongly as we can the concerns that we have about transportation to isolated communities.

### TIDAC Agreement Renewal

**Mr. Daryl Reid (Transcona):** Mr. Speaker, my final supplementary is to the same Minister.

Manitoba had a federal-provincial TIDAC agreement some time ago. Why has this Minister failed to renew the TIDAC agreement and why is this Minister ignoring the transportation issues of this province until the job losses occur?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I must say I am rather disappointed by the question from the Member, because I think I have been promoting the strength of Manitoba's transportation industry far and wide across this country. I would like to think that I have put that case forward very strongly. If the Member has some concerns about the position that I have put forward as Minister responsible for transportation, maybe he can check with the industry people who feel rather confident that we are doing the best we can to try and bring our concerns forward.

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**Mr. Jim Maloway (Elmwood):** Mr. Speaker, my question is to the Minister of Manitoba Hydro.

Can the Minister confirm that the Government in fact did intervene in 1986 and 1987 to try to get Manitobans lower natural gas prices?

**Mr. Speaker:** Order, please. The Honourable Member should ascertain the accuracy of his facts before bringing the matter to the House. The Honourable Member kindly rephrase his question, please. -(interjection)- Order, please. The Honourable Member for Elmwood kindly rephrase his question, please.

**Mr. Maloway:** I was trying to merely get the Minister to correct his previous statement.

\*(1040)

### Franchise Legislation Introduction

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, I have a question to the Minister of Corporate Affairs. Yesterday it was reported that the Brunswick Dealer Group International and founder Jeff Wuckert were being investigated by the RCMP commercial crime division regarding the sale of franchises in this

province. Frank Massey is in the news again, this time selling computer consulting franchises.

When will this Minister move to protect Manitobans and bring in franchise legislation?

**Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs):** Mr. Speaker, our department, as has been said in this House before, has been reviewing franchise legislation but, unlike the Member for Elmwood, we will not table legislation in this Legislature before we have given everybody who will be affected by legislation an opportunity to comment on it and make it the best legislation that can be had.

As he knows very well, with The Business Practices Act we met for 14 weeks this last summer with all constituent groups, including the consumers, the Chamber of Commerce, all groups together to ensure that we have good legislation. We will continue that process, unlike the Member for Elmwood, who just copies legislation from other jurisdictions and puts it in as his.

**Mr. Maloway:** Mr. Speaker, I do not know how many years it is going to take before we get some decent consumer legislation in this province.

### Goods and Services Tax Consumer Refunds

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, I have another question to the Minister of Corporate Affairs.

The junior Minister of State, Tom Hockin, admitted that the GST may in fact not go into effect for some months and Manitobans who have bought Jets season tickets, magazine subscriptions -(interjection)-

### Point of Order

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, the Member for Elmwood is a veteran in this House, and he knows that if he wants to do an editorial comment on the answer that certainly he gives away his right to a preamble, which he does not have anyway on a supplementary.

**Mr. Steve Ashton (Opposition House Leader):** On the same point of order, the Government House Leader should also be aware that answers to questions should not lead to debate. I think the answer of the Minister of Consumer and Corporate Affairs clearly breached that part of our rules and did lead to the Member for Elmwood perhaps erring

from our rules, but I would hope at least that he would recognize where it started from, the Minister of Consumer and Corporate Affairs.

**Mr. Speaker:** Order, please. On the point of order raised, the Honourable Minister did have a point of order.

Beauchesne's 410(7) -(Interjection)- Order, please; order, please. I would like to remind all Honourable Members, brevity, both in questions and in answers, is of the utmost importance.

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**Mr. Maloway:** Mr. Speaker, my question to the Minister of Corporate Affairs is: What action has this Government taken to ensure that Manitobans who already paid the GST will get refunds if the GST does not go through January 1, 1991?

**Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs):** That is a hypothetical question. Any questions on the GST will be looked after by the Minister of Finance (Mr. Manness), which is taxation.

Mr. Speaker, let me be very explicit to the Member who says that we are not introducing legislation. For seven and a half years the NDP were in Government and introduced no legislation. Last year we had the largest legislative package to come before this Legislature in the history of the province, legislation for the consumers to protect the consumers that they sat on for seven and a half years—

**Some Honourable Members:** Oh, oh!

### Northern Tax Allowance Reinstatement

**Mr. Speaker:** Order, please. The Honourable Member for Thompson has time for one very short question.

**Mr. Steve Ashton (Thompson):** As northern residents dig themselves out of the worst snowstorm in many years—it has closed schools, closed roads, highways, et cetera—thoughts in northern communities have turned to the Northern Tax Allowance once again.

In Thompson, Wabowden, despite the fact that we are northern communities we still have not heard anything from the federal Government in terms of whether it will be reinstating—in fact, I just received a petition from 600 Inco employees who just had 45 percent of their pay cheques deducted, in large part

because of the fact we have lost that Northern Tax Allowance.

My question to the provincial Minister of Finance is: What information can he give to this House as to what the federal Government has communicated to him as to its intentions? In other words, will it be reinstating the Northern Tax Allowance in communities such as Thompson and Wabowden?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, it is not for me to indicate what decision the federal Government is making in this regard, because I can indicate to the Member and indeed residents of northern Manitoba that I have not been apprised of a final decision of the federal Government.

However, in discussions with the federal Department of Finance I am not terribly encouraged by their outlook and indeed their potential in supporting a decision that would again reinstate this allowance. Let me say, Mr. Speaker, that is not the final word. The final word has to be sought from the federal Government.

**Mr. Speaker:** Time for Oral Questions has expired.

### NON-POLITICAL STATEMENTS

**Hon. James Downey (Deputy Premier):** Mr. Speaker, I wonder if I may have leave to make a non-political statement?

**Mr. Speaker:** Does the Honourable Minister have unanimous consent to make a non-political statement?

**Mr. Downey:** I thank Members of the House, Mr. Speaker, for this opportunity.

In view of the fact that there is a major national event taking place on Sunday in the time in which our country needs I believe national events to bring us together to make us Canadians, as we are all so proud to be, I want to, on behalf of the Government and those Members in this House, extend to the Winnipeg Blue Bombers on Sunday the best of luck and wish that they come back to Manitoba with the Grey Cup, so that we can have it here for next year's great celebration of the Grey Cup here in Winnipeg.

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker—leave for a non-political statement.

**Mr. Speaker:** Does the Honourable Member have leave?

**Mr. Doer:** As a former board member of the non-profit community-based Winnipeg football club,

Mr. Speaker, I think it is great that in the Grey Cup today we have an excellent example of two community-based teams, the Edmonton Eskimos and the Winnipeg Blue Bombers, publicly owned playing together as opposed to all those private firms that could not get into the Grey Cup.

Having said that, in terms of our spirit of social justice and community-based football, my only concern is, of course, that Manitoba represents the eastern conference. Hopefully, some day we will have more teams in the East, because we all love to hope for the Winnipeg Blue Bombers as representing the western conference.

Having said that, we wish the Winnipeg Football Club, the Blue Bombers, the best on the field in the Grey Cup on Sunday. We also wish all the volunteers and the community-based groups that participate so much with the football team the best of fortunes on Sunday.

\* (1050)

Win, lose, or draw, all of us are always proud of the tradition of our community-based Winnipeg football club, and we look forward to joining all Members in hosting the Grey Cup next year.

We will not have to worry about selling tickets before the game. It will be sold months ahead of time with the spirit of Manitoba.

**Mr. Speaker:** Prior to recognizing the Honourable Member for The Maples, I would caution all of the Members that you are asking leave to make a non-political statement, and I would just caution all Honourable Members.

**Mr. Gulzar Cheema (The Maples):** Mr. Speaker, may I have leave to make a non-political statement?

**Mr. Speaker:** Does the Honourable Member have unanimous consent to make a non-political statement? Leave.

**Mr. Cheema:** The Deputy Premier (Mr. Downey) and the Member for Concordia (Mr. Doer) are wishing the football team from our city the best of luck because sports bring the best among people, and we wish them—and it does not matter the outcome, we will always welcome them.

## ORDERS OF THE DAY

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, today we will be going into Bills, discussing Bills 6 and 12. If indeed we have finished consideration of Bill 12 around twelve

o'clock or up until 12:10, we will then move into Supply and consider the Departments of Justice and Labour.

Nevertheless, we will be in Supply from one o'clock to four o'clock this afternoon. I will come back into the House, move the Motion of Supply after we have considered the Bills.

I would like to indicate to Members of the House that we expect to consider on Monday in Supply the Departments of Northern Affairs and Family Services.

If you would like to ask the House for unanimous consent, with respect to—I will save that, Mr. Speaker, at the time I move into Supply, because that will happen after consideration of Bills.

## House Business

**Mr. Manness:** On House Business, I would like to announce that the Standing Committee of Municipal Affairs will sit on Tuesday, December 4, to consider the report of The Forks Renewal Corporation. It will also sit on Tuesday, December 11, at 10 a.m.—both times, 10 a.m.—and I guess, we can assign a Committee Room 255 to those Standing Committees to consider North Portage Development Corporation.

**Mr. Speaker:** I would like to thank the Honourable Government House Leader for that information.

## DEBATE ON SECOND READINGS

### BILL 6—THE BUSINESS PRACTICES ACT

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs (Mr. Connery), Bill 6, The Business Practices Act, Loi sur les pratiques commerciales, standing in the name of the Honourable Member for Point Douglas (Mr. Hickey). Stand? Is there leave that this matter remain standing? Leave? Agreed.

**Mr. Jim Maloway (Elmwood):** I was very pleased this morning to rise to put a few comments on the record concerning the Bill now called No. 6 and known as The Business Practices Act of Manitoba. This Bill is many, many years overdue. In fact, a number of provinces already have a business practices Act in place, and it is a very important piece of consumer legislation. In fact, I believe at this point British Columbia, Alberta, Ontario, Quebec, Prince Edward Island, Newfoundland and I believe

now Saskatchewan, may have a business practices Act on the books.

The reason for the importance of having such an Act on the books is—there are a number of reasons why that is the case, but I guess over the years consumer legislation started out in a very slow sort of manner and has gained momentum over the years. In fact, it was not until 1969 that The Consumer Protection Act was brought into Manitoba at that time to give consumers just the beginnings, the rudiments, of consumer protection legislation. That particular legislation brought in by the Schreyer Government in 1969 paved the way for a mediation in the resolution of complaints. Over the years, the Act has worked rather well. In fact, a tremendous number of cases are resolved through mediation.

As the years progressed, we found that there were an increasing number of cases that were not being handled as well as they could be under the CPA, so in fact a business practices Act became a necessity. The Business Practices Act expands the role of the Consumers' Bureau. It gives the Consumers' Bureau some real power, because under The Consumer Protection Act what in fact happens is when a consumer feels aggrieved in a consumer transaction, the Consumers' Bureau writes a letter to the company and asks for a settlement to be made.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

That is really all it is. It is a mediation process involved in writing letters back and forth from one party to the other. If the company is not interested in effecting a settlement, then they simply ignore the Consumers' Bureau. That has been happening, particularly with firms who really do not have a very good track record in terms of dealing with the public, and particularly with operators who have, to say the least, very shady records and a very poor attitude toward a proper business climate.

What has happened in effect is provinces, the three provinces who do not have a business practices Act, will tend to attract this type of individual. For example, in the case of the Golden Universe Marketing Corporation that burst on the scene last year selling gold coin contracts to people on a pyramid basis, one of the groups was raided by the police at the International Inn and charges were brought forward.

Just a month ago, almost a year after charges were brought, two of the individuals charged were in fact convicted and fined under the Act. Now these individuals, I am told, at least one of the two is now operating in the United States. What they tend to do is select jurisdictions or states, in the case of the United States, that do not have consumer legislation.

It stands to reason that if your business has tried to operate in an as unregulated environment as possible, you cannot get any more unregulated than a jurisdiction with no consumer legislation. That is another reason why it is important for us to at least get up to standard and get up to speed and get up to the same level that already seven of the other 10 provinces in Canada have.

We do not need businesses flocking to Manitoba, business people who have poor track records elsewhere coming to Manitoba, because they know they can go on about their business basically stealing from the public, duping the public, and not have to face any consequences because in fact, if they are reported, the Consumers' Bureau does not have the power to do anything to them.

That is really the purpose of this Act, to give the Consumers' Bureau the tools that we feel are necessary for it to do a proper job. Even with a business practices Act, The Business Practices Act in itself will not provide the full and complete answer to the problem, particularly if the Consumers' Bureau does not find out early enough as to when something is amiss.

As an example, I would like to cite you some cases in the past where an elderly person was taken advantage of by a sidewalk construction company. The company was out of town already, out of the province, before she realized that she had been taken. So the Consumers' Bureau, even under this much improved and better legislation, is going to have to be notified early on in the game to be able to take the proper measures.

Once again consumer education is key to a lot of this, because if people are trained to be able to check contracts out before they sign them, or check people out before they allow them to do work on their homes and so on—in the case of renovation contractors—then if people do take the precautions of checking with their relatives, checking with their lawyers, checking the Better Business Bureau and

so on, they are going to be at least a little more aware of what should be the practice.

If they do get themselves involved in a situation where in fact it looks like they have signed a bad contract or involved in an unfair business practice, that they in fact will be able to notify the Consumers' Bureau very early in the game. The timing here is the crucial element. They will be able to notify the Consumers' Bureau very early. The Consumers' Bureau will be able to step in, seize records if necessary, seize bank accounts if necessary, and make restitution if there are funds available. Of course, we have seen in the past there are lots of cases where there are just not funds available.

\* (1100)

The operators, by the time they start going bad, assuming that they were good operators in the first instance to begin with, start going bad when the finances start to falter in the company. They start cutting corners and substituting inferior product or doing the job only halfway, or in fact just outright taking excessive deposits from people and spending the money to complete the last job. They get on a treadmill which eventually leads them to bankruptcy of the company, bankruptcy of the individual, and in fact a long trail of people who have lost money.

We think it is high time that the legislation has been enforced. In fact, our caucus introduced this Bill under two different numbers in 1988 and '89. The Minister, to his credit, introduced the Bill as Bill 64 last year, and we thought at that point that the Bill was going to pass. In fact, he was quite exuberant about it, and we were happy he was, because for the first time he managed to get something by his caucus and his Cabinet and had their support on this matter. We thought that this legislation, this meaningful legislation, was going to be passed.

Well, what happened was the Minister was hijacked by the business community in this province, by the Chamber of Commerce, by his friends in the business community, which he has admitted several times. The business community ordered a halt to the legislation. Perhaps, they did not do it through the Minister. Perhaps it was done through the Premier (Mr. Filmon) who then ordered the Minister, but regardless, the deed was done. The Minister pulled the legislation and dozens and dozens of consumers have gone these last months without the protection that they would have had, had

this Minister stuck to this guns and not backed down when the business community ordered him to do so.

I think that tells a lot about this Government, the fact that they would get off on the right track and then get sidelined into the wrong track by business people who probably at that point had not really seen the legislation, and once they had seen it, then decided they wanted to put a stop to the Minister's initiative.

### Point of Order

**Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs):** Point of order, Madam Deputy Speaker. The Member well knows that the Consumers' Association raised questions about the Bill, and so we felt it was proper to consult with them further.

**Madam Deputy Speaker:** The Honourable Minister of Consumer and Corporate Affairs does not have a point of order. It is a dispute over facts.

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**Mr. Maloway:** Madam Deputy Speaker, the Minister knows that is a rather silly comment for him to make. In fact, the Consumers' Association had been consulted in his draft of the initial Bill, Bill 64, and had been well advised of what was going on in the Bill and had approved of what he had put in the initial Bill. The fact of the matter is, pure and simple, that he withdrew Bill 64, the second Bill, because of the business community pressure on him. That is why he did it. In fact, he even admitted it, because there are press reports to that effect and others who knew. As a matter of fact, I recall at the time, and even predicted to the Minister that he was going to withdraw the Bill because we had been told by the business community that this Bill was going to be pulled. We knew exactly when it happened, and the Minister has, in a way, 'fessed up to that sad occurrence.

However, to give him credit, he has brought it back and it has only been a few months now. It is not as if it was forgotten about for a couple of years. He has brought it back, but he has brought it back in a form that is more acceptable to the business community. In fact, he acquiesced to their demands. He has come up with a Bill that they can live with, a Bill that they more or less drew for him. He would have been smarter—and he will probably remember this for the future—that when he does his franchise legislation, should he ever get that far or his lemon

law legislation, he will more than likely allow the franchise legislation to be drawn up by McDonald's and the lemon law legislation to be drawn up by the Motor Dealers Association. That is the pattern that this Minister is now setting, that this Government is now setting, when it allows these interest groups who hold their purse strings to basically write their Bills for them and tell them what they can and cannot put in their Bills.

In fact, in the Winnipeg Free Press, November 9, in an article that the Minister regales about here in the House—I have read pieces of his Hansard where he went on a real tirade here. It must have been rather entertaining to be around when he made that speech. Reading it I would imagine that the roof almost came down off the building here. In that article, he is quoted as saying that the Minister said the Bill was redrafted partly because of concerns of businesses that feared they were not being fairly treated in the original proposal. He admits right there that it was business that called the tune on this particular case.

What they have done is they have basically taken out a whole series, a whole page, of unfair business practices known as unconscionable acts, which they saw fit to include in their Bill 64 last year, caucus the Bill, which I assume they did in the Conservative Caucus. They took this Bill through Cabinet. They introduced this Bill to the Legislature. In fact, it was spoken on. It went to the committee stage, and it was well on its way to being passed at committee, when the Minister just up and withdrew the Bill, out of nowhere withdrew the Bill. He brings it back now six months later, as he has admitted it was withdrawn because of business pressure. He brings it back now, and he has pulled a whole section dealing with unconscionable acts.

We on this side of the House intend to allow the Bill to go to committee, hopefully today. We want to put the Minister on notice, that we would hope that he would entertain some amendments to the Bill, which would in fact serve to reintroduce or to bring back some of the unconscionable acts that he has stripped from this Bill, because we do not feel we have been given a proper explanation for him doing what he did. Perhaps at the committee stage he will offer us an explanation, and if the explanation is reasonable and so on, I am sure that we will be very reasonable at that point as well. We are not that difficult to get along with.

Up to this point, we have no other conclusion to

draw than the conclusion that we did draw, and that is the very mysterious circumstances surrounding the withdrawal of the Bill after it had been approved by their Cabinet and caucus and had been brought into the Legislature. It passed first reading. It was in committee. It was just on the verge of being proclaimed almost, and it gets withdrawn.

Now it comes back at this stage, and a big important section has been taken out of it. Obviously the Minister is hiding something here. He is yet to come up with a proper explanation of why he did this. I know when we get to committee, I am sure that his staff will be there to advise him as to the reasons for the deletion of these particular clauses and so on.

Perhaps we will have answers at that point, but we also at that time or at this time want to let the Minister know we will be hopefully bringing forward amendments which will put back into the Bill what he and his business friends took out of it. We want to bring the Bill back up to its previous standards and maybe even make it better than it was previously. That is something that I hope we can do in short order, because the consumers of this province have been waiting too long for this type of legislation.

\* (1110)

I also want to make some comments about the lack of action on other fronts. The Minister has already indicated the negative option offers concept is something that he himself cannot deal with until he divests himself of Portage cable shares. Upon reading his Hansard and so on, I gather that might be something he may do, because he indicated that at this time he had a conflict, but he hoped to resolve it in the near future. I assume that he is going to sell the shares and not resign his ministry. I would assume that regardless of the outcome, whether he is there or someone else is there and he sold his shares and whatnot, he would in fact see fit to bring forward legislation in short order at least in the next Session because that could only be two or three months away, if we ever get out of this Session, to bring either this Session, but more likely next Session, a Bill on negative option offers.

I think the franchising area is something that he is going to have to look at very closely and very quickly. There are a number of people who are being hurt right now because there is not proper legislation before the House in that particular area. The



Minister may think that The Business Practices Act may foot the bill as far as it may cover some of the areas that a franchises Act might. I think there is a broad enough area that has to be looked at.

Another area that the Minister has to look at is some sort of a travel Act. We proposed such an Act last year. The Minister, I am sure, is monitoring the situation. That seems to be his method of operating. He is constantly monitoring things, but he never does anything. We would expect that he should be looking at a travel Act. However, once again, there may be a number of items that would be put in a travel Act that in fact may be covered under The Business Practices Act related to the sale of travel products in this province. It is possible that this particular Bill may be able to satisfy some of the potential problems in that area.

In terms of the motor vehicle lemon law Act, which we think he should have done something about because when they were in Opposition they did absolutely nothing. Their critic, the current Minister of Housing (Mr. Ducharme), in all three speeches he made in the two years he was there, talked about the issue, but in fact, when they became Government, they did absolutely about it.

### Point of Order

**Madam Deputy Speaker:** The Honourable Member for Assiniboia, on a point of order.

**Mrs. Linda McIntosh (Assiniboia):** I believe the Member is off topic. I would appreciate him being brought back, according to the rules.

**Mr. James Carr (Crescentwood):** The Member for Assiniboia was not in her seat when she raised the point of order, which is out of order.

**Madam Deputy Speaker:** The Honourable Member for Assiniboia is correct. The Honourable Member for Elmwood (Mr. Maloway), I would caution, has a tendency not to be relevant to the Bill being discussed.

The Honourable Member for Crescentwood was correct. I erroneously recognized the Honourable Member for Assiniboia too soon. However, she did then subsequently return to her seat, and was then recognized at her seat.

**Mr. Maloway:** Madam Deputy Speaker, on a point of order, I would have to say that on perusal of Hansard we will find that my comments have been totally relevant to this Bill.

If anyone would take the time to listen to the comments, they would see they are totally relevant. The Member, while she is running around from one seat to the other, perhaps mis-hears what I have said, but I will have to now take the opportunity to explain once again to that Member so she gets it clear this time. It was very clear. There was no tendency here to be irrelevant and not pertinent to the Bill. That is an unfair accusation on the part of that Member.

**Madam Deputy Speaker:** The Honourable Member for Elmwood (Mr. Maloway), on a point of order, I am certain that the Honourable Member for Elmwood would not want to reflect on the ruling of the Chair.

**Mr. Maloway:** Madam Deputy Speaker, certainly not.

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**Mr. Maloway:** Now, I do want to continue on my previous line of comments relating to Bill 6, The Business Practices Act, and suggest that this Act should be broad enough, and I believe is broad enough, to pick up a number of areas in the travel industry area—and I hope that is clear for the Member for Assiniboia (Mrs. McIntosh)—without the need for a comprehensive travel Act in this province, because we had talked about a comprehensive travel Act in this province last year. We in fact had introduced a Bill, but I feel that this particular Bill may cover some of the areas that we would have been covering by a dedicated travel Act.

Let me give you a few examples. In the area of the advertising of the travel product, in the area of pricing and so on, these are areas that may—in fact are excluded in Ontario, because they have their own travel Act, but in the absence of one here in Manitoba, I would assume The Business Practices Act will pick up those areas.

The second area, before I was interrupted for the second or third time, had to do with lemon law and car warranties under the concept of a business practices Act.

We introduced a lemon law last year, and it is conceivable that some of the areas that would be covered by the lemon law Act will in fact also be picked up under The Business Practices Act.

I can see where potentially there will be some instances where people will have complaints about the purchase of new cars and in fact will be able to

direct those complaints to the Consumers' Bureau. The Consumers' Bureau, because we have a business practices Act on the books, will in fact be able to take a broader interpretation of it and take action in that area, and that is what I was saying about the lemon law.

Now I would hope that they will still consider an Act in that area. The reason I hope they will consider an Act in that area is because their current Housing Minister (Mr. Ducharme), when he was the critic of Consumers Affairs a couple of years ago or from 1986 to 1988, in each of his speeches said that if they formed Government they would bring in such an Act. They have been Government for two years, and I have not heard anything positive—actually only negative things—when it comes to an Act dealing with lemon law. We have 40 of the 45 states in the United States that have such an Act and nothing here in Canada. Now maybe The Business Practices Act will pick up a piece of that as well.

\* (1120)

I do not feel though that the Act, even if we are able at committee to put back all of the sections that this Minister has taken out on the advice of his corporate buddies—even if we are able to put all those back in, we were successful in doing that, the enforcement of the Act also has a lot to do with the Consumers' Bureau and the people at the Consumers' Bureau as to whether or not they have the proper staffing and the Minister has, I think correctly, pointed out that he is not going to move immediately with a program to hire half a dozen civil servants to administer the program, but he will add staff in as they are required.

Because it is a complaint-based Act, if there are a lot of complaints and more staff is required, he will add them at the time. I think that is a prudent way to do it. I am not criticizing him in the least for making a statement like that. Some might say, well, the Minister is going to pass this Act and not do anything about it, because he is not going to hire any staff. I mean, I could have said that, but I have not suggested that. I have said the Minister is prudent in doing what he said he was going to do, and that is hire one staff, wait for six months and see how it goes. Then he would hire more if necessary. That, to me, is a proper way to do it.

Another area of concern, and I am not concerned about it at the moment, but I could be later on, relates to how the department, how the Consumers' Bureau

chief, the Minister and his staff interpret the sections of the Act in terms of their application. That is why I do not like what they have replaced the deletion of unconscionable acts with. They have taken this whole page of unconscionable acts out of their old Bill 64, and they have replaced it with what I would consider, what sounds to me like a very watered-down version, a version that could leave room for a lot of interpretation. Quite frankly, with a Conservative Government and this Minister in particular, I do not have a lot of faith that the Act will not be adhered to in a very, very strenuous way. Now, I may be proven wrong. This Minister and his department may be out there enforcing this thing and being very aggressive in the enforcement of the Act, but his track record certainly does not lead me to be confident that that is going to be the case in the least.

What could, in fact, happen is that we pass this Bill without the beefed-up amendments, and what we get is a fuzzy definition of unconscionable acts which allows the Consumers' Bureau and the Minister to just wander around and not do anything and say, well, this does not come under the purview of the Act, and that does not come under the purview of the Act. That is what happens, in my view, when you have a very, very general sort of wording. What he has in section 3 of the Act is that if the consumer knows—

#### Point of Order

**Mr. Marcel Laurendeau (St. Norbert):** Madam Deputy Speaker, the Honourable Member has been in the House for some time. I am sure he is aware that we are not to pick on any particular section of the Bill. I hope you will bring him to order.

**Madam Deputy Speaker:** The Honourable Member for St. Norbert does not have a point of order. I believe that the Member was attempting to be relevant to the Bill under discussion and the Honourable Member has been cautioned.

\* \* \*

**Mr. Maloway:** The Member for University Ward perhaps got here a little too quickly. He is moving up quite fast in the political field and has become an instant expert in the rules. -(interjection)- He sure did.

For the information of the Member, I am quite aware that clause by clause will be dealt with when we decide to send this Bill to committee. I have said

that it is my desire to complete my speech as soon as possible, but the Members opposite are making that very difficult for me to do, and to recommend this Bill be sent to committee. I find it very hard to do that when I keep getting petty little interruptions by the Member for University, who should know better.

In any event, Madam Deputy Speaker, I am quite aware that we do not get into clause-by-clause dealing with a Bill until we get into the committee stage, and we are not there yet. I am not in a clause-by-clause situation; I am just using this as an example. I can spend the rest of my time talking about the general lack of principles in this particular clause, but I was drawing it to the attention of the Minister so that he would not have so much time when his staff read Hansard, trying to figure out how they are supposed to respond to the questions raised. That was the reason why I pointed out that it was Section 3 that was of some concern to me.

Regardless of that, the fact of the matter is that the Minister and his business buddies, in my opinion, are trying to pull a fast one here, trying to water down the Bill, make it less definite as to what the rules are going to be. Then to the extent that they can control how the Bill is going to be enforced, through its enforcement and so on, we may find ourselves in a very, very weak situation here and not able to stop some of these abuses that have been perpetrated on the people of Manitoba over the last couple of years that this Minister could certainly have helped to stop and helped to alleviate if he had been more on the ball.

Madam Deputy Speaker, could I please have the amount of time remaining?

**Madam Deputy Speaker:** The Honourable Member has seven minutes remaining.

**Mr. Maloway:** Well, considering that I have only a limited amount of time left, perhaps I will take a few minutes to draw some examples to the fore, particularly to some of the newer Members who have not been here for the last two or three debates that we have had on this particular Bill.

To give people an example of the kind of activities that have been going on in this province over the last number of years, and to which a Business Practices Act is relevant and an absolute necessity, we all have been familiar over the years with the headlines that have said things like, swindlers strip elderly women of savings; door-to-door sales scam nets \$70,000; headlines, such as firms pick up on

rumours of easy money; perfect plastic house costs \$16,000.00.

When we read these examples we all get kind of sad, because the people who tend to be taken advantage of are by and large elderly people, poor people, poorer people and people who are not well-educated and so on, and who are the least able to protect themselves in situations like this.

There are cases where the renovations contractors or other people go into a small town or into a neighbourhood and take advantage of a number of elderly people, and basically clean out their whole life savings, their whole bank accounts. Then in fact they are so brazen that they even trade the names, they trade off the names of people they have taken with other cohorts and other related businesses who then come in and scam the same people.

So it is very, very clear that we need something that is going to help, and I say "help" to get a handle on this situation. We know that just passing a Bill is not the only answer to this problem. We have to do more than just pass the Bill. That is why I am concerned that we do have proper enforcement.

If we start out from the very beginning, here in this Legislature, and water down the Bill and make the Bill a lot weaker than it should be, then we are not doing these people any disservice, because I really do not want to be here four, five, ten years from now reading out similar types of headlines that will happen two years and three years from now that were not picked up because this Bill was not brought in, a proper fashion was not brought in with strong enough wording, and in fact this Government did not enforce the Bill that is passed with the diligence that it should be.

\* (1130)

Now, Madam Deputy Speaker, there are a whole number of comments that can be made on this, and I think I will save some of them for the committee stage. I am not certain whether there are other people who are wishing to speak to this Bill. If there are, that is fine. I understand the Member for Lakeside (Mr. Enns), the Deputy Premier (Mr. Downey) would like to speak, but I believe that if there are no further speakers on this Bill, I think there is an agreement among the House Leaders that we would permit this Bill to go to committee perhaps next Thursday -(interjection)- yes, it will be set by the House Leaders. Thank you very much.

**Madam Deputy Speaker:** The Honourable Minister of Co-operative, Consumer and Corporate Affairs. Is the Honourable Minister closing debate?

**Mr. Connery:** I move to close debate on Bill 6. -(interjection)-

**Madam Deputy Speaker:** I regret to inform the House that this Bill is standing in the name of the Honourable Member for Point Douglas (Mr. Hickes) and, as a result, the Honourable Minister of Consumer and Corporate Affairs is not permitted to close debate.

**Mr. Leonard Evans (Brandon East):** Madam Deputy Speaker, the official Opposition is prepared to waive this so that it no longer stands in the name of our Whip, the Member for Point Douglas. We will waive it, so the Minister can conclude debate.

**Madam Deputy Speaker:** Is it the will of the House that leave to have the Bill stand in the name of Mr. Hickes (Point Douglas) be granted? Withdrawn? Be waived? Withdrawn, in order that the Minister of Consumer and Corporate Affairs may close debate. Agreed? Agreed.

**Mr. Connery:** Madam Deputy Speaker, in the essence of time, I am not going to make a speech. I think initially it would be demeaning to me and to this Legislature to respond to the sort of comments put on the record by the Member for Elmwood (Mr. Maloway). He takes great delight in the dribble and the misinformation that is brought out, and I think that I would just pass, and recommend that this Bill go to committee.

**Madam Deputy Speaker:** The question before the House is the second reading of Bill 6, The Business Practices Act; Loi sur les pratiques commerciales. Is it the pleasure of the House to adopt the motion?

**Some Honourable Members:** Agreed.

**Madam Deputy Speaker:** Agreed and so ordered.

### BILL 12—THE LABOUR RELATIONS AMENDMENT ACT

**Madam Deputy Speaker:** On the proposed motion of the Honourable Minister of Labour (Mr. Praznik), Bill 12, The Labour Relations Amendment Act; Loi modifiant la loi sur les relations du travail.

**Madam Deputy Speaker:** Is it the pleasure of the House to adopt the motion? Agreed?

**Some Honourable Members:** Agreed.

**Madam Deputy Speaker:** Agreed and so ordered.

**Mr. Leonard Evans (Brandon East):** Although this matter is standing in the name of the Member for Point Douglas (Mr. Hickes) who will, I believe, want it to continue to stand in his name, I would like the privilege of speaking at this time.

**Madam Deputy Speaker:** Is there unanimous consent to have the Bill stand in the name of the Honourable Member for Point Douglas? Agreed? Agreed.

**Mr. Leonard Evans:** Madam Deputy Speaker, I rise to participate in the debate that has gone on in this House for some time. Certainly it has created a great deal of heat, some light, in the past year. Many people in Manitoba are very much concerned about this Bill both on management and on labour's side. Certainly the committee of the Legislature that dealt with this early this year spent many an hour, many a day listening to the various briefs and in deliberation considered them, came back to the House, and we made a decision at that time to kill the FOS.

I believe, Madam Deputy Speaker, that it is regrettable that the Government chose to bring this legislation in during this Session. I know the Minister of Finance (Mr. Manness) as the House Leader would be very delighted to have a very quick, expeditious Session so that we can get back onto a regular cycle. There has been some discussion of that and some accommodation on the part of various Members of both sides of the House to ensure that the work of the House gets on expeditiously, that we are meeting in the afternoons now, we are meeting on some evenings by agreement, not by passing any rules or laws but simply regulations, by agreement.

At the same time we are being very reasonable, but here we have this Bill that we feel very strongly about and really, I do not know why it was introduced during what is expected to be, what is hoped—at least by the Government House Leader, the Government side—to be a very relatively short Session. Certainly if this piece of legislation was not before us, we could get on with the rest of the business of the House and for sure, guarantee more readily, that we would be out of here earlier rather than later. Not for sure, but you know.

I am afraid, Madam Deputy Speaker, that this matter has been brought before us primarily because of an ideological commitment, a political commitment to certain business interests in the

province rather than based on the facts that we have now on the operation of final offer selection as a new labour relations technique or tool. The facts that we have had and other speakers have related to them, indicate that it has been working well and that many settlements have come about simply because of the existence of FOS. In some cases of FOS, the selector himself did not have to act because the parties decided, prior to the final decision made by this selector—the term used for the arbitrator in this case—an agreement was reached, so it did not have to go to the final stage where the selector arbitrarily chose one side or the other.

Madam Deputy Speaker, FOS was innovative. It is not innovative on the total sphere of things and the total stage, because it has been utilized in other jurisdictions many years back. It is innovative in this province. It has, in my mind, in our minds on this side of the House, at least in the minds of the official Opposition, been very successful. The objective is an admirable one: To minimize industrial disputes and to reduce time loss from strikes or lockouts. That surely is the objective of any labour legislation.

\* (1140)

We believe very sincerely, very strongly, that FOS has achieved this objective. Therefore, we are puzzled really, when you look at the facts, why a Government would want to withdraw this particular piece of legislation from the statute books, or eliminate it from the statute books. It has been useful to, not only the union side, but it has been useful to management side. It is often referred to as being particularly valuable to the smaller organization. It is to the advantage of the smaller party. If you have a small union dealing with the big corporation, it has been observed by some that it may be to the advantage of the small union, but on the other hand, if you have a small business enterprise dealing with a large union, it could help balance the books with the large union and give a bit more preference or consideration, I should say, of the small enterprise.

The other reason I am puzzled as to why the Government wants to proceed and eliminate this particular technique is that there is already a sunset clause in the legislation, and I am advised that it expires at the end of 1992, which is only another couple of years. Surely, that would give us more reasonable time to assess whether or not FOS is truly working. We believe it is, but surely two more years would give us more data, more evidence, to assess the effectiveness of FOS as a new,

innovative technique in labour relations. That was eminently reasonable, and it was brought in. The sunset clause was initiated by the NDP Government of the Day when it was brought in.

Let me talk generally about labour legislation and the role of negotiations. I suppose you could argue that negotiations play a very important part in all of our lives. We all have to negotiate at one time or other. There was one time the American President, John F. Kennedy, said: Let us never negotiate out of fear, but let us never fear to negotiate, unquote. Of course, among the most important negotiations are those where labour and management sit down to work out their differences and to bargain for wages or for working conditions or whatever. These negotiations are indeed very vital to the parties at the time. Sometimes, however, it is very hard to find an agreement. It is very hard to get a settlement. These can be very elusive.

Over the years, historically, labour and management, with the help of Government, have developed a set of tools to assist through difficult negotiations as they saw defective bargaining techniques. Some of these tools are familiar to all of us, Madam Deputy Speaker. Collective bargaining itself is one major technique, if you will. Mediation and conciliation, we are familiar with those, binding and unbinding arbitration and, of course, the ultimate weapon, either a strike on the part of the union or a lockout on the part of the company.

These are various methods to resolve differences, but I would like to remind everyone that these mechanisms did not just come out of thin air, nor did they all come at the same time. They evolved over a long period of time. They evolved over many years and at different points of time. In many instances, in the day that those procedures were brought in, and they were new and innovative at the time, there were probably some who were rather frightened as to their outcome, as to what would happen with them, just as some people were concerned and apprehensive about the introduction of final offer selection when it was brought in by the previous Government.

At any rate, in whatever fashion, these various techniques were brought in and have become well established in our western industrial democracies. Therefore, rather than relying on raw power or brute force as a way to resolve irreconcilable differences, we have brought in innovations. Our forefathers had the insight, foresight and the courage to bring in

various innovations over the years. So the art and the science of negotiation have been improved upon. Both management and labour, and the public they represent, are better off for it.

Now we are debating final offer selection, one of the newer tools available to negotiators. A lot of questions have been asked and are still being asked, but I want to remind Members of the House that many of these questions have been asked in the past in other jurisdictions. Final offer selection is nothing new. It is not a new phenomenon under the sun. We remind ourselves that if we put it into proper historical perspective we get the same complaints and concerns from some Members opposite and from some people on management side who say that if we bring it in there will be too much power given to unions over business. In fact, I think this is often the argument that is used.

Whenever new labour legislation has been brought before this Legislature over the past 20 odd years that I have been here, back into the Schreyer years, whenever we brought in an innovation, a change to The Labour Relations Act, some improvement in progressive labour laws, the Conservatives then in Opposition were quick to point out that they are certainly not anti-labour, but they believe that the NDP legislation would give the unions too much power over business. In fact, that was the same argument used. It is often used when it comes to improvements in Workers Compensation.

Of course, the argument is they are not unsympathetic to injured workers, but they are more worried, they have some concerns about their business supporters who have to pay the assessments. I am afraid that in some cases they are more interested in that than they are about the ability of the worker, who may be too injured or too ill to carry on their work to pay their bills and feed their families. There is this bias that I have detected, but nevertheless we have to address the problem of improving labour legislation.

So as I said, historically we are criticized by giving the unions too much power. Often we are criticized when we bring in progressive legislation, or argue for progressive legislation, that really we are doing this on behalf of the union bosses and not for the ordinary worker. In fact, way back when I had the privilege of sitting in the House with a one-time Member for Sturgeon Creek, Mr. Frank Johnston, he criticized us very severely when we brought in

major changes for The Labour Relations Act of the Day, back in 1972, that was 18 years ago.

He put forward the same theme, and I am quoting from Hansard at that time: The heads of those unions, he earlier called them greedy union mongers, let me tell you those guys are not for the working man. They are just out to put their hands in the working man's pocket again, and drag money out of them, unquote. Well, that was about 18 years ago. You know, we have often heard this theme again and again in this House, and that is that the legislation is not for the ordinary workers, it is for the union bosses.

Well, of course, that is nonsense, Madam Deputy Speaker. The legislation is to benefit the ordinary working man and working woman in this province. Often when we brought in progressive labour legislation in the past, it was argued that we brought in major changes, that it was going to ruin the economy. In fact, back in 1972 we had Mr. Spivak, then Leader of the Conservative Party, who said at that time when we introduced major changes to The Labour Relations Act, and I am quoting, we have labour relations in this province which are the best in the country, unquote. Then he goes on to say that the NDP labour legislation will upset the balance and conditions will worsen.

\* (1150)

The world, or at least Manitoba has not come crashing down since that time. The sentiments that Mr. Spivak expressed were echoed time and time again by his colleagues around that time. I have heard them over the years whenever progressive labour legislation was brought in. We do have good labour legislation in this province, and a lot of it came out of the 15 years of NDP Government in this province.

That same theme is picked up by the media, and by some organizations in this province. We have got the Manitoba Chamber of Commerce and the Manitoba Mining Association, and there were some other employer groups who said that there are dark clouds over Manitoba because of changes in past labour legislation. There was an ad put in the papers back in June 26, 1984, and the advertisement was put in by the Winnipeg Chamber of Commerce, the Manitoba Chamber of Commerce, and I believe the Manitoba Mining Association, and some other employer groups. They spoke of this threat of the dark cloud over Manitoba and the Bill, it was called

Bill 22 at that time, more labour relations legislation that for Manitoba it was going to be a disaster.

The ad said at the beginning, and I am quoting from the ad: Up to now our management and labour relations in Manitoba have been in relative harmony. Indeed, our record for solving problems to discussion at the bargaining table is outstanding compared to other provinces. Then they went on to predict that free collective bargaining as we know it in Manitoba is finished, it is a thing of the past, and it warned that big brother will now make decisions for us. It forecast, and I am quoting again from the ad: Many young Manitobans will have to leave Manitoba to find jobs elsewhere in the country. Facing a huge unemployment problem, Bill 22 is a complete disaster for Manitobans, unquote.

Of course, it went on to prophesize that businesses, large and small, would leave Manitoba. They would have to flee to escape this legislation. Then another article from the Free Press, on June 30, 1984, quotes then Opposition Leader Gary Filmon, and they say, quote: Opposition Leader Gary Filmon said the Bill has shattered harmony in labour-management relations. Unquote. Then there was another article from the same paper dated July 3, 1984, which read, quote: Gary Filmon summarized his Party's position. They could not understand why the Government was attempting to destroy the fragile balance between labour and business. This Legislation will be just another roadblock in job creation and investor confidence. Unquote. That was from the Winnipeg Free Press of July 30, 1984.

It is the theme that we have heard over and over again whenever an innovation is made in labour relations. Once again, we have got the Chambers of Commerce and some Conservatives talking, on the one hand, what a fine system we already have in Manitoba, but let us not bring in any innovation, because there will be unspeakable catastrophes and calamities as a result.

Well, Madam Deputy Speaker, the predicted disaster did not happen in 1972. They predicted disaster in 1982, and it did not happen. They predicted disaster in 1984, and it did not happen. So they were wrong before, and the critics are wrong now. They cannot have it both ways and still remain credible in their criticism. I say there is no excuse to remove final offer selection.

The other argument that is often made is a

time-worn melody they were bringing forward, the NDP is supporting changes in labour Legislation because we have got some election debt to the big eastern unions, in particular, or to the Federation of Labour, or to some specific union or to some specific union leader. In fact, back in 1972, the Member for Lakeside (Mr. Enns), who is still a Member for Lakeside, when he spoke of the new Labour Relations Act of the day, said in this Legislature, and I am quoting, the legislation was, quote: designed to ensure that the war chests of the New Democratic Party will be properly filled in the coming election. Not only that, it is to make sure that they will have Yankee money, American money, because they support the cause of international and American unionism. That is what this bill is all about. Unquote.

Then the Member for LaVerendrye, in 1982, when debating first contract legislation, said in this House that this legislation was—and I am quoting—a payoff by the NDP to the union leadership that supported them in the last provincial election, unquote. Well, then, again and again, that is the theme that comes up. That it is a time-worn excuse, Madam Deputy Speaker, that again and again, we are told it is some kind of a payoff to labour for support. They are wrong in this.

As I said, our concerns about bringing forward improvements in Manitoba labour legislation is to ensure that we minimize walkouts, we minimize strikes and we maximize the economic welfare of the average Manitoban who happens to be the average working man and average working woman in this province.

Fortunately, there are, as I have said earlier, experiences in other jurisdictions of final offer selection that give us a lot of insight into the potential impact of the legislation. We should look at some of the criticisms that have been offered about final offer selection in the context of what has happened elsewhere, as well as in Manitoba. As I said earlier, as some of my colleagues have said before, the first misconception we have heard is that the final offer selection takes away the right to strike.

Nothing is further from the truth, Madam Deputy Speaker. The legislation very clearly places the decision on whether or not to go to final offer selection or to go on strike with the members of the bargaining unit who must ultimately bear the consequences of either action. I would suggest that workers do not lightly go on strike. They do not lightly take the action which will cause hardship to

themselves and to their families. They have to make decisions. The decisions are not made very lightly.

It does not take anything away from workers, Madam Deputy Speaker. In fact, it adds to their ability to bargain in good faith with their employer and to reach a fair settlement where possible. We should not delude ourselves because there can still be strikes and lockouts. It does not eliminate all strikes and lockouts. We believe it minimizes the possibility of them, but some issues just do not lend themselves to the final offer selection process.

(Mr. Speaker in the Chair)

For example, if you have a dispute around a worker's seniority rights, that will not be settled by FOS. Grievance procedures and so on do not lend themselves to any form of arbitration or third party intervention. Therefore, I am saying final offer selection is not the option that will be adopted.

On the other hand, the fact remains that there will be situations where bargaining is broken down for any number of reasons, and that arbitration or final offer selection can be used effectively to avoid strikes and lockouts. Therefore it will be up to the employees to decide whether those circumstances warrant final offer selection or a strike.

I repeat, Mr. Speaker, FOS offers the opportunity to prevent labour-management strife. That is all this legislation was ever about, nothing more, nothing less. It does not take away anything, it only adds. It only adds another opportunity to reach a negotiated settlement before an employer or employee feels compelled to resort to a lockout or strike.

On the other hand, Mr. Speaker, -(interjection)- until the entry of certain Members here, all was quiet and I was proceeding with my speech. Now I think I am being interrupted and my train of thought is being affected negatively. -(Interjection)- Well, fine.

On the other hand, Mr. Speaker, there is some who have said that final offer selection is too attractive as a replacement for a strike, and consequently it will stop the parties to collective agreement from bargaining in good faith. They suggest that FOS will soon become the preferred option over that of bargaining in good faith.

By the way, that is exactly the same argument the Conservatives used to oppose first contract legislation in 1982. They said that the first contract legislation—it was the Member for St. Norbert (Mr. Laurendeau) who said at that time—makes it, too easy not to negotiate, too easy to circumvent the

bargaining process, and the entire concept of collective bargaining in this province may deteriorate or be destroyed.

Obviously, Mr. Speaker, his concerns and that of his Conservative colleagues failed to materialize. Their predictions of doom were unfounded. I think the workings of this legislation have proved those predictions to be unfounded very conclusively. In fact, since 1982 only a small number of first agreements were decided by the Labour Board under first contract legislation. In fact, it represents a very small percentage of all certifications that were granted for the first time since.

\* (1200)

At any rate, Mr. Speaker, first contract Legislation did not discourage good faith bargaining. FOS does not discourage good faith bargaining now.

As I said, in other jurisdictions, that have had experience, they have observed that it has not discouraged good faith bargaining as well. There is a Mr. S.A. Bellam, B-e-l-l-a-m, who writes an article in the Osgoode Hall Law Journal entitled, Final Offer Selection, Two Canadian Case Studies and an American Digression. That is the title of his article. I am quoting: Both parties reported considerable pressure was generated by the FOS deadline after mediation. Each preferred to reach agreement through negotiation rather than risk a complete loss in arbitration. Unquote.

Obviously, the pressure of final offer selection does keep good negotiations at the bargaining table rather than forcing them, or even enticing them away.

In that article, the same author, Mr. Bellam, was examining Canadian examples of final offer selection that took place in Ontario in the mid-'70s. He drew eight conclusions from that examination, four of them which dealt with the concern that final offer selection discourages good faith bargaining, one observation was that there was considerable convergent pressure to appear reasonable in the eyes of the selection officer—so that was a positive observation—another one, both sides felt strongly motivated to settle the agreement among themselves, for personal satisfaction and to avoid the risk of complete loss at arbitration, yet both felt that FOS gave the parties a larger measure of control than did conventional arbitration.

Mr. Speaker, the statistics that we have now, from the Department of Labour, Manitoba Labour Board



indicate that in the bulk of the applications received, by far the majority, the parties reached agreement prior to the selector appointment or decision, or the parties simply withdrew the matter before the selector. So most of it is decided upon without going to the final stage of the selector making the decision.

The third point Mr. Bellam makes in this article is that both felt the time frame set in advance prevented a stalemate from developing and kept talks progressing, albeit very slowly at times, but it nevertheless kept the talks progressing. A fourth advantage, both parties felt compelled to justify their positions during negotiations by reference to concrete financial data in preparation for the FOS criteria, in reasonableness. Indeed, both reported that the FOS deadline encouraged realistic bargaining throughout.

Mr. Speaker, there is another misconception about final offer selection, and that is that the arbiter picks one full package over that of the other and that there will be clear winners and losers when the FOS process is over, yet the experiences in other areas show that this is not the case.

The American experience is the same as some other jurisdictions in Canada. A Mr. James Stern, S-t-e-r-n, in a paper prepared for the annual meeting of the National Academy of Arbitration, wrote the following, and I am quoting: There is a good deal of misunderstanding about the process on the part of individuals who have not been involved with FOS. As for any damage wrought by the winner-take-all aspects of the final offer arbitration awards, it has not caused either the winners or the losers to condemn the procedure on this ground, unquote.

So Mr. Bellam, the Canadian author who was writing, as I said, in the Osgoode Hall Law Journal, was even more conclusive in his analysis that FOS does not cause winner-loser problems. Mr. Bellam says, as a matter of fact, and I am quoting again: FOS merely reflects the broad win-loss notion of the collective bargaining system, and, in fact, by generating convergent pressures, the parties may be so close together that animosity is lessened at the end of their arbitration process. Finally, by forcing the parties to compromise, rather than risk everything at arbitration, the result is likely more acceptable than if the arbitrator himself compromised the two positions to reach a settlement, unquote.

He later states in the same article that final offer

selection, quote, enhances the possibility of a settlement by the parties without recourse to arbitration, and the results appear to be acceptable both in terms of the immediate dispute and the ongoing employer-employee relationship, unquote.

In fact, Mr. Speaker, history rejects the notion that final offer selection decisions create future problems. As I said earlier, the data that we are getting now from the working of FOS over the last short while seem to verify this. So those who have studied this FOS experience in the other jurisdictions really indicate that not only does FOS not create future problems, but it really improves the situation. It brings the parties closer together during the selection process. There is less animosity than there would be otherwise.

There is another very important person I would like to quote on FOS as a technique in industrial labour-manager relations, and that is a person by the name of Stanley Jevons, who was an English economist, and he stated: Peculiar as this procedure seems, there are in reality distinct advantages in it. The most important being that any demand made by either side must be strictly reasonable and capable of being supported by good evidence so that it has at least a good chance of being accepted, unquote.

Now, Mr. Speaker, what is interesting about his comments, about the statement made by this gentleman, on what was then a new and unique bargaining tool indeed, was that they were made in 1915 in Great Britain. It was made as actually part of a book he had published in that year, a book on the British coal trade. So here is a very prominent, in fact, an outstanding British economist, well known to anyone who studies the history of economic thought, making this important observation.

What had happened, Mr. Speaker, that FOS was used for quite a few years at that time in settling wages for the industry, that is, in the early part of the 20th Century. As I said, the more recent history and other jurisdictions confirm the fact that FOS does force reasonableness and, for that reason, reduces hard feelings. It certainly does not result in the suggested win-lose mentality after the contract is settled.

Now, there is another misconception that I would like to deal with that we have heard about FOS, and that is that the unions or indeed management could lose major gains, such as seniority, the right to

grieve or even management rights, if they were submitted to FOS and either the union or the employer were to develop an extremely reasonable package with one exception on a major issue in the hope that the arbitrator would then choose their package as the most reasonable one.

Again, Mr. Speaker, history proves just the opposite. Mr. Bellam, as I quoted before, the same Mr. Bellam addresses this misconception. He states, and I am quoting: Another criticism stresses the possibility that the arbitrator may be forced to choose between two patently unreasonable offers, whereas arbitral discretion could shape a reasonable compromise for collective bargaining, force a test for strength.

Firstly, it is suggested that the likelihood of such an occurrence is remote. Few unions or companies would wish to risk everything at arbitration rather than compromise themselves. Further, even fewer negotiators would risk losing face so dramatically in front of both their superiors and their counterparts by backing the losing side. Consequently, it is argued that the bargainers themselves have a vested interest in closing the gap, even if a collective agreement could not be reached.

Secondly, the result would likely be no better under conventional arbitration which would probably impose a settlement unacceptable to either unreasonable party while collective bargaining would merely have one side eventually knuckle under. Finally, the criticism ignores the very real convergent pressures reported in the case studies which are generated by FOS, unquote.

As I repeat, Mr. Speaker, that is a quotation from Mr. Bellam, who has written extensively about the experience of FOS elsewhere in Canada. The possibility then of major gains—this is my point—the possibility of major gains being eroded or lost during the FOS selection is extremely remote. To the best of the knowledge of people who are expert in this, people who have studied this matter, this issue was not a problem. The fact is that final offer selection has proven a valuable bargaining tool in various jurisdictions. It narrows issues, mitigates one side trying to take advantage of the other side for fear of appearing unreasonable or for fear of losing everything.

\* (1210)

There is another one that we have often heard from the other side, from the Government, and now

this new Minister of Labour (Mr. Praznik), and that is that the final offer selection gives too much power to workers and to unions. What it does is really equalize power among the different parties involved in the negotiations, and again, I quote one comment from Mr. Bellam again. He suggested final offer selection, quote, may be considered to afford some advantage to the weaker party, unquote. I would suggest that the weaker party may be in one instance a small union against a large business or in other cases it could be a small business against a large union. In either of these cases FOS indeed gives some comfort to the weaker party.

Mr. Speaker, that is the advantage of the legislation. It provides some kind of a levelling of the playing field, so to speak, to avoid a stronger party bullying the weaker party through either an unnecessary strike or a lockout. Surely all Members would agree with wanting to avoid unnecessary strikes or lockouts.

They are telling us that, when they oppose giving workers in Manitoba their right to choose final offer selection over a strike or a lockout, they are not in favour of equalizing power. That is sort of law-of-the-jungle style of collective bargaining, and the impact that it has in our society surely has to be reconsidered in this day and age of the late 20th Century. I am not certain how FOS will affect all strikes in the future, but anything that helps to avoid violence, strikes or anything that may be associated, various problems or even violence that we have seen from time to time in the past, anything that will bring about more harmony between labour and management surely should be welcomed.

Any measure that can avoid headlines that we used to see, such as a couple of years ago the Free Press had a headline, Winnipeg postal pickets arrested. The Winnipeg Sun had a headline a couple of years ago, violence flares as picketing started or Tories stall while tempers rise. Maybe, just maybe, Mr. Speaker, the final offer selection could help us to avoid headlines like the situations that these headlines depict.

There is another criticism about the legislation that the Minister is proposing to eliminate, is the fact that only the employees have the ability to vote on whether or not final offer selection will be started. The Conservative Government, I would suggest, is opposed to giving working people this right to control their own destiny.

It seems to me, Mr. Speaker, they would rather see the workers forced to strike or subjected to a lockout by the employer. That is a situation, by the way, which is unilaterally opposed by an employer without any say in the matter by the workers.

So I say that FOS is something that can eliminate strikes, can reduce lockouts. It is a piece of legislation that brings in a sense of balance, a sense of fairness. I believe, Mr. Speaker—and I think the figures probably show this—by and large, they are not used necessarily as much by bigger organizations as by smaller ones. It will not be initiated by the large unions, and it will not be initiated by big business. They will not have to use it. It will be small business or small unions that will have to use it.

Well, I understand that I only have one moment, a few moments left. I would just say in conclusion, Mr. Speaker, that so many people in this province wanted to stay, even the Manitoba Medical Association have been in favour of it. The Manitoba Women's Agenda, the Manitoba Federation of Labour representing tens of thousands of workers, so many organizations have said to the Legislature of Manitoba, please leave FOS on the books.

I say, we should listen to the people out there, the bulk of the people who say FOS is working, leave it alone. Let it continue on, let it continue to be an important piece of labour legislation to bring about fewer strikes, fewer lockouts, less time loss through labour management disputes. Thank you very much, Mr. Speaker.

### House Business

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, before another Member rises to speak, I would like to make an announcement of House Business. I would like to announce that the Standing Committee on Law Amendments will meet on Tuesday, November 27, 1990, at 8 p.m. in Room 255 to consider Bill 6, The Business Practices Act.

I should also announce, Mr. Speaker, before I call a Supply motion—and I will do that after the Member takes the adjournment or speaks, but I have to do it before 12:30. I would announce, with unanimous consent, that the Department of Labour will be dealt with in Room 255 at one o'clock and that the Estimates of the Department of Justice will be dealt with in the Chamber at one o'clock.

Before I sit down, I would just ask that the Member

give me time to move the motion before 12:30 that we go into Supply.

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

Is there unanimous consent, therefore, to do Labour in Room 255 after such time that the Honourable Minister gets us into Supply? Is that agreed? Agreed.

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**Mr. Daryl Reid (Transcona):** It is a pleasure for me to stand today to speak on a very important piece of legislation before this House.

I am concerned by the implications that the repeal of final offer selection will have on the labour climate in this province, Mr. Speaker.

Before I get too far into my speech, if the Minister of Finance (Mr. Manness), in case I get a bit carried away in my speech, would remind me that he would like an opportunity before the time expires, then I will be pleased to give him the opportunity to speak.

**Mr. Speaker:** If the Honourable Member wishes, I will give him a two-minute warning at such time.

**Mr. Reid:** Thank you, Mr. Speaker.

Mr. Speaker, final offer selection is very important I believe to labour harmony and peace in this province. It goes a long way towards creating the labour harmony and peace that we need to have a good working climate and also to keep our economy growing in this province.

I see by some of the comments that were made by the Minister of Labour (Mr. Praznik) who introduced this Bill, and I will quote: The FOS is an unnecessary and one-sided legislative intrusion into the collective bargaining process. Final offer selection undermines free collective bargaining.

Mr. Speaker, it has not been my experience or I am sure the experience of Members on this side of the House to have seen any evidence that final offer selection impedes collective bargaining process in this province.

It has been my experience—I have worked in heavy industry in this province for over 20 years, and I have witnessed in my 20 years four strikes and the threat of one lockout in my working career. During those times I can assure you that there was no one that was more concerned than the employees themselves that were going to be ultimately affected by this and their families.

\* (1220)

We did not have the opportunity, Mr. Speaker, of having the FOS position to be able to use the FOS to resolve the matters in dispute at that time. If we had that opportunity we probably would have resolved these matters long before the strikes had taken place or the threat of lockout had been hanging over our heads. -(interjection)-

Mr. Speaker, the Minister of Labour (Mr. Praznik) asked if we are going to give the employer the opportunity. Well, the employer does have the opportunity of going to the employees and asking the employees whether or not they would be willing to take part in the FOS selection process.

I think that is a very good portion of the Bill to give the employees the opportunity to decide their futures, because they are the ones who create the productivity and the wealth in our economy. -(Interjection)-

I never avoid the issue, Mr. Speaker, I will speak directly to it. The issue is whether or not we want to have labour harmony and peace in this province. Since we had FOS, we have had labour harmony and peace in this province. This has gone a long way to preventing strikes and lockouts and keeping the people working in this province. I think it is important that we should keep this final offer selection law in Manitoba.

The Minister of Labour (Mr. Praznik), I will quote his statement: The inherent principle of final offer selection is that it creates winners and losers. It is an imposed settlement.

Mr. Speaker, that is nonsense. There are no winner or losers. The final offer selection process causes the two sides to come together and to negotiate in good faith by putting forward reasonable positions from both sides. Being as close as they are, the selector will have to make the ultimate selection, but there will be a very slight difference. In that case we will have a win-win situation for both parties.

The Minister of Labour goes as far as to say, final offer selection sets up situations where there is one big winner and one big loser.

Mr. Speaker, I have never in my experience, nor I am sure in the experience of Members on this side of the House, seen situations other than where we have major strikes and lockouts, that there are big winners and big losers. In my working experience, where we did not have the FOS process, we had big

winners and big losers. The big losers were the working people and their families who lost a great deal of income. There was a great deal of stress placed on the families in those situations during the strikes and lockouts. They were the big losers during this process.

During the strikes, no one wins. I am glad that the Liberal Members have made some statements concerning that, because I would like to make a few comments if I might about the position that they had taken during the committee hearings, of which I had the opportunity to take part in.

I am going to quote Mr. Edwards (St. James) in the amendment that he put forward to the committee, the amendment to the FOS legislation: Notwithstanding Section 2, within 30 days of this Act receiving Royal Assent, the Minister shall designate and establish a committee to undertake the comprehensive review of the final offer selection process as provided in the Act. I will end my quotation there, Mr. Speaker.

I think we are fortunate that we do not have the Liberal Members in this province in the position of Minister of Health, because had that been the case, looking at the proposal put forward here, we would have had a situation—and I will use an analogy that if the patient was transported to the hospital, the doctors would let the patient die before they did an autopsy to determine what the cause of death was and whether or not it was good—that is the type of Liberal position that the Members of the Liberal Party wanted to take.

The autopsy position, Mr. Speaker, is not a viable alternative in my estimation. I have never seen a position put forward before that allows an issue to die before you do studying of it. I think it is important that we should look at the issues as they stand and look at the cases that have been resolved by the final offer selection process. To November 19, 1990, there have been 99 applications for the FOS process. Seven of these, the selector has filed decisions, four of them in favour of the union proposal and three of them in favour of the employer proposal.

This seems to be a very good balance where the selector has had the opportunity to make decisions. I think that this FOS goes a long way to ensuring that there is labour peace and harmony. To carry on with some of the figures, there are 12 outstanding final offer selection decisions pending at this time.

The most significant figure was that there were 74 parties which reached agreement prior to the selector appointment and decision or withdrawal. I think that is very significant because that demonstrates that there is a willingness of the two parties to come together and to negotiate in good faith. If we had not had these labour negotiations taking place under the umbrella of FOS, we would not have these parties in a position where they would be forced to negotiate in good faith.

We have seen some strikes in this province that have been long, and they have been not very peaceful. When we have strike situations, as the Honourable Member of the Liberal Party states, no one wins. With the FOS, had we had FOS in some of those situations, we probably would not have gone to the strike situation in those cases. We would not have had the problems that were encountered on those strike lines. We do not, in my estimation, need to study because I believe the FOS process is working just fine and should be retained in this province.

**An Honourable Member:** What do the employers say?

**Mr. Reid:** I am glad the Liberal Member mentions that, because there were some comments made by his—

**Mr. Speaker:** Order, please. As the Honourable Member requested, there are two minutes remaining until 12:30. I am interrupting the

Honourable Member. When this matter is again before the House, the Honourable Member will have 30 minutes remaining.

**Mr. Manness:** Mr. Speaker, I am going to move the Motion of Supply. Before I do, I would ask whether you would canvass the House to determine whether there is unanimous consent to sit in Estimates this afternoon from one o'clock to four o'clock.

**Mr. Speaker:** Is there unanimous consent by the House to sit between the hours of one o'clock and four o'clock this afternoon? Agreed? Agreed.

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, I therefore then move, seconded by the Minister of Northern Affairs (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**Mr. Speaker:** It has been moved by the Honourable Government House Leader, seconded by the Honourable Minister of Northern and Native Affairs (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. Agreed? Agreed.

Is it the will of the House call it 12:30?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** Twelve-thirty, the hour being 12:30, this House is now recessed until one o'clock this afternoon.

# Legislative Assembly of Manitoba

Friday, November 23, 1990

## CONTENTS

### ROUTINE PROCEEDINGS

#### Presenting Reports by Standing and Special Committees

Committee of Supply  
Dacquay 1800

#### Tabling of Reports

Annual Report Advisory Board  
of Education and Training  
Derkach 1800

Provincial Auditor's Reports  
Legislative Assembly 1988, 1989  
Supplement  
Manness 1800

#### Oral Questions

Retail Sales Tax  
Doer; Manness 1800

Ministers of Finance Meeting  
Doer; Manness 1801

Rafferty-Alameda Dam Project  
Doer; Enns 1801

Ronda Lauzon Case  
Edwards; McCrae 1803

Parent-Child Centres  
Edwards; McCrae 1803

Ronda Lauzon Case  
Edwards; McCrae 1803

Economic Growth  
L. Evans; Manness 1804

CP Rail  
Driedger 1805

Winnipeg Housing Rehabilitation Corp.  
Martindale; Neufeld 1805

Non-profit Housing Co-ops  
Martindale; Neufeld 1805

Winnipeg Housing Rehabilitation Corp.  
Martindale; Neufeld 1805

Natural Gas Pipeline  
Neufeld 1806

Decentralization  
Carstairs; Downey 1806

Transportation Industry  
Reid; Driedger 1807

VIA Rail  
Reid; Driedger 1807

TIDAC Agreement  
Reid; Driedger 1808

Franchise Legislation  
Maloway; Connery 1808

Goods and Services Tax  
Maloway; Connery 1808

Northern Tax Allowance  
Ashton; Manness 1809

#### Non-Political Statements

Winnipeg Blue Bombers, Grey Cup  
Downey; Doer; Cheema 1809

#### ORDERS OF THE DAY

Bill 6 - Business Practices Act  
Maloway 1810  
Connery 1817

Bill 12 - Labour Relations  
Amendment Act  
L. Evans 1817  
Reid 1824