

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 21 May, 1982

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I'm pleased to submit our annual publication of the Financial Statements of Boards, Commissions and Government Agencies for the use and information of the Members of the Legislature. This book consolidates the audited financial statements of the government's boards, commissions and agencies in one publication. Most of the financial statements included in this book have previously been tabled because of a legislative requirement to do so. I trust that members will find this to be a useful reference book.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. V. SCHROEDER introduced Bill No. 39, An Act to amend The Department of Labour Act and Bill No. 40, An Act to amend The Labour Relations Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the Gallery, where we have several school groups this morning.

There are 40 visitors from Fargo, North Dakota from the James Madison Elementary School under the direction of Mrs. Joanne Wagner.

We have 70 students of Grade 3 standing from the Westgrove School under the direction of Mrs. Philips. These students are in the constituency of the Honourable Member for Charleswood.

There are 35 students of Grades 7 and 8 standing from the Glenboro School under the direction of Mrs. Green. This school is in the constituency of the Honourable Member for Gladstone.

There are 44 students of the Arthur Wright School under the direction of Mr. Boyko and Miss Oster. This school is in the constituency of the Honourable Member for Kildonan.

There are 50 students of Grade 9 standing from St. John's High School under the direction of Mr. Bochinski and Mr. Leggero. The school is in the constituency of the Honourable Minister of Consumer and Corporate Affairs.

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

ORAL QUESTIONS

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

MR. G. MERCIER: Mr. Speaker, I have a question for the Minister of Labour. Could the Minister of Labour advise this House what steps he and his department are taking in order to recover unpaid wages for employees of the Steel Centre in Thompson?

MR. SPEAKER: The Honourable Minister of Labour.

HON. V. SCHROEDER: Mr. Speaker, I am not aware that there are any unpaid wages of employees at the Steel Centre in Thompson, but I certainly will take the question as notice.

MR. G. MERCIER: Mr. Speaker, does the Minister of Labour have any intention or is he giving any consideration to exempting nonprofit facilities such as the Steel Centre from the payroll tax?

HON. V. SCHROEDER: Mr. Speaker, if they are not paying wages as the honourable member alleges, then I am sure that they also won't be paying that tax.

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Mr. Speaker, I have a question for the Minister of Cultural Affairs and Historical Resources. Will the performing arts groups, such as the Royal Winnipeg Ballet and the Winnipeg Symphony, be subject to the 1.5 employment tax?

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

HON. E. KOSTYRA: Thank you, Mr. Speaker. Yes.

MRS. G. HAMMOND: A supplementary question to the same Minister, Mr. Speaker. In view of the fact that these organizations get a major portion of their funding from governments, has the Minister increased his funding to the Manitoba Arts Council to cover the added costs?

HON. E. KOSTYRA: Yes, Mr. Speaker. The major performing arts organizations in the City of Winnipeg and the province are funded, not directly by the Province of Manitoba, but by the Manitoba Arts Council. The Manitoba Arts Council received increased funding this year from the Province of Manitoba of some 30 percent increase in their funding which will provide them sufficient funds to give grants to the major performing arts, to give substantial increases in grants to the major performing arts organizations in the Province of Manitoba.

MRS. G. HAMMOND: Yes, to the same Minister, Mr. Speaker. In light of the fact that the Winnipeg Symphony alone — it will be costing them an additional

\$26,000 — because they're major labour intensive, will these grants cover those costs?

HON. E. KOSTYRA: Yes, thank you, Mr. Speaker. As I indicated the increases to the major performing arts organizations in the province, including the Winnipeg Symphony, through the Manitoba Arts Council, are of a substantial nature which would provide them the flexibility to pay for their operations out of the grants received by the province. I should remind the member — I know she wasn't part of the previous government at that time — but during the first year of her party in power they cut back funding to all the major performing cultural organizations in the Province of Manitoba, and that shortfall, to those organizations, caused an irreversible damage to some of those organizations. It was shortly after that, Mr. Speaker, that the Winnipeg Symphony Orchestra was in serious financial difficulties and also at the same time, you may recall that the Francophone Centre in St. Boniface was also on the brink of closing because of the cut-backs of that previous government. This government has not taken the same attitude with respect to cultural development and the major performing arts organizations of this province. We've provided funds, both within the department and through the Manitoba Arts Council, to provide significant increases in fundings to allow those organizations to continue to prosper in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. My question is for the Minister of Transportation. Has the Minister renewed or will he be renewing the consulting contract that his department has with Mr. Bill Janssen?

MR. SPEAKER: The Honourable Minister of Government Service.

MR. S. USKIW: Mr. Speaker, that's a matter for the department to consider. We have not made a decision on that point at this time.

MR. ORCHARD: Well, as I understand it, Mr. Janssen's contract runs out this month and the indication the Minister gave me during Estimates was that the option was there to renew it and the funds were there. In view of the fact that Mr. Janssen has developed the province's position on Crow Rate and his services are no longer needed in that regard, I would just like to find out from the Minister if it's his intention to renew the contract with Mr. Janssen for some other purpose?

MR. USKIW: Mr. Speaker, I believe the Member for Pembina misunderstands the purpose of the employment of the individual in question. As I indicated during the Estimates review, Mr. Janssen is involved in a number of things in the consulting area, part of which is research activity for the Department of Highways, part of which was the Crow Rate issue, which has not yet terminated, Mr. Speaker. We believe that we will be involved with respect to that issue at least until there is an Act in Parliament dealing with that question.

MR. ORCHARD: Well then, might I ask the Minister of Transportation if his consultant, Mr. Bill Janssen, described as the former Deputy Minister of Agriculture in the Schreyer Government, will be presenting the government position on the Crow Rate at a forum at the University of Winnipeg to be held this evening?

MR. USKIW: Mr. Speaker, that is something that I'm not aware of. If he is doing so, he is doing so as a person, not as a consultant to the Department of Highways.

MR. ORCHARD: Then in interpreting the Minister's answer, that his consultant who helped develop his government's position on the Crow Rate, it is fair to assume that Mr. Janssen will not be discussing the Provincial Government's position on a Keep-the-Crow Forum at the University of Winnipeg tonight and it is further to be interpreted from that, that this new government is not supporting the groups sponsoring that Keep-the-Crow meeting, namely, the Manitoba Coalition for a Socialist Society.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. S. USKIW: I would have to assume that Mr. Janssen was invited to participate in a discussion, something that I am not privy to, Mr. Speaker. I have no knowledge of the invitation or of the request of Mr. Janssen. He is a person in his own right and he may participate, Mr. Speaker, in any way he wishes with respect to invitations extended to him.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I have a question for the Minister in charge of Co-operative Development and would ask him if he could confirm that the payroll tax which his government will be imposing on July 1st on the citizens of Manitoba will cost the credit union movement in this province some \$350,000.00?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Mr. Speaker, in response to that question, the member well knows that the Minister of Finance has indicated that for everyone who is receiving a salary, there will be a levy for health and post-secondary education, and the question is academic. He knows that.

MR. R. BANMAN: A question to the same Minister, Mr. Speaker. I wonder if he can confirm that the new payroll tax will cost Co-op Implements about \$150,000.00.

HON. A. ADAM: Mr. Speaker, I'm sure that the levy for health and post-secondary education will be a lot less than if there was an imposition of the sales tax for C.I.

MR. R. BANMAN: Mr. Speaker, I wonder if the Minister could confirm that both these particular firms will

receive substantial funding in the millions of dollars from this province to help them out of their problems this year and this will add to those particular problems. In other words, both facilities have no way of recouping this money other than coming cap-in-hand once again to the government. Could the Minister confirm that both of these organizations will be receiving substantial funding from the government and without that would be in trouble and this would be an added burden placed on those corporations?

HON. A. ADAM: Mr. Speaker, the answer to this question is the same as the previous answer. The member well knows that a sales tax would create far greater difficulty to C.I. than the levy that is presently proposed. He knows that.

MR. R. BANMAN: Thank you, Mr. Speaker. In light of the fact that there is no tax on farm machinery and CCIL has no excess funds available to them to absorb this particular tax, could the Minister of Agriculture confirm that in this particular instance the consumer, namely, the farmer of Manitoba that was not subject to any sales tax on any farm machinery will have to pick up the tax in this particular instance, because this company does not have the funds to pick up this particular increased payroll tax in this province?

MR. SPEAKER: The Honourable Minister of Labour.

HON. V. SCHROEDER: Mr. Speaker, the Member for La Verendrye full well knows that when you have people living in society, they have to pay taxes. When you have a health care system of the kind that we have it has to be kept up. When you have a post-secondary education system of the kind that we have, it must be kept up and when we looked at the fact that we were losing over \$700 million in revenue over the next five years, we had to make it up. This was the way that we felt was the fairest way of doing it and it was the way that we discovered was the most administratively efficient way of doing it.

Members opposite have been asking about administrative costs and I would point out to them that if we attempted to do it on any other basis, if we started saying we are going to have an exemption for the Steel Centre in Thompson, we're going to have an exemption for this group, that group, etc., we would have an administrative nightmare on our hands. Those groups which have some difficulty will come to us again. Those groups are also probably paying more in property taxes, if property taxes are going up. Those are parts of their ongoing costs, but in terms of the administrative deficiency, I would recommend to the members opposite that they read the discussion paper tabled by the Ontario Ministry of Finance with their Budget this year. On Page 11, they say, "Administrative complexity is clearly lowest for employer paid taxes without floors or ceilings," and that's important, without floors or ceilings. So what we are doing is, not only is this a fair tax in terms of not being a regressive tax, but in terms of administrative cost — we knew that as well, that is one of the reasons we imposed it. We knew that as well and if CCIL has some difficulties next year, as they may well have depending on the state of the economy, we have demon-

strated in the past that we are prepared to support local industry and we will do so again in all likelihood in the future.

MR. SPEAKER: The Honourable Member for Concordia.

MR. P. FOX: Thank you, Mr. Speaker. My question is directed to the Minister of Natural Resources — (Interjection)— quiet please. In view of the fact that the long weekend is coming up and some of the residents of the parks have not yet received their assessment notices and, with that, their entrance pass to the park, can the Minister inform us why there is a delay and if any arrangements have been made in respect to allowing the residents into the park?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I thank the honourable member for having given me advance notice of this question. Yes, I am quite candid that he had approached me and there is a problem. The staff, in the past, of the department, the longstanding practice had been to send out one free seasonal pass to cottage owners when their assessment notices were sent out — the bill for their cottage fees. Apparently these passes have not been sent out. Accordingly I have instructed staff at the park entrances to indicate to the cottage owners that they are entitled to continue to go to the park, that the passes will be sent out in due course. So instructions have been recorded with the staff at the gates for this purpose.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Minister of Finance. Last week, the Minister took as notice a question which I placed concerning the proportion of the the over 7 billion of payroll to which this tax applies that is already tax supported, that is, those government payrolls, municipal payrolls, municipal school divisions, hospitals, that sort of thing. Does he have an answer to that question yet?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I believe I answered that question. I had the figures with me last week and I recall answering a question, giving a figure of in the area of 17 to 19 percent, but I don't have the specific number with me this morning. The member also asked last week, what kind of staffing authorization we had proposed with respect to this operation, and we propose to have the staff added to the Corporation Capital Tax Branch. There would be up to 28 people involved in the branch. We had indicated previously that there would be up to a million dollars of cost in a full year, which is less than 1 percent of this. I had pointed out last week that if we had increased the sales tax by 2 percent, we would have had much more than 1 percent of the total amount of money we would have raised being taken up in administrative costs with that tax.

MR. B. RANSOM: A supplementary, Mr. Speaker. Is the figure that appears in the revenues of the government this year, I believe of some \$70 million, is that a net cost figure to government or is that a gross figure on return from payroll?

HON. V. SCHROEDER: Mr. Speaker, that is a gross figure.

MR. B. RANSOM: So then, Mr. Speaker, on that basis of the \$70 million, we are probably looking at — at least \$12 million of that is actually taking from one pocket of the taxpayer and putting it into the other pocket of the taxpayer. Mr. Speaker, will the Minister at least give serious consideration to simply taking this tax off of municipalities, school divisions, hospitals, personal care homes, symphony orchestras and that sort of thing that are supported by tax dollars and stop going through the charade of taking money away from one governmental organization and then pretending to be magnanimous in giving it back to them?

HON. V. SCHROEDER: Mr. Speaker, I suppose the member wants us to hire another 25 or 50 people to make sure that we have all of these kinds of exemptions administered. What the member fails to recognize in his question, first of all, is that municipalities and school divisions are not paying the tax until January 1st, 1983. Between now and then we will have discussions with them with respect to the numbers. Our estimate for the next number of months, in terms of tax-supported operations, is considerably less. I have said several times in the past in this House that we expect Provincial Government departments to absorb the costs within existing budgets. We intend to live up to that to the best of our ability.

MR. B. RANSOM: Mr. Speaker, the Minister has said that it would be an administrative nightmare to exempt some organizations from this tax. Is it an administrative nightmare to exempt the municipalities and school divisions from this tax until January 1st? How many staff will the Minister have to hire to exempt them from that tax?

HON. V. SCHROEDER: Mr. Speaker, every morning the Opposition is listing new organizations and this morning we had a suggestion from the Member for St. Norbert that we exempt the Steel Centre in Thompson. There are a number of organizations which have come to us and said we want an exemption. Well, if we start exempting, where does it end? In the Province of Quebec, for instance, there are no exemptions. In the Province of Ontario, where their ministry tabled the report I referred to earlier, they're not only talking in terms of a future tax similar to Manitoba's, but they are going further. They are also talking in terms of taxing self-employed business people and farmers on their incomes; that is the Conservative approach. What they are doing is trying to make up for the elimination, in that case, of their Medicare premiums and they want to make sure that all of their farmers are caught in the web as well.

So, Mr. Speaker, it is not a difficult thing to say to the City of Winnipeg, the other municipalities, the LGDs and the school divisions that they are exempt between

now and December 31st. We don't need any staff for that; I agree with the member, but he has listed a number of organizations. He knows full well that there would be other organizations coming along, but why doesn't he some time stand up and ask who is benefiting from this particular tax? Why doesn't he say let's exempt the banks because if we went to his sales tax we would have exempted the banks? Why doesn't he say let's exempt the lawyers because if we went to his sales tax we would have exempted the lawyers? Why doesn't he say exempt federal payrolls because we wouldn't have caught federal payrolls?

What the Member for Turtle Mountain fails to recognize is that this tax is more fair because it is more broadly based. It is a tax that is based on the fact that all employers in this province have an interest in and receive a benefit from our health care system and our post-secondary education system and they must all assist in contributing.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, my question is for the Honourable First Minister. In view of the very serious concerns which exist for the possible contamination of the City of Winnipeg's water supply as a result of a proposed cottage lot development by Shoal Lake Indian Band No. 40, what is the Provincial Government doing to support the City of Winnipeg's position with respect to this proposed development?

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

HON. E. KOSTYRA: Thank you, Mr. Speaker. The Province of Manitoba is concerned about protecting the water supply to the City of Winnipeg. We are also concerned that the Native Bands in that area have economic opportunities which have been sadly lacking in that area of the province surrounding Shoal Lake. We will be continuing discussions with the City of Winnipeg, with the Ontario Government, with the Federal Government and the Bands so affected in that area with the view of resolving the problems that are facing the Bands and, at the same time, protecting the City of Winnipeg water supply.

MR. G. FILMON: Mr. Speaker, I directed the question at the First Minister because he was quoted on this particular matter just yesterday, I believe, but I am rather surprised that they are just going to initiate some discussions. In view of the fact that the city's engineers in Waterworks, Waste and Disposal and, in fact, senior officials in the provincial Department of the Environment have expressed concerns in the past, have put concerns on the record, why are they just now, a year later or six months after they have taken office — (Interjection) — Mr. Speaker, in view of the fact that when we were in office our government instructed the department to be involved in this and the Department of the Environment senior officials expressed grave concerns and put those concerns on the record and, in fact, were prepared to make representation before the Federal Environmental Assessment and Review process that was commissioned, why is the government now, six months after it's taken

office, just decided that it ought to get involved with some discussions?

MR. KOSTYRA: Mr. Speaker, what I indicated is that we will be having joint discussions with all the parties affected. There has been ongoing discussions, both through myself as Minister of Urban Affairs with the City of Winnipeg, with other Ministers and the Bands so affected. There has been representations made to the Federal Government and to the Government of Ontario. We are now at a point that we're going to have discussions with all the parties together on the various developments around the lake.

The Member for Tuxedo slipped a bit when he talked about a year ago that things should have happened. The election, Mr. Speaker, just to refresh the Member for Tuxedo's memory, was on November 17th, which was a lot less than a year ago; there should have been further action done by the previous government. In fact, there was action, Mr. Speaker, done by the previous government that was working towards a development that would have affected the City of Winnipeg's water supply. They were not working in the best interests of the City of Winnipeg.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: My question is to the Minister of Finance. The increase of tax on diesel fuel will have the same effect on independent dealers close to the American border as the effect to Manitoba dealers close to the Saskatchewan border. Will the Minister give consideration to helping these dealers as he helped the dealers close to the Saskatchewan border?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: I will take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I have a question to the Minister of Agriculture. Could he give the House, the people of Manitoba, the number of farmers who have actually received help under his Interest Rate Relief Program?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I would like to report to the House in response to the question from the Member for Arthur and as well, questions that were raised by the Honourable Member for Morris. I would like to report that the latest update on the Interest Rate Relief Program in the farm sector is that 258 farmers had been authorized by the Ag Reps to fill out application forms as of May the 16th for the program. One hundred and eighty-one applications have been received at MACC head office to date, as of that date; 87 applications were approved; 19 applications have been declined to date. Of the 87 applications that were approved, offers of assistance were sent to those farmers; 19 farmers have responded to MACC offers

and the remainder of the farmers should be responding within the next week or two.

Some of those farmers who are unable to obtain short-term credit, MACC will be calling the farmers, have called the farmers and will provide financing if they are unable to receive short-term financing through lending institutions whom they have normally dealt with.

MR. J. DOWNEY: Mr. Speaker, in view of the fact that there actually has not been any funds flow to the farm community to this point, and in view of the fact that the Honourable Minister of Agriculture and his Premier were elected on a promise that no farmer and no individual would lose their farm or their farm business, is the Minister now prepared to change the program? In view of the statistics, Mr. Speaker, that the bankruptcies for the first four months of this year in Canada are up 70 percent and that Manitoba is third on that list of farmers who have lost their businesses in this province, is he now prepared to change his program and actually make it a program that is of some use to the farm community?

HON. B. URUSKI: Mr. Speaker, first of all, the Honourable Member for Arthur is distorting the facts. Mr. Speaker, the pledge that the New Democratic Party, when it was seeking a re-election, indicated that we would attempt to assist farmers, that people would not lose their farms solely on the count of high interest rates, not for any other reasons. That was the basis of the election commitment, Mr. Speaker.

We have announced a program as we had pledged, Mr. Speaker. I have given the member the details. Mr. Speaker, as well, the honourable member should realize that many of the problems that farmers are facing today are not as a result, and I hope he has realized it, are not as a result since November 17th. Mr. Speaker, there were many areas that the former administration could have proceeded with and could have pursued to bring about more orderly marketing, more equitable returns to producers based on the costs of production.

In fact, the Leader of the Opposition, in 1977, said that his administration would sit down with the beef farmers of the Province of Manitoba and bring about an equitable plan when there was a vote being conducted for a Beef Marketing Board in this province. It was there in 1977. In 1981, Mr. Speaker, when the beef producers came to the Conservative Government of this province, the former member, the Member for Arthur, the former Minister of Agriculture, told them that there was not enough support for that plan, that there would be not enough money in the Provincial Treasury and they would not assist beef producers in this province. That's the kind of assistance that they have provided. We are attempting to provide whatever assistance we can on the basis of the limited funds that the Province of Manitoba has, and we are still pushing for national programs to provide assistance of income to farmers of Manitoba.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Community Services. In his

absence, I would rephrase the question and direct it to the Honourable First Minister. I'd just advise you, Sir, that it concerns Mr. Doug Wark, who is Manager of the Brandon Westman Work Activity Project and a public servant of some considerable record, as I'm sure the Honourable First Minister knows, through two administrations in this province. My question to the First Minister is whether he can confirm that Mr. Wark has been removed from his position as Manager of the project on the orders of the Minister of Community Services?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, the Minister of Communications is at a Communication Ministers' Meeting in Calgary. In his absence, I'll take that question from the Member for Fort Garry as notice.

MR. L. SHERMAN: Thank you, Mr. Speaker. I thank the Honourable First Minister for that assurance and ask him if he would take one other question as notice, check with his Minister of Community Services and report to the House or to me, Sir, but preferably to the House, as to whether Mr. Wark has been replaced by a personal appointment of the Minister of Community Services, one Mickey Burke, for a job that was not advertised, for a job that has always been a composite function with the Employment Services Co-ordinator's job in the Westman region and on the basis of qualifications that thus far don't seem to extend beyond the fact that Mr. Burke is a political supporter of the Minister?

HON. H. PAWLEY: Mr. Speaker, I'll take that question as one of notice on behalf of the Minister as well.

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

MR. G. MERCIER: Mr. Speaker, in view of the fact that Tuesday, May 25th will be the two-month anniversary of the Minister responsible for the Workers Compensation Board advising this House that a summary of the inquiry into the Workers Compensation Board would be tabled in this House within two weeks, would the Minister advise whether he has completed his amendments, his abridgements, his editing, his deletions of the full report and will he table it in the House on Tuesday, it being the two-month anniversary of his commitment to this House, and would he at that time, Mr. Speaker, file with his edited summary, an affidavit by the private investigator that his Minister's summary represents a full, true and accurate summary of the full report?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: We have addressed this matter from time to time in the Legislature as a result of questions from the Member for St. Norbert and I believe that I have been fairly consistent in respect to those answers. At the last opportunity, I did suggest to him that there was a delay. I assumed full responsibility for that delay. I, in fact, apologized for having

created expectations where expectations should not have been created. I assure the Member for St. Norbert that I had created those expectations in good faith and more out of a lack of awareness as to the amount of time which would be necessary to fully review that report, and to bring forward the types of reforms which are necessary to address the problems which are identified in that report. Having done so, I would suggest that while the expectations I created were, in fact, of a time-line nature, I also, when I discussed that report, created expectations that we would deal with that report in a comprehensive and a complete way.

So, while I cannot fulfill the time-line expectations which I had created, I certainly apologize for that. It was a mistake on my part for which I assume full responsibility, but I will not compound that error by tabling a report which does not fulfill the more important aspects of the expectations which were created, and that is that something is finally done to make the Workers Compensation system more efficient and more effective. We will take this early opportunity to do so and we have to do so at an early opportunity, because for four years the previous Conservative administration did very little and we find that we are now faced with dealing with some serious problems. We will do so, and we will do so as soon as is possible, and in the greatest way possible.

MR. SPEAKER: Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. R. MACKLING: Mr. Speaker, would you call Bill No. 2? It's standing in the name of the Honourable Member for Ellice.

ADJOURNED DEBATES ON SECOND READING BILL NO. 2 — THE RESIDENTIAL RENT REGULATION ACT

MR. SPEAKER: On the adjourned debate on the proposed motion of the Honourable Minister of Consumer and Corporate Affairs, Bill No. 2, the Honourable Member for Ellice.

MR. B. CORRIN: Thank you, Mr. Speaker. It gives me great pleasure to be able to participate in the debate on this bill. Those of us who shared my anxiety about being able to participate in the Budget Debate, and obviously commiserated a great deal with me, are presumably heartened by my opportunity to do so this morning. I thank them for my support.

I want to express my gratitude, Mr. Speaker, to members of the government and, particularly, the Minister of Consumer Affairs for allowing me to participate in the preparation of this bill. It was a particularly edifying experience because, as a lawyer, I can tell you, Mr. Speaker, that I'd never had the opportunity to participate in the drafting of a bill, but I have had the opportunity on occasion to interpret a bill and appear both before the legislative committee and the courts

with respect to the proper interpretation of a piece of legislation. I want to thank those who shared that responsibility with myself and the Minister, those who served us through the administrative staff, those who participated in a variety of ways to prepare this bill and refine it to the extent that we could for submission to the Assembly.

I want to also say that, in my opinion, those who served with us served well beyond the call of normal duty. I'd like to inform the House that those individuals often were called upon to serve weekends, evenings, times which normally should be and would have been given to their leisure and their dedication is gratefully acknowledged at this point.

I want to say also, Mr. Speaker, that I learned a great deal about the demands and constraints of the legislative drafting process. Frankly, to all members, I don't think I'll ever see the result of legislative drafting the same way again. It was an edifying experience and one which I enjoyed a great deal and I would commend it to any member who's interested in the process of law making. I would commend that they participate in that fashion and encourage them to do so. In doing so, I can say that I'm looking forward to a detailed review of this bill at the committee stage and receiving input from members on both sides of the House. I am willing to acknowledge that the bill may well still require certain refinement, conceivably could be improved prior to being given third reading. So I want to encourage members, particularly members of the Opposition, to take opportunities to speak with both myself and indeed the Minister responsible for the bill, the Minister of Consumer Affairs, in order that we can do our best to present a bill to the public that will serve the purpose and the intent of the concept it's founded upon.

I want to say that it is our commitment, this government's commitment to make this bill as workable a piece of legislation as possible. In this regard I also want to put on the record the fact that we are indeed still consulting with interest groups with a view towards purposeful revision and amendment, if necessary, prior to third reading.

Last week, Mr. Speaker, I guess it was two weeks ago now, the Member for Tuxedo, in his capacity as critic of Consumer Affairs for the Opposition, made a submission with respect to this bill. He made a very comprehensive presentation and one that touched on a number of points, and it's my intention this morning, in the time allotted to me, to review the various tenets of his argument with a view of reviewing the adequacy of the criticism that was imposed upon the government for their approach to this legislation. He basically, if I understood his remarks, said that his government's approach, the mediation arbitration approach was what he called a sufficient safety net — I think those were his words — to protect the consumer tenant in the province.

I don't feel, Mr. Speaker, that members on this side are not satisfied that is the case. It is our position, and I will explain this in some detail because I propose to review in detail initially the legislation which we are going to be withdrawing and rescinding, his government's legislation. I'm going to deal point by point, I hope, in an adequate and comprehensive fashion and hopefully develop an argument that will underscore

the essential inadequacy and ineffectiveness of his government's program and particularly, Mr. Speaker, I hope I will be able to do that in the context of the current market economy because I think that the true failing of the honourable member, in his approach to our legislation and his own, was the failure to recognize that his legislation was essentially targeted for a very different market economy.

You see, Mr. Speaker, I don't intend to be completely critical of his program, but regardless of what one might think, one has to take into consideration the effect of the declining vacancy rate on the current mediation program, the program that is still in effect in this province. The entire mechanism which was put in place by the former Conservative Government was essentially based on a comparative approach. It was essentially predicated on a truly competitive market economy. Now at the time that legislation was introduced and the former rent stabilization legislation was withdrawn, there may have been some reason to believe that there was in effect some competition, some flexibility or elasticity within that market economy but, Mr. Speaker, that situation has departed some time ago. We are now looking at vacancy rates in the City of Winnipeg, and I can substantiate and share corroborative information with the members opposite if they wish — CMHC information and statistical data which is very recent — which indicates that the vacancy rate in this city is currently standing at some 3.5 percent.

Now the December, 1981 CMHC vacancy rate survey projected a decline of that rate to some 1.5 percent by October of this year. Now it is essential, Mr. Speaker, if we are to understand the need for our program and the advantages of our program with respect comparatively to the former program that we appreciate the significance of that. The situation when the former program came into being was that there was a vacancy rate prevailing in this city of some 5 to 5.5 percent. It was at least a decade high and to a certain extent, it was largely as a result of limited dividend in our projects, especially subsidized projects put in place through special federal funding programs — I guess we can include the MURB program in that as well — that that vacancy rate was allowed to drift so far, but those programs, Mr. Speaker, are not available today. Most of those programs have been sharply cut back as a result of federal budgetary restraint. Consequently, Mr. Speaker, there is a need to address this very serious problem.

Now, Mr. Speaker, I want to remind members that the entire mediation approach was based on prevailing market levels. What you did was look at what the market was in a given community and on that basis, it was determined whether or not a rent was fair; it was a comparative approach. Well, with declining vacancy rates, obviously rents are going to be going up. The elasticity that was in the market has now vanished; there is no alternative. It's a simple logical consequence that we are going to be experiencing a considerable constriction of the rental market. As a result, the comparative approach is simply inadequate; it's deficient. Now the member, when he was speaking, referred very specifically to some program figures which showed that under his government's legislation, mediation and arbitration legislation, rent

increases in Winnipeg averaged only some 8 percent, although he didn't refer to the specific period, he indicated that it averaged 8 percent.

Now, I did some research, Mr. Speaker, because I was not familiar with the data that was being propounded by the member and I found out that, although that was true, he was essentially averaging and he was only looking at communities where there was a high vacancy rate. Now, looking at the same survey results, Mr. Speaker — he is shaking his head negatively and I will share the information with him because I brought it with me this morning — looking at the same information, if one were simply to shift one's glance a few columns and look at a community such as Transcona where, during the same period in the year 1980, there was a very low vacancy rate and that figure was 1.8 percent. We weren't looking at the normative vacancy rate in 1980-81 of 5 to 4.5 percent because there was a decline during that period but, if you look at Transcona with a targeted vacancy rate of 1.8 percent, you found in the survey documents that there was an average increase over the survey period of almost 15 percent, to be very specific, 14.9 percent.

Well, Mr. Speaker, it is fine for the member to stand up and suggest to us that during the relevant period that my tenant constituents and the tenant constituents of other constituencies, I think he referred to Logan and Wolseley, were experiencing very stable market rents. He suggested that therefore there was some proof that working class people, the people that we represent, were protected by his program but, indeed, if he were to have reviewed the situation prevailing in Transcona, which is also to a large extent a middle class, working class type community, he would have found that his program was proving to be totally inefficient, unprotected and inadequate.

So, Mr. Speaker, it is a good example of using statistics selectively — and I say this without meaning to be critical, perhaps he was unaware of the other figures in the same survey pages — I would draw that to his attention because I think in doing that he is better armed and better suited to participate in this particular debate.

Also, I think it is very important, Mr. Speaker, that the member opposite and members opposite who are operating under any illusions be made aware of the fact that even under his program we are now experiencing a considerable increase in the volume of complaints that are being submitted to the Arbitration Bureau. With the consent of the Minister, I obtained from him certain information. The volume of protests — I think we should put it on the record — indicates that there has been a tenfold increase over the past year indicating, Mr. Speaker, that tenants are indeed suffering what they regard to be exorbitant increases; they are grieving and they are complaining.

Now, Mr. Speaker, for the record, whereas in the period January, 1981, to April 30th, 1981, there were only 31 protests made to the Rentalsman for arbitration; during the same four months in 1982, we have now received some 322 protests. Mr. Speaker, in terms of the complaint, they are averaging 25 percent per increase. I should put on the record, Mr. Speaker — I think the former Minister of Consumer Affairs should be aware of this — there is a range of between 10 percent and 200 percent in terms of

individual increase.

So, Mr. Speaker, we are looking at a very different market economy today than we were then and I think, in fairness, that can only be attributed to the declining vacancy rate. I can only speculate, but that vacancy rate which I said was standing at 3.5 percent at the end of 1981 may well be approaching 2 percent today, so the times are changing. It's no use going into a long litany of blame-making in terms of why the vacancy rate is declining. It is no use doing that. We could say that it obviously was the result of the budgetary restraint which I mentioned before and the reduction in terms of the special subsidy housing programs of the Federal Government; I have referred to those already. We could talk about Federal Government interest rate policies and the effect they have on the housing industry generally. We could talk about a lot of things, Mr. Speaker; we could talk about cutbacks if we wanted to, effected during the restraint period of the former government that affected the provision of public housing in this province but it serves no purpose to recite history and to refer to those matters. The fact is that there is a substantial decline in the vacancy rate. It is having an effect on consumers and this government is acting expeditiously and interventively to protect the interests of those people.

Now, I want to talk about another inherent weakness because I think it really was always an inherent weakness of the former program. The former program essentially was a cyclical program, I dealt with this in 1980, I said it would happen and I still believe that it did happen. It was what I referred to as a "follow the leader" or a cyclical sort of approach which essentially caused rents to go up. Rather than inhibit the escalation or appreciation of rental levels, it had a certain derring-do which gave rewards to landlords that were especially adventurous. I am not about to malign all landlords, but I can say that there was a payoff in that program for landlords who wanted to take chances and that was not in the interests of tenants who didn't want people playing havoc with their lives.

What happened, and what I believed would happen under the comparative approach, was that everything was underpinned on the first landlord's increase, the first time an increase became arbitrary — I want to put this clearly because I don't think I am doing that. When a landlord decided to make an increase, if he or she decided to do that without that increase being founded on actual operating cost appreciation, if he or she decided to do that and wasn't caught, if a tenant failed to complain, if there was no intervention by the Rentalsman or by the Minister — and a lot of the power vested under the Act was vested in the actual office of the Minister and members should be aware of that and I know the former Minister of Consumer Affairs is aware of that — if there was a failure on the part of the tenant or the system to catch that increase, even though it was an arbitrary increase, because the approach used was comparative, based on rents prevailing in a community, then all the other landlords in the area could raise their rents the same way without any accountability. There was nothing that could be done about it, because once one had slipped through the net, all the others could follow because under the former system there was no provision put in place to

review actual operating costs, escalation, actual increases the landlord had sustained as a result of increases in operating costs such as utilities or maintenance. None of that was in place under the former legislation, so you had an inherent weakness and that cycle, Mr. Speaker, simply became and I think was uncontrollable. Mr. Speaker, when you couple that with declining vacancy rates, you have potential dynamite. The fuse has been lit and you have a situation which simply demands some sort of redress, which simply demands some sort of interventive approach by this government. People can't be subjected to that sort of instability in that sort of very essential area of their lives.

So, Mr. Speaker, our approach was to simply shift the onus from the tenant to the landlord and I think, in retrospect, that will prove to be the best approach because in doing so it gives us an opportunity — and I am going to go into this in some detail, I hope, if time allows me — it gives us as a government and the officers we charge with this responsibility an opportunity to be aware of prevailing market circumstances, and in terms of our setting of a guideline, to be responsive to that, but as I said, I will go into that later, Mr. Speaker. It is something that I want to deal with in some detail.

Now, Mr. Speaker, the Member for Tuxedo also dealt with the method we had put in place and suggested that our approach would result in extraordinary rent increases. Well, Mr. Speaker, I suggest that the best approach we can do here, the best thing I can do here in order to hopefully edify him and other members is to look at a very specific situation and compare how each system, how each approach would deal with it.

Let's use something that happens from time to time, the need to replace a major one-time expense such as a boiler in a block. Under his system, Mr. Speaker, under the system that he says is capable of dealing with this in a more compassionate and a more comprehensive manner than our system, what would happen? The landlord, since there is no provision in his system to look at operating expense increases, presumably would have to go out and buy a new boiler and then hope and pray that his or her position in terms of the local market, the community market comparatively speaking, was at the bottom end of the scale, because if not, Mr. Speaker, that landlord presumably couldn't pick up the cost, couldn't recoup or recover the cost of that boiler's replacement. How would he be able to do it? Everything is based on the comparative approach. So what you have is, you have a situation where if he was at the low end of the spectrum, Mr. Speaker, and he is able to recover, how does that system deal with that? By simple cost-pass-through in a sense that the whole cost, rather than being amortized under his system, is passed through to the tenant. He shakes his head, but this is potentially exactly what can happen under that unrestrictive and unregulated type of approach. The whole cost can be passed through to the tenant. So the poor tenant can experience an increase of goodness knows what, 20 percent, 30 percent, 40 percent, all in one year. —(Interjection)— Yes, the Minister for Consumer Affairs says that he knows of a case of 45 percent, so let's analyze that and compare it to our approach.

Under our approach, since there is provision built in for operating cost-pass-through, the landlord could recover the cost. There wouldn't be an argument. He wouldn't have to look at the local community to see how things are developing out there. He would be able to recover. The difference is that one-time expense would be amortized, so that it didn't adversely impact the situation of the tenant, but was recoverable by the landlord. It wouldn't be a question of by guess and by golly, you know, and people wouldn't have to sort of flip coins or speculate on crystal balls to determine whether or not they are going to recover their costs or whether their rents are going to go up by X percent or Y percent. There would be a mechanism for review and, you know, the tenant would actually be able to participate in that and verify the expense. There is going to be an officer in place that would verify the expense and review it. Everybody's interest would be protected as long as everybody comes with clean hands and there is a presumption that everyone does. Nobody has a real problem; things are dealt with on an equitable basis.

So from my standpoint, Mr. Speaker, our regulatory system is essentially more sensitive to the needs of both landlords and tenants. It is based on an individual building-by-building treatment and recognizes that one landlord's costs may be very different from others, and at the same time buffers tenants from major one-time expenses that could have a very serious effect on their ability to retain economic and desirable housing.

Now, the other criticism before I leave this area that I have of the program which is, I suppose, a two-edged sword because we hear it from both sides, is the question of our program being a disincentive to construction. Well, I would like to suggest this morning, Mr. Speaker, that if anything, and I will go into some small detail about why I believe our program will not be a disincentive, but if anything, it is the former government's program that was a disincentive to construction. I said before that there are three or four reasons which have an effect on the ability of the development sector, the private sector, and indeed the public sector to proceed with projected housing construction, but that approach being as unorthodox as it was, Mr. Speaker, was essentially a disincentive to development. The reason, Mr. Speaker, succinctly was because no developer could make a decision whether or not to proceed with a particular project unless that developer was aware of all the prevailing current rates of return, rental return in the community in which he, she or it was going to build.

Now think about that, Mr. Speaker. It is something that occurred to me when I was thinking and reflecting on the remarks of the Member for Tuxedo. Can you imagine somebody having to sit back and try to conjecture what prevailing rents might be in order to determine whether a particular project, working within the constraints of current high interest rates and all the other effective market restrictions, would enable that developer to return on his development an effective economic rate of return? That is what we are talking about. We are not talking about a simple market rate. When we talk about new construction, of the ability to recoup within a reasonable period, economic rents, rents which will satisfy the demands of

overhead and will allow presumably for a reasonable rate of return on investment and capital inequity put into the development, it's impossible. The actual situation is, Mr. Speaker, if I can jump forward to our own program, is that our approach with its four-year exemption period is much more sensitive to the need of the developer in terms of the fact that it gives a developer an opportunity to work through an appropriately lengthy rent-up period. There is a time to effect that transition from market rents to economic rents and that, Mr. Speaker, is very important.

Mr. Speaker, when we're talking about vacancy rates, which may be now near the level of some 2 percent, one has to presume that it isn't going to take four years to reach that rent-up level that I have suggested attains the appropriate economic rent. It's not going to be necessary. So under the current market circumstances, Mr. Speaker, I would suggest that our program is far more sensitive to the needs of the private sector than the former program.

Now, Mr. Speaker, I also want to talk this morning with members about the provisions and aspects of our bill which the Member for Tuxedo was directly critical of. I want to deal with those because I think that's the purpose of legislative debate. I want to deal with those individually, one by one, and reflect on the merits of the two parties' positions in this regard. I think that in doing so it will put things in a better perspective for all members.

First of all, he suggested that our approach — I took some umbrage at this, Mr. Speaker — was too bureaucratic. He suggested that we were being unfair in imposing controls on only one sector of the economy. He suggested that in doing so, we were somehow distorting the market, that we were playing havoc with the private sector.

Well, let's analyze that because I think to a certain degree, Mr. Speaker, those comments reflect a certain degree, and I say this with some gentleness, of intellectual hypocrisy. Mr. Speaker, in this province, and indeed in the western world generally, it has been the case that many areas of the economy which are regarded as essential to the well-being of people — and I can refer now to the utilities, Manitoba Telephone System, provision of gas and in various other provinces and jurisdictions, other things as well — should be regulated by publicly-controlled bodies and should be the subject of review. That's done because, Mr. Speaker, it's recognized that this is in the public interest and indeed it was recognized by members opposite.

I don't remember any disestablishment of the Public Utilities Board during the term of office of the Progressive Conservative Government. I don't remember them suggesting that the board should not have the jurisdiction to review rates of the Greater Winnipeg Gas utility. I also don't remember them, Mr. Speaker — and the Member for Tuxedo and I went into some considerable length of debate on this subject — I don't remember the Minister suggesting that he would intervene or use his office to restrict . . .

POINT OF ORDER

MR. SPEAKER: Order please. The Honourable Member for Tuxedo on a point of order.

MR. G. FILMON: Yes, Mr. Speaker, I ask your guidance. The member opposite, in referring to remarks made by me, referred to intellectual hypocrisy. I note from Beauchesne that the terms "hypocrite" and "hypocritical" are unparliamentary and I ask your guidance as to whether or not he should be allowed to use that term.

MR. SPEAKER: The Honourable Member for Elmwood to the same point of order.

MR. R. DOERN: I think there are a number of distinctions that have to be kept in mind here. I believe it may be proper to refer to remarks made by an honourable member, specific remarks as "hypocritical" and it may be acceptable to refer to "hypocrisy" on occasion, it is not parliamentary however to describe a member as being a "hypocrite." So, I think there are a number of nuances involved.

MR. SPEAKER: The Honourable Member for Ellice to the same point of order.

MR. B. CORRIN: No, Mr. Speaker. I was just going to say that if it offends the member's ears that I suggest that his position may have been reflective of some intellectual hypocrisy, I will say that I'll certainly withdraw the inference that there was any intent to act hypocritically or deceitfully. I have to reflect though on the degree of intellectual performance, but that's neither here nor there. So he has his withdrawal, Mr. Speaker. If I can proceed; I've withdrawn that remark, I don't want to offend him in that regard. May I proceed, Mr. Speaker?

MR. SPEAKER: Order please. It has been pointed out to me that the term is another one of those words that appears in both the permissible and the nonpermissible list involved. The Member for Ellice seems to have taken on himself the decision to withdraw the words. I believe that would take care of the problem.

The Honourable Member for Ellice.

BILL NO. 2 — THE RESIDENTIAL RENT REGULATION ACT (Cont'd)

MR. B. CORRIN: So I was saying, Mr. Speaker, there didn't seem to be any will on the part of members opposite when they were in government to reduce the powers of the Public Utilities Board. They didn't take away from the jurisdiction of the Board with respect to its obtaining of documents and evidence. The member now suggests that it's wrong for us with respect to the control of rents, the review and regulation of rents, to do exactly what the Public Utilities Board does with respect to the regulation of the gas company, because that's all we're doing. When he suggests that we were being too bureaucratic in our approach, he specifically cited the fact that landlords would have to provide information to the Rent Regulation Office as to the percentage increase of their rents year over year. He said that was somehow too bureaucratic and he suggested that was improper.

Well, you can't have it both ways. It's a question, I suppose, of whether you agree fundamentally with the approach of regulation with respect to housing

costs. I'm arguing that it's absolutely essential in the present circumstances and you simply can't have it both ways.

Also, he indicated some concern about the fact that we had included limited dividend in our projects in the regulatory approach that we have taken. He indicated that this was somehow unfair to these housing sectors and that somehow it would result in what he described loosely as being the frustration of contracts and possibly the avoiding of contractual obligations between the Federal Government and individual developers.

Mr. Speaker, I have to remind him, and I do it gently, that if it is a failing, his program had the same failing. Mr. Speaker, with a little gentle nudge, he has to — his memory is being selective and I hope he doesn't regard that as being unparliamentary. His memory is somewhat selective, because there is no distinction between the approach we have taken and the approach his government and he, as the Minister, took in this regard.

He also talked about — I think it is a direct quote — he talked about the two year retroactivity provisions being a, "restriction on individual rights and freedoms." He waxed, certainly not eloquently, but perhaps indignantly, Mr. Speaker, on this subject. He suggested that we were acting very indiscriminately and in a very, very high-handed manner in maintaining this provision in the legislation. He was actually, Mr. Speaker, to a considerable extent chastising us quite harshly in this regard.

I want to remind him with respect to the two-year retroactivity provisions, Mr. Speaker, that these are discretionary. When we decided to give the Rent Regulation Office the opportunity to go back in time and review rents retrospectively, we also decided to do that on a purely discretionary basis. We did that because we believed that landlords could benefit from that as well. We believed, as in the case I reviewed before, Mr. Speaker, of the one time expense such as the boiler blowup, we believed that there were landlords who are indeed suffering as a result of that program.

So, Mr. Speaker, we feel that in giving the Rent Regulation Office the opportunity to retroactively go back two years, that we are probably going to be as protective of the interests of the landlord as we are of the tenant. Mr. Speaker, I make no bones about it. I don't think anybody here need apologize. We don't feel, and this reinforces our argument, we do not feel that the approach taken before was sufficiently protective of the tenant and we do not feel that tenants, who were affected by the former program, were adequately protected on that basis and we want the Rent Regulation Office to be able to go back and look at the effects of that program and determine whether tenants were treated fairly. So again, there are two sides to the coin, but we are attempting to deal with it in as fair a manner as we can.

The Member for Tuxedo also, in reviewing our program, attacked the Central Registry concept. He used the terms, and he was quite harsh at this point, Mr. Speaker, as he often was, he used the term "police state." He suggested that we were establishing a police state in Manitoba and that's a direct quote.

I have already referred to the situation with respect to the Public Utilities Board and the Central Registry that exists there, so I am not going to belabour that,

Mr. Speaker, but I want to remind that member that you cannot operate a universal program unless everybody is in it. It is absolutely impossible to ask one landlord to provide information on which the regulation will take place and it's absolutely essential that we have this information if we are going to set appropriate guidelines which will be appropriate from year to year and then make it discretionary so that other landlords do not play along, do not comply and leave the complying law obeying landlords in the lurch. It is absolutely impossible to administer a program like this on a voluntary basis.

I believe and I think members on this side believe that all landlords are entitled to know that they are being treated equally. It is essential. How could you expect, and I would think that as a government espousing your philosophy and position with respect to a free market economy, how could you expect any other responsible government to put a landlord in that sort of invidious position? I want to hear some response to that. I presume during the course of the debate, we are going to have some response to that because it's an untenable position from the point of view of a party espousing your philosophy. I also want to remind members that all the material on that registry will be confidential. It is simply necessary for the formulation of the guidelines that will govern the 150,000 odd units in this province that we have access to that information.

The member also suggested that our program was going to discourage maintenance. Well, Mr. Speaker, I want to remind the member, and I will refer to a survey prepared by his department in 1981 entitled "The Preliminary Report on the Impact of Rent Controls in the Province of Manitoba" and there was a great deal of debate on this in the Session two years ago, you remember this was the question of whether this was the final report or an edited version. Presumably, it was an unedited version. That report said, and I quote to the Minister, his department, "Regardless of whether there are controls or not, it appears that there are cases where maintenance suffers when there is low vacancy rate in the market." Mr. Speaker, that is what is occurring right now, low vacancy rate, and his government determined that maintenance suffers in those circumstances.

It said, "Incentives can be provided through legislation to stimulate the upkeep, particularly when the vacancy rate is low." Mr. Speaker, that is what we have done with respect to the rehabilitation provisions of our legislation. The report went on, Mr. Speaker, to say, "To date, evidence has not surfaced to show a deterioration in buildings as a direct result of rent controls." — his report.

MR. SPEAKER: Order please.

MR. B. CORRIN: Mr. Speaker, I know my time has expired. I would ask leave — if members could indulge me — and there was a point of order which took about three minutes. I would ask members opposite whether they would give me leave to have three or four minutes to wind up my remarks.

MR. SPEAKER: Does the honourable member have leave to complete his remarks? (Agreed) The Hon-

ourable Member for Ellice.

MR. B. CORRIN: Thank you, Mr. Speaker. I thank the members opposite for leave in this regard.

Mr. Speaker, if I might participate as well as the Member for Pembina in this debate, we believe that our program is consistent with the report tabled by that government. That government said that there is no evidence to show a correlation between low maintenance and rent controls. It said that if you should have a concern with respect to that issue in times of low vacancy rate, that you could simply tighten the provisions of the legislation and you could therefore encourage appropriate maintenance of units with respect to the Rent Control Program, that is what we have done. Mr. Speaker, it should be on the record that we did that after considerable consultation with various groups representing both tenants and landlords, and after considerable discussion with respect to this particular provision with a number of very prominent development people in this province. We were being responsive to the development industry and we're proud of that because, Mr. Speaker, we want our program to encourage maintenance. We want to do our utmost to make sure that our program dovetails with our general policy with respect to the enhancement and renovation, rehabilitation, if you will, of the inner core of our city. That is our general thrust and that is what we've tried to build in and will continue to build into each policy, each program and each piece of legislation that is put before this House.

Mr. Speaker, there was also concern, I think, about the 9 percent guideline. The honourable member suggested that somehow the 9 percent guideline might become the floor. —(Interjection)— He says "true." Mr. Speaker, that is why we've made provision and given the opportunity for tenants to appeal increases below 9 percent because we didn't want that to happen. We didn't want tenants to be put in the position where there was an automatic increase to the 9-percent level in the first year, which I might note, Mr. Speaker, is reflective only of cost-of-living increases in this province over the past year. It's not an exorbitant level, it's not something that need strike fear into the hearts of members opposite or indeed any landlord. It's consistent with cost-of-living increases in this province.

So, Mr. Speaker, we have attempted in our approach to deal with the prevailing high interest rates, the low vacancy rates and cope with that, and also do that in the context of providing affordable housing as a right, and as a right which this government wishes to reinforce and wishes to protect for all Manitobans in a manner which will secure that right and opportunity for all the people of Manitoba. We are concerned that no one is exploited as a result of our program, regardless of whether such person is a landlord or a tenant. We will do our utmost to continue to consult and, where necessary, revise our program in a manner which is consistent with both prudent business activity and good common business sense, and also in a manner which is sensitive and protective of the interests of tenant renters in this province.

I thank the members for their indulgence and I look forward to sharing with them further debate during the course of Second Reading and participating in

discussions before committee prior to Third Reading. Thank you, Mr. Speaker.

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

MR. G. MERCIER: Mr. Speaker, unless another member wishes to speak, I would adjourn debate.

Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Mr. Speaker, would you call Bill No. 15? It's standing in the name of the Honourable Member for St. Norbert.

BILL NO. 15 — AN ACT TO AMEND THE MARITAL PROPERTY ACT

MR. SPEAKER: Bill No. 15. On the proposed motion of the Honourable Attorney-General, the Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, with respect to Bill 15 which attempts to deal with the question of sharing of life insurance policies and pension plans, etc., I firstly would like to point out that this bill arises as a result of a decision of the Manitoba Court of Appeal some time last summer. We were committed prior to leaving office to reviewing the decision of the Manitoba Court of Appeal and to drafting and introducing legislation at this Session of the Legislature to attempt to deal with this complex subject, Mr. Speaker. That bill is now before the House and it is a very complicated matter in attempting, Mr. Speaker, as I understand it, to value pension plans, life insurance policies, etc.

I believe, Mr. Speaker, that there will be a significant number of representations made to the committee that deals with this particular bill after Second Reading and we look forward to hearing from those members of the public who wish to make representations with respect to this bill. I believe that there certainly will be representations from family law lawyers, perhaps from a committee of the Bar Association, perhaps from the industry itself, which might provide some technical information to the committee that might not otherwise be available. There will be no doubt, Mr. Speaker, representations made from women's organizations in the Province of Manitoba. As I've indicated, Mr. Speaker, we are committed and were committed in the family law legislation which we introduced in this House to equal sharing between spouses on marriage breakdown. We will support, Mr. Speaker, a bill of this nature which attempts to deal with this complex problem. My only concern at this particular point is that I would very much like to hear the detailed representations that will be made at committee, Mr. Speaker.

I note in the bill that there is a reference, Mr. Speaker, to a sharing of rights under an accident and sickness insurance policy, other than an accident and sickness insurance policy that's part of a business

arrangement. I think there is going to have to be some explanation of that terminology, "business arrangement," Mr. Speaker, because does that include, for example, those types of policies that are part of labour negotiations, part of the compensation program negotiated on behalf of members of a union, or on behalf of a compensation package that an employee may negotiate with his employer. I think it may very well be, Mr. Speaker, that if it includes those type of situations that they should be part of a sharing, upon marriage breakdown.

So, Mr. Speaker, I'm placing this concern on the record because I did speak to the Attorney-General in the last few days about the bill and he indicated that he would be reviewing concerns which we indicated. So I place that concern on the record and perhaps the Honourable Attorney-General can review that particular phraseology, which is used in the bill, and provide an explanation at committee.

So, Mr. Speaker, we are ready to allow this bill to proceed to committee to hear the representations that will, no doubt, be made with respect to this matter, and hopefully at that stage the result of those representations that are made at committee, the Committee as a Whole, will be able to satisfy itself that this bill, or any amendments that are suggested to it, will result in a workable and fair bill for both husbands and wives, who happen to suffer from marriage breakdown, in the hope that there will be an equitable sharing of all of their assets.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Mr. Speaker, by agreement, we will deal now with introduction of the Capital Supply Bill and it is my understanding that when we have dealt with that, there will be no Private Members' Hour, and we are not going to be dealing with any other government business; we won't be going into Estimates.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair.

COMMITTEE OF SUPPLY

CAPITAL SUPPLY

MR. CHAIRMAN, J. Storie: The Committee will come to order. The Resolution before the Committee is one of Capital Supply. The Resolution reads:

Be it resolved that there be granted to Her Majesty a sum not exceeding \$304,431,000 for various Capital purposes, Schedule A.

Shall we deal with them line-by-line? (Agreed)

The first item in Schedule A is the Manitoba Beef Stabilization Fund, \$4 million—pass; Canadian Co-

operative Implements Ltd., \$2,975,000—pass; Communities Economic Development Fund, \$2,557,000—pass; Credit Union and Caisse Populaires Systems \$29,500,000—pass; Insulation Loan Program, \$2,050,000—pass; Manitoba Agricultural Credit Corporation, \$44 million—pass; Manitoba Forestry Resources Ltd., \$12 million—pass; Manitoba Housing and Renewal Corporation, \$50 million—pass; Manitoba Hydro-Electric Board, \$106,849,000—pass; Manitoba Telephone System, \$48,500,000—pass; Manitoba Water Services Board, \$2 million—pass; the total \$304,431,000—pass.

The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman. I want to take the opportunity to voice some of my concerns with regards to some of the Items that we have just passed in committee, and I also want to relate some of the concerns with regards to a number of these items to statements that have been made by members opposite over the last number of years, as well as the problems that the new Budget, that the Minister of Finance has brought down and was voted on and passed yesterday, will create in a number of these areas.

First of all, let me say that from the questions I asked this morning, one of the things that I can see happening here is the shuffling of funds from one pocket into another without really benefiting anybody. What we have seen happen here on particularly two items that we have before us with regard to this Supply Bill, and that has to do with Co-op Implements and with the Credit Union movement. These particular two substantial organizations within our economic structure in the Province of Manitoba are, because of current market conditions and other difficulties that have happened over the last number of years, receiving substantial amount of funding from the Provincial Government. In the case of the Credit Union and Caisse Populaires, some \$29.5 million, and in the case of CCIL we are looking at guarantees as well as loans in excess of \$6 million.

What we have seen happen here, and what will happen on July 1st is these two organizations that have a payroll — I think the credit union system, it has been estimated that all the credit unions, when you take the small ones in rural Manitoba as well as the larger ones throughout this province and in the City of Winnipeg, have a payroll annually of something in excess of \$25 million. If these people will now be asked to pay 1.5 cents on every dollar that they pay out, that will increase the operational costs of the credit union movement to some \$375,000 over this next year.

Now, Mr. Chairman, the ironical part of this, on the one hand you've got the government over here recognizing and the Opposition recognizing the problems that the credit union system has — what we are doing is we are giving them an interest-free loan which they will use to hopefully rebuild and try and put themselves on a financial footing, which will help sustain the operations throughout the province. But on the other hand, we've got the government, by another sleight of hand, coming and taking \$375,000 away from them.

Now, we have a situation here which becomes very

interesting, because this is one example that points out the problem that this particular tax that the Minister of Finance is imposing on the province will have. It bears absolutely no relationship to ability to pay, and that is the problem I think that everybody finds very, very unacceptable. It's highlighted once more, Mr. Chairman, by the actions with regards to CCIL. The Minister of Finance has said, well, this particular tax is much better and much more just than a sales tax. Of course, there are many of us who don't agree with that particular analogy because I think there are some other things that could have been done other than introducing any form of tax increases, but in the case of CCIL, it heightens even another problem.

What we've got here is a company again that is struggling, employs a large number of Manitobans, and we all want to see it continue to operate. That particular company has a payroll of about \$10 million in this province, I understand. They will be faced with an additional cost of \$150,000 in next year's operation. That particular company cannot absorb that particular cost because it does not have any reserves built up, it has been asking for assistance and has received assistance from many governments including Saskatchewan, Alberta and the Federal Government to try and keep this operation open.

They are now going to be asked, as of July 1st, to pay \$150,000 of money which they don't have. We are being asked over here to give them additional sums, additional guarantees to maintain their operation and on the other hand, we're going to take it back through another method.

Now, one has to realize what will happen here is that the only way that CCIL will be able to rationalize this is by increasing the cost of the equipment that they put out. What we have been saying and I think is going to be borne out in the next few months is that the cost of doing business in this province is going to be increased by 1.5 percent when you're talking about labour intensive industries, and what's going to happen is that the costs of goods and services is going to go up.

A classic example is CCIL, who have no alternative but to pass this particular tax onto the consuming public, onto the farmers at a time, Mr. Chairman, when farm machinery sales are already in serious trouble. In other words, people are not buying machinery at the rate that they were before. So instead of trying to provide a little bit of relief in this particular area, they are moving in an opposite direction. They are not stimulating the economy; they are pulling more out at a time when that is not what is required in this particular province.

I say to the Minister that these two examples I have quoted and we had many more here today — we had the cultural groups, the problems that we face with nonprofit community groups, whether they be of a church affiliation or whether they be groups who are going ahead and trying to help out their fellowman by going around collecting money from people who are willing to donate — these people are going to be hit hard.

I think the Minister will have to have a good long look at some of these things before he is going to go ahead and not allow some exemptions on this tax because it's very unfair. These people who are fund raising right now, trying to do work, trying to help their

fellowman, are going to be penalized now for having people on staff who are doing this type of thing.

You know, Mr. Chairman, we have some organizations. I know one in the Mennonite community which has been particularly good in helping people throughout Manitoba, Canada and around the world which is the Mennonite Central Committee. This Minister of Finance is now asking MCC which has voluntary workers, has people who are performing services for the underprivileged and the people who can't look after themselves in this province, as I mentioned, right around the world, he's asking them to pay a tax now on the people that are working in that facility.

Mr. Chairman, I think that's totally wrong. At a time when fund raising is becoming difficult because the economic climate dictates that the profits are not being achieved by not only the business community, but also by people who are normally donating to these causes, the Minister is now adding to their problems by increasing the tax on these very agencies that are looking after people who . . .

MR. CHAIRMAN: The Member for Springfield on a point of order.

MR. A. ANSTETT: Mr. Chairman, I have no desire whatsoever to restrict the member's remarks — (Interjection) — but with all due respect, the Member for Sturgeon Creek, I'd appreciate it if he would listen to the point of order first.

The provision in Capital Supply, in Committee of Supply, is to discuss the merits or demerits, the expenditure of the funds. The member's concern is the merit of the way the monies have to be raised, which is a more appropriate discussion for Committee of Ways and Means. If there are no objections to the expenditure of the funds, I would suggest and this is my point of order, that we pass the Committee of Supply Resolution and move directly into Ways and Means where the raising of the Capital or the monies for Capital purposes and the questions of taxation to which the member is addressing himself could be more appropriately discussed.

MR. CHAIRMAN: The Member for Fort Garry on the same point of order.

MR. L. SHERMAN: Mr. Chairman, I think the Honourable Member for Springfield stretches the point considerably when he tries to make that argument. What we're talking about here is the impact of the government's Budget and the government's spending on the Manitoba society and the Manitoba economy. \$50 million alone, to just isolate one item in the Capital Supply Bill, is directly related to the Budget and was, in fact, announced for the first time in the Budget; that's the funding for MHRC, and I would submit that the Honourable Member for La Verendrye is perfectly in order in his remarks.

MR. CHAIRMAN: The Member for Lakeside on the same point of order.

MR. H. ENNS: The Honourable Member for Springfield has a point when he indicates that we're talking about government expenditures in this Supply Bill.

The point that the Honourable Member for La Verendrye is making is that those very figures that we're talking about are being tinkered with by the Minister of Finance to the tune of 1.5 percent on the payroll tax. Those actual amounts, the 29 million for the credit unions or for the support for the CCIL are being changed, the terms of which are being changed by the new imposition of a payroll tax and anyway you want to cut it, either the full commitment that was made that was supported by all of us here, the support to the credit union is not now forthcoming. It is going to be now short by some \$600,370.00. So either that amount has to be raised by that amount or we have to at least acknowledge that the help that we all supported in giving to these two particular organizations is, in fact, being short changed by the amount of tax the Minister of Finance, Victor MacEachen, has put on these two duties.

MR. CHAIRMAN: The Honourable Minister of Natural Resources on the same point of order.

HON. A. MACKLING: Mr. Chairman, as Acting House Leader, it is my obligation to ask the honourable member to correctly describe the Minister of Finance of the Province of Manitoba as such, and not to use the name of someone whose Budget in Ottawa was certainly something that no one was proud of.

MR. CHAIRMAN: Order please. The Honourable Member for Lakeside.

MR. H. ENNS: I find this morning the decorum in the House being led in such a particularly good manner by the Acting House Leader that I would want to add to that by hastily withdrawing and agreeing to the honourable member's point of order. I accept his admonishment.

MR. CHAIRMAN: Order, please. My feeling is that Committee of Supply has generally tended to be more lenient with respect to the comments that are made in a particular motion and while I appreciate the comments from the Honourable Member for Springfield, if the Member for La Verendrye is prepared to conclude his remarks.

MR. R. BANMAN: Thank you, Mr. Chairman. As I was saying, in a number of these instances that we are looking at, at the present time with regards to the Supply Bill, this particular tax that the Minister of Finance has imposed will work some hardships and will negate, Mr. Chairman, some of the benefits that were supposed to be accruing to these organizations that receive the money.

As I mentioned before, the credit union system is looking at an increased cost of doing business in this province of some \$375,000.00. Now, if you say the credit unions, not taking into account the caisses populaires, are going to receive \$25 million which they will receive interest-free, and if you are looking at a rate of interest at something like 14 or 15 percent, that means the benefit to the credit union movement in the province is roughly about \$4 million.

This particular tax, Mr. Chairman, represents almost 10 percent. In other words, 10 percent of that money

that they will now be gaining from this particular bill will have to be paid back to the province-by, as I mentioned before, another sleight of hand by this particular tax. So even though you want to say it's only 1.5 percent, in this particular instance it represents 10 percent of the total amount that the government was going to help out the system with. So it shows when you start really looking into the matter what's really going to happen with a lot of these organizations who, I might add, are struggling at this time.

Mr. Chairman, I really have to say to the Minister, we were all sitting here on Budget night and watching the sleight of hand, the move from what the First Minister and the members opposite would have liked us to believe was a sales tax increase; they moved away from that and moved into this particular tax. They sat there and they were pretty smug about it at that time, but I say to the honourable member that he has now found a few areas which are going to cause him a lot of difficulty. Let me tell him that once these forms start hitting the small entrepreneurs, the small businessmen, the farmer, the people who are employing one or two part-time people or employing one or two full-time people and these people are now going to be asked to fill out a new form and send that form in, if he thinks he's had a lot of hassle now, you wait until those forms hit the street; you wait until those inspectors that he hires start roaming around.

Heaven knows, Mr. Chairman, the small entrepreneurs in this province have to fill out enough forms for the governments at all levels and they're getting pretty tired of it. That is one of the biggest complaints you have in the field of small business these days, but now they are going to be asked to fill out even another form. What's particularly upsetting about this particular tax is that he is asking the province, the taxpayers of this province, to pay a million dollars for doing this. We are going to pay \$1 for every man, woman and child to collect this new tax and he's going to hire more people at a time, Mr. Chairman, when people are being laid off in the private sector.

One of the biggest complaints I have that are received from people who are working, people who are running their small business, is that we can see we have to tighten our belt; it's a world economic condition. But you know what really bothers us is that people in the Civil Service, people in Crown corporations seem to be isolated and immune from what is happening in the real world.

What you are going to see happen with this particular tax is more bureaucrats running around, you are going to see more forms having to be filled out and I want to tell the Minister, once this all hits the street on July 1st, he is going to have a lot more angry people out there than he does right now. I tell him that from somebody who has had the experience in dealing in small business all my life and knowing what the problems are in trying to keep all these forms and all these government agencies happy with all the requests that they want.

One thing that this bill along with others is doing, of course, is going ahead and increasing the taxes in this particular province. It will increase taxes. It's increasing the borrowing in this province; we're going to increase our deficit this year over last year. We've got all these increases. It almost seems to me, Mr. Chair-

man, that this government is hung up on the word "increase," but one has to also look at the side of the increases that are even more unpleasant than some of the ones that I have just mentioned. That is increased unemployment, increased bankruptcies and many of the other increases in a negative sense that we are seeing happen in this province right now.

I want to also deal briefly with the Interest Relief Program which the Minister is asking funds for. As mentioned by the Member for Turtle Mountain yesterday, I believe that what has happened with regards to the election promise and the posturing during the election by the members opposite is something that, in the final analysis, is going to do them a lot more damage than they feel. You had the Minister of Agriculture today get up and say that the Opposition was distorting some of the election promises that they had made with regards to the going out of business of farms and smaller enterprises because of high interest rates, but I point out to the Minister of Agriculture it was his Leader, the First Minister of this province now, that put his signature to the guarantee that no Manitobans would lose their homes or farms due to high interest rates. That wasn't us that said that. We are not distorting that. It is in black and white with the Premier's signature and we refer to it time and time again, and I think one of these days, the way they are sort of backing away from this document, what we are going to have to do is get a handwriting expert to make sure that is really Howard Pawley's signature on this document. This particular document is one which set down the guidelines and set down the parameters on which this government was going to deal with the people of Manitoba and the economic woes.

So, here we have a promise, a guarantee, that no Manitobans would lose their homes or farms due to high interest rates. What do we see in today's paper? Seventy percent increase in farm bankruptcies in this country.

MR. CHAIRMAN: We have always allowed a certain amount of leniency with regard to the comments in Capital Supply, but I would like to point out to the honourable member that the Capital Supply Bill for the Interest Rate Relief Program has been passed previously and he should confine his remarks to the Capital Supply items. Thank you.

MR. R. BANMAN: Thank you, Mr. Chairman. One of the things we are being asked to deal with and the point I want to make is with small farms, and I think there is an item on the Supply Bill dealing with the Beef Stabilization Program, which we are being asked to vote a bunch of money for. I think that when you are talking about high interest rates and the Beef Stabilization Program, it is all part and parcel of the whole farming operation what is happening in the rural communities.

So, Mr. Chairman, I will try to stay on the straight and narrow. But what we have here now at a time when interest rates are high; at a time when certain commodities in the agricultural community are at an all-time low; when the Provincial Government by imposing a 1.5 percent tax on all manufacturers in this province, a payroll tax on all the citizens of this province, who in the case of CCIL will have to pass that on

to the consumer which is the farmer, we are seeing a package being put together here which is not one which will, as the First Minister said in the same document, improve the quality of life in small towns and rural communities. What it's really doing is, it is going ahead and taking more money out of people's pockets at a time when they can't afford it, and it's heightening the concerns of the individuals on the farm.

One of the items dealing with the Beef Stabilization Program that we've been talking about over the last little while and been trying to get some answers from the Minister of Agriculture on — Mr. Chairman, I have to relate. I was out to the east end of my riding this last Saturday and I stopped to talk to a number of farmers, some of the ones who are trying to etch out a living on a cow-calf operation on marginal land on the east side of my riding and I stopped to talk to the one gentleman. I said, "Have you had a look at the Beef Stabilization Program? He said, "Yeah, I looked at it, but I can't take it." I says, "What's the problem?" He says, "Listen, the government is asking me to go ahead and change the way that I have done business over the years. I've built up a herd; I've built up a cow-calf operation; I'm starting to get some real good stock; I'm getting a good strain, and now they're asking me to keep my calves and finish them at a time when I haven't even got barely enough feed to keep my cow-calf operation going. They're asking me to change the direction that I want to go."

Here is a farmer, Mr. Chairman, who is looking for some assistance, but this program will not have a draw down and maybe that's what the Minister of Agriculture wants. I think he is going to say, I offered you a program, but you really didn't want it, knowing full well that many aspects of the program are such that the average farmer, the average cow-calf person, the average person in the beef industry, will not be able to take advantage of the program, which means that he can go around saying, I offered the program, but nobody really wanted it. I wonder if that's really what the Minister of Agriculture wants. I am telling you that the people in my particular riding are not going to fall for the program because it just isn't made to suit their needs.

Mr. Chairman, here is an example of the government, on the one hand again, saying they are going to help the farmers of this province. They are embarking on a number of programs which I think they full well know won't be of any major significance as far as the draw down of the funds. The Interest Rate Relief Program which we're talking about and have discussed previously tied in with the Beef Stabilization Program, you will have a very small draw down on that. My goodness, anybody knows that if you've got a fairly good cow-calf operation going, a \$70,000-gross turnover is nothing. So, here on the one hand, the farmer in my area can't take advantage of the beef program because he doesn't have enough forage and can't change his operation to accommodate that particular program; on the other hand, he is too big to apply for the Interest Rate Relief Program.

So, Mr. Chairman, what is happening here is that we are seeing the Minister of Finance going ahead and making a grab for more tax dollars at a time when people can ill afford it. I think that what we are going to see is that it will affect people in an adverse way. It will

affect the people of the province in an adverse way and I don't think that is the thing we want to see.

What, Mr. Chairman, is this government really doing? We hear the Minister of Government Services getting up, while defending the Premier's carpet in his office, he is talking about building the Premier a bar in his office. Mr. Chairman, my farmers, my business people, my employees in Manitoba don't want to spend any money on a bar in the Premier's office. They want to make sure that they can survive in this economic conditions that we face today and they don't want more money taken out of their pockets or see a bar built in the Premier's office so that he can do some more entertaining. We don't want to pay for the bar; we don't want to pay for stocking the bar.

I think, Mr. Chairman, if that is the direction the government is taking, it is totally wrong-headed because the people out there, if some of them haven't realized what this new tax is going to do to them, they will know very shortly. When those forms start coming out and the inspectors start rolling around, this particular government is going to know that it will have some pretty strong opponents and there's going to be some pretty disgruntled people.

MR. CHAIRMAN: Order please. The Honourable First Minister on a point of order.

HON. H. PAWLEY: On a point of privilege, I don't know whether or not the member in deed was intending to imply, but if he is intending to imply that there is going to be any bar billed to my office, I want to inform him that he is certainly far from facts. There is no intention, there will be no bar installed in my office.

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

MR. R. BANMAN: Thank you, Mr. Chairman. Well, he should maybe have a talk with the Minister in charge of Government Services because, Mr. Chairman, and I have the Hansard quote here, when we asked him about the imported rug that was brought in from England or from wherever it was, we found out that the Minister of Government Services said that the Government Services people were going to be installing a bar in the Premier's Office. That's what the Minister of Government Services said. So, I'm pleased to see, Mr. Chairman, that we are going to stop at carpet and drapes and recovering the floors, rather than going ahead and . . .

MR. CHAIRMAN: Order please. Order please. Order please. Order please. Order please.

The Honourable Minister of Natural Resources on a point of order.

HON. A. MACKLING: Mr. Chairman, I think that it is time the honourable members came to order and that we heard the Honourable Member for La Verendrye complete his remarks.

MR. CHAIRMAN: The Honourable Member for La Verendrye has a couple of minutes left.

MR. R. BANMAN: Mr. Speaker, just for the record —

on Wednesday, the 17th of March, 1982, page 549, the Member for Lac du Bonnet answered and he says, "I think the Leader of the Opposition would very much appreciate that a bar in a washroom is not the best place to have one," and that they were intending to build a bar. Mr. Chairman, that's what he said in Hansard here. So, if the First Minister is saying he's not going to put a bar in, thank you, Mr. Chairman, because we support the Premier not having a bar in his office.

Mr. Chairman, as I was saying in summing up my few remarks with regards to this particular amount of money that we are being asked to pass here, while we go ahead and support the help, in principle, to the credit union and to CCIL, I say to the Minister of Finance that while you are helping them on the one hand, you are taking it back on the other, and I hope that these particular industries in this province will be able to bear up and turn their operations around so that they will be viable ones and will be able to continue to service the people of Manitoba, and in the case of CCIL, the people of Western Canada, because it is a company that has been operating over many years and should receive as much attention as we can to make sure that particular company can thrive.

MR. CHAIRMAN: The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, just a brief question to the Minister responsible for MHRC. There is a significant amount of money for MHRC. I wonder if the Minister could indicate when he will be able to provide the House with details as to how that money will be spent. I think it's a very important matter; it's an important matter for potential homeowners, for the construction industry and I think we would want to ask some questions about the details and about that program before we finish this Bill.

MR. CHAIRMAN: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Chairman, I have been taking advice, my staff has been taking advice, we have been developing programs in consultation with experts in the field, including consultations with the industry itself. At the time that Second Reading of the Bill is before the House, I hope to be in a position to elaborate in some detail on the proposals that are being advanced.

MR. CHAIRMAN: Resolution—pass.
Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. J. STORIE: Mr. Speaker, I move, seconded by the Honourable Member for Ellice that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Mr. Speaker, I move, seconded by the Honourable Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Ways and Means of raising the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Ways and Means of raising the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN, J. Storie: The Committee will come to order.

The resolution before the Committee is: Be it resolved that towards making good certain sums of money for Capital Purposes, the sum of \$304,431,000 be granted out of the Consolidated Fund. (Agreed)

The Honourable Member for Lakeside.

MR. H. ENNS: Just one comment. Included in that amount of money that is being raised, of course, is the amounts raised for the Minister of Agriculture's Beef Support Program. Mr. Chairman, it should have become very plain to the Minister of Agriculture by now that the draw down of money being asked for under that program simply will not be called upon by the farmers and ranchers in the Province of Manitoba. There are 101 reasons why that is a totally unrealistic expectation and I do appreciate that by now the Minister of Agriculture is beginning to listen to some of the representations being made to him as to the unacceptability on the part of his program, that he should be able to, even at this late date, either indicate to us substantive changes to the program or, indeed, indicate to his Minister of Finance that the figures being asked for in this appropriation are unrealistic and should be altered.

Mr. Chairman, let me give you just one very personal brief example. It happens to many people in the business of raising livestock. I, myself, just a short while ago, have arranged for a purchase of a fairly substantial herd of Hereford cattle. I am hoping and I am living in the faith we all have when we do that, that prices will be such that I can repay the cost and meet the debt obligations that I have incurred in buying that herd. Mr. Chairman, I want to tell you I could not have done that if I could not assure my banker, the source of my money supply, that I would within six months be able to sell my calf crop - within six months. You make those kind of arrangements with the people that you are asking to borrow money from and the Minister of Agriculture knows that. Even if I wished to participate in his plan, if I felt that I had not the doubts that some of us have expressed about his plan, my banker and the people that supply money into the livestock industry are precluding me from doing it because it's conditional upon the fact that I got the necessary monies to

purchase the 100 Hereford cows with calves was that I would be able to make a substantial repayment on that loan within a relatively short period of time.

In the ranching and the livestock business there are a number of times when cattle can be advantageously sold. One happens to be when the calves come off their mothers in late September, first of October, when they are sold as stocker calves to go into the feedlots hopefully here in Manitoba, but if not here in Manitoba, to the feedlots in Ontario, Southern Ontario or, indeed, to the feedlots in the United States. I don't particularly care where they go although I appreciate that I would like to see as many of them possibly being fed out in Manitoba, but I have my own obligations to be concerned about. Those obligations are sometimes superseded by just great hopes and ideas of a Utopian situation that the Minister of Agriculture may wish to see for the livestock industry. That isn't good enough to answer to your banker when he calls for a \$20,000 or \$30,000 payment on the monies advanced to get into the livestock industry — (Interjection) — well, Sir, the Honourable Minister says sell my calves. But I cannot do that if I get into his program. Right? I cannot do that if I get into his program.

So, Mr. Chairman, I am just pointing out why there are very practical reasons why I cannot get into that program — (Interjection) — so, Mr. Chairman, what I am now hearing is what I perhaps suspected. You know, the Minister of Municipal Affairs says sell your programs, you don't have to get into a program. Mr. Chairman, it grieves me, the degree of cynicism. I don't believe that the Minister of Agriculture and this government had any serious intentions of devising a program of some help to the beef industry in the first instance. The program that they devised, they knew from the first instance there would be little or no participation.

Mr. Chairman, I would venture to say I will be able to, hopefully, be here a year from now and have these figures thrown back at me, but I suspect certainly less than 10 percent of the producers will enrol, if even that. So while the government in its public relations drive sets up a nice headline that says "\$16 million available for beef producers plus another \$24 million for loan assistance to feed out these cattle." That sounds great. That sounds like a \$40 million assistance to the beef producers of Manitoba. We keep a promise made. A promise made, a promise kept is the implication that they want to leave. But, Mr. Chairman, a year from now I will say if a million dollars of that \$40 million gets drawn down on this program, I will stand up in the same place and retract and make an appropriate apology to this government and to the Minister, Mr. Chairman, unless of course they accept our advice that they have been achieving from Day One, substantially change the program and get away from this dangling of a \$50-carrot, and simply recognize that, okay, the beef industry has had a difficult time. Here is a one-shot relief effort and by those means certainly, Mr. Chairman, substantial amounts of those monies can be expended.

But as the program now stands, Mr. Chairman, and as the program was introduced and as for two months the Minister bullheadedly and stubbornly refused to budge and, in fact, said that the principles are not in question. He would listen only to little matters of

details that advisory groups could be consulted with, but the principles of the program were sacrosanct. They were not to be changed.

Mr. Chairman, if he persists in that position, then the monies that we are now being asked to raise are not correct, are in fact used in a pretty cynical way to leave the impression of a government that was willing to help an ailing industry.

MR. CHAIRMAN: The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Chairman. There are just a few comments that I would like to make. We heard the Member for LaVerendrye referring to that bar business and I suggest that is getting back to the kind of gutter politics that their backbencher, Bob Wilson, used to practise, and I would hope that we're not going to get into that any more in this House.

Now, Mr. Chairman, the kinds of services that were made available to the previous government are items that we could be talking about here. I think that's undignified. I think that he knows as well as we do that when the Minister involved, whom he partially quoted but not totally, said those words, he said them with tongue in cheek. He knows that full well; he saw the smile on the man's face and he knew full well that the Premier had said previously already that wasn't something that we were going to get involved with. That's something that the Premier has said before, but that man goes through his riding and talks to people who are hurting, because they are hurting all over in this economy, in Canada, and in Manitoba, and he is telling them, "Your Premier is putting up a bar," so that there can be some real hatred of the government of this province. That is really, really the most degrading way of ensuring that politicians will be considered worthless in this province, and that is an attempt that members — he is doing what Bob Wilson used to do in this House, and I think that is a sad, sad commentary on the state of affairs in the backbenchers of the Opposition here.

He's talking as well, and he has every right to talk about the levy that we are raising. It's a levy that nobody is happy with, I'm not happy with it. He has every right to point out the weaknesses in that particular levy. They are, in terms of the total amount of money, minimal and so I just want to reply briefly to that. I want to point out again there is no doubt we had to get the money, we had lost \$700 million from the Federal Government. We either had to cut back in health care and post-secondary education or increase taxes. We didn't have a choice. The choice we did have was to go to a Tory tax, the way they did in Ontario. To increase levies there, they tax yogurt that kids buy in school, they tax sandwiches coming out of vending machines for kids, but at the same time when the corporate elite go and eat in the big restaurants in Ottawa and Toronto, they've reduced sales tax on that from 10 percent to 7 percent. That's the Tory solution.

The Tory solution is to say to the successful corporation, we'll eliminate your income tax. Those aren't the corporations that were having problems, those aren't the corporations. What they're saying is, if you're successful, we'll make sure that you're even more successful. That's a Tory tax. —(Interjection)—

CCIL, talk about it, talk about it in terms of the amount of money we're putting out there, and in terms of the amount of money that is coming back. It is minimal, and as I said during question period, we will be looking at any organization such as CCIL — we have demonstrated our concern about CCIL and the credit union movement. The credit union movement was in trouble when those people were in office and they did nothing, so we saw what they were going to do.

So, Mr. Chairman, I think that what the member should also recognize, in looking at this tax, is that this tax provides us with money from the banks which we wouldn't have received with the sales tax increase. This tax provides us with money from the insurance corporations, the financial community that we wouldn't have received with the sales tax. This tax provides us with funds from accountants, lawyers, doctors, other professionals, that we wouldn't have received with the sales tax; yet the total amount received is about the same as we would have received with the sales tax. So there is a very clear distinction as to who is paying. We are not having the same people paying this tax. We think that the people paying this tax are ones who can better afford to pay it on the whole than the people who would have had to pay the sales tax, and that is why we instituted that tax.

MR. CHAIRMAN: Is it the will of the committee to pass the resolution?

MR. H. GRAHAM: No, Mr. Chairman.

MR. CHAIRMAN: The hour being 12:30, committee rise.

Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. J. STORIE: Mr. Speaker, I move, seconded by the Honourable Member for Concordia, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. MACKLING: Mr. Speaker, by common understanding it's agreed that we won't go into Private Members' Hour, so we'll call it 1:30. The House is now adjourned.

MR. SPEAKER: Order please, the time being 1:30, the House is adjourned and will stand adjourned until 2:00 p.m. on Tuesday afternoon