

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 31 May, 1982

Time — 2:00 p.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 . . .

NOTICES OF MOTION

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, with your permission I would like to advise members of the House that in view of the untimely death of our Clerk, Jack Reeves, it will be my intention to move a motion tomorrow of sincere sympathy to Jack Reeves' family and I would like to give members that notice so they have an opportunity tomorrow to speak to that motion.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, we thank the First Minister for notice of his intention to move the motion of Condolence to our late Clerk and members on this side of the House will certainly be prepared to respond to that motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Government Services.

HON. S. USKIW introduced Bill No. 50, an Act to amend The Crown Lands Act and The Municipal Assessment Act. (Recommended by Her Honour the Lieutenant-Governor).

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Orders of the Day, may I direct the attention of honourable members to the gallery where we have 55 students of Grade 6 standing of the Van Belleghem School under the direction of Mrs. Vadeboncoeur and Ms. Wicks. The school is in the constituency of the Honourable Member for Niakwa.

There are 19 students of Grade 5 standing from the Balmoral Hall School. These students are under the direction of Mrs. Vadeboncoeur and the school is located in the constituency of the Honourable Member for Wolseley.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: Yes. Perhaps I could, Mr. Speaker, ask for leave to revert back to Ministerial Statements. I was not aware that the Clerk had copies of the statement ready for distribution and therefore was waiting for copies. So if I could have leave, I would ask that permission of the House.

MR. SPEAKER: Does the Minister have leave? (Agreed) By leave, the Honourable Minister of Northern Affairs.

HON. J. COWAN: Thank you, Mr. Speaker. I'm both pleased and honoured to have . . .

MR. SPEAKER: Does the Minister have copies?

HON. J. COWAN: I believe there are copies for distribution to all the members. Perhaps I'll just wait one moment then.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: Mr. Speaker, I'm both pleased and honoured to have the opportunity to remind members of the House that this week is Environment Week in Canada and to inform them of a number of activities that are planned, both nationally and locally.

National Environment Week is a combined effort of the various provincial environment departments, Environment Canada and environmental interest groups. The principle aim of this week is to heighten public awareness about the importance of our environment.

This year, Environment Week is particularly important because it marks the 10th Anniversary of the Stockholm Accord which was signed by most of the major nations in the world. The Stockholm Accord was a pledge to work together towards the global preservation of our environment.

Here in Manitoba our department is participating in a three-fold campaign which consists of an informational media campaign, a mall display at Eaton Place and a School Outreach Program.

The members of the Legislature will note on their desks, that we have provided them with an Environment Week Button. Since the theme of Environment Week '82 is "The Action Begins With You," I'd like to encourage all members to assist me in bringing recognition to this week. I thank you, Mr. Speaker.

I might add, as well, that on display in the rear of the building is the new mobile monitoring unit of the Environmental Management Division and I have asked them to remain on display until approximately 3:30 or 4:00 o'clock so members of the House who have an opportunity to sneak out for a few minutes may avail themselves of the opportunity to review this new equipment on the part of the Environmental Management Division.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, thank you for the opportunity to respond to the Minister's statement.

We are pleased, on this side of the House, to join the Minister and his colleagues in recognizing National Environment Week in Canada and certainly agree with the fact that the enhanced public awareness of the necessity of protecting our environment and being vigilant so that future generations may enjoy our environment as much as we do, is most important to all of us in Canada.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the loge on my right where there is a former member of this Legislature. He used to be the former Member for Radisson, Mr. Harry Shafransky.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I have a question to the First Minister. Over the weekend we understand that he made an address to the conference on the electricity transaction between Western Canada and the United States in Napa, California. My question to the First Minister, Mr. Speaker, would be this. Do the statements that he made, which are contained in that speech, concerning a commitment to firm power sales to the United States, do those statements represent a change in government and hydro policy, which heretofore has set the priorities for hydro development in this order?

(1) For domestic and industrial use in Manitoba such as Alcan and so on.

(2) For the Western Power Grid or Western Power Inter-Tie with Saskatchewan and Alberta.

(3) Of course, always, sales either by way of interchange or firm power sales to the United States.

Does his speech represent any fundamental change in that established priority for the development of power in Manitoba?

MR. SPEAKER: The Honourable the First Minister.

HON. H. PAWLEY: No, Mr. Speaker, there's no change in policy as we are looking at plans relating to the next 20 years, future power development in Manitoba and the uses to which that power development can be put with, of course, a priority on domestic use but also, accepting the fact as we did for some time, indeed, emphasize the importance of developing ties in respect to the export of power whether it be to other parts of Canada such as Alberta, Saskatchewan or, indeed, to parts of the United States.

HON. S. LYON: Mr. Speaker, we are encouraged to hear that confirmation from the First Minister. My supplementary question then would be to him, specifically, can he assure the House as I'm sure he now can from what he has just said, that neither his speech nor the direction of his government is tending toward a lessening in anyway of the government's interest in working out an arrangement with Alcan which would see some 400 megawatts of power used in Manitoba to

produce some thousands of jobs for the benefit of Manitobans, rather than exporting that power to create jobs in other parts of North America?

HON. H. PAWLEY: Mr. Speaker, we are committed to a policy of devising the best possible terms, the most satisfactory arrangements whether or not those transactions involve the negotiations pertaining to the Western Inter-Tie, or whether they, indeed, do involve continued discussions pertaining to any project in Manitoba including Alcan.

HON. S. LYON: Mr. Speaker, we are happy again to have that confirmation from the First Minister about his government's commitment to pursuing to successful conclusion, we all hope, the important negotiations with Alcan. In the light of these two statements, will the First Minister be writing a letter to the Winnipeg Free Press to correct their editorial intonations on his speech?

HON. H. PAWLEY: Mr. Speaker, I must acknowledge to you that I don't spend too much time, I must admit, reading the editorials of the Free Press and I suppose I spend much less time writing my comments to the Winnipeg Free Press pertaining to the editorials. I accept them as, indeed, what they are - expressions of view by those that are engaged to write editorials for the Winnipeg Free Press.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health. I would ask him whether he can advise the House of the content and the nature of the announcement made on behalf of the Department of Community Services yesterday at the St. Amant Centre for the Retarded.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I can certainly repeat the announcement that I made if, indeed, it is an announcement. I did say at a tea at St. Amant that it was my feeling that there would be a statement from the Minister of Community Services fairly soon that I felt would be quite interesting to those working in this field and, I would hope, would meet with their approval.

MR. L. SHERMAN: So, Mr. Speaker, what the Minister of Health is advising the House is that he didn't, in his statement - I might say I was there, Mr. Speaker, but I was not there at the time the Minister addressed the parents and friends of St. Amant - what Minister is telling the House is that he did not in his remarks to the audience yesterday reveal any specific details of any plans or programs for St. Amant. He simply referred to the fact that a statement or an announcement might be forthcoming, is that correct?

HON. L. DESJARDINS: Yes, Mr. Speaker. There were many people who were quite interested, who had been working quite diligently for months and years, and they were asking me questions. I thought that at the time I would let them know that a statement should

be coming from the Minister of Community Services and that's fairly close to what I stated. I told them that I had a feeling there would be a statement made soon by the Minister of Community Services that would be interesting and, I would hope, would meet with the approval of the people who were there, the interested parents and the St. Amant Society.

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

HON. W. PARASIUK: Mr. Speaker, last week the Member for Fort Garry posed some questions regarding an oil exploration program being undertaken in Hudson's Bay and asked if there was any provincial involvement in this program and he also asked questions about Manitoba's offshore mineral rights. Those were taken as notice and I can answer them now, Mr. Speaker.

First, Manitoba is not involved in this oil exploration program which is being undertaken on a joint public-private basis by Sogepet Limited of Toronto with the Quebec Government's Crown corporation exploration company, Soquip and Company. Other partners include the Ontario Energy Corporation which is owned by the Ontario Government and Canadian Occidental Petroleum Limited of Calgary. As far as I am aware, Mr. Speaker, there has been no consultation with the Manitoba Government on this project.

Regarding the member's latter question on offshore mineral rights, I did answer this question earlier in a written reply to the Member for Turtle Mountain in response to his written question as to whether I had taken any initiatives to deal with the question of jurisdiction over mineral rights under the waters of Hudson's Bay and I answered then, Mr. Speaker, that as far as I had been able to determine during the last four years, no initiatives were undertaken by the previous Minister of Energy and Mines in raising Manitoba's interest on the jurisdiction over mineral rights under the Hudson Bay. However, in my first months of office, I instructed my officials to raise this matter at federal-provincial meetings and recently I have written the Federal Minister of Energy, Mines and Resources suggesting the commencement of meetings, together with the provinces of Quebec and Ontario, in order to resolve successfully the question of Manitoba's offshore mineral rights in the Hudson Bay region.

Furthermore, Mr. Speaker, the honourable member should be aware that in my communication with the Federal Minister of Energy, Mines and Resources, I stated that actions taken by the Government of Canada last year and this year, in permitting exploration in Hudson Bay did not, in our view, confirm the right of the Federal Government to ownership of all mineral resources within Hudson Bay.

Finally, it should be noted, Mr. Speaker, that the agreement reached between Premier Ed Schreyer and the Government of Canada in June of 1972, in this area, was subject to the provision that if subsequent agreements between the Federal Government and any provinces resulted in more favourable terms to the provinces, the same type of amendment should apply to Manitoba as these and other matters will be pursued with the Federal Government in the near future.

I would just add a footnote that we have registered our interests in the current reference case before the Supreme Court of Canada regarding offshore oil in Newfoundland, in order to maintain and register Manitoba's interests at this time, so we will be keeping a watch on that development.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, I thank the Honourable Minister for his information. I would like to ask him whether, to his knowledge, the area which will undergo seismic tests this summer, which I believe is an area of some 5,000 kilometres in dimensions; whether that area will include Manitoba offshore territory, or does he know the answer to that.

HON. W. PARASIUK: As far as I'm aware at this stage, it won't. However, the conditions are somewhat similar and since that project is a very expensive project, the Manitoba Government has taken position of closely monitoring the results of their explorations, so that we would be in a position to act on the basis of the knowledge that would become available through that particular thrust that they are undertaking.

It's a fairly substantial public and private commitment by various governments and private sector, with respect to oil development in the Hudson Bay. We've been monitoring that. As you know the Government of Manitoba is prepared to use public initiative in the exploration and development of oil resources in Manitoba. That's an action and a thrust that's being undertaken by the Governments of Alberta in the past, Saskatchewan, Ontario and Quebec and we certainly aren't afraid or ideologically against using the public in a constructive way in this respect.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, following upon the Minister's comments about Hudson Bay and the resources thereunder, by way of preface, I would ask the Minister to search his files a bit more assiduously than he apparently has because he will find correspondence in those files between the then Prime Minister of Canada, the Right Honourable Joe Clark and myself, if not the Minister of Mines, relative to resource rights under the Hudson Bay because of the undertaking made by that Prime Minister to give the provinces a bigger share of offshore resources and we wanted to register our claim for Hudson Bay.

But going back to the earlier discussions on the proposed division of Hudson Bay which started back in the middle 60s and culminated in a tentative agreement, I believe, in 1970-72 or thereabouts, there were spheres of territory, Mr. Speaker, which the provinces of Quebec, Ontario and Manitoba would notionally have in the Hudson Bay and my question follows upon what my colleague, the Member for Fort Garry, was asking. Would the new efforts being undertaken by Sogepet et al, would they be involved in that notional territory which would be part of Manitoba's resource if that agreement were finalized with the Federal Government?

HON. W. PARASIUK: Upon that, my understanding is they wouldn't and that Manitoba is pursuing from a perspective the notion that we should be getting as great an area of the Hudson Bay as possible since we do have a very substantial border on the Hudson Bay. With respect to whether, in fact, I could check out files or not, that creates some difficulty. I will certainly have the Premier check into the files that were left to him but I must say, Mr. Speaker, that any of these files were all removed by the previous Conservative Minister so I have been going on the basis of the limited set of files that I had available to me. But I will certainly check to see whether, in fact, in any of the empty files that were left to me, a shred of evidence relating to this matter was left.

HON. S. LYON: Mr. Speaker, on that point, we will be quite happy to assist the honourable member for his better education and edification.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, last Thursday the former defeated Minister of Agriculture from the Province of Saskatchewan, along with some four ex-Deputy Ministers from the Province of Saskatchewan were seen visiting in the building. My question to the First Minister is, were they here at the invitation of this government for possible jobs?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I am somewhat disappointed that, indeed, the former Minister of Agriculture from Saskatchewan was in this building without his calling upon me. I would have very much appreciated an opportunity to have spoken to him. I can tell the Honourable Minister that I was not aware, unfortunately, of the visit as I would have enjoyed the opportunity to have had a meeting with the gentlemen involved.

MR. H. ENNS: Mr. Speaker, my supplementary question is particularly related to the ex-Deputy Ministers from Saskatchewan. Is the government planning any further changes in the senior ranks of the Public Service of Manitoba?

HON. H. PAWLEY: Mr. Speaker, I suppose at any given time, any given Minister has some plan or other pertaining to senior ranks within one's department. That is a matter of fact in any particular government. I do not know of any specific intentions at this time. We have been completing a process of interview which I gather is the first time this has, indeed, ever happened; extensive interviews pertaining to a Deputy Minister for Cultural Affairs, for instance, to fill a vacancy. So, at any given time, there are vacancies to be filled; there are changes that are required. I think it goes without saying.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is to the First Minister. I have here a copy of a letter from St.

John's United Church at 250 Cathedral Avenue addressed to the Minister of Finance, in which the corresponding secretary of the church points out the unfair and inequitable treatment of charitable organizations under the payroll tax imposed in the Provincial Budget. I am wondering if the First Minister has had an opportunity to view this letter.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I have not seen the letter, but I would certainly think that the church involved and the minister that wrote the letter would be certainly persuaded by the pure logic that all within Manitoba do have to pull together and contribute towards ensuring that post-secondary education and health services do not, indeed, deteriorate because of the cutbacks from Ottawa.

MR. B. RANSOM: Mr. Speaker, I would be happy to table this copy of the letter then for the information of the First Minister and will be inquiring in the future as to the response of the government.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health and relates to the Federal-Provincial Conference of Ministers of Health concluded last week. I would ask him if he can report to the House as to whether there were any discussions on the blood fractionation arrangement and the agreement that had been achieved under the previous government which was going to provide for approximately 50,000 to 75,000 litres of fractionated blood plasma per year to be produced by the Rh Institute in Manitoba.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Yes, Mr. Speaker, the subject was introduced by Manitoba and my request to the Ministers would be, could they instruct the members of their respective provinces on that committee to review that tentative agreement that we have had and to look at that with an open mind because we felt that the agreement was not fair to Manitoba and that request has been accepted. That is - I want to qualify this - that they will look it; they would instruct their members. I think there is a meeting of this committee early in June and I would hope to hear that they look favourably on our suggestion to modify the tentative agreement that we've had.

MR. L. SHERMAN: Mr. Speaker, I am not sure what the Minister means by his answer when he says the agreement was construed as being not fair to Manitoba. Is the Minister saying that the agreement is likely to be changed, the agreement is under review? The agreement provided that the market for plasma fractions in Canada would not be consolidated with one fractionation plant like Connaught, for example, in the Toronto area; that Manitoba because of its particular expertise here should have an opportunity to help supply that market. The agreement was that of the

200,000 litres required each year, that Manitoba would provide 50,000 to 75,000 of that through the Rh Institute. There is a new \$6.5 million plant going up in Fort Garry with that objective in mind. Is the Minister saying that now is all being reviewed?

HON. L. DESJARDINS: No, not that, not at all, Mr. Speaker, certainly not that part. It is accepted and, in fact, I think that during my Estimates, I advised the Members of the House that the construction was approved. The agreement that I was referring to was that the other provinces would allow Manitoba to recoup only half the construction costs and that seems to be a high cost to pay for a province of our size that will supply the blood and plasma to all Western Canada anyway. The construction cost will be approximately \$10 million and according to the present agreement, or the tentative agreement, we would be able to recoup only half of that and we hope that they will see that this is not quite fair to Manitoba. This is absolutely as was stated by my honourable friend.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, to the First Minister, in view of the answer given by his Minister of Agriculture on Friday that the beef producers would be able to receive support for the beef industry, Mr. Speaker, for the month of July, seeing that he promised and pledged to the farm community that it wouldn't be a long dragged-out effort putting in place a program - and we're now some several months and almost a year without a program - could he assure us that the \$50 per head to the beef industry will be paid out without any strings attached, Mr. Speaker?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, first I do think I must indeed correct an inaccurate impression that the Member for Arthur has, the commitment that was made indeed that led these early discussions with the beef producers in the Province of Manitoba in order to bring about a form of assistance.

Insofar as the second part of the question, the Minister is working diligently on the matters involved. He's had a series of meetings and I understand indeed that those meetings have been proceeding quite well, Mr. Speaker. I would suggest that indeed the former Minister of Agriculture await the return of the present Minister of Agriculture to direct his questions as to specifics as to the progress that's being made. I don't think the Member for Arthur would want to foreclose those very important and useful discussions that are presently taking place.

MR. J. DOWNEY: Well, Mr. Speaker, in view of the fact that it was he, as the leader of the New Democratic Party and running for office prior to November, said that there would be a program, is the First Minister now telling us that there won't be a payout in July to the beef producers.

HON. H. PAWLEY: What indeed, if the Member for Arthur had listened carefully, what he indeed would have heard would have been a suggestion from myself

to him to enquire from the Minister of Agriculture who's working diligently on the program, is consulting with the beef producers in this province, and indeed I understand is making satisfactory progress in the discussions that are under way.

MR. J. DOWNEY: Well, Mr. Speaker, I appreciate the First Minister's concern. Is he now telling us that one of the priorities that he has is now not to help the beef industry in the Province of Manitoba - that he's got other priorities and that it's over to the Minister of Agriculture when he decides to come forward - that he as a Premier is not pushing this particular program?

HON. H. PAWLEY: Mr. Speaker, I would leave that question for you to judge as to whether or not that is a proper question within the Rules of the House. It's obviously one that's not intended to elicit information but rather is intended to bring about argument, which is contrary to the Rules of the House.

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

MR. W. MCKENZIE: Mr. Speaker, I have a question for the Acting Minister of Natural Resources. In light of the fact that the monies for the water supply dugout reservoir at Grandview were approved in this year's Estimates, and in light of the fact the Town of Grandview has received word from PFRA that they've been waiting for a long time to put the project out to tenders, and in light of the apparent Ministerial delay or gaining Ministerial approval I wonder, can the Acting Minister advise the House or the town of Grandview when the project will be in fact tendered?

HON. H. PAWLEY: I don't have the sheet in front of me but I believe the Acting Minister is the Minister responsible for Community Services, so I would prefer to take the question as notice on behalf of the Minister responsible for Natural Resources, who I understand will be here tomorrow.

MR. SPEAKER: If I could direct the attention of honourable members to the gallery where we have 19 students of Grade 6 standing from the Wabowden School, under the direction of Mr. Mihalyk. The school is in the constituency of the Honourable Member for Flin Flon.

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

ORDERS OF THE DAY

MR. SPEAKER: The Government House Leader.

HON. L. DESJARDINS: Mr. Speaker, I'd like to inform the members of the House of the order of business for today. It is our intention to call for Adjourned Debates on Second Reading of Bill No. 2, The Residential Rent Regulation Act; and then ask you to call for Second Reading of Bill 32, an Act to amend The Municipal Act and Bill 36, an Act to amend The Highway Traffic Act.

Following this, it is our intention to go in the Committee of Supply but this afternoon there would only be one committee, that is Consumer and Corporate

Affairs, but this evening Consumer and Corporate Affairs would continue and we would have Crown Investments this evening.

Now tomorrow or the following day, we would either continue with Crown Investments or go back to the line that we missed, that is, the interest loans and that, depending on our arrangements we make with the Opposition. Mr. Speaker, I think the Minister of Energy also would like to give some information as to the committee that will meet on June 3rd and June 8th.

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

COMMITTEE MEETINGS

HON. W. PARASIUK: Mr. Speaker, I'd like to provide to the House additional information regarding the meetings of the Standing Committee on Economic Development which will meet in Room 255, Legislative Building on Thursday, June 3rd, 1982 at 10:00 a.m., and on Tuesday, June 8th, 1982 at 10:00 a.m.

These committee meetings will consider the reports of the Manitoba Mineral Resources, the Manitoba Forestry Resources and Flier Industries Limited in that order at the June 3rd meeting with any carryover being carried on to the Thursday, June 8th meeting, and I just wanted to give members advance warning on that.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs, Bill No. 2, standing in the name of the Honourable Member for Springfield.

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

MR. A. ANSTETT: Mr. Speaker, following my remarks when we last debated this bill, I had certain brief comments to make regarding the distinction between regulation and control on the remarks of the Member for Lakeside.

Mr. Speaker, suffice it to say that my real concern in this debate is that all members appreciate that the concern here is not a concern over freeze, or control, or the kind of philosophical debate that can be gotten into between members on both sides about the philosophy of rent control, or rent freezing as described by the Member for Lakeside.

My concern was to emphasize that the major thrust of this bill and the commitment that was made last fall was a commitment to true regulation, not a commitment to the kind of open style rent regulation which was brought in by the previous administration. I think the Member for Lakeside appreciates that distinction and would not want the debate to go on without that question being clarified.

Mr. Speaker, I also have a concern about the suggestion that the level projected for rent increases this year would become the minimum level, the other suggestion that was made in the debate and my concern in that area, very succinctly, is that the Act specifically

provides for actions both ways from the recommended level of 9 percent. That is a wide open provision in the legislation and there is no reason to assume for one minute that that would be a minimum, in fact, there are no grounds to substantiate that suggestion. So, Mr. Speaker, those are my concerns. Although I tried to compress them into two minutes on Friday, I'm glad I've had an additional two minutes today.

Thank you very much.

MR. SPEAKER: The Honourable Member for Fort Garry.

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

SECOND READING - GOVERNMENT BILLS

HON. A. ADAM presented Bill No. 32, an Act to amend The Municipal Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. A. ADAM: Thank you, Mr. Speaker. This bill changes to The Municipal Act relating to a variety of matters which basically require clarification. I will deal briefly, Mr. Speaker, with the principles contained in the proposed legislation for benefits of the members. We will be putting forth an amendment to the Act which will clarify the procedure where municipalities carry out custom work for individuals in their jurisdiction. We propose to give the Municipal Council some flexibility in charging interest on unpaid accounts.

Another change we are proposing relates to the position of the Minister of Municipal Affairs upon receipt of petitions from municipalities requesting boundary alterations. Under the present Municipal Act the Minister is empowered to refer such petitions to the Municipal Board. However, the Board is only entitled to deal with the application or petition in the form presented. This has caused some difficulty in the past.

For example, a petition from one municipality for annexation of certain lands may have a serious effect on lands immediately adjacent. The Board is presently unable to deal with those additional lands; even the Board might feel that a more general consideration is called for. The amendments which we are proposing will allow the Board a little more flexibility in giving general consideration to these matters.

Another change which we are proposing, and probably the most significant one, is to amend the Act to clarify the position of members of Municipal Council, councils who serve on volunteer fire departments, or as attendance or of emergency vehicles such as ambulances. In the past such members of council have not been entitled to receive payment for out-of-

pocket expenses. This has created some difficulty in more remote and isolated municipalities where members of council would logically participate in volunteer fire fighting activities. We have been requested by municipal organizations to consider some amendments in this area and accordingly, we wish to react.

We also propose to amend a section of The Municipal Act dealing with the question of closed roads in municipalities. Many municipalities have roads which are not presently used for highway purposes but are unable to close such roads or lease them to either adjacent land owners or other groups in the municipality which might wish to make use of the land in question. In order to allow some other use of the land in question, the municipality must close the road and transfer title to the people in question. In many instances, municipalities have indicated that they would prefer to close the road by bylaw but retain title to the closed road for possible future purposes. We propose to amend the act to provide them with this authority.

We also propose to amend The Municipal Act to allow greater flexibility when providing grants in lieu of taxes to municipalities where lands owned by the Crown have been improved for specific purposes. At present, this flexibility does not exist.

Lastly, we propose to clarify the wording of a section in the Act respecting the rate of interest chargeable in the event of property being sold for taxes. Members will recall that a previous change to The Municipal Act enabled the interest rate to be altered by regulation rather than by yearly amendment to the Act. We propose to extend this same provision to tax sale interest rate provisions as well. Mr. Speaker, when this bill reaches the Committee stage, I can provide a section-by-section comparison, an explanation for members' information.

Thank you very much.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Mr. Speaker, I move, seconded by the Member for Minnedosa, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Government Services.

BILL NO. 36 - AN ACT TO AMEND THE HIGHWAY TRAFFIC ACT

HON. S. USKIW presented Bill No. 36, an Act to amend The Highway Traffic Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. S. USKIW: As in nearly all previous years, the bill to amend The Highway Traffic Act contains a number of technical and housekeeping amendments, none of which change existing principles or introduce new ones. In the interests of clarity and brevity, I shall confine my remarks to those amendments of a sub-

stantive nature. If any member has questions concerning other amendments, I shall be pleased to provide answers at this time or when the bill is before Law Amendments Committee.

The first of the substantive amendments contained in the bill is an amendment which deals with reciprocal agreements concerning commercial and public service vehicles. As most members are aware, Manitoba, along with eight other provinces, entered into an agreement entitled "Canadian Agreement on Vehicle Registration," under which motor carriers and other commercial vehicles have their registration fees prorated in each province based on miles travelled in that province. Certain amendments to this section have been previously enacted to give effect to the agreement. However, one very important element of the agreement relates to the audit of records carriers are required to maintain and what recourse a province may have where the audit discloses that the mileage information furnished by the applicant is incorrect. Currently, there is no authority to reassess the fee payable or to enforce payment.

The proposed amendment would remedy that shortcoming by authorizing the registrar to reassess the fee and require the registrant to pay; failing which the registrar would be required to suspend or cancel the registration cab card issued. Other member jurisdictions are enacting similar provisions to their respective acts.

The second provision is indeed a new one. It's a new section being added to the Act which will authorize the issuance of a short-term permit increasing the gross vehicle weight that may be carried by a truck and which was originally registered for a lower weight. The amendment will greatly simplify, as well as reduce, everyone's costs by allowing the issuance of a permit increasing the weight a truck may legally carry for one or several trips. The problem stems from the fact that occasionally a trucker may be required to haul either a single or multiple loads which exceed the weight for which the truck or trailer is registered. Under existing legislation, the owner must make application for weight increase and pay the full registration fee for that weight for the balance of the year, even though he may require the increased weight for a very short period of time. Subsequently, the trucker may make application for a refund by, again, reducing the registered gross weight to its former level. However, the costs of processing such applications very nearly exceed the fees that are retained. The increase in weight could not exceed the maximum weight that particular trucks can legally carry on highways in any event.

Currently, the Act allows a person up to six months within which to file a medical report requested by the registrar. In some instances, this is far too long, particularly where the person may be suffering from a serious medical condition which may impair the person's driving ability. The alternative for which statutory exists is to suspend immediately pending the production of a medical report. However, this is not always desirable and may be unfair to an individual who may have recovered from the medical disability. Accordingly, an amendment to the Act is proposed which would permit fixing a period within which the report must be filed and which would be indicated in

the notice sent to the person.

Research carried out by the Federal Department of Transportation and other research agencies has shown that motor vehicles with head lamps on before sunset and after sunrise, the period when vehicles are least conspicuous, have a significantly lower incidence of accidents, approximately a 15 percent difference. Based on those findings, the Canadian Conference of Motor Transport Administrators recommended to the provincial Ministers at their conference at Winnipeg last year that the laws of all provinces respecting when head lamps are to be lighted be changed so that head lamps would be required to be lighted one-half hour before sunset and one-half hour after sunrise, a time when head lamps appear to be most effective by rendering a vehicle more conspicuous to other motorists. This recommendation was unanimously adopted.

Presently, the Act required head lamps to be lighted after sunset and before sunrise without specifying any time limit. The bill before members contains an amendment which would require vehicles on a highway to have their head lamps lighted one-half hour before and one-half hour after sunrise.

A number of years ago, a special provision was enacted which permitted volunteer firefighters to equip their vehicles with a special red flashing light mounted on the left front fender and displaying the letters "VFF" in black letters. By and large, volunteer firefighters use their own private vehicles when responding to an emergency. There is an obvious need to make some special provisions to allow such vehicles to be equipped with flashing red lights in the interests of public safety.

The legislation previously enacted was found to be most ineffective, principally because the light of the type permitted cannot be seen from all directions. As a consequence, some volunteer firefighters have started using a flashing red light, commonly known as fireball light, which can be attached to the roof of the vehicle. Its great advantage is that it can be seen by the motorist from all directions making the vehicle more conspicuous. The volunteer firefighters, supported by the RCMP, have been urging amending of the existing legislation which would permit the use of the fireball type of flashing red light.

An amendment is therefore proposed which would repeal the existing special provision for volunteer firefighters and substitute them with the new provision which will permit volunteer firefighters to equip and use a roof-mounted flashing red light when responding to an emergency.

As well, a complementary amendment is necessary to the definition of the emergency vehicles which will include motor vehicles operated by volunteer firefighters when responding to an emergency. This amendment is also contained in the bill before us.

Currently, the Act is silent about motor vehicles equipped with air break systems. There is no provision authorizing prescribing standards for air break systems by regulation. During inspection of heavy-duty commercial vehicles, numerous air break system defects were found, such as, leaking air hoses, low reservoir pressure, inoperative low air pressure, warning signals and many others. In the absence of standards for the air break systems and legislative requirements for compliance, the owner can refuse to

repair the defects and there is no authority to compel compliance. The police have experienced similar problems when, in the course of their enforcement of the Act, they find a heavy-duty truck with defective air break system and they are powerless to take any action.

Accordingly, a new provision is contained in the bill which would require all motor vehicles equipped with air break systems to comply with standards prescribed for air break systems by regulation. A complementary amendment to the regulation, making sections of the Act is required which would authorize prescribing standards for air break systems by regulation.

Strange as it may seem there is also no legislation now in force which in any way restricts, regulates or prohibits the operation of caravans, motorcades, parades, rallies, or other special events on provincial highways. An example, last year there was a runner and a wheelchair rally conducted between Brandon and Winnipeg. Many other examples can be cited of caravans using horsedrawn vehicles and other types of vehicles, some motorized, that have been used in caravans over the years. Concerns have been expressed by the police and others about the potential hazards such events create to participants and other traffic if they are completely unregulated.

The proposed amendment contained in the bill would require the persons or organizations sponsoring such parades, rallies, etc. to obtain a permit from the Officer Commanding the Royal Canadian Mounted Police where the provincial road being used is not temporarily closed to other traffic. In most cases where parades, rallies, etc. are confined to a local community involving use of a provincial highway, the road is invariably closed to other traffic for the duration of the parade. The Officer Commanding of the RCMP is deemed to be an appropriate person to issue such permits as that force is the policing agency on all provincial roads, and as such would possess information about particular hazards existing on proposed routes of the special event. The authority issuing the permit would have powers to impose such conditions as may be necessary, to ensure that safety of the public and participants, with which the person or organization would have to comply.

Currently, drivers involved in an accident resulting in property damage to all properties exceeding \$300 are required to report the accident to the police. This level was last increased in 1977. Since then, costs of repairs have escalated to the point that in terms of 1977 costs, a \$300 accident is less than a \$200 accident was in 1977. Most other provinces have increased the reporting level to \$400, while two provinces raised it to \$500.00. An amendment is therefore proposed which would increase the reporting level of property damage from \$300 to \$500.00.

The Act requires the suspension of driving privileges of any non-resident against whom a judgment has been rendered by any court in Canada, for damages resulting from the operation or ownership of a motor vehicle. Unlike a similar provision, which applies to residents of the province, this particular section of the Act does not allow the person a 30-day period within which to satisfy the judgment before the suspension becomes effective. An amendment is there-

fore proposed which would allow a similar 30-day period within which the judgment may be satisfied before the suspension takes effect.

A saving provision was enacted in 1970, when basic legislation was enacted requiring rethreaded or recapped tires to be marked by having the word "rethread" or "recap" imprinted on the sidewalls. This particular subsection permitted tire dealers to paint such words on the tires in order to allow them to dispose of stock on hand without having to incur added expense of imprinting those words on the sidewalls. As sufficient time has since elapsed allowing for the disposal of tires and stock, it is proposed to repeal this particular provision.

My department has received reports of increasing numbers of drivers of cars and motorcycles wearing dual headphones while operating their vehicles and listening to a radio or taped music. In many observed instances, the music was so loud that the driver would have been totally oblivious to other traffic sounds including horns, sirens of emergency vehicles, trains and other traffic sounds, which could be important for the driver to hear. The police and others consider this to be a very dangerous practice. A driver is unable to hear sirens of approaching emergency vehicles, trains or horns sounded by other vehicles because of a potentially hazardous traffic situation. Moreover, a driver engrossed in listening to music would be less attentive to traffic conditions around him and could either create or fail to respond to a potentially hazardous traffic situation. While no other province has enacted similar legislation prohibiting the use of radio headphones while operating a motor vehicle on a highway, a number have made inquiries about the matter because of similar concerns. The bill before members contains a provision which prohibits the use of radio headphones on both ears while operating a motor vehicle on a highway and listening to a radio or tape recording.

Current law requires, in addition to registration as a commercial truck, a separate licence authorizing its operation as a commercial truck. An applicant is also required to verify the information he is required to furnish in an application for a commercial truck licence by an affidavit. The law applies to all commercial trucks, irrespective of the gross weight. This law has apparently never been rigidly enforced, either by the board when it was the registration authority, or the Registrar, when the responsibility was transferred to him in 1973. As a result, there has been a certain amount of abuse of commercial truck registrations, which can only be used to haul the owners own goods. Some are used to haul for hire as PSV without first obtaining the necessary authority from the Motor Transport Board. PSV operators have complained of this issue and have urged that measures be implemented to tighten up the issue of commercial truck registrations.

Amendments are proposed which would, (1) limit the onus proved necessary to obtain a licence and registration to trucks having a gross weight over 12,500 kilograms, as it is unlikely that smaller trucks can or would be economically used for hire and, (2) transfer the licence issuing authority to the board, while the Registrar issuing function would remain within the Registrar.

In the case of a truck over 12,700 gross vehicle weight, no registration would be issued, unless the applicant produces a licence from the board. The applicant before being granted a licence, would have to verify the information of his application for a commercial truck licence by affidavit concerning the nature of the proposed operation of the truck.

As members are no doubt aware, the basic insurance liability limits have been increased under The Insurance Act, from \$50,000 to \$100,000.00. The Highway Traffic Act contains a number of provisions in which reference is made to minimum insurance liability limits and the proportionment of monies between bodily injury or death and property damage, on the basis of \$90,000 for the former and \$10,000 for the latter. Accordingly, the bill contains amendments to several sections of the Act, increasing the minimum limits to the same level required under The Insurance Act.

When the Supreme Court ruled that provisions of the Criminal Code relating to driving while under suspension, ultra vires of parliament, all provinces had to either enact provincial legislation, or strengthen existing legislation. In Manitoba's case the latter was done. The Criminal Code defined the term "motor vehicle" in such broad terms that it included every kind of self-propelled vehicle except vehicles running upon rails and included snowmobiles, whether operated on or off highways. In the redrafting of the previous provision, sufficient attention was not paid to the different definitions of motor vehicles as contained in the code, compared to that of The Highway Traffic Act, which is much narrower.

For example, it does not include snowmobiles, which are required to be registered under The Snowmobile Act. Recently a suspended driver was charged for driving a snowmobile upon a highway while under suspension. The person was recently convicted in Provincial Court and then appealed from the conviction. On appeal, the conviction was quashed on the grounds that the vehicle which the accused was driving, a three-wheeled, all-terrain vehicle, was not a motor vehicle as defined in The Highway Traffic Act. Such three-wheeled, all-terrain vehicles are included within the definition of snowmobiles. Apparently it is not uncommon for suspended drivers to resort to operation of snowmobiles along the highways while under suspension. It is a practice which should not be condoned. Accordingly, the bill contains an amendment to include the term "snowmobile" as defined in The Snowmobile Act and would make it an offence for a person to operate such a vehicle upon a highway while under suspension. No offence would be created if a person confined his operation to off-highway sites, where the operation of snowmobiles is permitted.

The Motor Vehicle Branch frequently receives information from a variety of sources, including police, Autopac and others indicating that a particular motor vehicle is mechanically unsafe for operation on highways. So when the Vehicle Inspection Units are in operation, this presents no problem, since the owner can be directed to submit his vehicle for inspection within a prescribed period of time. However, a problem arises when the inspection program is not operational during late fall and winter months. At that time, the only recourse is to require the owner to have the

vehicle inspected by a qualified mechanic or other repair facility. There is, however, no specific statutory authority for the Registrar to make such a demand. Members will recall that during consideration of Estimates in my department, concern was expressed about motor vehicles which are written off by Autopac and subsequently sold at public auction which are then reregistered and put back on the road without anyone certifying as to the mechanical road worthiness of such vehicles. The several amendments contained in the bill would assist the branch in dealing with such problems as well as those reported by the police and others expeditiously, rather than deferring the matter until the inspection units are operational.

The amendment proposed in the bill will:

1. Authorize the Registrar to require an owner of a motor vehicle or trailer to submit it for inspection by a qualified mechanic or person who operates a garage or other repair facility for motor vehicles and furnish to him a report setting out the findings of the inspection;

2. Where the owner of the motor vehicle or trailer fails or refuses to present it for inspection as required, the Registrar may then cancel the registration issued for the at vehicle until the owner complies; and

3. Where the report of the inspection of the vehicle indicates that it is not in good working order or is otherwise defective, the Registrar is then required to suspend the registration until the defective parts or systems are repaired or replaced and it is judged to be in a safe operating condition.

Mr. Speaker, the bulk of these amendments are indeed amendments that result from a fairly thorough evaluation of our present laws and regulations and these are to assist in the furthering of much safer driving abilities on the part of our motoring public.

I commend the bill to the House, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, I move, seconded by the MLA for Lakeside, that debate be adjourned.

MR. SPEAKER: Is the Honourable Member for Elmwood wishing to speak to the bill?

MR. R. DOERN: Before the adjournment I wanted to make a few remarks.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, there are a number of things in The Highway Traffic Act I want to comment on and I wanted to, first of all, say in regard to one general point about the use of radio headphones. In some ways, I suppose, that invention is one of the worst of all time, in that I think a lot of young people are spending all their time walking around wearing a headset listening to the radio or listening to music which I cannot think is a good or positive development, namely, it might be useful for people to have time to think and reflect and observe and enjoy the beauties of nature. But one of the biggest advantages of that new invention or new technology is that the person listening doesn't inflict their programming

choices or their music on other people, as has been done for many years by teenagers on buses with radios or young kids walking around lugging enormous stereo sets - very common in Eastern Canada, less common, I think, in Winnipeg - and consequently making a public nuisance of themselves.

But I must immediately say to the Minister that although I think this is obviously a good idea, namely, to discourage and prevent people driving motor vehicles from wearing headsets because of the danger of them not hearing other vehicles or the safety hazard. There is also a safety hazard in a car driver or a truck driver simply driving around with a very loud blaring radio and I don't know whether that's any worse than wearing a headset or just having your radio so loud, you might not be aware of trains or other traffic or children or whatever.

I also say to the Minister that although he has addressed the question of motor vehicles, he hasn't addressed the question of bicycles or motorcycles in regard to these same headsets because I have seen motorcyclists driving around wearing these headsets as well, and I assume that also is somewhat of a hazard. So, I just wanted to make those remarks to him.

Mr. Speaker, there's a section in The Highway Traffic Act which is not enforced, which I have spoken on before, which I draw again to the Minister's attention and that is in regard to bicycle safety. There is a provision in the Act calling for a requirement on the part of cyclists to have lights or illumination when it's dark and this is a standard feature of the Act that's been there for decades, but it's not enforced. I believe that this is a real safety hazard and always about this time of the year, I think, motor vehicle operators become conscious, especially in the City of Winnipeg, of hundreds and thousands of cyclists who are out at night. It's a rare evening, indeed, when one can actually find a person who has a light. I think in the last five years I've counted three, and that's out of literally hundreds and hundreds of people. Any motor vehicle driver in the City of Winnipeg at nighttime who, let's say, is driving along and one or two bicycles are before him or suddenly cut in front of him, it takes a lot of luck, Mr. Speaker, to be able to see a vehicle that doesn't have a light. At the very same time, people who drive motorcycles are a great deal smarter in the sense that they operate their bikes, many of them, with lights on during the daytime. So you can see all kinds of motorcyclists whipping around the streets of Winnipeg with their lights on, their headlights and their taillights on and then at nighttime out come the cyclists, many of them young kids and teenagers, they don't have any lights. So the contrast is pretty sharp and the implications are quite dangerous.

Years ago, I know in the 50s, they used to enforce the law. I'm not talking about the Winnipeg Police. Now, I don't think any effort is made by the Police Department who have many responsibilities. I don't think any real effort is made at all. So, I say to the Minister one thing he should do is get a hold of the law enforcement agencies and ask them to do something about this legislation.

The other thing I think he should do is to spend some money on safety. Now, maybe he does have some programs. But I think his department, in particu-

lar, in conjunction with other government departments should spend money on educating and reminding people about what they should do to minimize the dangers of accident and death. I read only a few days ago in the Free Press about some clinics that were being offered for young children about operating bicycles, bicycle safety, and they gave a figure, I think, that 200 children a year in the province are injured from collisions with motor vehicles. I'm sure that number could be brought down significantly, if there was a continuous campaign focused in the summer, spring and fall and also, of course, concentrating on driving at night, operating a vehicle at night.

I also note, Mr. Speaker, and I say to the Minister that Ottawa apparently recently had a crackdown in the sense of their police apparently take different areas of The Highway Traffic Act and focus on them to get public attention. They recently had a week-long program of going after people in this regard to make them more aware of it.

Mr. Speaker, the other points I mention to the Minister in general are, I assume that one of these days in '82-83, he is going to bring in some mandatory seat belt legislation and helmet legislation, which I think is long overdue in regard to safety and in regard to medical costs which are borne by the general public. I also want to say to him that I don't know what the answer is, but I believe that some of the equipment his department has that occasionally runs on the highways is a bit of a hazard too, and I don't know what the solution is, where you have road graders going down — (Interjection) — no, I'm going back to the days when Walter Weir was Highway Minister when I recall some incidents then. I'm not going to talk about the predecessors — (Interjection) — that's right, he had a political accident.

So, Mr. Speaker, I simply say that when you have large graders going down the highway, I think there is a real problem there and I don't know the solution, namely, that they do not have their headlights in the normal place, I guess because of the blades. They have them higher up in a different spot, so that a motor vehicle operator coming down the highway and one of these is coming on the other side of the road, I think there is an illusion created and I think there's a safety problem there as well. But I don't know whether there could be some lights attached that would be in the normal position of a car or a truck, but I say that the present way that they operate when they go on the highways is deceptive to drivers. Anything that is out of the ordinary is a safety hazard.

The final thing I say to the Minister, Mr. Speaker, is that - and here again I know what the problem is, but I don't know what the solution is. There are many vehicles operating that don't have standard bumpers on them. For example, some trucks have no bumpers at the back. Others have very high ones, so that when you get to a situation where there is a minor collision of a motor vehicle at 10, 15 miles an hour striking one of these other vehicles in the rear, you can have a tremendous amount of damage because of the fact that there isn't a standard bumper there. The bumper may not be there at all, or it may be five feet off the ground as compared to two or three feet off the ground. I would like to hear at some point the Minister comment on that particular problem.

I go back to my main point, Mr. Speaker, which is that there are sections in The Highway Traffic Act that are not being enforced and I would urge the Minister to look at some of these and to ask or demand of the law enforcement authorities, both the RCMP and the Winnipeg and other municipal police that they enforce them because of the fact that if they don't, there is a threat to life and limb.

MR. D. ORCHARD: I move, seconded by the Honourable Member for Turtle Mountain that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Government House Leader.

HON. L. DESJARDINS: Mr. Speaker, I would like to move, seconded by the Honourable Minister of Government Services that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

SUPPLY - CONSUMER AND CORPORATE AFFAIRS

MR. DEPUTY CHAIRMAN, J. Storie: In view of the fact that we do have a quorum, I direct the members' attention to page 30 to consider the Estimates of the Consumer and Corporate Affairs Department, beginning with Item No. 1, General Administration, 1.(a) The Minister's Salary.

MR. G. FILMON: Mr. Chairman, should we proceed in a normal fashion and leave Minister's Salary until the end and make it the last item to be dealt with and then we can carry through with the rest of them first.

MR. DEPUTY CHAIRMAN: I believe it's customary for the Minister to make some opening remarks, if he would wish.

HON. E. KOSTYRA: Yes, and I agree with respect to the Minister's Salary. May I proceed, Mr. Chairman.

MR. DEPUTY CHAIRMAN: If you're ready to proceed - 1.(b) Management and Administration.

HON. E. KOSTYRA: As Minister of Consumer and Corporate Affairs, it is a privilege for me to bring my Estimates before the House for the first time in this new Legislature.

It is the intention of this government to pursue an active role in the area of Consumer and Corporate Affairs. Estimate expenditures for my department have been increased 26 percent over the current fiscal year.

In Appropriation 1. General Administration, operating expenditures have risen \$67,900.00. This increase is largely in the area of the Consumer Communica-

tions Program. This program is responsible for fostering public awareness and appreciation for consumer, tenant and corporate concerns through the production and distribution of information pamphlets, advertising and producing audio visuals and education materials for use in the schools. It is our intention to increase this activity and to ensure Manitobans are aware of their rights and responsibilities, especially in the area of landlord and tenant matters.

In Appropriation 2. Consumer Affairs, the major thrust for the next fiscal year is rent regulation. The Rent Regulation Program when fully operational will require an increase of 15 staff over the existing tenancy arbitration staff complement and additional operating expenditures for a total anticipated increase of \$382,400 over the Tenancy Arbitration Program. Additional staff, however, may be required in the initial stages of the program depending on the work load. The Rent Regulation Program, unlike the present program, will put the onus on the landlord to justify excessive rent increases, rather than depending solely on tenants to call attention to such increases. At the same time, the program does permit justified cost increases to be included. In this regard, the program recognizes that individual landlords may have exceptional costs that cannot be covered by the guidelines alone. This is a much fairer system to the landlord than the sole use of market comparisons which the previous program relied on.

In Consumer Affairs, we opened an office of the Rentalsman in Brandon, April 8th this year. The funding for this office is anticipated to be \$54,900.00. An additional staff man year for the Assistant Deputy Minister's office is also included in these Estimates.

The grant to the Consumers' Association of Canada for Manitoba will be increased to \$8,800 and a new grant to the Community Income Tax Service and Consumer Credit Counselling of up to \$50,000 will be made in this next fiscal year. This grant will enable low income individuals to continue to receive income tax return counselling and credit counselling.

In Appropriation 3. Corporate Affairs, I direct the members' attention to the Corporations Branch, where \$121,000 has been included in Other Expenditures for the introduction of an Automated Name Search System. Presently the Corporations Branch, when registering a business, does a lengthy time-consuming manual search of business names on record with the Corporations Branch. Essentially, this includes only Manitoba and federal businesses. The company's name is protected only in Manitoba from other companies using that name in Manitoba. The Automated Name Search System will capture new business names from most provinces and the Federal Government. When a new business is formed, the proposed name will be checked against all the names on file. If the name is available, it is registered with the Corporations Branch and the business can use this name in other Canadian jurisdictions.

The advantages to adopting the Automated Name Search System are primarily in the areas of enhancing Manitoba based businesses, a competitive advantage in other provinces by protecting their business name and speeding up the incorporation processes as the Automated Name Search has a 24-hour turnaround time versus the present four to five days under the

manual system. This change will facilitate the formation of new businesses in Manitoba.

Two additional staff were added in the 1982-83 Estimates in Corporate Affairs, one clerical position in the Corporations Branch to maintain the corporate annual returns on a current basis and one officer position in the Insurance Branch to cope with the increased workload. An increase from \$60 to \$75 per hour in the rates paid to the technical advisers to the Public Utilities Board has also been provided for in these Estimates.

The 1982-83 Estimates of my Department of Consumer and Corporate Affairs represents the first change from passive response orientated department to an active department reaching out to improve the position of individuals and businesses in Manitoba. This change cannot be made in one year, but this course will continue to be pursued in the future. I recommend these Estimates to the honourable members for their consideration and approval.

MR. DEPUTY CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Chairman. In responding to the Minister's opening remarks, I wonder if I could set the stage for the consideration of his Estimates by suggesting a couple of things which may be out of the ordinary in terms of the method of consideration of his Estimates but may facilitate the early completion of those Estimates.

The one suggestion that I have is, if we could spend a reasonable amount of time in discussion without going line by line at the beginning and allow perhaps some flexibility, so that some of the members on our side could get their questions over with even if it's all under Item 1, my suggestion is that once we have asked our particular questions, I may just suggest that the whole thing go through as a lump.

My purpose in saying it that way is firstly, not to unduly tie up the Minister's staff sitting through lengthy discussions. Secondly, I don't propose to address the topic of The Rent Regulation Review Act at all since the Minister's statement is repetitive of what he has already said and my response would only be repetitive of what I have already said. I believe that the next stage of public hearings will lead to the further debate that should ensue on that particular legislation and this isn't the place for discussion on it in my view.

So aside from those, we will have some specific questions and then, as I say, I would be prepared to let the entire Estimates go and with any luck at all that may even happen later this afternoon. If the Minister will be receptive to that suggestion, we will go at everything we have under this first item and then go on later.

HON. E. KOSTYRA: Agreed. That's the process we followed with the other two departments I'm responsible for.

MR. DEPUTY CHAIRMAN: That's the understanding then. Comments?

MR. G. FILMON: Thank you, Mr. Chairman, and I thank the Minister for that understanding.

I just was taking some very rapid notes as the Minis-

ter went through his opening remarks. The major increase in staff, if I can just clarify, under The Rent Regulation Review Act and the responsibility for administering it, the Minister did say 15 staff over and above those who are already in place under the Tenancy Arbitration Bureau which brings it to a total of - can I have the total figure on that, please?

HON. E. KOSTYRA: The total would be 23 staff.

MR. G. FILMON: Okay, plus the Minister did indicate that there may be a need for more under the initial start-up phase in which there may be a backlog of protests to deal with. I am pleased to see the fact that space was finally contracted for in Brandon. As the Minister is aware, on October 23rd last year, we announced the establishment of that office and we are pleased to see that the office is a permanent fixture in Brandon with a Deputy Rentalsman in place.

The Minister indicated enhancements to certain grants that had been carried on in the past, one to the Consumer's Association of Canada and I am pleased to see that; the other grants were to the Community Income Tax Service and I think the Minister said that was a new one. I thought there was a small grant being given to them in the past. Can the Minister clarify that for me?

HON. E. KOSTYRA: There was a grant in the last fiscal year of \$8,000.00.

MR. G. FILMON: So there has been an enhancement to that, an increase to that, and a new one on the Credit Counselling side to virtually the same organization, as I recall.

HON. E. KOSTYRA: Yes, it is to the Credit Counselling Consumer Income Tax Service.

MR. G. FILMON: They are located in the same office and dealing with basically the same clientele, as I understand. I wondered if the Minister can clarify, is the Consumer Credit Counselling aspect of the Consumers Bureau carrying on as we had established, one person as a co-ordinator last year? Is that carrying on within the department?

HON. E. KOSTYRA: Yes, the program that the Member for Tuxedo referred to is continuing. There are pilot projects under way in the communities of Portage la Prairie and Selkirk. We will certainly be reviewing how those programs work with a view of increasing that service to other areas of the province.

MR. G. FILMON: I thank the Minister for that answer. Under the Corporations Branch, the Automated Name Search System, I believe, was one that was under discussion when we were still in office and anything that will enhance the efficiency and the ability of the Corporations Branch to serve the public, I think, is to be commended. We are pleased to support that particular item.

Other than that, the Minister has indicated a commitment to an active Consumer and Corporate Affairs portfolio, active orientation of the government as opposed to a passive one. Thus far, I would assume

the only area that he would term as being a change to this orientation is the intervention in The Rent Regulation Review Act and we are certainly interested to see what other areas the Minister plans to take an activist role in.

I would ask the Minister at this time if he could tell us whether or not the proposed Travel Industry Association Act is ready to be released in the Legislature for this Session or has there been some change in the government's plans with respect to this legislation?

HON. E. KOSTYRA: Thank you, Mr. Chairman. As I indicated when I made the statement to the House, the government was proceeding on drafting legislation with respect to the Travel Industry and hopefully, if there was agreement with the industry, that the legislation would be forthcoming in this current Session. We have been working in the past, I guess six, seven weeks, since that announcement on drafting legislation and have had ongoing discussions with the Travel Industry.

I would report, however, that we have not as of yet, as far as the drafting that we've done and the discussion that we've had with the industry, we have not been able to reach agreement with the industry on the major points of the legislation. So at this point, I cannot say whether or not it will be brought in this Session or whether it may have to be delayed until a subsequent Session.

MR. G. FILMON: Another area that the Minister had indicated in some - it was either during Question Period or during debate on some issue or other in the Legislature that there had not been an active community relations arm of the department and I see one of his staff members here who worked in that capacity under Mr. Mark Stefanson when Consumer and Corporate Affairs was united with Environment. I think at the time I might have corrected the Minister and indicated that of course previously Mr. Stefanson and Miss Wilkinson and other support staff were performing that role and since the spin-off of Environment to Northern Affairs that Mr. Stefanson, I understand, was transferred along with them.

Has there been additional expansion of that aspect of the department, the community relations aspect of the department in these Estimates?

HON. E. KOSTYRA: Yes, Mr. Chairman. First of all, the comment that was attributed to me by the Member for Tuxedo was not made by myself. Rather, it was made by the First Minister and he was responding to him, not me. There is in the Estimates an increase in expenditures for that section and the addition of one further staff person, being an information writer. The total increase in that section is \$62,000.00.

MR. G. FILMON: I thank the Minister for that answer and I hope that he'll correct the First Minister's misapprehension about there not having been a community relations aspect to the department previously.

For the moment, I will turn the floor over, if I may, to the Member for Turtle Mountain, who has a problem that he'd like to discuss with the Minister.

MR. DEPUTY CHAIRMAN: The Member for

Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman. In the Annual Report for the year 1981, on page 9 of that report, Item No. 1, which concerns a complaint received by the Consumers Bureau against a siding company, I am wondering if the Minister can advise the name of that siding company.

HON. E. KOSTYRA: Mr. Chairman, I'm informed that it's a not customary practice to indicate the name of the actual company, nor the name of the complainant, in any actions that are being dealt with under the Consumers Bureau. I believe there is provision for confidentiality within the legislation. These examples are put forth to give members and the public generally some indication of the kind of situations that the department deals with, particularly the Consumers Bureau, but it's not intended nor, as I indicated, proper to indicate the actual names of the company or the individuals that lodged complaints.

MR. B. RANSOM: Mr. Speaker, since there were in 1981 some 315 complaints respecting home improvements, it's clearly an area that is causing some concern and it certainly is something that is causing a lot of concern in my constituency. I would wonder if the Minister had given any consideration to the advisability of making known the names of some of the companies or all of the companies against which complaints have been lodged, especially those where the Consumers Bureau has been able to effect some kind of settlement, or where they feel that there was a legitimate case where there wasn't a settlement arrived at.

HON. E. KOSTYRA: Yes, Mr. Chairman, we can certainly take that matter under advisement as it may require changes in the legislation. I'd also say, just in general response, I think that where the Consumers Bureau is successful in mediating a resolve to complaints between individuals and particular companies, that I'm not certain of the benefit of exposing the names of those companies because it may well be after initial intervention and dealing with one particular situation, that company then does not again get into the kind of situation that requires the assistance of the department, so it may give a bad name to a company over one particular circumstance.

I should say, also, we do recognize the problem that exists at the present time with respect to companies operating in the home improvement business especially now that the Critical Home Repair Program under the Manitoba Housing and Renewal Corporation and various Federal Government programs are increasing, which means that there's increased activity in this general area. We've suggested that there should be in conjunction with the Manitoba Housing and Renewal Corporation some information given out to individuals who make application for grants and loans under the Critical Home Repair Program, some information as to what their rights are and forewarning them of some of the difficulties that may arise in dealing with contractors. So we have taken that initiative, but as far as naming actual companies, I am informed that may require a legislative change and

secondly, I would have some concerns if we published all companies, that it may be companies that comply very quickly with one particular complaint and it may taint that company unfairly when they are then operating in a reasonable fashion.

MR. DEPUTY CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, the New Democratic Party has pledged to introduce a Freedom of Information Act. If such an act is introduced, will that be done through this department?

HON. E. KOSTYRA: I don't know. I believe that would be coming under the Attorney-General.

MR. B. RANSOM: Can the Minister advise approximately how many companies are operating in the province now with respect to siding and insulation?

HON. E. KOSTYRA: I am afraid I have no idea. I don't think that kind of information would even be available within our department. The only information we would have - I don't have it available here and I could obtain it for the member if he so desired - we do have information on the number of companies that are licensed in that field to sell door-to-door, but that obviously isn't the total industry. It's only those that would be licensed to sell door to door and I don't have that information available, but I could obtain it for the member if he so desires.

MR. B. RANSOM: I am not, personally, so interested in having the actual number, Mr. Chairman. It is just that this is an area of considerable concern within my constituency and evidently elsewhere because there were 351 complaints lodged to the department in 1981, and my experience has been there would be a great many people who did not bother to complain. What has happened in many situations is that there have been some very - I suppose what we might loosely term high-pressure tactics used by sales people in entering into contracts, the sort of thing which is described here in the Annual Report of the department where one or two sales people may come in; they seem to find elderly people as a rule, people that are on pensions very often, very often widows and call on them at odd hours of the day and night, write out the cheque for them to sign, fill out the contracts and put a substantial amount of pressure on these people, even though the individuals have indicated to them that they don't wish to proceed.

Also, my experience has been that there are cases where there certainly is not good value for money. One particular case that we looked at in Boissevain, they'd entered into a contract to do some work on a house for \$3,591 in the contract and I had a local contractor look at the situation without knowing about the contract that had already been signed and had him make a firm quotation on what it would cost to do that work. The local contractor said it could be done for, I believe, between \$1,000 and \$1,100.00. Now, that particular case, Mr. Chairman, I would point out that through the co-operation of the Consumers Bureau, we were able to effect a reasonable settle-

ment there. The work had not been done and half of the down payment at least was ultimately refunded back to the lady in question and I commend the Consumers Bureau for the work that they did on that. But that is only one example of many similar situations that have come to my attention.

I raised the question with the Minister and named the company involved and I therefore am asking the Minister now, if he can advise the Committee of the results of his investigation into the affairs of Northland Trading and Distributing Co. Ltd., who had been working in Boissevain and the company and sales people had been drawn to the attention of Consumers Affairs Bureau and I believe that some investigations were undertaken.

Could the Minister provide us with the results?

HON. E. KOSTYRA: Yes, thank you, Mr. Chairman. I just thought I'd make some other general comments with respect to the other comments and earlier questions by the Member for Turtle Mountain.

As I indicated, we are attempting to get more information out to consumers generally with respect to home improvements that are sold door to door and there have been a number of steps taken to see that that's been done. One was the issuing of a press release and the department has very aggressively talked to other sources of information that are distributed throughout Manitoba to get the general thrust into various newsletters and there has been regular columns in the rural newspapers on this issue that are written by home economists.

There was an article in the housing news in the Winnipeg Real Estate News which is distributed fairly extensively and also, there is going to be an insert in the Hydro Lines in the Manitoba Hydro billing on this same issue. Staff have been also involved on various radio and TV shows throughout urban and rural Manitoba. So we have attempted to get that information out so that consumers can be made more aware of their rights with respect to home improvements sold door to door and have a better understanding of the kind of things to watch for.

I might also add, I would hope, especially within rural communities, that some of the local businesses and local contractors would become more aggressive in this area since, as I indicated and the member is aware, that there's certainly additional funds available through the Federal and Provincial Governments for home improvements through various programs, which means that there's an increase in activity in this area. It seems to me and it's just a perception - and maybe the Minister since he represents a rural area, would know better than I - but it seems to me the companies that are capitalizing on this area are large companies operating from some of the cities in Winnipeg that are going out and aggressively trying to sell their services throughout rural communities. It seems to me that this would be a golden opportunity for some of the small businesses, small contractors in rural communities to get additional work for themselves and probably be able to do it at less cost than a large company operating out of Winnipeg, that has the additional expenses of travel; their commission that they pay for the salesmen that they have going out in the community. So I would hope that maybe some of the local busi-

nesses and contractors in some of the communities could also be a bit more aggressive in this area and I think they could as well do a good job for the consumers and people residing in those communities.

With respect to Northland Trading & Distributing Co., we've reviewed all the complaints that were made with respect to this company. The largest single category involved buyers who wanted to rescind their contracts after the statutory four-day cancellation period had expired and although, by contract law or statute law, there was no requirement of the company to do that, I'm informed that most of those requests were granted after the company had been approached.

The company also told our staff that their policy of making such allowances would continue in certain circumstances but not where work had already been done. One of the main areas of concern that we've seen coming up with respect to complaints is where individuals have been able to find a company or individual who would do the work at a lower price after the statutory four-day limit had expired. That does not constitute a valid reason for the company to cancel.

We did raise with the company, and I think I communicated this previously to the member, high pressure selling. We expressed that concern to the company and they indicated that they would monitor their sales staff so that there wouldn't be complaints with regard to the high pressure tactics and that they themselves did not encourage nor condone such tactics on behalf of their sales staff and that if this kind of complaint came forward - and it was a bonafide complaint - that they would be willing to rescind to any contracts with respect to those kind of problems.

There was some concern with respect to the company focusing their selling particularly on senior citizens and they claimed to have said that was not a general focus of the company. However, it's obvious that the kind of programs that we have are taken up more by senior citizens in most cases than the public in general.

With respect to high prices, I think there's no question that the company would charge higher prices, as I indicated, than a company or contractor that exists in that particular community because of the travel costs and the costs they have to pay for sales commission, because that method of selling is more expensive than other methods of doing business, like the local contractor.

Our staff has visited with many of the individuals that complained about this particular company and in all cases, I believe, it was found that the company was working within the bounds of the law and that the efforts to effect any settlements was done through the mediation between the staff of our department and the company and the individual complainants.

MR. B. RANSOM: Mr. Chairman, the Minister has pointed out that local contractors could do a lot of the work and he would hope that they would become more aggressive and to some degree I can concur with that position. But part of the problem here is the very fact that companies are using high pressure tactics to sell a product to these people, which they don't really want and that's the problem.

It's difficult to find a house, an older house in a town like Boissevain or Killarney or any dozens of different

towns in the province, where someone can walk up and look around the house and say, your windows need fixing; your fascia boards need fixing; your shingles are coming loose and we can do all kinds of work and there are government programs available to assist you in this. They really put the pressure on and they end up selling these people something that they often don't want and it's only after they've had a chance to talk to someone else, that they can find out what their rights are and very often their time period has passed for cancelling it. I realize there is a limit to how much government can intervene here, but I'm wondering if it has been adequately investigated at the moment, if the problem has been well enough delineated.

So, I would wonder then if, for instance, did the Minister's department contact the RCMP in North Battleford, Saskatchewan where salespeople working for Northland Trading and Distributing Company were being charged with fraud to see what the outcome of those cases were and if there were similar patterns of selling activity to those which have been found to be the case in Manitoba?

HON. E. KOSTYRA: Yes. Our department did look into the question of fraud charges. The charges were laid, as I understand it, against individual employees or individual salespersons of Northland Trading, not against the company. There have been no criminal charges laid against the company in Saskatchewan at all. Charges were laid against two employees of the company for fraud in Saskatchewan on February 11th of this year and there are no charges or convictions against the company as far as we can determine anywhere in Canada.

We also checked with the Saskatchewan Consumer Affairs Department and the Saskatchewan Attorney-General's Department and the Consumer Affairs Department indicated to us that last year in Saskatchewan there were five complaints laid against this particular company and they were all resolved satisfactorily and that the Attorney-General's Department in Saskatchewan had no involvement whatsoever with this company.

MR. A. RANSOM: My question was, Mr. Chairman, had the Minister's department checked to see what the outcome was of the charges laid against the two salespeople working for Northland Trading and Distributing?

HON. E. KOSTYRA: Mr. Chairman, we have not, nor would we have any to follow up on the state of the charges filed in the Province of Saskatchewan. If the member wants the particular information I can endeavour to find out for him.

The only involvement that we would have in that kind of area is that if those same individuals were to apply in Manitoba for a licence to sell door to door then that kind of information would be investigated with respect to their application for licences as door-to-door salespersons.

MR. A. RANSOM: It just strikes me, Mr. Chairman, that it might be a worthwhile endeavour for the department to know what the nature of the charges was and what the outcome was, because it's clearly a

major problem in Manitoba. It's evident in the Minister's own Annual Report the numbers of complaints that have been laid and it's all very fine for the company to say that, in a case of a bona fide complaint, they'll act to correct the situation, but when you have an older person by themselves and perhaps there are two salespeople there from a company putting pressure on that person. I know one case at 10 o'clock at night, two salespeople are there speaking to a single elderly person, trying to get her to sign a contract. Now, how can that person's word be taken against the word of two salespeople that are there that there were any sort of unfair selling tactics used. So, that's why I'm just interested in how far the department is going in investigating the extent of this kind of selling?

I have a couple of further questions, Mr. Chairman. Has the department checked to see how many companies are related to Northland Trading and Distributing that are involved in the same type of siding and insulating activity in Manitoba?

HON. E. KOSTYRA: Well, just maybe a point for clarification, I'm not sure what the Member for Turtle Mountain means by companies that are related. Is he raising other companies that are part of Northland Trading and Distributing or is he talking generally about other companies in the home improvement field?

MR. A. RANSOM: I'm talking about companies that might be in some way related to Northland Trading and Distributing. Of the 315 complaints that were lodged with respect to home improvement selling activities in 1981, I'm interested in how many of those would apply to related companies?

HON. E. KOSTYRA: I'm informed apparently there are no related companies to Northland Trading and Distributing operating in the Province of Manitoba in that field.

MR. A. RANSOM: One final question then, Mr. Chairman, has the department had any contact with the RCMP with respect to any investigations that the RCMP might be doing in Manitoba of any companies that are involved in siding or insulation work?

HON. E. KOSTYRA: The RCMP do not, as a matter of course, notify us when they are involved in investigations related to any companies. To my knowledge we haven't referred any complaints in the past while to the RCMP for investigation. The RCMP does, I'm informed, contact us if they have reason to believe that companies that are operating out there are not licensed to do so, and that happens from time to time, I guess, in the normal course of their investigations.

MR. A. RANSOM: Does the RCMP inform the Consumers Bureau of any complaints that they receive then that might be more readily handled by the Consumers Bureau than under some specific charge under an Act?

HON. E. KOSTYRA: Yes, Mr. Chairman. There are complaints referred to the Consumers Bureau from a variety of sources, including the RCMP, and our

department does have a good working relationship in that area with the RCMP.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman. I found the discussion in regard to this particular company quite interesting because they have been active in Thompson as well and I've received a number of complaints about their activities there. In particular, I'm reminded of one case where the individual was certainly overcharged for home improvements which were made, but he also found that when he was led to believe he'd get a CHIP grant of between \$500 and \$750, but he actually received only \$53, as compared to the maximum amount which is \$500.00. He's been fighting his case now for close to two years, trying to see if he can get a higher amount from CHIP, the amount that he was led to believe was legitimately his, because it was compounded by the fact that a representative of the CHIP Program, when he looked at the amount of the contract said, well, sure, you must be eligible for the maximum amount of the grant.

The fact is, as I said, he was overcharged. He didn't get the CHIP grant he was led to believe that he would get, and he's still fighting his case. So, I would urge the Minister to continue to keep tabs on this particular company to make sure that they don't make misrepresentations of this kind in the future, because this particular individual had the guts to fight his case for a couple of years, but I know there have been a lot of other people in Thompson who have just given up with this particular company in trying to get any kind of justice at all. So, I would hope the Department of Consumer Affairs would continue the fight.

HON. E. KOSTYRA: I think I've indicated the general concerns that our department have in this area and some of the areas we are attempting to get more information out to individuals and suggestions we have made to other government agencies with respect to informing people of their rights, and some of the pitfalls that may come down the road with respect to the whole area of home improvements.

The one difficult area, and the member touched on it, was the question of price. There certainly isn't anything under present legislation with respect to the price of goods and there may be no question that companies are outlining bids that are higher than what someone could get through another source. I use the example of local firms or contractors who don't seem to be very aggressive in this area and maybe should be, and that kind of competition would ensure that individuals get fair prices for the necessary home improvements.

MR. DEPUTY CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Chairman. Just to follow on that, recently I've had discussions with people from the rural area who were concerned with precisely the same problem of people selling home improvements under a variety of different programs, either the Critical Home Repair Program or the CHIP Program, who suggested that it appeared to them as though the contact by the direct salesperson was as a

result of an inquiry by the homeowner under the Critical Home Repair Program or one of the other programs. Not having any method of being able to check that, not having investigative authority or power, I was in no position to confirm or deny that. It may be that the Minister, through his department, would have a better avenue of liaising with Canada Mortgage and Housing Corporation and/or Manitoba Housing and Renewal Corporation to ensure that such a practice wasn't taking place.

Now, I have to tell you that the complaint came from small contractors in small rural communities, who felt that they were being put at an unfair disadvantage because there appeared to be some central source of, shall we say, leads for these people that might have emanated from an inquiry to one of these programs. They were anxious to get the business locally in their communities, but felt that before they heard about it, these direct sales outfits from Winnipeg and/or other major centres were coming in and selling the improvements to the homeowner.

I wonder if the Minister could just take that under advisement - I don't expect any response on it - and just through the Consumers Bureau contact the agencies who have subsidy programs for this type of work to ensure that there isn't a leak of leads that would lead to unfair competition for the local community workers and thereby negate the kind of thing that the Minister is advocating to enable them to do the work in their local area where, (a) they do it at a more reasonable rate and, (b) they are more than likely more responsive to any maintenance or make-good work because of the fact that they have to live in the community and see those people every day in their normal course of daily lives. That makes them, I think, perhaps a little more responsible and a little more responsive to the people for whom they work. If there is any possibility that something like this was happening, it certainly would negate any thrusts that we would have in trying to encourage local tradesmen to be involved in the work that's done in their community.

HON. E. KOSTYRA: Mr. Chairman, I would be concerned if that was taking place either through the Manitoba Housing and Renewal Corporation or the Federal Government and federal department because that would be totally wrong for anyone to be giving that kind of information out to contractors or to companies. I will certainly investigate that and I would ask the Member for Tuxedo if he would maybe, off the record, give me the communities that he has received that information from so we could maybe focus our investigation with respect to those complaints. If that is happening, that's totally wrong and I certainly undertake to investigate that with my colleague, the Minister responsible for the Manitoba Housing and Renewal Corporation, and the Federal Government.

MR. G. FILMON: I will be glad to give that information to the Minister in private. The communities are quite remote from Winnipeg and it wouldn't be too hard to trace down the sources and the people involved.

The next question I wanted to ask the Minister was the topic of protection for the consumer public with respect to time share sales in Manitoba. At the time of our leaving office, some work was being done towards

either some legislation to be developed and/or amendments to one of two possible acts that would ensure that there was protection to the public. I know that the front page stories with respect to Captran and the Falcon Lake Resort mean that it is certainly under the scrutiny of various people in the Minister's department, but is there legislation pending on this matter that would ensure that the public is protected?

HON. E. KOSTYRA: Mr. Chairman, we are working towards the development of legislation in this area. I think the Member for Tuxedo would know that there does not exist at the present time in any jurisdiction in Canada any legislation with regards to this area so that we are moving on it, but reviewing as to what might be the best form it would take.

I would just make one other comment for the record. As a result of the articles that appeared in the newspapers, both on Friday and there was an editorial today, is there was reference made to a solicitor who was involved with the one company in the Whiteshell area and there was reference made to the fact that he was working on draft legislation for the government. That statement was not true. He is involved through the Canadian Bar Association and the Law Uniformity Commissioners, but that is something that's being done independent of government not at our request, although we certainly are interested and there is ongoing liaison with them with respect to the development of the legislation. But I just would want that point clear for the record, that solicitor who is working for that particular company is not working on behalf of the government with respect to the drafting of that legislation.

MR. G. FILMON: I wonder if the Minister can indicate if there has been any change in membership on the Securities Commission?

HON. E. KOSTYRA: No. It's the same members that existed for the last while.

MR. G. FILMON: Could the Minister indicate what changes have been made on the membership of the Public Utilities Board?

HON. E. KOSTYRA: The Public Utilities Board, Mr. Lance Partridge's appointment as Chairman was rescinded by Order-in-Council, No. 8282 and Mr. James Thornborough's appointment as a member was rescinded by Order-in-Council 30882.

The current membership of the Public Utilities Board is Mr. Jack McNairnay, Q.C., who is Chairman, he was appointed February 7th of this year; Oscar Town, who was first appointed back in 1972; Mr. Rudy Shilling was appointed in 1976; Victor Savino, who was appointed on March 20th of this year and Susan Proven who was appointed also on March 20th of this year.

MR. G. FILMON: Thank you, Mr. Chairman. I wonder if the Minister can indicate, I noticed a sign on the Alexandria Block on the corner of Edmonton and Graham indicating that the Tenancy Arbitration Bureau has moved in there. How much space has been occupied by this, and is this intended to be the

site for the Rent Regulation Review operation?

HON. E. KOSTYRA: Yes, Mr. Chairman, the Tenancy Arbitration Section has moved in there. The size of the office space is 8,000 square feet and it is intended that the Rent Regulation Bureau will occupy those premises once the legislation is passed and administration is set up to administer the Act.

MR. G. FILMON: What will be the cost of this space, annually?

HON. E. KOSTYRA: The annual cost of rental is \$10 per square foot, which would be \$80,000 per year. The estimated cost of first year rental changes in the office space and office accommodations, furnishings, etc., is estimated to be around \$250,000, although I do not have a firm figure on the actual costs.

MR. G. FILMON: Thank you, Mr. Chairman. The people who have been appointed by this Minister as arbitrators under the Tenancy Arbitration Bureau, is it intended that they will carry on to become the Appeal Committee under the new Act?

HON. E. KOSTYRA: The present individuals that are serving as arbitrators under The Tenancy Arbitration Act will be eligible to serve as arbitrators under the new legislation once it's passed and proclaimed, although I'm informed that a couple of individuals presently have indicated that they would not want to be eligible for appointment under the new Act but no decision has been made with respect to the arbitrators under the new Act, obviously because that Act has not been passed, though they would be eligible but they indicate no decision has been made.

MR. G. FILMON: Does the apportionment of \$6,800 to the Minister's Salary for this department, accurately reflect his time apportionment amongst his various portfolios?

HON. E. KOSTYRA: The salary was divided equally between the three departments that I'm responsible for. I do not believe they reflect accurately the time that I spend in this department, nor the other two departments.

MR. G. FILMON: What does the Minister think he's worth to the Department of Consumer and Corporate Affairs?

HON. E. KOSTYRA: Lots.

MR. G. FILMON: To avoid further facetious comments, is the Minister indicating that he spends proportionately more time on Consumer and Corporate Affairs than he does on Cultural Affairs or Urban Affairs?

HON. E. KOSTYRA: Well, Mr. Chairman, I've never logged actual time. What was it that the lawyers use, the Wainright System to actually allocate time between clients? I don't allocate time between departments though it certainly seems to me lately that I'm spending a great deal of time on issues that affect the

Department of Consumer and Corporate Affairs.

MR. G. FILMON: I wonder if the Minister could indicate the latest position on the urea-formaldehyde foam insulation problems with respect to attempting to assist Manitoba consumers who have been adversely affected by the federal ban and other matters, that see their houses largely unsaleable?

HON. E. KOSTYRA: Well, the situation with respect to UFFI is somewhat the same as it was over the past couple of months when I had answered questions of the Member for Tuxedo in the House. We have, as indicated at that time, continued to take the position with respect to the Federal Government that they should take their full responsibility in this area by allowing the necessary costs, and not in a limited way like they are proposing at the present time with respect to the necessary remedial action that has to be taken to remove the foam from individual homes that have had it installed.

We have also provided some assistance to the Homeowners Association by way of a small grant to assist them in their work, both in informing members of that Association with respect to updating them on information as it becomes available; and secondly, provided some assistance for them to attend a National Conference in Ottawa of other such groups across the country.

We will continue to press the Federal Government to take their full responsibility in this area and have indicated to the Federal Government that we would be willing to assist them with respect to ensuring that the remedial action that must be taken is done in a way that will not cause further problems.

Unfortunately, the Federal Government has not accepted our offer of assistance and I might add from what I've seen to date that their program is very slow in getting off the ground.

MR. G. FILMON: Thank you, Mr. Chairman. It appears as though from the answers that the Minister has given that there aren't any particular areas that the Minister could point to, leaving aside the whole area of The Rent Regulation Review Act, that the department is doing better or to any large extent differently than was being done under our administration. So, I'll just leave with a final comment and indicate that I believe that in developing and distributing information, in enhancing the area that we were working towards of the outreach to develop a discerning, rational, vigilant consumer, as opposed to going the route of developing a legislative cocoon around people to try and protect them virtually from themselves, the Minister will do a great service to the public of Manitoba of informing them of their rights and making sure that there is a healthy climate of concern and respect for their own actions in the marketplace, as opposed to doing what had been suggested by the New Democratic Party in Opposition, which would be to over regulate everybody and attempt to reduce their own defences against the marketplace which they have to be aware of in dealing with the marketplace.

So, unless there is any further discussion I'm prepared to move the passage of the Consumer and Corporate Affairs Estimates.

MR. CHAIRMAN: Before we can proceed, we'd have to pass the resolutions. So, we'll go through them quickly.

Resolution No. 38. Be it resolved that there be granted to Her Majesty a sum not exceeding \$1,913,200 for Consumer and Corporate Affairs, Consumer Affairs, for the fiscal year ending the 31st day of March, 1983—pass.

Resolution No. 39. Be it resolved that there be granted to Her Majesty a sum not exceeding \$2,192,600 for Consumer and Corporate Affairs, Corporate Affairs, for the fiscal year ending the 31st day of March, 1983—pass.

Resolution No. 37. Be it resolved that there be granted to Her Majesty a sum not exceeding \$651,500 for Consumer and Corporate Affairs, General Administration, for the fiscal year ending the 31st day of March, 1983—pass.

That completes the Estimates for the Consumer and Corporate Affairs Department.

The hour being 4:30 we will interrupt the proceedings for Private Members' Hour and the Committee will reconvene at 8:00 p.m. this evening.

PRIVATE MEMBERS' HOUR

RES. NO. 4 - INDEPENDENT CANADIAN ECONOMIC POLICY

MR. SPEAKER: The time being 4:30, it is Private Members' Hour and the first item on the agenda for Private Members' Hour is Resolution No. 4, the Resolution proposed by the Honourable Member for Thompson and the amendment proposed thereto by the Honourable Member for Sturgeon Creek. Are you ready for the question?

The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. I don't know if I was ready to speak on this or not, but I will collect my thoughts and I am now —(Interjection)— that's right. That reminds me of the way I am at the farm, I'm never ready.

Mr. Speaker, I welcome again the opportunity to speak on this subject. The original 20 minutes that I was allowed to speak on the first resolution was certainly not sufficient. I am more convinced than ever, after some three weeks since the last time I spoke on this particular issue, that the members opposite and particularly the Member for Thompson has a very limited and narrow view of economic circumstances that govern this country. I have come to the conclusion after doing more reading that, in fact, it would probably be best if he had the opportunity to hear some additional words on the subject and hopefully, he will withdraw that particular resolution.

Really, and I hate to admit this, Mr. Speaker, I have just had the opportunity to go over the amendment for the first time about ten minutes ago and I must say, no doubt the reason for my doing so was that I have been removed and trying to eke out a living on the land over the last week. Hopefully, I will be successful and will be able to pay some taxes that will help us all. Anyway, I would like to move into the amended resolution and deal specifically with the first Whereas, as given to us by the Member for Sturgeon Creek and it says that,

"The fiscal and monetary mismanagement by the governments of most western countries over the past two decades has led to unprecedented rates of inflation and lowered productivity."

I think nothing that I have seen by the other resolution or the first resolution has put that whole area of economic management throughout our Western World into a better prospective than that. In fact, we have had unprecedented rates of inflation. I've spoken to that many times, although I don't think that members opposite really realize to what degree that our productivity has lowered in this nation.

I really wonder through it all, when we consider the tremendous potential this country has in a natural resource consideration and we have the educated labour force that we do and we have the resources at our disposal, why we have to suffer as do other nations in this world at this particular time. I find it intriguing that the members opposite always use Washington, use the economic policies that exist down there, as the reason for our own problems.

I would like, therefore, to spend some time, if I can, on some of our own policies that have emanated from Ottawa, specifically the energy policy that is known to us all as the National Energy Policy. I'd like to quote, fairly freely if I can, from a speech given by William Wilder, who is the Deputy Chairman of Hiram Walker Resources Ltd., when I make my comments specifically to the National Energy Program. And he quotes and I quote: "One of the most outstanding characteristics of the National Energy Program and of virtually every other element in this Federal Government's overall economic approach," and I underline this, "is the vast difference between what the government says the program is designed to achieve, and its real effects on the economy." I think nothing really says it better than that.

We've seen our government in Ottawa attempt to bring into being a new energy program that would, hopefully, be the cure to many of our ills. It was believed that it would solve the problem of giving us ownership of our own resources; it would give us a new tax base; it would allow Ottawa to present and to create all the new social programs so desired. It was considered a panacea by many people, certainly I know, by the Federal NDP Party and certainly no doubt by the Provincial NDP Government also.

I'd like to quote again from that particular article. It says, "The National Energy Program and the pricing agreements between Ottawa and the producing provinces have dramatically increased the prices that Canadians pay for energy." We know that, but where are they going? Where are these increases going that the energy industry are having to pay? Are they going to that industry? No, as a matter of fact they are going to the government and the industry that faces this particular additional levy is suffering. This is what's happening in Canada at a time when the U.S. Government and their policies are being directed to energy investment in that country, when energy investment in that country is, indeed, more and more attractive.

So what's happening as a consequence? Well, we know that billions and billions of dollars are leaving this country and they're leaving for two reasons I submit, Mr. Speaker. First of all, for the attempt to

nationalize or Canadianize our own energy program and secondly, because governments, wishing not to decrease expenditures are therefore running deficit budgets and are going themselves into the money market for additional amounts of borrowed money. Huge amounts, I should add to that comment. So billions of dollars are leaving this country and I'll give some further detail to that in a couple of minutes.

Of course, the second factor implicit in the National Energy Program is one of breeding uncertainty and all we've seen over the last while, is what's happened to some of the mega projects, not only the ones that are situated in Manitoba, but much larger ones that were stopped cold in Alberta; large projects in themselves, probably not deemed to be the most social, acceptable way to put to work a vast majority of Canadians, but at this particular time if they were to come into existence, would give all our people work. They have been set down, put on the back burner and some people are suggesting that, in fact, they will never, ever rise again.

So for the economic reasons and because of the vastly reduced level of confidence that I believe investors feel in the Federal Government undertakings in Canada today - and again I had mentioned those mega projects and the fact that we're running such tremendously large deficits - that the projects that were attempted to be developed in this country to give and guarantee employment to thousands of Canadians, in fact, have disappeared. The hope is gone today and any musings or any stories by the members opposite, who are in government in this province, or indeed, by the Ottawa Liberal Government, really are hollow words because we've lost tremendous opportunities.

Uncertainty — the biggest single barrier, no doubt, to investment is uncertainty and I ask you, Sir, if you were a large investor, if you had access to a large pool of money, could you really want to invest it into Canada the way that this country is being governed today? I really ask that question because in business terms, it is not a wise investment. The rules in energy policy, the rules in taxation as we've seen within our own province change from year to year. There is no certainty and, of course, if there's anything an investor wants, he wants certainty.

So where is this money fleeing? It's fleeing to the United States. And what is so upsetting about it all is not only the fact that Americans are taking home their own money that they had invested in this country previously, but our own source of capital is going along with it. Even compounded upon that, to make the situation worse, is our government; our governments who are running these large deficits wanting to do all the things they say are in the public's interest. They, too, are going to the money markets of the south and they, too, are sending interest payments on a yearly basis. Three major contributors to this tremendously large, capital outflow.

These are tough economic times, but I believe our recovery from this recession and our continued prosperity depend on vast new investments. Investments, indeed, like I think our government previously tried to bring about by way of aluminum smelting and orderly Hydro development.

These are the things I'm sure have to be a concern to

every Canadian in existence today. So that's the energy area that I feel is a major contributor to the problem that we find ourselves in this province, and maybe even more so than the inflation or the interest rates that have been dwelt upon by the Member for Thompson.

Further on in the amended resolution the Member for Sturgeon Creek makes reference that "the government in Canada has embarked upon the centralization of economic planning in the hands of Ottawa bureaucrats and has crushed co-operative federalism." I really ask you, Sir, if in fact you can disagree with that.

Another area that concerns me no doubt is the loss of confidence because of the large output of money which I have just started to describe. Some people may say, "Well, how much money is leaving? What is this? Are you just talking in general terms? How much money is leaving this country of ours?" Well, again I'd like to quote from an article by Michael Wilson. He's a Member of Parliament. He's also a Conservative. He says and I quote, "In calendar 1981 the owners of capital moved money out of Canada at eight times the average rate of the 1970s." Eight times. "The outflow totals some \$19 billion in the year, \$52 million for every day of the year, \$3,600 for every minute of the day." It's \$19 billion every year. What is \$19 billion? I think that's what disturbs me as a new member most, is the attitude of the members across when you use the figures billions, or hundreds of millions. It's just a number to them; they have no feeling for it.

Well, I'll try and again drive home the fact of what \$19 billion is. It's equivalent to about 1-1/2 times the money invested in all new housing last year. If invested in Canada it would create some 190,000 new jobs. Equivalent to all the people out of work as this article says, all the people out of work in Toronto, Hamilton, Windsor and London areas combined; that's what the outflow of \$19 billion means. Members opposite I'm led to believe, say, "It's just a number." It's a huge amount of money, enough to finance one Cold Lake heavy oil plant plus half an Alсандs plant, and the capital that left, it just wasn't speculative money, it was aggressive capital; the money in the hands of the risk-takers, the seed money of the entrepreneur, the kind of money that built this country, \$19 billion, a huge amount of money which we can't afford to lose.

So other money comes in to replace it, the debt money, the money that searches around the world for the best and the highest rate of income and return; not the aggressive Canadian investment money, no, the debt money, sniffing around for the largest and highest return. Of course, who brings most of it to this country? Is it the corporations, or is it the small businesses? No, it's governments like this that are going to be out looking for \$400 million more next year. That's who brings this money forth.

So I say capital outflow, as other people do, has hurt us tremendously. I believe it is a consequence of bad Canadian policies, all of which have been supported by the NDP. Every time an attempt was made to restrict foreign money coming in, always restricted by the NDP. If there's one criticism of the Federal Government by members opposite and by the Federal NDP Government, it's not that we've built a barrier

around this country to prevent foreign capital from coming in, that's not the restriction, that's not the criticism. The criticism is that it has a few loopholes in it. That in fact, there are weaknesses in it, it's not strong enough. I really wonder when I see the attempt to nationalize and to Canadianize many parts of our own economy, on one hand which drives out money, and on the other hand we are precluded from coming in - unless we want to borrow it, of course, to attempt to meet our deficits as governments, why the members opposite and indeed the Federal NDP wish and always want to see a type of system like this.

Mr. Speaker, how many minutes do I have left? Three, thank you. Well, I think the point I'd like to conclude at, Mr. Speaker, is that indeed this country has tremendous opportunities. We have an amazing natural resource base; we have a very competent work force, a very educated work force, and with it and with sound policies, I know that we can solve a lot of our ills. But there's no way we can do it by pretending that we're an island amongst our own, and that in fact we can exist by ourselves. We lack good managers; we lack good politicians; we lack people who are afraid to make hard decisions. So, Mr. Speaker, I end by saying that I support the amended resolution. Thank you.

MR. DEPUTY SPEAKER, J. Storie: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Deputy Speaker. I rise once again to debate this issue of great importance, this time to speak on the amendment proposed by the Conservatives.

I must say I find the actions of the Opposition rather strange. At first when I introduced this resolution in regard to economic policy they ducked debate. Then at the last minute when it appeared that debate was going to close they brought in this amendment. I'm not just surprised at that, Mr. Speaker, I'm surprised that they brought in such a muddled and contradictory amendment after taking so long to draft it up. I'm really surprised also that the Mover and Second of this particular amendment were the former Minister of Economic Development and the former Minister of Finance, the economic brains of the former government. Well I can see, Mr. Speaker, that if this was the economic brains, and this amendment is all they can come up with, well I can see why we had so many problems the last four years because it's nothing more than muddled and contradictory rhetoric, Mr. Speaker.

First of all, to illustrate that, I think I'll go through what's in this particular amendment, Mr. Speaker. There's rather a lot in here in terms of words, not much in terms of content. You know they start off in the first Whereas of hitting the fiscal and monetary mismanagement of governments of most western countries, in trying to tie that into inflation and lower productivity. Of course, it's interesting to note no reference to unemployment, they seem to have a blind eye for that. They then continue to say that monetarist economic policies have been introduced in a number of western countries. Brilliant statement, Mr. Speaker, one we can all agree with I am sure.

But then in the third paragraph, the third Whereas, they start into a defense of what's been happening in the United States, saying that they've reaffirmed pri-

vate sectors, the basic engine of economic initiative and, Mr. Speaker, that the United States has succeeded in significantly lowering interest rates and inflation during the 15 months of President Reagan's terms. Well, I find that incredible, Mr. Speaker. I find it absolutely incredible that the members opposite would classify President Reagan's record as being a success when, in fact, unemployment in that country at the present time is at a record high of 9.4 percent; when, in fact, real GNP growth compared to last year has been minus 2.3 percent; where, in fact, it is now in the fourth quarter over the past year, minus 4.3 percent. That's the same kind of success we had here in Manitoba for four years, negative growth and unemployment.

What I find most interesting, Mr. Speaker, in looking at their standards of judging success, is that if one were to look at the great depression and judge it by the standards listed in the fourth Whereas, well, then the great depression, brought in by their philosophical counterparts in the United States, the Republicans, the great depression would have been a success because during the great depression inflation was not low. In fact, inflation did not even exist. It was negative; there was deflation, 25 percent deflation. There was 25 percent unemployment as well, Mr. Speaker, but if one were to look at the standards that the Tories judge economic policy by, well, the great depression was a success.

It's no wonder, Mr. Speaker, given the way they look at the economy, that they consider their own record a success because they led Manitoba into the recession several years ahead of the rest of the country. It's not surprising when they look at the economic situation now that they would consider it a success in the United States, Mr. Speaker, because that country is moving, not just into recession, it has been there for quite some time now. It is moving into a depression and if that's what they consider success, well, so be it. We, on this side, certainly don't feel that is any way to look at the economic situation facing people. We don't feel that 25 percent unemployment is a success.

It gets worse, Mr. Speaker. If one continues to the next, Whereas, in the fifth, Whereas, they say that the Government of Canada has failed to support the policies of the Bank of Canada with fiscal energy and economic development policies. Well, that's interesting, Mr. Speaker, "failed to support." I think it implies that somehow they should have supported it and it implies I think also that members of the Conservative Party support the policies of the Bank of Canada. What are those policies? Those policies, Mr. Speaker, are trying to choke off the growth of the money supply, trying to jack up interest rates, trying to club the economy into the ground —(Interjection)— the honourable member says they want to stop inflation. At the same cost as the great depression? Mr. Speaker, if that is the case they are not going to get much support from members on this side or the public of Canada.

It continues to talk, paragraph six, the sixth Whereas, about how the Ottawa bureaucrats, the Government of Canada, has crushed co-operative federalism. Mr. Speaker, what kind of statement is this from members of a party that for four years bashed the Federal Government, rejected any concept of co-operative federalism? If the actions of the former

Premier of this province were co-operative federalism, I can see why they have such a distorted view of what's been happening over the last few years because if they feel that's co-operative federalism, Mr. Speaker, the rest of the people of this province don't. So, don't try and hoodwink us with that kind of flag in the sixth Whereas.

It continues, Mr. Speaker, in the seventh Whereas to talk about unnecessarily high interest rates, soaring unemployment, double digit inflation in Canada. Well, I am glad they finally recognize that we have soaring unemployment; it took them long enough. And, indeed, we have a problem with inflation; inflation is a continued rate of 11 percent. What I find interesting, Mr. Speaker, is the statement that interest rates are unnecessarily high here in Canada. What are they in Canada today, Mr. Speaker?

Let's look at the prime lending rate. Last week, it was 17 percent. What is it in the United States? Well, it is 16 to 16.5 percent, but in the fourth Whereas, they said how successful the United States was; they have lowered interest rates significantly. So what is the significant lowering of interest rates they are talking about, Mr. Speaker, .5 percent, because that is what the spread is between the United States and Canada right now. Is that how they view the demands of the people of Canada for lower interest rates? Is that how they view it, .5 percent less than Canada? Is that what they want us to lower it to here, Mr. Speaker? Rather strange and muddled reasoning if you ask me.

They talk later, Mr. Speaker, in the conclusion of this so-called amendment about the need to reduce inflation, reduce interest rates and increase employment by means of a revitalized economy, thereby restoring confidence in the future of our country. Those are all laudable goals, Mr. Speaker, but are they going to say to the people of Canada that interest rates have to come down after we have revitalized the economy? Is that what they are saying because that's the way it reads in here, Mr. Speaker? Are they going to tell the small businessman who is paying well above the prime lending rate — well, once the economy picks up we hope to see reduced inflation, reduced interest rates and what not? I have news for the members opposite, Mr. Speaker, one of the reasons why the economy isn't being revitalized is because of those interest rates. To suggest that we had the recovery and then we lower the interest rates is to put the cart before the horse, Mr. Speaker. —(Interjection)— No, you are putting the cart before the horse. We should put the driving force in front of it, Mr. Speaker, and that driving force is to have lower interest rates. That's what they say in the amendment, Mr. Speaker.

It is also interesting to see what they don't say in that amendment, some of the issues that they ducked in the original resolution. What did they duck? First and foremost, they ducked any defense of their own record which was criticized in the original motion. The entire Whereas, in fact, pointed out, "Whereas in particular the adoption of this approach by the previous Conservative Government of this province in their support of this approach at the federal level has caused Manitoba's economy to slip to the point that it was stagnant over the last four years." Well, they didn't attempt in their amendment to defend their record. —(Interjection)— The honourable member

suggests they were embarrassed, I think that's exactly it. They can't defend the indefensible.

They try valiantly, Mr. Speaker. They tried leading up to the election of November 17th, but the people of Manitoba did not buy that. They didn't buy the statements about us sitting on a gold mine when we were entering a recession; they didn't buy all this blue sky stuff about getting Manitoba back on the road to recovery and about significant improvement in our economy when our economy, in actual fact, was stagnant for four years; when in fact in the last two years they were in government we actually declined in terms of economic growth, Mr. Speaker; when in fact there was record provincial out-migration during that period. They don't want to defend the indefensible, Mr. Speaker. Perhaps, it is because they might make a few more slips of the tongue as the Leader of the Opposition did when he was referring to that very same loss of population in Manitoba. He said, in effect, that they were all on welfare. Well, that's the way members opposite look at very real problems, Mr. Speaker. They laugh and they sneer at the people of this province who say that's not good enough; we want better. They laughed and they sneered for four years and they can laugh and sneer all they want from their seats now in Opposition and they will stay there a long time, I'll tell you, Mr. Speaker, because one of the problems with that previous government was not just that they had a lousy economic record, but that they didn't have the guts to admit it.

They didn't go to the people of the province and say, well, gee, we're sorry, we made certain promises, we couldn't exactly keep them. They could have blamed it on somebody else or something else. To a certain extent they tried, you know, the weather - the Federal Government. Well, they tried but they never really put forward a convincing argument, Mr. Speaker. Instead, when they found that their excuses were pretty flimsy, they just tried to say to the people, no, it's great, we're on the eve of a new economic dawn in Manitoba. Well, November 17th settled that issue, I think, Mr. Speaker.

Not only do they attempt to avoid any reference to their record over the four years they were in office, Mr. Speaker, in this amendment with its eight paragraphs, its fancy rhetoric, the whole bit, they don't put forward a positive program. There's all sorts of rhetoric in here, inconsistent muddle as it may be, but there is rhetoric here, Mr. Speaker, but there's not positive program here. There's no talk of lowering interest rates, having an independent Canadian economic policy in that regard; there's no talk of that, Mr. Speaker. There's no talk about the need to tackle the growing problem with unemployment; there's not talk even in terms of inflation, other than mere platitudes and rhetoric. There's no positive program whatsoever.

In fact, Mr. Speaker, if one looks at what is in the amendment and what is not in it, it's clear that this amendment is nothing more than a smoke screen. It's a smoke screen put up by those members opposite who still haven't recognized that their right wing, their dogmatic, monetarist economic policies not only don't work, but don't wash with the people of Canada and particularly the people of Manitoba. They haven't recognized that yet, Mr. Speaker. Instead, they're clinging for ideological reasons to this kind of poor smoke screen, as I said, to cover the weaknesses and

the complete failures of monetarist economics in the United States. They're clinging to this, Mr. Speaker, because the Republicans of the United States are their ideological soul mates. They're about as right winged and dogmatic as you get.

Mr. Speaker, I have news for those members opposite. Instead of trying to put up this smoke screen for these failed right wing economic policies, perhaps they should even contact some of those very same Republicans in the United States who are right now, Mr. Speaker, abandoning Reaganomics. They're abandoning it; they're abandoning some of the basic precepts of Reaganomics, and why? Because they recognize that it simply doesn't work.

I refer, Mr. Speaker, to an article which appeared last week in one of the newspapers under the headline, "Republicans break ranks; may defeat budget," and it goes on to say, the "House Republicans, in a stunning move that GOP Leader Bob Michel believes may mean defeat for the Reagan-backed budget, broke ranks Thursday, joining the Democrats to restore Medicare funds at the expense of the military."

Well, you know, Mr. Speaker, that is indeed stunning because one of the basic precepts of Reaganomics in the United States is to cut just about everything except expenditures on military. In this particular case, there was the health of 29 million Americans up against the submarine because that indeed was the impact of the vote - 29 million Americans' health against a submarine. And the Republicans, which way did they vote? Well, they voted against the Reaganomic package and they supported the Democrats on that particular amendment. So that's what's happening in the United States, Mr. Speaker. —(Interjection)—

Well, one member on this side of the House suggests that they are smarter than the Conservatives here. I say that they must be seeing the writing on the wall and I'm surprised that the member is here after giving such a graphic description of the fact that monetarist economics doesn't wash with people in this country on November 17th. They still haven't changed their tune, but it's not just Republicans in the United States, Mr. Speaker. No, it is not just Republicans in the United States. It's about every western leader that there is.

In fact, every leader of a western country today has expressed concern over Reaganomics and I would note, Mr. Speaker, that there is a conference upcoming in Versailles between western leaders and I quote a newspaper article that says, "When the leaders of the Free World seven largest economies meet in Versailles, France on Friday, the closest scrutiny will be of economic policies in Washington that have produced high interest rates and a setback for the chances of economic recovery." It continues to say that "This is similar to the situation last year when President Ronald Reagan promised, but failed to deliver lower interest rates by the end of the year." And continues, Mr. Speaker, to say that "The world economy is weaker now. The fears expressed then about the prolongation of U.S. monetarism have largely been realized."

Well, that is what the leaders of the seven major western nations are saying about Reaganomics, Mr. Speaker. They want that experiment to end because it is hurting the economy of every western country, but

if the members opposite won't listen to their comrades in the United States, if they won't listen to the seven leaders of the western world, Mr. Speaker, maybe they should read articles such as this. This will really hit home. It's talking about profits, corporate profits, profits of the big corporations that they are always quick to jump to the defense of.

An article, Mr. Speaker, under the headline, "Reaganomics is a Four Letter Word." It says, "America's corporations are going through the worse sustained squeeze on profits in 40 years." It says, "The pain is worst in interest rate sensitive industries which account for roughly 15 percent of industrial production, such as cars, agriculture and construction machinery." It says, "Other vulnerable industries include materials producers, copper, forest products, steel industries and the aluminum industry." Mr. Speaker, "In particular, profits of the aluminum industry have dropped 25 percent."

Well, that's what's happening, Mr. Speaker. Even their friends in the corporations are getting hit, and when I start reading that profits are dropping in the aluminum industry, I get worried because I would like to see an aluminum smelter established here in Manitoba. I would like to see it established right in Thompson where we've faced the worst economic problems over the last few years, but what is happening is that Reaganomics, that failed dogmatic right wing economic policy, is destroying the health not just of the economy, but of the corporations who could come and give us the Alcan smelter, the aluminum smelter that we need in this province.

So before those members opposite get up again with their righteous indignation about aluminum companies, let's talk about the real root cause of some of the problems that aluminum smelters, copper smelters, forest product operations are having right now. That root cause, Mr. Speaker, is Reaganomics; it's monetarist economics. That's why I totally reject this flimsy defensive Reaganomics, urge this House to adopt the original resolution which stated quite clearly: we reject Reaganomics, we reject monetarism, we reject high interest rates, that we want an independent economic policy for Canada.

MR. DEPUTY SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I don't know whether I'll be successful in taking this House out of the realm of Alice in Wonderland or not, but I'll try in a gentle way. In the true fashion of this House and this Chamber, I have not prepared myself at great length to speak on this subject and, of course, I respect the Rules of the House by not reading from any prepared speeches.

Mr. Deputy Speaker, I must first of all say that we allow ourselves to let too easily go by unnoticed, or unobjected to the kind of statements that are made as fact and now all of a sudden we find ourselves arguing about those statements that are not factual and then you can make a very good argument about that. My good friend, the former Member for Inkster, was very astute at that. He would establish in the first few moments, a thesis or a basis, which if you weren't quick enough to catch, it was usually suspect but then would make a very eloquent and very academic

defense of that position.

So, Mr. Speaker, not having spoken on the original resolution and not wishing to abuse the privileges of the House, but let's examine just one or two of the Whereas as to their factuality.

First of all, of course, I always get concerned about the use of the word "cutbacks" — and Whereas these monetarist policies have emphasized government cutbacks and the establishment of record high interest rates. Well, let's just deal with the word "cutbacks." Mr. Speaker, they can't have it both ways; on the one hand, saying that we saddled them with a record high deficit of some \$200 million. Was there any year in the past four years where the past government cut back their provincial expenditures? Of course not, Mr. Speaker, of course not. Is President Reagan's problem right now, a problem of getting through Congress the highest deficit ever recorded in the United States? Of course it is. So let's not talk about cutbacks. You may argue with him as to his priorities, as to where he's spending, or his definition of how he's spending the money, but the word "cutback" is dishonest, is deceitful and is wrong. There is no other way of putting it.

Mr. Speaker, they cannot on the one hand accuse my former Minister of Finance of having viciously cut back the services of this province and have squeezed down on them, by virtue of adopting monetarist policies, having cut back and then at the same time get up and claim him for leaving you a legacy of the biggest deficit in this province that you've ever had. You can't have it both ways. You can't have it both ways. So let's talk, first of all, about a little bit of integrity; a little bit of integrity, particularly in Private Members' Hour, where we don't have to be all that partisan.

Now, Mr. Speaker, we come to another Whereas — and Whereas these policies have resulted in the highest level of unemployment since the depression of the 1930s. Now that has a nicer ring to it but, Mr. Speaker, it could have been said the other way. There has never been a time in the history of Canada, that as many people have been unemployed as there are today; not since the 1930s. There have never been as many people unemployed in this nation of Canada, in this Province of Manitoba as there are today, since the 1930s. So, let's look at it fairly both ways.

There happen to have been very substantial changes in our economy, very substantial social changes in our economy. In the 1930s the feminine involvement in the labour force was marginal — 8 or 9 percent — today we expect, we demand, particularly supporters of the Liberation Movement as I am, for their full participation in the labour involvement in the province and they have in very unprecedented numbers, have made themselves available to the work force, in both Canada and the United States and have created a phenomena in that sense.

Even in the past I read some records of the past 10, 15, 20 years, the percentage difference that people have made themselves available for work has risen dramatically. Mr. Deputy Speaker, I don't know what the actual figures are, but let's just assume there are, for figures' sake, there are 5 million people now, or 7 million people now employed in Canada. There are farmers at home; there are housewives at home; there are retired people at home and if tomorrow they all

say, they line up at the next Unemployment Insurance Office and say, "We want work," does that become not a problem for the entire economic situation of the country to face and to some extent that has happened?

All I'm saying, Mr. Speaker, is again we treat too lightly and too loosely this suggestion that we are at the 1930 levels, when there are too many - not too many people in this Chamber, there may be the odd one that can remember the sights of people actually riding the rails from here to Ottawa, from here to B.C., people from the cities, from Eastern Canada coming out, prepared to pitch sheaves into a threshing machine, work that they've never undertaken before - nobody's doing that today. Nobody's doing that; nobody wants them to do that today; it's not necessary for them to do that today. So let's at least bring some sense of reality into this whole discussion.

Well, Mr. Speaker, really I was prompted to make a contribution to this speech. Some time ago, when the resolution was first introduced and you won't believe it, Mr. Speaker, I was prompted to make this speech because I can remember a government paid, tax paid TV advertisement. Now I don't mean those kind of advertisements that we've been lately bombarded with about the Constitution, about geese flying and all this, but some of you may even remember when there were some government paid advertisements, particularly emanating from the Department of Industry and Commerce, or Trade and Commerce - whatever you want to call it at the federal level - that reminded Canadians to what extent the level of life that we enjoy in Canada, that we owed to the fact that we are an exporting nation.

Remember there were ads that showed how important the export trade was to Canada. They sliced by one-third the income levels, the standard of living that we as Canadians enjoyed because we were a highly successful trading nation. I remember those ads. Those ads, by the way, were far more meaningful than the Canada Geese ads that have replaced them to talk about the Constitution and that, Mr. Speaker, is where we really enter into this "Alice in Wonderland" world that the Honourable Member for Thompson has introduced in this Chamber, by virtue of this resolution.

Mr. Speaker, I can't help but be pessimistic; I can't help but be deeply concerned about the welfare of Canada and Manitoba, at the kind of attitude that is being expressed by this resolution. The kind of attitude quite frankly, Mr. Speaker, that we witness as being expressed in this city for the last three or four days at the National Convention of the Canadian Labour Congress; this kind of blind-eyed lack of understanding that this nation depends to a large extent, on how well we run our schools; how well we run our hospitals; how well we can provide the host of other social services, unless we remain in that competitive edge.

Mr. Speaker, the news of today, that under the current depressed economic situation, the current specifically depressed mineral situation, organized labour once again shutting down Sudbury is just unfathomable; just unfathomable. But that is the kind of blind, pigheadedness that is pervasive in our society today and that does not auger well for our country; it doesn't auger well for our province.

Mr. Speaker, unless honourable members need any

lesson, let me tell you that we only need one in ten farmers to feed Canada, that's all, that's all. We only need one in ten woodcutters to supply the newsprint for our newspapers and that other paper that we use other things for. We only need one in ten miners in this country, you know, to supply us with the nickel or with the copper or the zinc or whatever we have that we need in this country. That is all we need and that's what frightened me about these socialists, my friend.

They talk about building around themselves. Now, I don't care, Mr. Speaker, they don't have to embrace President Reagan. Although I notice, Mr. Speaker, that when the Premier of this province goes to California to make a speech the word "Reagan" doesn't even enter into his speech. There he is in the heartland of Reaganomics, the former President's state; he doesn't even enter into it. Not only that, he waxes great about a continental energy program. It wasn't that many years ago where the socialists of this province, NDP supporters, used to run with bumper stickers - No to Continental Energy Programs - when it looked like there might be a move afoot to join Canada and America, the States, with a continental energy program. Now we have our socialist Premier in California, in that country of progressives, to talk about the need to link up with Manitoba our energy requirements.

Mr. Speaker, the Premier of course is right; only he doesn't know it. We should be talking about a North American Common Market and in that I include Mexico and in that I include some of the Isthmus countries like El Salvador and the Honduras, Nicaragua that could get benefit from that. That's what we should be talking about but, Mr. Speaker, unfortunately there has been this kind of unfathomable poison, acrimonious hatred for anything south of the border developed from members of the Left that prevents that from happening.

Mr. Speaker, I have been in this House for some 16, 17 years. This is the first time I have actually seen a resolution presented to this House specifically directed against an American President or against American policy. Now, Mr. Speaker, as I started to say, I don't care, they don't have to like President Reagan, but recognize that we do 80 percent of our business with that country.

Mr. Speaker, I want them to tell me, how are our 35,000 or 40,000 unemployed automobile workers going to get back on the job with the present attitude of organized labour in that particular industry when you measure that to what's happening in the United States. Why would General Motors, why would Ford, insist on building a shed in Oshawa or in Hamilton for \$14,000 when it can be built for \$12,000 in Detroit?

Mr. Deputy Speaker, I see even the current precarious Autopac relationship that we have, which shares the production of the auto industry in North America, in serious danger and it was reinforced this week in the City of Winnipeg by the positions taken by Dennis McDermott, Mr. White and others. You may not like it. I am not suggesting that you have to embrace it, but at least acknowledge the reality of what you are facing. I mean, here we have the NDP in their finer moments; they like to fume and spume against the evils of multinationals because they can direct their production to those areas where it is most profitable for

them to produce.

Mr. Speaker, how long do you expect the International Nickel Company to continue to produce nickel in Sudbury or in Thompson with the kind of reaction that they're getting from the Canadian labour scene today? Not too long, it's just that simple; and if the answer is - okay, who needs them - fine. Who needs them? That is your answer and that is the answer that far too many socialist countries have found out in the past number of years. Then you start to tailor the cloth to fit your needs. Then we slip down rung by rung in our standard of living, as we have in the last ten years. Prior to Trudeau, we stood third in the world in terms of standard of living. We are now down to about 13th or 14th by the policies that you are espousing in this resolution and you have supported in terms of the support you have given to the present Liberal Government. Give your kind of economics another ten years and we will be hovering along the line of the developing nations. You won't think that is possible, but it is possible.

Gentlemen, their dedication is to the equal distribution of misery and of want, whereas the policies that we are talking about are policies of growth and making that economic pie greater, that we can all have a share of. That's the problem with my friends opposite, Mr. Speaker, and as I say again, it is a tragedy that members opposite who have certainly the same kind of concern for the provision of necessary services to our people, but can be so blind as to not see where that wealth comes from.

Mr. Speaker, we simply haven't got the earning capacity to do it ourselves. Well, Mr. Speaker, you can do it together. You say doing it together when your member introduces a "Blast President Reagan Motion" in this House, while at the same time the Premier goes down to California and can make a long speech without making any references to it. That kind of hypocrisy the Americans can catch up to pretty quickly too.

I will tell you one thing, Mr. Speaker, I don't know whether President Reagan will be successful. I hope —(Interjection)— no, I don't know. I am not an economist. I haven't spent as much time in the university as my friend, the Honourable Member for Thompson has, but Mr. Speaker, I and every member on this side and every member on that side should hope that he is successful in getting inflation beat because inflation still hurts by far the underprivileged, the person on fixed income. The big companies, they can roll with it. —(Interjection)— Fine, that's a big problem, too. —(Interjection)— Okay, that's the big difference between us; then let's at least have an honest debate.

I am more concerned about inflation because if I don't have inflation control I cannot and no government can support the kind of social programs that we have in place that can help the unemployed. With inflation under control, we can continue to support the unemployed, the needy, the underprivileged. We can continue to support them in a way that places them above any description of poverty.

Mr. Speaker, it is amazing that it is only in Canada and in the United States that we have poverty. It is only in these two countries that we have poverty by the way. We don't have poverty anywhere else and that is because of the kind of rhetoric that we get from honourable members opposite. Well, Mr. Speaker, that is

a fair argument. If they say inflation is not important, that is their position. I say it is extremely important. —(Interjection)— Yes, it is, Mr. Speaker, because it is not that simple an answer. The two are intertwined. With every percentage point of inflation, our unemployment has to increase. I just made, as the body of my speech, citing the example of our auto workers versus the American auto workers, of our resource workers versus the American resource workers. So, Mr. Speaker, you cannot separate the two. I suggest that President Reagan is trying and I hope he succeeds and I, for one, support him.

MR. SPEAKER: Order please. The time for Private Members' Hour having expired, when we next reach this resolution the Honourable Member for Inkster will have the floor. The Chair will accept a motion to adjourn.

The Honourable Minister of Municipal Affairs.

HON. A. ADAM: I move, seconded by the Honourable Member for Springfield, that the House do now adjourn and stands adjourned until 2:00 p.m. tomorrow. (Tuesday) It is the understanding that the members will reconvene in Committee at 8:00 p.m.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. tomorrow. (Tuesday)