

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, November 8, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct Honourable Members' attention to the gallery where we have from the Assiniboine Community College 12 students. They are under the direction of Jim Mitchell and Art Dowkan. This school is located in the constituency of the Honourable Member for Dauphin (Mr. Plohman).

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

ORAL QUESTION PERIOD

Goods and Services Tax Government Approval

Mrs. Sharon Carstairs (Leader of the Opposition): For the last two days we have tried to get clarification from this Government on its position with regard to a goods and services tax. At first they tell us they do not like the goods and services tax, and then they say, well, they just do not like this goods and services tax, and they are not quite prepared to protect low-income earners in the Province of Manitoba.

Will the Minister, who is acting as the Premier of this province, tell this House today what exactly Michael Wilson meant last night when he said he had all Governments' approval with respect to his GST.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, let me first of all indicate to the Leader of the Opposition that this Party and this Government's position has been made absolutely clear as it relates to the goods and services tax. I would also say that any additional information that the Member may want could be provided by the Premier (Mr. Filmon) and the Minister of Finance (Mr. Manness) at a meeting, which I understand she will be attending as an observer very shortly.

Government Position

Mrs. Sharon Carstairs (Leader of the Opposition): The position of this Government is about as clear as thick mud, because we have on the one hand the Finance Minister saying he likes consumption taxes. We have him say he likes the GST, just some modest changes would have to be made in order to get its approval. We have the Premier saying, I do not like the GST, but maybe if there were changes I would like the GST.

Can the Acting Premier of this province tell the people of this province whether this Government is going to

support a GST or whether they are not going to support a GST?

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, let me make it very, very clear to the Leader of the Opposition Party, the answers that the Premier and the Minister of Finance have been giving her for the last two days still stand as given.

* (1335)

Mrs. Carstairs: Well, Mr. Speaker, the only difficulty with that response is that no Manitobans know what this Government is saying about the GST, because they change their mind every time they give an answer.

Government Approval

Mrs. Sharon Carstairs (Leader of the Opposition): Why has this Government not repudiated the statements made by the Finance Minister for the federal Government? Why have they not repudiated these statements today, in light of the fact that they say they have not given them approval, but he says they have?

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, let me assure you that the information that is given by the Premier of this province and the Minister of Finance for this province is far more accurate than any questions or information brought forward by the Liberal Party, as it comes from New Brunswick or Newfoundland in their decisions as it relates to taxation in this country.

Mrs. Carstairs: Mr. Speaker, the tragedy for Manitobans is we have a Premier who is going into negotiations on the economy of this nation and he does not have a clear position.

Conawapa Project Public Utilities Board Review

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, I have a new question to the Minister of Hydro. The chairperson of Hydro has announced a new sale—like previous sales in Hydro regrettably announced in this House, no facts, no costs, no definitive program.

Can the Minister of Hydro tell this House today if it is his Government's position that no project will be begun to provide and to supply power to Ontario without a full review by the Public Utilities Board?

Hon. Harold Neufeld (Minister responsible for The Manitoba Hydro Act): Well, Mr. Speaker, the chairman of Hydro has not announced the sale to Hydro. The chairman of Manitoba Hydro has announced that the respective board should give their respective chairman the authority to further negotiate a sale. No negotiations

have been finalized and no sale will be made until it is as the chairman indicated, unless it is approved by the Cabinets of both provinces.

Mrs. Carstairs: The Minister knows that a memorandum of understanding was signed on the 29th of October. Now can this Minister tell this House why he will not commit today to a full public review by the Public Utilities Board in this province, to take place prior to any construction of this project?

Mr. Neufeld: Yes indeed, Mr. Speaker, there was a memorandum of understanding signed, but as I indicated earlier the understanding is to negotiate. The terms of the negotiations are understood, but the negotiations have not been completed.

Mr. Speaker, the Public Utilities Board is there to protect the consumers of Manitoba. They will agree to any rate increases to the consumers of Manitoba Hydro, and that is their job.

Mr. Speaker, the consumers of Manitoba Hydro are well protected.

Mrs. Carstairs: Again we have one hand of Government in disagreement with the other hand of Government.

The chairperson of Manitoba Hydro says he is quite prepared to put the entire plan before the PUB before construction commences.

Why is this Government unwilling to agree to allow their own chair, their own appointee, to do what he knows to be the right thing in this province?

Mr. Neufeld: Mr. Speaker, the chairman of Manitoba Hydro and the Government of Manitoba agree on all points. We agreed that the Public Utilities Board can look at the plans for the construction of a new hydro dam. We agree that they can look at them. We agree also that they can review them, but the final decision in the construction shall be that of the Government.

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, it will be about a \$5 billion flip-flop when the Government announces and confirms what the Member for Flin Flon (Mr. Storie) announced two weeks ago on the Hydro development project.

Gloria School - Hong Kong Government Involvement

Mr. Gary Doer (Leader of the Second Opposition): My question is to the Minister of Education (Mr. Derkach). Last evening there was an investigative report dealing with immigration and the impact on immigrant families in Winnipeg from Hong Kong. Very questionable issues were raised in terms of the way in which people were attracted to Manitoba and the losses that they have suffered in their businesses from a conduit named Mr. Louis Lee.

My question to the Minister is, can he confirm that it is the same Mr. Lee that the Manitoba Government, on the 22nd of this year, by Cabinet Minute has

established a curriculum-based private secondary school in Hong Kong, and is it the same Mr. Louis Lee that the Minister announced would be given a special Hong Kong school in a press release May 8, 1989?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, in responding to that question I would like to inform the Leader of the third Party that in fact the agreement that was struck with Mr. Hui, from Hong Kong, was not struck with Mr. Lee at all.

The school in Hong Kong is indeed a private school and we as a province do not have any funding in that institution. It was merely an agreement whereby we would allow that institution to conduct the education process in that school using the Manitoba curriculum, and that was the only involvement of this province.

* (1340)

I could add that the intentions there were to ensure that students from Hong Kong whose parents wanted them to come to Manitoba Universities when they graduated from Grade 12 would indeed be familiar with the Manitoba curriculum and would be able to assimilate into our university settings much more easily.

Departmental Study

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, the Minister issued a press release on May 8, 1989, and I quote: "Education and Training Minister Len Derkach has signed an agreement with Louis Lee, president and chairman of Western Canadian Education Consultants Inc. of Winnipeg."

My question therefore to the Minister is, what study did the Minister undertake to give this school the Manitoba seal of approval? What concerns does the Minister have in terms of dealing with people that will potentially be immigrants to our community, given the revelations that took place yesterday, in terms of a number of new citizens that have been prejudiced in an extreme way with business dealings with the same individual mentioned?

Hon. Leonard Derkach (Minister of Education and Training): Well, Mr. Speaker, to begin with the agreement that was struck certainly involved Mr. Lee to the extent that he acted as a liaison between the people, the Gloria School from Hong Kong, and with my department. He was simply a facilitator who arranged for a meeting to take place so that the Gloria School from Hong Kong could indeed communicate with my department to ensure that the Manitoba curriculum could be taught in Hong Kong.

With regard to the other issue, Mr. Speaker, I have no knowledge on that and I do not make any comments with regard to that. My interests simply are to be able to provide programming for students from Hong Kong, who could indeed come back to Manitoba as university students and could be assimilated into our universities in an appropriate and reasonable fashion.

Mr. Doer: Mr. Speaker, it is unfortunate the Minister would not confirm his own press release, in answer to the first question.

Deputy Minister's Visit

Mr. Gary Doer (Leader of the Second Opposition): My question to the Minister is, his own Deputy Minister has visited the school in Hong Kong this summer. Was that at taxpayers' expense? What study has the Minister undertaken to give Cabinet approval to this school, given the fact that he is now studying for example the Winnipeg Education Centre? What type of similar study is he doing, to have Cabinet approve this school as the Manitoba curriculum entry point for Hong Kong immigrants with the same individual I mentioned previously?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I can assure the Member for Concordia that in fact a great deal of work had been done prior to us approving that the Manitoba curriculum could be taught in the Gloria School in Hong Kong.

Let me assure the Member for Concordia as well that indeed we were concerned about the fact that Manitoba would then be contributing, in some financial way, to the establishment of the school. We are not contributing in any financial way to the programs that are being delivered in this school. The teachers who have been hired are Manitoba teachers. They were hired by the Gloria School of Hong Kong and are the responsibility of that educational institution. The only involvement our department and our Government had with this entire project was to ensure that the Manitoba curriculum would indeed be followed in that school.

Mr. Doer: Mr. Speaker, I asked two questions. Number one, was the Deputy Minister sent over to Hong Kong on taxpayers' money? Number two, if the Minister says there is a study conducted into the decision the Cabinet rendered on February 22, will he table that study in this House?

Monitoring

Mr. Gary Doer (Leader of the Second Opposition): My third question is, given that the Minister of Industry, Trade and Technology (Mr. Ernst) yesterday, on seeing the revelations dealing with the same businessperson, said he would review practices of Industry, Trade and Technology and change some of the monitoring techniques, is the Minister prepared to review the decision of granting this contract to the individual I have mentioned? In this review, will they look seriously at the potential abuse for new immigrants coming to Manitoba and Winnipeg?

* (1345)

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I find it somewhat strange that the Member of the third Party would indeed be questioning the motives of our Government establishing good relations with the people of Hong Kong, and allowing their children to engage in programs in Manitoba curriculum that would allow those students to come back to Manitoba, to come to Canada, to Manitoba, to be able to take curriculum at our

universities that would indeed help them in their lifestyles.

The other issue, the Member of the third Party also asks me whether my Deputy Minister did go over to Hong Kong. Yes, my Deputy Minister was invited to Hong Kong to take part in a graduation and also to look at the school that our curriculum would be taught at to ensure that in fact the standards would be met according to the standards that are set within our province for curriculum. That did happen, and I am telling the Leader of the third Party that I have nothing to apologize for in sending my Deputy Minister over to Hong Kong.

Conawapa Project Environmental Impact Study

Mrs. Gwen Charles (Selkirk): Mr. Speaker, it appears that Conawapa will be built within a wildlife protection area, and since the Minister of Natural Resources (Mr. Enns) is obviously charged with the protection of our natural resources, can he indicate what anticipated effects the construction of this mega project will have on the area? Will he guarantee this House that no construction will begin on the lines or on the dam before a full environmental study has been accomplished?

Hon. Harry Enns (Minister of Natural Resources): We are very fortunate in Manitoba that the subsequent dams that have been built in the northern waters of Nelson have very minor impact through the environment. It has to do with the geography to this extent that for instance the previous administration, when they commissioned the Limestone Station, recognizing this factor provided the kind of studies that were required but pretty well indicated that because of the geography of the Nelson River in that part of the province, little or no additional flooding is in fact taking place. The same would be the situation with Conawapa.

We are of course, and my department particularly, extremely concerned that whatever damage may take place will be catalogued and will be studied. There will be specific recommendations made to the construction project as to how, and in what particular way actions can be taken during the construction phase to lessen or indeed to eliminate any environmental damage.

Wildlife Protection

Mrs. Gwen Charles (Selkirk): Mr. Speaker, \$500 million has been promised to support all the damage done by the previous dam construction. There is environmental damage done because of dams. With the rotting of material of the areas being flooded and with the permafrost, there will be added mercury pollution.

How will this added pollution affect and further affect the wildlife of the area, and will he show some concern for the wildlife, which he is supposed to be responsible for?

Hon. Harry Enns (Minister of Natural Resources): I am concerned, but let me indicate to the Honourable

Member that the damage that she spoke of first of all is not within the realm of figures that she mentioned. The \$500 million is in fact a guesstimate by federal authorities as to the possible outside parameters of total damage.

The kind of hard assessment that is now currently taking place under the Northern Flood Agreement, I want to assure the Honourable Members, while I do not have the figures, they are not in that ballpark.

Again let me simply repeat what I already said. Because of the nature of the river and the steep embankment of the river bed, virtually no additional flooding is caused by the construction of Conawapa. So there are no additional trees that are going to be flooded as a result of this project, unlike the original damage that was done at the time of the Churchill River Diversion at South Indian Lake.

* (1350)

Mrs. Charles: Mr. Speaker, first the Minister says there will be no damage, and then he admits there will be.

Environmental Impact Study

Mrs. Gwen Charles (Selkirk): Will the Minister, because in The Environment Act, which calls for a full complete environmental study to be done on all the province within the next year and a half, now commit himself to making this particular area first on the list for a full environment study before the construction begins?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, that study is underway. Manitoba Hydro is as a matter of course undertaking that kind of study. When I speak of limited damage, there is concern for every little stream that may be blocked temporarily during construction stage. Recommendations are being made to the project engineers that are working on the construction as to how that can be overcome.

Waters that may be temporarily diverted, again the small stream coming into the river at that point, special costs are incurred and special methods are undertaken to ensure that the construction leaves a minimal impact on them. These are the kinds of things that Manitoba Hydro is right now compiling and studying, and they will form part of the overall construction proposals for Conawapa.

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

Mrs. Charles: Mr. Speaker, when any dam is built the water flows impede the temperature difference between the top of the dam and the bottom of the dam. There always is a difference. This will affect fish, the fish will affect the ducks, and so on and so forth.

Will this Minister commit himself to being concerned about the environment, concerned about natural resources, and call for a complete review, because I do not hear of anything further than independent studies being undertaken by this Minister?

Mr. Enns: Mr. Speaker, I want to assure the Honourable Member that I will be very much concerned, because it is my department that has to deal, and is dealing, with situations, whether they occur 20 or 25 years ago on Cedar Lake, because of the dam constructed in 1964.

Mr. Speaker, I am equally concerned and delighted about the thousands of jobs this will create, about the opportunities this will provide for our northern residents where we have the highest unemployment rates in this province.

I am delighted with the economic benefits of a major \$5 billion project if it comes to pass. I have to remind Honourable Members of the House of the responses just given by the Minister responsible for Hydro. We believe it will come to pass, but an appropriate announcement will come when that is finalized. We ought to rejoice, we ought to be proud of our Crown facility in providing this kind of economic benefit for all Manitobans.

Fish Ladders

Mrs. Gwen Charles (Selkirk): Mr. Speaker, I am at least concerned about the environment and the wildlife. Will the Minister, because Manitoba Hydro does not include fish ladders in the construction of its dams, guarantee that in this dam site at least we will have fish ladders, so that fish can migrate and move up the Nelson River?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I will take that question as notice. I am simply not knowledgeable as to whether or not a fish ladder on these projects is possible.

Mrs. Charles: Well, Mr. Speaker, Manitoba Hydro says that fish do not migrate. I would hope this Minister will understand that fish do migrate.

Lake Winnipeg Levels

Mrs. Gwen Charles (Selkirk): Further, will the Minister guarantee that residents and cottagers along Lake Winnipeg will not be affected by increases in the levels of Lake Winnipeg because of this further construction of the dam?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, the site of the proposed Conawapa Dam is at roughly about 350 feet above sea level. Lake Winnipeg is at 714 feet above sea level, as of today. Before it has any impact on Lake Winnipeg you would have to put an awful lot of water, some 400 feet of water, from Conawapa to Jenpeg to bring about any level change on Lake Winnipeg.

Some Honourable Members: Oh, oh!

* (1355)

Mr. Speaker: Order, please. Order.

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

Mrs. Charles: Mr. Speaker, I really do take offence to the Minister's making light of concerns about the environment and water levels—

Mr. Speaker: Order, please. The Honourable Member does not have a point of order. The Honourable Minister of Natural Resources, on a new point of order.

Mr. Enns: I take offence that she is misinterpreting my responses as being lighthearted or as not taking seriously what involves—

Mr. Speaker: Order, please.

Mr. Enns: —the largest major construction project in the province, and that I take my responsibility as the Minister of Natural Resources very seriously.

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

Unemployment Insurance Commission Benefit Reforms

Mr. John Plohman (Dauphin): Mr. Speaker, I have a question for the Minister of Employment Services. At a time when the federal Government is cutting back on regional economic development through devastating and huge cuts at CN, Via Rail, and post offices, major cuts are also taking place at the Unemployment Insurance Corporation with Manitoba being hit harder than any other province, \$60 million reduction in benefits and 4,000 Manitobans who will be affected by these cuts.

In view of the fact that we have now learned, Mr. Speaker, that Saskatchewan, Alberta, and Ontario will benefit from improved sensitivity to regional disparities under the UIC changes, while Manitoba is singled out for harsh treatment, I ask the Minister of Employment Services what action she has taken to lobby against the discriminatory changes in Unemployment Insurance that are hitting Manitoba harder than any other province?

Hon. Charlotte Oleson (Minister of Family Services): The Member should recall that earlier this year, at about the time that there was an announcement of UI changes, there was a conference of Ministers of Employment across Canada with the federal Minister, at which time I raised this issue, and that Manitoba should be looked at carefully with regard to Unemployment Insurance, also that we should be favourably considered with training dollars to help to ease the impact of that.

Mr. Plohman: Mr. Speaker, this Minister has been totally ineffective on her representation as the announcements today indicate that Manitoba will be harder hit, and no changes have been made for amelioration.

Penn-Co Group Sprague Sawmill Closure

Mr. John Plohman (Dauphin): Mr. Speaker, in view of the fact that 60 employees are now being thrown out of work at Sprague as a result of the giveaway of most of Manitoba's merchantable timber in the Repap deal, I ask the Minister what study she undertook on employment levels in other parts of the province, and what representation she made to the Minister of Finance and to this Government before these timber resources were given away to the Repap company last spring?

Hon. Charlotte Oleson (Minister of Family Services): I would suggest to the Member that he perhaps look at his map of Manitoba and find out where Sprague is.

Mr. Plohman: Mr. Speaker, obviously, this Minister knows nothing about the issue. Penn-Co was involved at Sprague. They have shut down, partially as a result of the timber giveaway that was done at Repap at Swan River.

Repap Manitoba Inc. Cutting Areas

Mr. John Plohman (Dauphin): This is to the Minister of Rural Development (Mr. Penner). Why did this province give away this huge resource, hundreds of thousands of dollars of cubic metres of hardwood, without first determining the impact on the Parklands and other regions of this province in terms of employment and economic development?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. The Honourable Minister of Rural Development.

Hon. Jack Penner (Minister of Rural Development): Mr. Speaker, the Honourable Member for Dauphin (Mr. Plohman) should know, No. 1, that the resources were not given away when the agreement with Repap was struck. There was an orderly system of assessment in place and put in place when the Repap deal was struck.

It is also important to note that if the previous Government had taken proper precautions in the southeastern part of this province and implemented a proper replanting program, as we have said we would, and replace every cut tree that is being taken in that part of the province, there might be a resource now of harvestable timber to sustain that industry. However—

* (1400)

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, order. The Honourable Minister.

Mr. Penner: Mr. Speaker, Penn-Co has indicated that the timber resource in the southeastern part of the

province is not adequate to sustain the facility, in that part of the province. It is important that we take upon ourselves the responsibility as a society to make sure that we replant those areas that we harvest and cut.

Conawapa Project Employment Training Program

Mr. Herold Driedger (Niakwa): Judging by the answer by the Minister of Hydro, we may never find out whether there actually will be a sale or not, but I assume because of our Limestone experience that training programs are already being considered and strategies are in place to have our northern population well educated and well trained so that they can take active and meaningful participation in any new mega project, which will be made necessary by the hydro sale.

Will the Minister of Northern Affairs and Native Affairs (Mr. Downey) announce what specific programs are in place?

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, let me first of all assure the Member that there are programs in place that are concluding from the previous Limestone projects.

My colleague the Minister of Education (Mr. Derkach) may want to elaborate more.

Let me say as well that as indicated by the New Democratic Party that they themselves were not satisfied with some of the agreements that were in place under the Limestone program. I think it is equally as important to note that many of the people that have been affected in northern Manitoba by Hydro development still are without the kind of Hydro services that the people of southern Manitoba are enjoying. That has been a commitment of our province and our Government, and we will live up to that commitment.

Cutbacks

Mr. Herold Driedger (Niakwa): A caring Government, Mr. Speaker, would involve major departments in assessing the specific impacts of a mega project. Why has this Government downgraded the Northern Training and Employment Agency? That question is for the Minister of Education.

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, nothing can be further from the truth than the statement that has just been made by the Member opposite. Indeed, we have changed the Northern Training and Employment Agency to better reflect the needs of northern Manitobans and to ensure that in fact northern Manitobans get educational opportunities in northern Manitoba and that those opportunities are delivered and administered by northern Manitobans.

Conawapa Project Employment Training Program

Mr. Herold Driedger (Niakwa): Two Governments, and Conservative Governments alike, have been unable to

co-ordinate and promote the hiring of northern technology graduates out of community colleges. How is the Keewatin Community College going to be able to fill the need of providing skilled labour for a major Hydro mega project?

Hon. Leonard Derkach (Minister of Education and Training): Let me say that our Government has a commitment to ensure that northern Manitobans have every opportunity made available to them for education and training, regardless of what the projects in northern Manitoba may be with regard to Repap. Presently we have Keewatin Community College. The Thompson campus is working very actively in ensuring that northern Manitobans and Natives from northern Manitoba have opportunities for employment opportunities in the future with regard to Repap.

Mr. Speaker, it was the Liberal Party and the Leader of the Liberal Party that indicated that they would cut \$800,000 out of the ACCESS Program. How is that addressing the needs of northern Manitobans?

Conawapa Project Employment Opportunities

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I think the House has seen a miraculous metamorphosis in this Government. The announcement from the Minister of Natural Resources (Mr. Enns) that the development of our hydro resources was an important economic cornerstone in the development of our economy is a major policy change for the Conservative Government.

Mr. Speaker, my question is to the Minister responsible for Manitoba Hydro. The Minister of Education (Mr. Derkach) just said that every opportunity would be given to northern people for employment opportunities. Will the Minister now acknowledge that the Allied Hydro Council has already re-signed the collective agreement, that they have given themselves no opportunity for improving the employment opportunities, the preference opportunities in the collective agreement? Will the Minister now tell this House what he plans to do to make sure that what they say is possible will actually be possible.

Hon. Harold Neufeld (Minister responsible for The Manitoba Hydro Act): Mr. Speaker, we have said before, and I will say again, the employment opportunities for the Northerners and for the Natives in the North will be the same as they have been. The new agreement that has been signed ensures them at least the same opportunities that they had under the previous agreement. That is a minimum. If we can do more, we will do more. The Manitoba Conservative Government has indicated time and again that we are committed to the North and we will ensure that the opportunities are there for them.

Mr. Storie: Mr. Speaker, the Minister of Northern Affairs (Mr. Downey) just said that it needed to be improved. He did not even know that the Minister of Hydro had signed away the agreement.

Mr. Speaker, my question was to the Minister responsible for Manitoba Hydro. What is the Minister

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now going to do to correct the mistake he has already made? What is he going to do to make sure that Manitobans, northern Manitobans, Natives are actually employed at the Conawapa site? What is he going to do?

Mr. Neufeld: The moment I acknowledge having made a mistake I will announce what I will do to rectify it.

Free Trade Agreement Environment Funding Impact

Mr. Jerry Storie (Flin Flon): Mr. Speaker, my final question is also to the Minister responsible for Manitoba Hydro. The signing of the Free Trade Agreement changed the way we in Canada must do business. The previous construction of Bi-pole Two was done with the support of the federal Government. Manitoba Hydro believed that the construction of Bi-pole Three would also require some federal input.

My question to the Minister of Hydro is, has the Minister done, or has Manitoba Hydro done, any analysis of the potential impact of the Free Trade Agreement on federal contributions to Bi-pole Three, to environmental planning, or in fact to subsidies or supports for training initiatives the Government might finally undertake. Has he done any of that background research?

* (1410)

Hon. Harold Neufeld (Minister responsible for The Manitoba Hydro Act): As we indicated a year ago, Mr. Speaker, we do not think that the Free Trade Agreement is going to interfere at all with the export of power by Manitoba Hydro.

Gloria School—Hong Kong Opening Date

Mrs. Iva Yeo (Sturgeon Creek): The pact signed by the Manitoba Government for the Hong Kong school was an interesting one indeed, which we heard about last May. I found it even more amusing that on July 1, or the end of June, the Deputy Minister and another member from the department went down to celebrate the graduation. In light of the fact that the agreement was not effective until June 1, 1989, it is a very rapid progress to graduations. My question to the Minister of Education is, did this school actually open in September, 1989?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I must indicate to the Member for Sturgeon Creek that when my Deputy Minister went to Hong Kong and was invited to a graduation, it was not a graduation of the Gloria School of Hong Kong, it was a graduation of the elementary school in Hong Kong that was associated with the Gloria School, but was not offering the Manitoba curriculum. The school that we are talking about today is the Gloria School which is going to offer the Manitoba curriculum.

Mr. Speaker, because the signing of the agreement was rather late, the Gloria School informed us that they

were having difficulty in recruiting students. That has nothing to do with our Government. We simply gave approval that the Manitoba curriculum could be offered in the Hong Kong school. That is the end of our commitment.

Government Expense

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, how could this Minister sanction spending monies in the form of personnel who spent time organizing the Manitoba curriculum for such a speculative program?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I just do not know where the Liberals are coming from these days—

An Honourable Member: Oh, oh!

Mr. Speaker: Order, order. The Honourable Minister of Education.

Mr. Derkach: —and nobody knows where they are going. Mr. Speaker, yes, there was time invested by my department to investigate the matter before we gave approval for the Gloria School in Hong Kong to offer the Manitoba curriculum. I acknowledge that. Any time there is a proposal before our department, our staff will investigate and will spend their time investigating such proposals. Mr. Speaker, we authorized the curriculum to be taught in the Hong Kong school. That is the end of our commitment. Whether or not the Hong Kong school offers the Manitoba curriculum now is really up to them.

Manitoba Teachers

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, if the Gloria School did not open in September, what happened to those teachers, those Manitoba teachers, who were hired and were to be sent to Hong Kong?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, once again, those teachers were not hired by my department, those teachers were hired by the Gloria School in Hong Kong. They have a contract with that school and therefore their salaries would have to be paid. Whether or not they actually have students in that school today, I cannot respond to that because I do not have any knowledge of that.

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

ORDERS OF THE DAY

Hon. James Downey (Minister of Northern and Native Affairs): I would ask that you call for introduction of Bills for second reading in this order: Bill Nos. 59, 79, 63 and 80. Following that, Mr. Speaker, I would request that you call Debate on Second Readings of Bill Nos. 27, 31, 42, 34 and 6.

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SECOND READINGS

**BILL NO. 59—THE PUBLIC
SCHOOLS AMENDMENT ACT**

Hon. Leonard Derkach (Minister of Education and Training) presented Bill No. 59, The Public Schools Amendment Act; Loi modifiant la Loi sur les écoles publiques, for second reading, to be referred to a committee of this House.

MOTION presented.

Mr. Derkach: I am pleased to introduce Bill 59 for second reading. The Public Schools Act outlines the legal framework for the operation of schools in Manitoba, and through it every child in Manitoba is assured of a right to attend school. This Act was completely revised in 1980, and several amendments have been made to it since that time. Changing circumstances, emerging issues and evolving new practices in the education system require that further amendments be made.

Les changements que l'on constate au sein de notre société exige des modifications au système scolaire. L'adoption du projet de loi 59, permet que la loi sur les écoles publiques reflète ses changements.

(Translation)

The noted changes in the midst of our society require that modifications to the school system be made. The adoption of Bill 59, permits these changes to be reflected in the public school system.

(English)

This Government, Mr. Speaker, is committed to making the education system meet the needs of a changing society. Feedback from, and consultation with parents and the various organizations are extremely important if the system is to serve the students well. Parents have the greatest stake in education. They want to ensure that their children receive the best possible education in order to develop their skills, to take their rightful place in society, and make a strong contribution for the betterment of society. If the parents are to have a say in what their children are learning then they must have access to information on their children so that they can make intelligent decisions about the value of the programs in which their children participate, and what progress the children are making in the programs.

This Bill, Mr. Speaker, if adopted, will enable parents to gain access to such information which is kept in the school or by school board officials. Parents are also concerned that their children are protected from abuse. This Government is committed to the protection of children. Early in this Session amendments were made to The Child and Family Services Act clarifying the requirements that third party abuse be reported by those who have children under their care. Amendments in this Bill complement the changes made to The Child and Family Services Act.

The parents, Mr. Speaker, have a right to expect that those who have charge of their children do not abuse

the trust placed in them. Since the Minister of Education and Training is charged with the responsibility for certifying teachers, it is important that the Minister be advised of those who pose a threat to the well-being of children under their care, so that appropriate action can be taken. Again, Mr. Speaker, this Bill will require school boards to report to their Minister when they have knowledge of teachers being charged for abuse of their children.

Mr. Speaker, this Government recognizes the rights of parents to educate their children in an independent school. It believes that such parents are entitled to have a greater portion of their tax dollar go to such schools. Therefore, this Government is committed to increasing the funding to these schools. However, this Government also believes that greater accountability to the Government is required of independent schools. Accordingly, the amendments in the Bill will enable the Minister to expand the criteria independent schools must meet to receive additional funding. The staff from my department have been meeting with representatives from the Manitoba Federation of Independent Schools and good progress is being made on the development of this criteria.

Mr. Speaker, with the establishment of school divisions, school boards established a new education management structure to manage the affairs of their division. They can afford to employ a variety of experts to advise them on various aspects of education and supports necessary to carry out their education programs.

For example, they have schools administered by principals while superintendents administer the school divisions as a whole. In some school divisions consultants are employed in special areas. The school boards in remote school districts, Mr. Speaker, do not have the same resources to establish such a system. They still require the same assistance as they have in the past. A management structure unique to remote school districts, I believe, is essential.

Amendments proposed in this Bill will give school boards discretionary authority to establish a management structure unique to their needs. The Frontier School Division was established to administer education in areas not in any school district or school division north of the northern boundary of Township 22. Those areas, which are not north of this boundary and not part of the school district, are directly administered by the Minister or by an official trustee. The number of such areas has greatly decreased. These areas, like those in Frontier School Division, are unique and therefore could be part of this division which is set up to deal with extreme unique situations.

The Bill provides for inclusion of such areas in the Frontier School Division. All school divisions and school districts, except one in Manitoba, Mr. Speaker, elect school boards to govern their division or districts. The one school division that has the legislative authority to elect a school board is the Frontier School Division. I believe, and so do the people in Frontier School Division, that this division has for many years been ready to accept responsibility for the administration of its affairs. In fact, the people from this division have for many

years been requesting a change in governance. This division is a very unique one. Further, its residents would prefer to retain for election of a school board the system they now have for the election of their Central Advisory Committee which runs their affairs in the division. The Bill provides for enabling authority for the Minister to provide for an elected school board for the division.

Mr. Speaker, one other principal address by this Bill is the right to participate in a democratic process. Teachers, as do others, need to be encouraged to run for political office, be it at the municipal level or by the provincial level or at the federal level. Very often they will not do so because they are not assured of leave, and/or of retaining jobs should they be defeated. This Bill I believe provides greater encouragement to teachers to become involved to a greater extent in the democratic process of our province and our country.

Another emerging issue, Mr. Speaker, is the question of schooling at home. I am certainly not a proponent of this, however, I recognize some parents want to take on the responsibility of teaching their children. At the same time, I recognize the need to protect the interests of children. There is therefore a need to develop some regulation for better control of this type of alternative teaching, without establishing another education system. The Bill provides that the Minister will enable authority to establish this better control.

Finally, Mr. Speaker, this Bill has a few provisions which are merely of a housekeeping nature. I recommend Bill 59 to the Honourable Members of the Legislature for their consideration and for their adoption. Thank you.

* (1420)

Mr. Mark Minenko (Seven Oaks): Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry (Mr. Laurie Evans), that debate be adjourned.

MOTION presented and carried.

BILL NO. 79—THE MUNICIPAL ASSESSMENT AND CONSEQUENTIAL AMENDMENTS ACT

Hon. Jack Penner (Minister of Rural Development) presented Bill No. 79, The Municipal Assessment and Consequential Amendments Act; Loi sur l'évaluation municipale et modifications corrélatives, for second reading, to be referred to a committee of this House.

MOTION presented.

Mr. Penner: It gives me great pleasure to bring before this Assembly today The New Municipal Assessment Act, legislation that I might say Manitobans have been waiting for a long, long time, legislation which will bring Manitoba's assessment system into the 21st Century.

Successive Governments have spent, I guess, some 12 years or maybe even longer now, talking about the need to return fairness and equity to the way property is assessed across Manitoba, and about the need to

modernize the formulas which have become both outdated and antiquated.

Assessment reform, Mr. Speaker, began in 1979 with the establishment of the Manitoba Assessment Review Committee, otherwise known as the Weir Committee. In 1982 the Weir Committee tabled its report with some 160 recommendations in the Manitoba Legislature.

The Bill I presented to the Legislature is structured around four key recommendations of the Weir Report, that is moving to market value assessment and moving to frequent assessments, minimizing exemptions and standardizing the assessment process across the province. The goal of this Legislature is simple, to bring fairness and equity to the valuing of property for the purpose of taxation.

I sincerely believe that the new Municipal Assessment Act, specifically, and the assessment reform, generally, is a non-political exercise which all Parties recognize to be in the interest of property owners in Manitoba. The Manitoba Assessment Review Committee or Weir Committee, as it was known, identified to primary sources of the inequities which existed in the assessment process, therefore in distributing real property taxes on the assessment base. One of these problems was, of course, outdated legislation. Most provisions in today's Act date back to the early 1920s. As an aside, I might also say that The City of Winnipeg Act also contains assessment provisions which, with odd exception, have been transferred verbatim from The Municipal Assessment Act. Needless to say, the past 60 or 70 years have seen changes in real property based in Manitoba. On the rural side, changes have been dramatic. Obviously the amount of cleared land has increased tremendously, but so has the nature of the farm holding. While large acreage grain farms still dominate, specialty crops areas have come into existence and there has been tremendous growth in livestock and poultry intensive farm operations.

(Mr. William Chornopyski, Deputy Speaker, in the Chair)

As well, Mr. Deputy Speaker, there are also property holdings that are dominated not by the agricultural community but by recreation-based industry, and in some areas by urban commuters. In cities as well times have changed. Highrises, condominiums, strip malls, shopping centres, all have sprung up since the assessment legislation was written. In short, the existing statutes which guide the assessment process in Manitoba are out of date and fall short of providing fairness and equity in the assessment system. Fairness in value, current market value, requires that properties be valued at the price at which they would most likely sell in an open market. It is this definition which has been established by the courts, and it is one which continues to be the mainstay of our assessment program.

Although The Municipal Assessment Act has always prescribed that property be assessed at value, the inability of the assessment agencies to keep their records up to date has resulted in the failure of today's assessed relationships to reflect current market value conditions. The province-wide reassessments, which

will occur in 1990, will be the first time that all properties in Manitoba will be measured by a truly current level of value. Those assessments will be kept up to date through more frequent assessments around the province.

Historically, Mr. Deputy Speaker, neither the province nor the City of Winnipeg assessment authorities have had the staff resources required to keep assessed values up to date. The solution to that is the ongoing development of the Manitoba computer system. There are over one-half million properties on record in Manitoba, and the MACS computer system has been developed over the past two years to obtain and store substantial information on each of these properties. As of this moment, the system is in operation in all 10 of our assessment branch field offices. With its capacity we will, from 1990 onwards, be able to simultaneously reassess all properties in each of the 201 municipalities within the jurisdiction of the provincial assessment branch. Similar computer development within the City of Winnipeg is expected to provide the city assessor with the same capacity.

Finally, reassessments are the basis of equity in property tax assessments, and the continuing development of the computer system gives us that capacity. I am not sure, Mr. Deputy Speaker, whether you can hear me or whether I can hear myself at this moment, but there is a substantial amount of discussion going on in the background. You might want to deal with it.

This updating will bring fairness back to the assessment system. It may also generate significant shifts in the share of the total assessment base carried by different property types in the province. Over the years different properties have increased in value, as you know, at different rates. As a result, assessment reform means that some property categories will see their values rise at a faster rate than others. Those differences will be reflected in such a reform. The Weir Committee recognized and recommended that property classes be established to bumper any tax impact which would result with these shifts.

The Act also recognizes this and gives the Lieutenant-Governor-in-Council the authority to establish property classes. We anticipate some nine property classes will shortly be defined for this purpose by regulation under The Act. Within the property classes in place, the Lieutenant-Governor-in-Council will be given the authority to prescribe percentages of value which we refer to as portions for each of these property classes. It will be these portioned values against which municipal and school mill rates will apply.

As well, we have included in this legislation the ability for municipalities to phase in any increases to minimize the negative impact on taxpayers.

A second major area of concern to the Manitoba Assessment Review Committee was the standardizing of assessment process across the province. Although there is a separate legislation directing assessment in Winnipeg, and then again within the balance of Manitoba, there is in fact very few differences in the wording of these two statutes. Still significant

differences in interpreting the statutes and in the methodology employed by the assessor of the two jurisdictions has evolved over the years. Re-assessment intervals have differed significantly between Winnipeg and Manitoba municipalities. My Government feels it is important that there be consistency across the Province of Manitoba.

Although the new Act does not tamper directly with the existence of the two assessment jurisdictions, it does establish the authority of the provincial municipal assessor to dictate the standards under which assessments will be carried out province-wide. From 1990 onward all Manitoba property owners can be assured that a house on Portage Avenue in Winnipeg is valued at the same time, using the same standards, and through identical methods, as a similar house in any other community in Manitoba.

In brief, it will be the provincial municipal assessor's statutory responsibility to ensure that all property in Manitoba is assessed in accordance with this Act and any regulations established under it.

* (1430)

Although assessment itself is a reasonably neutral exercise of valuing property, its sole purpose is to provide the basis upon which real property tax is allocated. The Municipal Assessment Act, therefore, also contains direction to the assessor on which properties should be considered as liable to taxes, and which ones should be coded as exempt from taxes.

The Weir Committee noted that the question of liability of taxes created a built in inequity in the taxation process. Any exemption granted automatically results in a shift of tax burden to those properties subject to tax.

Having said that, we realize that the exemptions have existed since the first assessment statutes in Manitoba. A blanket removal of all exemptions was considered to be inappropriate by the Weir Committee, Mr. Deputy Speaker, and this Government shares that view. A re-examination of existing provisions has been conducted and I would like to comment on several changes we are bringing forward. The earliest assessment statutes in Manitoba directed that all land be liable to taxes, but that farm outbuildings and farm residences which met certain criteria be exempt. In addition, all other buildings in Manitoba were to be assessed at two-thirds of their value, creating a one-third exemption in the Province of Manitoba.

Although those provisions may have had merit in their day, their existence has led to a number of major inequities in today's taxation and real property base.

In an ad valorem system, taxes should be allocated on a relative value of one property to another. There is no rationale to that system which can explain why one-third of a highrise office building in the City of Winnipeg should be exempt from taxes. Similarly, it is equally hard to understand why a land-intensive farm in rural Manitoba with a market value of half a million dollars should contribute on the basis of that full value, whereas a building-intensive farm with the equivalent

market value should have all its buildings exempt from taxation.

Mr. Deputy Speaker, there are other inequities in the current assessment system. Take, for example, the exemption of a farm residence whose owner derives more than 50 percent of his or net income from farming.

Perhaps in 1920 all farmers derived 100 percent of their income from farming, and such exemptions at that time seemed logical, but this is not the case today, where many farmers and their spouses have some source of off-farm income to supplement what may be an extremely low or even negative net farm income.

In the interest of restoring that equity to the system based on the real property system as it exists in the 1990s there will no longer be exemptions for those properties I have just described. Equity within the farm property class will be achieved by updating these exemption provisions.

From a tax policy perspective, however, it has long been the position of this Government that the nature of the real property holdings in the farm community have resulted in farmers carrying a disproportionate share of the cost of education. That is why, as a complementary initiative, we are announcing that from 1990 onwards, the farm property class will no longer be subjected to the provincial education support levies. This change will be discussed at greater detail outside of my present remarks, but we do see it as a vital part of our assessment reform program.

Mr. Deputy Speaker, we have recognized other exemptions. Land holdings associated with schools and hospitals are quite different today than they were when the original Act was created. We have therefore increased the land exemption associated with these buildings to more realistically reflect the size of today's schools and hospitals, and the new provision directs that a flat 10-acre exemption be provided for all such institutions.

There is another property type that our current assessment Act does not address. Day care centres are a reasonably new phenomena and therefore no reference to them is found in today's statutes. It is my Government's view that day care centres provide a vital service to Manitobans and that the service shares similarities with other properties which have traditionally been exempt from real property taxes. Accordingly, my proposed legislation would exempt from taxation all non-profit day care centres licensed under The Community Child Day Care Standards Act.

Finally, Mr. Deputy Speaker, the Bill before us recognizes the importance that Manitobans have placed on our heritage. The City of Winnipeg Act, as it exists today, provides that designated heritage buildings undergoing substantial renovations shall receive an exemption from taxation during the period of renovations for a maximum of two years. The new Municipal Assessment Act extends that provision so that it applies to all Manitoba municipalities. This provision allows municipalities to work within the provisions of The Heritage Resource Act and through a by-law to designate heritage buildings, and if such

by-laws are passed, the Municipal Assessment Act provides tax relief through a renovation period.

In addition, it is recognized that the cultural landscape of Manitoba is dotted with now aging farm buildings of our pioneer settlers. Although these buildings no longer serve a functional purpose, they do have a very real value to the preservation of all our heritage. We have therefore provided in the Bill, Mr. Deputy Speaker, that permanently abandoned farm outbuildings of age 60 years and over shall be exempt from all real property taxation.

This part of the Act will be subject to ongoing review. It is our intent to continue examining this provision with the goal to reducing the number of properties which are exempt from taxation in the interest of the broader population who must make up the deficit.

It is not our intent, however, to create economic hardship for many of these worthwhile organizations by arbitrarily removing their exemption. Therefore we propose to work with those organizations and with Opposition Parties to proceed along this path.

Mr. Deputy Speaker, there are numerous other provisions of this Bill that I am sure will be of interest to all Members, more frequent assessment cycles, a move to province-wide standards, assessments that will reflect relative current market value, and the creation of province-wide property classes. Each of these measures as part of the new Municipal Assessment Act will ensure that municipalities will, at long last, be able to levy taxes in a fair and equitable manner.

I have provided all Members with a written and slightly more detailed summary of the new Bill, and I look forward to hearing their comments and suggestions on it. I, therefore, ask for support from this Legislature for this Bill and recommend it to the House.

* (1440)

Mr. Gilles Roch (Springfield): I move, seconded by the Member for Selkirk (Mrs. Charles), that debate on this Bill be now adjourned.

MOTION presented and carried.

BILL NO. 63—THE CONSUMER PROTECTION AMENDMENT ACT (3)

Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs) presented Bill No. 63, The Consumer Protection Amendment Act (3); Loi no 3 modifiant la Loi sur la protection du consommateur, for second reading, to be referred to a committee of this House.

MOTION presented.

Mr. Connery: I am pleased to introduce, for second reading, Bill No. 63 amendments to The Consumer Protection Act. The proposed amendments will provide for increased protection for consumers who enter contracts with health, fitness, modelling, diet, talent,

marital arts, and dance clubs, as well as, door-to-door sellers.

Mr. Deputy Speaker, in recent years numerous health clubs have closed their doors. We cannot prevent these kinds of businesses from going under, but we can soften the financial blow on the people who have contracts with these companies by imposing limitations on the terms and lengths of their contracts.

This department has observed a continuing problem that involves the sale of prepaid personal services. Examples of these types of services would include those businesses I previously mentioned.

In some instances these types of businesses have used high pressure sales tactics to sell their product or services. The seller may have played on a consumer's emotions by placing emphasis on the need to join a club so that the buyer's self worth, through better appearance, fitness or increased popularity, will increase.

Over the years, the department's Consumers' Bureau has dealt with many consumers who have signed multiple prepaid service contracts. Some of these people were pressured into re-signing a contract before the expiration of their agreement. In other cases, consumers were pressured into signing lifetime agreements.

In the end, Mr. Deputy Speaker, the result for some of these people was disappointing. In order to meet their contract obligations some consumers found themselves in financial difficulty. Others, with prepaid service contracts, lost the use of a service because the company went out of business. There were occasions where consumers wanted to cancel their contracts because of health reasons, or because of a need to relocate, but found they could not get out of the obligation for fear of taking a financial loss.

These are just some of the examples of the problems we have had to deal with over the years. Under my proposed amendments prepaid service contracts will be limited to a length of 12 months. This will help prevent businesses from signing customers to long-term agreements. Only one contract will be allowed to be in force for the same service at the same time. All contracts will have to include disclosure of information pertinent to the deal. Payment of any contract will be made in no fewer than two installments and equal installments. They will not be able to ask for the majority of it up front and have one other payment six months down the road at a very low rate.

We have also included a provision for an increased cooling-off period. Under the amendment the cooling-off period will increase to 10 days from four days. Consumers will be able to cancel their agreement by providing the seller with a written notice stating their intention to cancel. No reason for cancellation need be given. We feel this cancellation provision will be extremely beneficial to all Manitobans.

This provision will give all consumers the time to reflect upon their decisions to sign a contract. It would also give them time to cancel, especially if they had been subjected to high pressure sales tactics, and in

the case of seniors it puts at least one weekend in-between the signing and the actual time the contract would be in place, so at least they would have an opportunity to discuss it with family.

As you know, direct sales are normally transacted in the home where consumers may be more susceptible to high pressure sales tactics or other suspicious selling practices. Senior citizens, widows, rural Manitobans are often targets of the few unscrupulous direct sellers who may be operating in the province. Extending the cooling-off period will cause problems only for those sellers who engage in questionable practice.

Mr. Deputy Speaker, this Bill is not designed to affect any normal honest business. It will only affect those who are trying to extract money from the consumer in a devious way or in a way of high pressure. The 10-day cooling-off period will help to eliminate pressure selling and impulse buying. A mandatory one year contract term should reduce the amount of financial loss should a health, fitness or dance club close.

I believe these amendments will go a long way towards protecting the consumers of this province.

I was somewhat dismayed to read in the paper that the Member for Elmwood (Mr. Maloway), who is the critic for the New Democratic Party, said that the provisions are identical to those the NDP proposed last year. Well, there are three pages to that Member's Bill and there are 10 excluding MSRP.

What the Member for Elmwood has done with all of his Bills is picked up the Bills after the previous Government was defeated—Bills that were in draft form, immature Bills that were not ready to be presented to the House—and just had them printed and tabled as Bills, misrepresenting them as Bills that he had drafted.

Well, they were not drafted by the Member for Elmwood they were drafted in the department, and they were rough drafts that were not ready.

So it is rather uncomfortable to see a person who was counselling; counselling people in the community and giving them misinformation as he has done on so many occasions.

For instance, him quoting and saying that intra-provincial companies cannot be sued by Manitobans and suggesting that the Brick Warehouse could not be sued by Manitobans. What the Member did not do was look up the definition of intra-provincial companies, which says companies that are incorporated in Manitoba or under the laws of Canada. The Brick Warehouse is incorporated under the laws of Canada, so the Member is quite erroneous in many of the statements and I think really irresponsibly so.

Mr. Deputy Speaker, the Member has introduced several Bills. They could have been introduced as part of The Consumer Protection Act or The Business Practices Act, but I guess to take a look and have a lot of Bills in place and to say, hey, I am Mr. Consumer, as he likes to pretend to be, that the more Bills you have introduced the more conscious you are. Well, I can tell you that some of his Bills are unconscionable.

* (1450)

He talks about a Bill with deposits—and I had some sympathy with the deposit Bill, but not in the way that it has been brought forward where he would have, any money over \$500 would have to be put in a deposit. He also suggests that deposits—these would now become trust deposits—could be put into banks, trust companies or credit unions. Well, he is right in one out of three, because only trust companies can take trust money. The other two are deposit takers, and therefore, would not be truly trust deposits under that.

He also suggested that no deposit over 20 percent be allowed. It would be ludicrous if somebody wanted a special carpet, such as in this room, and only 20 percent down was required and that individual then thought better of it and did not want it, could cancel that at a cost of only 20 percent.

The deposit situation is one that needs an awful lot more research before we come forward. We are concerned about people losing their deposits as our department—and we are looking at it, we do not think the Member's Bill is the way to go.

The Member said his Bill was identical. Well, there are several other ways that his Bill does not compare. For example, the present Act limits purchases that come under the Legislation to \$25,000.00. His Bill makes no mention of this cap, where we have removed the cap to allow all of these to take place so that all consumers, whatever their costs were—to take place.

The Member, in his Bill, increased the cool-off period to seven days. I do not have a lot of argument over it. It is just a matter of arguing which is the best, four, seven, 10. We thought 10 days would make sure we got through one weekend, and for that reason we went to the 10 days.

With respect to prepaid services, his Bill, Bill No. 22, potentially lacks some precision and could lead to some problems. Bill No. 63, our Bill, excludes golf, curling and racquet clubs, whereas Bill No. 22 does not. The issue here is that these sorts of clubs have operated on other than a fee-for-service basis for many years and have not caused the type of problems contemplated by these Bills.

So once again, the Member's Bill is a very immature, very flawed Bill, which should have had a lot more consultation before he brought it forth as a mature Bill.

Mr. Deputy Speaker, the one thing we do not have in our Bill is where services are to be provided, such as the European Health Spa in north Winnipeg that closed that particular facility down, but still has several other facilities in Winnipeg so people can still partake of the services, but they will maybe have to drive a long distance.

I agree, and the Member for Seven Oaks (Mr. Minenko) raised that question in the House, that people might have to drive halfway across Winnipeg to get the services they paid for. I agree with the Member that it is not a fair situation. Yet we have some difficulty in how to phrase something when there are many, how we would prevent it, and I am prepared to entertain amendments if they can come up with something. We are quite prepared to look at amendments to prevent that sort of thing happening—

An Honourable Member: Oh, you are being very generous.

Mr. Connery: Well, we are trying to protect the consumer, and I will entertain any suggestions that will prove any Bill that I bring forward—

An Honourable Member: We never had an NDP Government again.

Mr. Connery: That is right. Well, there is no need for that kind of silliness. We have had enough of that stuff.

Our Bill No. 63 allows for cancellation privileges within 10 days of signing a contract, whereas the Member for Elmwood's (Mr. Maloway) Bill, Bill No. 22, is silent in this regard. This is a very important provision because of the nature of the business.

There are cases reported to the Consumers' Bureau where high pressure tactics have been used to sell contracts. Once those contracts have been signed they do become difficult to cancel, in part because they are indeed a contract and also because in certain cases the contracts are sold as commercial paper to finance companies.

This Bill will, therefore, not prevent the signing of contracts where both parties are willing and able to complete the contract, but like some direct sales, I believe added recourse is necessary for the public.

Well, Mr. Deputy Speaker, that concludes my comments. I recommend Bill No. 63 to the House for speedy passage. I would ask both Parties to review it.

If they have some concerns I am prepared to entertain some discussion on them and would look forward to having this Bill passed fairly quickly so we can have it in place to protect the consumers of Manitoba.

Mr. Jim Maloway (Elmwood): After that speech I just felt obliged to respond. The Minister is somewhat hypocritical here. This Government, Mr. Deputy Speaker, has had a year and a half to bring in comprehensive consumer legislation, and what has it done for the last 16 months? It has done nothing. All we have seen so far, and what we have in front of us today is a Bill that does not even do as much as our comparable Bill does. Our Bill, like the Minister's Bill, provides for a cooling off period on direct sales. Our Bill, like the Minister's Bill, provides for a limit on personal service contracts to annual renewable terms, and it does provide for payments of at least two equal payments. But that is where the major similarities end.

Another major part of our Bill is the requirement that motor dealers in Manitoba keep the retail price stickers on their windshields until those cars are sold to the final purchaser. That is not in the Minister's Bill. His Bill only goes two-thirds of the way that our Bill does, and perhaps in terms of priority the sticker price question may even be more important, in some senses.

Mr. Deputy Speaker, I wanted to deal with some of the other comments that the Minister made, but I did want to make further comments on some of the provisions of the Bill itself. The cooling-off period in

Saskatchewan is, in fact, 10 days. We considered that last year when we introduced the Bill, and it was felt at that time that to get this Government to move anywhere was difficult at the best of times, but that the best we would expect from this Government would be a seven-day amendment, and to their credit, we have a 10-day amendment and we will accept that. But that, once again, is only a minor, minor change, and I think the Minister should recognize that.

In the area of personal service contracts, Mr. Deputy Speaker, this problem has been around a long time. People have been signing lifetime memberships for various clubs and spas, and people on Social Assistance, and poor people in our society have been signing these agreements and have been unable to get out of them. This is a need that has been identified long ago, and we have attempted to resolve that in our Bill last year, and this Government chose to ignore that Bill last year, and now belatedly after a problem with European Health Spas in north Winnipeg, here we see this provision appearing in their Bill, and I am certainly glad that provision is in there.

* (1500)

Mr. Deputy Speaker, they have managed to leave out probably the most important part of that Bill. So how dare they even suggest that their Bill is equal to ours. Ours is at least one-third better than that of the Minister, and we hope to cure that and receive support from the Government or the Liberal Party in this Legislature at the amendment stage in committee, because at that point I intend to introduce the amendment that the Minister forgot to include in his own bill, and I assume it was probably just an oversight. But I intend to introduce the amendment whereby motor dealers in Manitoba will be required to leave the sticker prices on their new cars until the final purchaser drives the car off the lot.

Mr. Deputy Speaker, if I might just give a bit of background on that particular provision, this particular rule has been in force in the United States for many years now, and in Ontario for a number of years as well, and we have gotten letters over the last while encouraging us to act on this area. Just last November 30, 1988, we received a letter from Art Elias, who is I believe the President of Hayhurst Elias Dudek Incorporated, who are insurance brokers in Winnipeg. In the letter that he sent he said that he recently purchased a fairly expensive car after three weeks of haggling and playing two dealerships against each other, which he had found from previous experience was absolutely essential to get anything approaching a reasonable deal, he ended up paying almost \$4,000 less than the initially quoted trade-in price. Then, when the sales contract was written up the price shown for the new car is \$4,500 less than what the dealership initially told him the price was on the new car. He said it is annoying and unfair, as I felt this to be. What counted more to me was the net difference I was paying.

A few years ago there was some publicity about an elderly gentleman paying an outrageously high \$28,000 or so price for a new Pontiac he bought from McNaught Pontiac. He goes on to say he has no problem with

any auto dealership or any other type of business making a profit, and thus being able to provide the employment they do, but nowadays owning a car is almost a necessity. Regardless of the unfair games these dealerships play in jacking up the manufacturers list price, some people can handle themselves. However, I am sure that many, in particular seniors, young people and others who do not understand how to play those games pay far more than they should and far more than necessary for the dealership to enjoy a fair markup and a fair profit.

I understand that Ontario and some other provinces have legislation requiring the manufacturers suggested list price to be clearly displayed—

Mr. Deputy Speaker: Order, please. Order. I would remind the Honourable Member that reading speeches is prohibited by Rule 29.

Mr. Maloway: Mr. Deputy Speaker, I was just concluding from a letter that was sent to us, one of several that we have received concerning manufacturers suggested retail price fixing. The fact of the matter is that when the new cars are brought into Manitoba and they are taken off the trailers—in fact, the motor dealers in Manitoba pay staff to remove the stickers and affix their own stickers on the windshield of those cars and in fact those stickers commonly have the price increase \$2,000 over what the manufacturer's suggested retail price is.

We have examples of people who have gone to Kenora, Ontario and found that, even after \$2,000 was taken off the Manitoba dealer's price, they were still on a par with what the manufacturer's suggested retail price was on the sticker on the windshield of the Ontario car in Kenora. I think that the Minister should take a trip to Kenora and perhaps check these out if he does not believe me. He knows that these situations occur here in Manitoba and he is prepared to sit idly by and allow this situation to continue on into the future, and that is not, in my opinion, what I would consider a lack of commitment on the part of the Minister of Consumer and Corporate Affairs.

Now, Mr. Deputy Speaker, he made reference in his comments to deposit legislation and we feel also that this legislation is lacking in that area, and this is also an amendment that should be made to this legislation at the committee stage.

Over the past year I have certainly detailed many, many examples of people who bought sunrooms and other products from businesses in Manitoba and who paid more than 20 percent of the selling price of the item up front as a deposit and then, when the company went bankrupt, these people were left without the sunrooms that they had ordered. In fact, we have one situation, I believe in the north end of Winnipeg, Mr. Deputy Speaker, who for an enticement of a 10 percent reduction, signed a contract with this sunroom builder and paid the entire amount up front. That person today lost a substantial amount of his retirement savings, I believe, \$10,000 or \$11,000 in this deal and has nothing to show for it. That is why we brought in the Bill dealing with deposit legislation, and we made it very reasonable.

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We checked with businesses in this province and we determined that a 5 percent or a 10 percent deposit was in fact too little for the business. We determined that 20 percent of the purchase price of a product was sufficient and most retailers, if you would just take the time to check with some of them, will tell you that 20 percent is enough of a down payment to be taking on any product. In fact, any business that requires more than 20 percent of a product up front for cash flow then is suspect, because a business should not have to rely on customers' deposits for the cash flow. A business should be able to obtain credit from its suppliers—most businesses do for at least 30 days—a business should be able to obtain bank loans from the bank, lines of credit from the bank, and should not be relying on deposits from people to carry on its business.

If it is down to that level where it is relying on deposits in excess of 20 percent to fund its contracts, then it has a solvency problem to begin with. So the level of 20 percent is certainly a reasonable amount, and it was on that basis -(interjection)- Well, then let the Minister—

The Minister feels that 20 percent is not enough. I would suggest, Mr. Deputy Speaker, that when we get to the committee, if he feels that 20 percent is not enough then he can amend my amendment and he can bring it in at 30 percent or 40 percent. The next time a senior citizen loses 50 percent and 60 percent of his money because of uncompleted contract, then let it be at that Minister's doorstep, and let it be at the Member for Seven Oaks' (Mr. Minenko) doorstep as well, if he supports that kind of action.

Mr. Deputy Speaker: The Honourable Member for Seven Oaks, on a point of order.

Mr. Mark Minenko (Seven Oaks): Mr. Deputy Speaker, I would ask the Honourable Member for Elmwood (Mr. Maloway) to withdraw his last comments in the sense that they are certainly casting the impression upon this Member of not supporting legislation to ensure that people are indeed supported. I would suggest that yourself ask the Honourable Member to withdraw that comment because he knows it is indeed incorrect, and casts negative aspersions and it is not a dispute over the facts. He is casting negative aspersions on this particular Member.

Mr. Deputy Speaker: A dispute over the facts is not a point of order. The Honourable Member for Elmwood has the floor.

* (1510)

Mr. Maloway: I am very happy that the Minister walked into that one, Mr. Deputy Speaker, because the Liberal Party were in complicity with the Government last year. They sat on their hands and they stalled, and they allowed these Bills to sit here while all of these things

have been happening, while the European Health Spa has ran into problems; while pyramid marketing schemes have been operating in Manitoba; while people in the north end have been losing money on these - (interjection)- Well, they sat there, at least this Government in a very small way is making an initial step.

Some Honourable Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Honourable Member for Seven Oaks.

Mr. Minenko: Mr. Deputy Speaker, again I would like the Honourable Member to withdraw those comments because he knows indeed that they are incorrect. He should again look at his own record and the record of his own Party before commenting on others.

Mr. Deputy Speaker: Again I repeat, a dispute over the facts is not a point of order. The Honourable Member for Elmwood.

Mr. Maloway: Mr. Deputy Speaker, the Liberals are obviously a little sensitive. They sat here for 16 months and did nothing. As a matter of fact, they changed their position on a whole number of the Bills.

I can show you copies of Hansard, where one day they took one position, one of their critics. The next week they changed critics and they had another position—absolutely ridiculous.

The Member for Seven Oaks should not be standing up on points of order. He should be cowering in the corner; he should be apologizing for his lack of inaction. All last year he did nothing, so he is the last person who should be standing up on points of order.

This Government has done very little, but since they changed Ministers and dumped the Attorney General (Mr. McCrae) as the Minister of Consumer and Corporate Affairs and got this new Minister, they have at least started out with a little smidgen of hope.

Mr. Deputy Speaker: Order.

An Honourable Member: Smidgen. They have taken over your legislation.

Mr. Maloway: They have copied a piece of our legislation, just one small part, but we hope to give them the opportunity when we get into committee to bring all that good legislation back in as amendments on their Bill, and we expect that they will support it.

In fact, I do not want to write the Liberal Caucus off yet. It is too early in this Session. I think that they may see the light. The Member for Fort Rouge (Mr. Carr) has a more moderating influence on that caucus as time goes by and I think he may talk some sense into him or bring him along, if for no other reason than it

is good politics, and they see that. It took the Government a long to see it, it took the Liberal Caucus even longer. The Government has seen it and I think that the Liberals will see that. The Liberals will see that the Government has seen the light and the Liberals will come onside as well.

Mr. Deputy Speaker, deposit legislation limited to 20 percent of the selling price is not unreasonable at all. The question of whether these deposits can be put in trust, and can only be put in a trust company, I think the Minister is not sure what he is talking about here. Real estate companies across Manitoba have to keep trust accounts and lawyers have to keep trust accounts, and I do not think that he would suggest to me that those are all in trust companies only, that they are not held in banks, real estate brokers. He was saying that trust companies are the only people that could handle these deposits. Incredible, incredible, as if real estate brokers could only deal with trust companies, as if lawyers can only deal with trust companies. Goodness gracious, Mr. Deputy Speaker.

Mr. Connery: On a point of order, Mr. Deputy Speaker, is it possible we could adjourn the House to get rabies shots while the Member continues?

Mr. Deputy Speaker: The Honourable Minister does not have a point of order. The Honourable Member for Elmwood has the floor. The Honourable Member for Thompson, on the same point of order.

Mr. Steve Ashton (Second Opposition House Leader): I would hope, Mr. Deputy Speaker, that you would advise Members that it is not appropriate to rise on supposed points of order, and make those type of statements. I take great offence, Mr. Deputy Speaker, at the comments of the Member previously because interruptions in debate are not appropriately raised as points of order, and that is all that Minister's comments were.

Today we have heard three supposed points of order that were nothing more than interruptions in debate, and I would hope you would advise Members of the sections of Beauchesne indicate quite clearly that there should not be this type of abuse on a point of order, and that points of order should only be in reference to legitimate breaches of our orders and rules, something that the last three points of order have not done. It is a very serious matter and I would hope that you would advise Members, particularly the last Member, that that kind of comment is totally inappropriate in this House.

Mr. Deputy Speaker: I thank the Honourable Member for that advice. Order. Order, please. I would remind all Honourable Members that points of order should relate to some breach of the rules or it is not a point of order. The Honourable Member for Elmwood has the floor.

Mr. Maloway: Thank you, Mr. Deputy Speaker. Before I continue, I make the assumption that these points of order are not being taken from my time. I would also ask you if you could tell me how much more time I have?

Mr. Deputy Speaker: The Honourable Member has approximately 20 minutes remaining.

Mr. Maloway: Thank you, Mr. Deputy Speaker. I was merely disagreeing with the Minister's comments a few minutes ago whereupon he suggested that all the businesses in Manitoba would have to deal with trust companies under this Legislation because they are the only people that could hold these \$500 and up trust monies in trust, and I was suggesting that was totally wrong.

Now, Mr. Deputy Speaker, as I had indicated, our legislation limited the deposits to 20 percent, which we felt was fairly reasonable. It required that the deposit be required to be held in trust, assuming they were over \$500.00. We did not feel that that would be onerous on the business in terms of bookkeeping. We certainly agree, if the Minister would listen, if the Minister of Consumer and Corporate Affairs would pay attention, I would let him know that we set it at \$500 so that the business would not be tied up in bookkeeping and so on as would be the case if deposits of \$50 and \$100 and \$200 had to be held in trust. That is why we put it at \$500.00. So for him to run around and suggest that this is going to provide a big bookkeeping hassle to businesses is nonsense, absolute nonsense.

* (1520)

Now, the final point on deposit legislation that he alluded to had to do with the exclusions. Mr. Deputy Speaker, to be helpful, last year we excluded a number of custom operations, as I have indicated before many times, the tombstone business—we excluded them because what do you do with a tombstone after it is made, and the person decides they do not want it? So we excluded that from the Bill. It is not part of the Bill. We invited the Minister and other members of committee to exclude other businesses that they felt would have a problem. We took out all of the people who made representations the last go around in committee. The Minister chooses to ignore that. We did not want to put in an amendment. We did not want to put in the Bill an exclusion for custom-made items, because if we did that, then all businesses would do that. They would say, well, we are not under this Act because we are a custom business. So you cannot do that; you do not want to start out doing that.

Certainly that provision of the Bill, the exclusions, can be dealt with at the committee. For the Minister to make a big fuss about a minor thing like that in the introduction of his piddly little Bill that does not even deal with deposit legislation is absolutely silly. He strayed further afield when he got into the issue of Brick's. Now he should not want to be bringing this subject up too often because his record is very, very sorry in this

area. The Brick Warehouse has been operating here contrary to The Business Names Registration Act, Mr. Deputy Speaker, for 16 months. In fact, the fines under the provisions of the current Business Names Registration Act would be in the neighborhood of over \$25,000 per director of The Brick Warehouse. If the Minister is concerned about deficit reduction, all he has to do is enforce his own Act, his own Business Names Registration Act against this company and collect some of these fines, \$25,000 per director.

The Minister should pay attention when I draw his attention to some misinformation that he talked about that he suggested that I put it on record, and I have been waiting for him. I have been waiting for him since the day after the last Question Period where this item came up. He was sitting here all prepared with his answer, and he finally, a month and a half later, has found an opportunity to talk about it. Well, Mr. Deputy Speaker, I had a response for him then and I have that same response for him now. The fact of the matter is that the information I was operating on at that time was—and I believed the Brick Warehouse Corporation was an extra-provincial company, because this corporation described itself as an Alberta company when they filed their statement of claim against Brick's Fine Furniture Ltd. in January 1988. In other words, seven months previous in May 26, 1987, they became a federal company.

The fact of the matter is, Mr. Deputy Speaker, and to the Minister, Brick Warehouse of Calgary misrepresented on their own statement of claim. So I think that the Minister should check further into that. So the Minister, while he is technically correct, the fact of the matter was that he could see how a mistake could be made when the company he has been supporting, backhandedly supporting for the last 16 months, gave the wrong information seven months later.

I would like to know why there is one law for Brick Warehouse of Calgary and why is there another law for everybody else, every other business in this province.

What is the point of a business registering their name, going through the trouble, employing lawyers, registering their name when in fact a business like Brick Warehouse of Calgary can walk in, flaunt the law for 16 months and have this Government in its hip pocket? This Minister and the former Minister are in the hip pockets of Brick Warehouse of Calgary. There is no question about that. The average business in Manitoba looking at this must shake their heads. I mean, if people in our business community realize what this Government has done in the last 16 months in ignoring a blatant infraction of their own Business Names Registration Act, it is just incredible, Mr. Deputy Speaker, it is just incredible.

The fact that the fines, while they did not amount to much a month into this thing, would now come up to over \$25,000 per director of the company. How long is the Minister going to allow this condition to continue? How long is this Minister going to sit idly by while this company runs rampant? In fact, Mr. Deputy Speaker, they were so brazen that when, after they set up here last summer, last August, they set up a store in Brandon West right under the nose of the Attorney General (Mr.

McCrae), who was also the Minister in charge of this Act, and the Minister at the time ignored the action after numerous pleas on the part of the little Brick's in Winnipeg here.

Fred Brick and his wife have been fighting this company for all this time and getting nothing but some sympathy from this Government, but no direct help. That is right, crocodile tears and nothing more. Meanwhile, this company has been in here, saturation advertising, attempting to drive this little company out of business, drive them out of business, and the Minister hopes that if he waits long enough they will just disappear, because if they go bankrupt he will not have to worry about it any more. The problem will be solved. Is that his strategy? Is that the secret Tory agenda, wait long enough and allow the little Brick's to go out of business? Then he can say, well, we solved the problem. It is not around any more. If he waits long enough, that is what will happen.

I know there are differences of opinion in the Conservative Caucus. I know there are differences of opinion in the Conservative Caucus on this matter, and I know there are a few Members of that caucus who are supportive of local trade. They do recognize that local trade is a provincial responsibility, and they would be prepared to stand up to the federal Government. They would be prepared to stand up and defend provincial rights, but not this Attorney General (Mr. McCrae), not at all. He is in league. He is in league with this company from Alberta, as is his federal Party. This company has its head office in the constituency of the Consumer and Corporate Affairs, Mr. Harvie Andre, and there has been stiff resistance all along on the part of the federal Government to doing anything about this. So these two Governments are in league with one another, the federal Conservatives and the local.

While now the Minister is referring relevancy, the Minister is talking about relevancy, he is the one who brought up Brick Warehouse. He is the one who made comments about Brick Warehouse in the introduction of his Bill. I am simply responding to his comments, so I am merely responding to the Minister's comments as the critic for our Party. I am responding to his comments. I did not get into the area of Brick Warehouse, he brought it up. He brought it up because he has been dying to get this bombshell that he has been holding for the last month and a half in his briefing notes. He has been dying to get this thing on the record, and I have been dying for him to do it because I had my response ready and he has done it.

So, Mr. Deputy Speaker, I wanted to spend the last seven or so minutes I have dealing with some of the other areas of this Bill that I think need some addressing. We have introduced, on this side of the House, a Bill dealing with "lemon law," a Bill designed to provide for new cars only. If a new car proves to be a lemon out of the factory, or out of the dealership, then a buyer of that car will have an opportunity—the dealer has three opportunities to either repair the car or refund the purchase price of the car. If in fact, after three opportunities, the car is still not working then the dealer must return the money or give a new car.

Now this legislation is in effect in 45 states of the United States, and our Bill was patterned on the Florida law, which was passed this past January, the toughest law in the United States.

The Minister of Housing (Mr. Ducharme) in this Government, when he was the critic for Consumer Affairs for those two years that he was in Opposition, talked about lemon law in each of his speeches before the House. Where is this Government now, Mr. Deputy Speaker? Where are they now? He talked in each one of these speeches about lemon law, the need for it, how Ontario had such a law and how, upon gaining Government, he was going to rectify the situation. He identified it as the most serious consumer problem in Manitoba, lemon law. I sat in our backbench wondering what he was talking about, because he constantly came up with this idea.

Now they are in Government. He is the Minister of Housing, and where is the lemon law? He leaves it to an Opposition Member to bring it in on a Private Members' Bill. So much for this Government, so much for their commitment. So much to the Member for Fort Rouge (Mr. Carr)—and he agrees with me—so much for their commitment when they were in Opposition, to enacting the legislation they talked about when they were in Government.

* (1530)

We have seen their about face on the French services issue last week, and we saw their about face on Meech Lake a few months before that. You know, it is the old shuffle. It is the old shuffle this Government is engaged in, trying to change their image. It is a miracle they do not have the Health Minister on the backbench, but they certainly have him off to the side, and they have been trying to tone him down, calm him down.

I think they have worked his image rather well, I must say. He has turned into a pussycat. He used to be quite a -(interjection)- yes, well some would say a loose cannon, but certainly a very incisive questioner and active Member of the Opposition when he was over there. Now he is a neutered pussycat, he is neutered. He does not even dare step out of line, Mr. Deputy Speaker, because they have him under control. They have put him in his cage and they have neutered him.

These are what the professional advisers have told them is necessary. This is the formula. This is what is necessary to moderate the image, to make them look more electable, to try to get that second term. They had to take the animals and put them in their cages and neuter some of them in the process.-(interjection)-

Well, the Minister of Health (Mr. Orchard) is an experienced individual in this House and has a pretty thick skin, and I know I can say things about him that I could not say about other people in this House. I know he has a thick skin, and I am certain he will tell me if he feels that I am getting out of line in my comments about him.

Well, Mr. Deputy Speaker, I could continue for some time on a whole range of other areas that this Government has neglected in terms of legislation, and

I feel that when this Bill gets to committee the Government should be prepared, and the Minister should be prepared to accept the constructive amendments that we are going to propose.

They certainly cannot say they have not known about them as they did with our changes to The City of Winnipeg Act last week. They certainly cannot suggest they did not know about them, Mr. Deputy Speaker, because we have had this legislation before the House for 16 months and they ignored it last year. They ignored it. They did not even allow it to pass to committee, they rarely debated it. The Liberals, in particular, when they did debate it were all over the map on this stuff.

They have had 16 months now to come up with a position, and I want to give them that opportunity. I want to see this Bill go to committee so we can discuss it in committee, we can bring forward our amendments. Hopefully the Liberal Party will see the light with proper new direction from the Member for Fort Rouge (Mr. Carr), and perhaps we can pass these Bills and get on with good and proper consumer legislation in this province.

(Mr. Speaker in the Chair)

Mr. Minenko: Mr. Speaker, I move, seconded—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. The Honourable Member for Seven Oaks.

Mr. Minenko: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry (Mr. Laurie Evans), that debate be adjourned.

MOTION presented and carried.

BILL NO. 80—THE CIVIL SERVICE SUPERANNUATION AMENDMENT ACT

Hon. Gerrie Hammond (Minister responsible for The Civil Service Superannuation Act) presented Bill No. 80, The Civil Service Superannuation Amendment Act; Loi modifiant la Loi sur la pension de la fonction publique, for second reading, to be referred to a committee of this House.

MOTION presented.

Mrs. Hammond: I am pleased to introduce Bill No. 80, The Civil Service Superannuation Amendment Act.

The Civil Service Superannuation Act covers over 30,000 public servants and approximately 7,000 pensioners. Approximately one-half of the employees are civil servants while the remainder are employees of various Crown corporations, boards and agencies. Employers include large Crown corporations such as the Manitoba Telephone System and Manitoba Hydro and smaller agencies such as the Manitoba Energy Authority, and the Manitoba Research Council.

The Civil Service Superannuation Fund currently has assets in excess of \$800 million, which places it among

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the top 30 pension funds in Canada. An actuarial evaluation of this fund, as of December 31, 1986, determined that the assets in the fund exceeded the accrued obligations of the fund by almost \$32 million. It is in this context that I introduce these amendments to The Civil Service Superannuation Act.

The key changes to the Act incorporated in this Bill are: transfer of the approximately \$32 million surplus in the Superannuation Fund, as at December 31, 1986, to the inflation adjustment account; recognition in the legislation of the Employee Liaison Committee and the Employer Pension and Insurance Advisory Committee and; provision for employers to pay one-half of the administration costs of the fund.

These changes come after lengthy discussions with the Employee Liaison Committee, the elected body that represents employees and pensioners participating in the Superannuation Plan, and the employer task force on the pensions, which represents employers participating in the plan. The changes have unanimous support of both groups.

The transfer of the surplus to the adjustment account will provide additional funding for cost of living adjustments. This will help to ensure that the incomes of pensioners are protected throughout their retirement years.

The actuary for the Superannuation Fund has determined that the approximately \$32 million surplus is not needed to meet the accrued pension obligations under the Act, now or in the future. As with any actuarial determination a significant amount of caution has been used by the actuary to ensure that the fund remains adequately funded.

Formal recognition of the employee and employer committees, charged with the responsibility for discussing pension changes, will more clearly establish the important role that they undertake in the provision of effective and responsible pension coverage for public servants in Manitoba. Provision for employer payment of one-half of the administrative expenses of the Civil Service Superannuation Fund will bring the plan into line with other Canadian public and private sector plans.

* (1540)

Employers fund at least one-half of the administrative expenses of other provincial pension plans in Canada, as do employers under the other major public sector plans in Manitoba.

The Bill also contains a number of amendments of an administrative, or housekeeping nature that were recommended by the Superannuation Board. These amendments serve to clarify the meaning of various sections and provide for more streamlined and responsive administration of the plan.

All of the amendments have been reviewed by the plan's actuary to ensure they are sound and comply with relevant legislation. These amendments will not require any adjustment in the contribution rates for any of the participating employee and employer groups.

Mr. Speaker, I recommend Bill No. 80 to the House for consideration and speedy adoption.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I move, seconded by the Honourable Member for St. James (Mr. Edwards), that debate be adjourned.

MOTION presented and carried.

DEBATE ON SECOND READINGS

BILL NO. 27—THE FISCAL STABILIZATION FUND ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 27, The Fiscal Stabilization Fund Act; Loi sur le Fonds de stabilisation des recettes, standing in the name of the Honourable Member for Flin Flon (Mr. Storie). (Stand) Is there leave that this matter remain standing in the name of the Honourable Member for Flin Flon? The Honourable Member for Inkster.

Mr. Kevin Lamoureux (Inkster): I do not think we need to have leave. The Member for Flin Flon has spoken on this Bill previously. I am willing to speak on the Bill currently, right now.

An Honourable Member: On a point of order, Mr. Soaker.

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

Mr. Steve Ashton (Second Opposition House Leader): I believe there is an error in our Order Paper, it should be standing in my name. The Member is quite correct from Inkster (Mr. Lamoureux).

The Member for Flin Flon seconded my motion to have this matter stand in my name, and it is quite correct that the Member for Flin Flon has spoken previously on this Bill.

Mr. Speaker: On Bill No. 27, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Is there leave that this matter remain standing? (Agreed)

Mr. Lamoureux: I did not plan on speaking on this particular Bill for second reading. I was actually going to wait until we got to committee, but I found it somewhat interesting in many of the comments I had made regarding the Budget Debate, in making reference to this particular Bill, was in regard to how nice this Fiscal Stabilization Fund, or Tory slush fund as I prefer to refer to it as, is going to make this Government look, or how to use it to deceive the public in terms of what the real outlook of this province is.

I was somewhat surprised to find in different areas of the city—more so in the south end and the east end of the city, when I found out there is a brochure that is going out sponsored by the Conservative Party, and in it, it has that the Conservative Party is laying the foundation for Manitoba, we are cutting taxes.

Well, Mr. Speaker, in terms of cutting taxes I believe the Conservative Government had the opportunity to cut taxes effective this year, that had they done their job correctly and responsibly and were very sincere in cutting the taxes of Manitobans that they would have been able to do it. The excuse that they did not have enough time to do it just does not hold any water.

Another line is, we are reducing the deficit. I find that was one I actually made reference to in the budget speech and I pointed out, during the Budget Debate regarding the Fiscal Stabilization Fund, that this fund will be used to show a graph in a downward progression, showing that this Government is, in terms, indeed handling the debt situation when, in fact, I would argue that this slush fund would be used to facilitate that downward momentum in that what they were really trying to do is deceive, once again deceive, Manitobans.

Again, Mr. Speaker, we are looking at, they say, laying the foundations. We are spending wisely. Well, if we took a look at the expenditures of this Government, and I like to think in terms of also the cutbacks of this Government, that in fact they are not spending wisely. Maybe they should be spending money where they are not spending money, and we could probably go on throughout every department and come up with numerous examples.

Then he comments that we are creating more jobs. What type of jobs are they creating, low-income-service-sector-oriented jobs. We are losing jobs here in Manitoba, and I think it is important that this Government be more truthful when they put out literature, that they are not fooling Manitobans. That is the reason why I decided I would comment very briefly here today on that Bill.—(interjection)—housing starts, bankruptcies, say everything.

I want to maybe make a suggestion or tell this Government why it is that we have this Fiscal Stabilization Fund. It was not because they were good managers, no, not by a long shot, but rather, if you take a look, it is more so good luck than anything else. We had the mining tax increase that the previous administration did not take into account, which provided this Government over \$100 million in tax revenue. The mining tax—I would like to see some of that money put back into the North where it is needed.

We receive a lot from the North. It helps our provincial GNP, and we should ensure that some of that money goes back up north.

They had a 2 percent flat tax, this 2 percent flat tax was a hot issue during the provincial election. Every second or third door I knocked on it seemed that people were talking about this 2 percent flat tax, and one of the things that I had said at the door is we have to recognize where we see unfair taxes and look at changing them.

The previous administration brought in this unfair tax, even though they claim to be the Party that represents the working people, but they are the ones that brought it in. We are glad to see that the Government ultimately is bringing it out, albeit, maybe not as quick as we would have liked to have seen them bring it out, but at least they are bringing it out.

The equalization payments—and this is what I find somewhat humorous, Mr. Speaker. Time, after time, after time we hear this Government and the Premier (Mr. Filmon) refer to us as saying this province is a have-not province. I think it is time that the Government wake up. It is time that they look at Manitoba, that we do receive equalization payments, and the reasoning and rationale to why we are receiving those payments, if they do not know maybe I should tell them.

* (1550)

Equalization payments is a method in which we ensure that all provinces are given a fair share in terms of economic growth and so forth. No one likes to think of Manitoba as a have-not province, I do not. The equalization payment, in definition, implies that in order for us to receive it we have to be classified as a have-not province.

Another reason—and, Mr. Speaker, I would say those three reasons in particular are the reasons why we have this Fiscal Stabilization Fund. As I have pointed out earlier, it has nothing to do with good management, rather, it has everything to do with good luck and timing. Another reason that they have this Fiscal Stabilization Fund is because they have been under spending their budget allotments.

All you need to do, and I can comment on my own Department of Housing where we have seen the shelter allowances cutback, the allotments cutback, no matter how hard this Government tries to say that is not the case, it is in black and white—the black and white that they put in on the papers. It shows it in the supplementary information to the main budget document to the Order-In-Council that was given out. There is no doubt in my mind that there was a cutback in the allotment.

If we take a look at the infill house program, Mr. Speaker, the Government had a commitment to construct and build infill houses. Money was put aside to build these houses, and not one infill house has been built for the fiscal year of 1988-89.

This Government, during Question Period, had made reference to the fact that well, we will be building infill houses. I asked the Minister of Housing (Mr. Ducharme) at the beginning of September how many infill houses have been built thus far? In 18 months, this Government has been in Government for 18 months, how many infill houses have been built? They have not built one house.

Of course, they are going to have extra funds and so forth, and the budget is not going to be spent if they are not going to be going out and fulfilling good excellent programs that are going to be helping the community.

That is the reason why I am finding it very tough to vote for this particular Bill. As a matter of fact, I will not be voting for this Bill, even though the Minister of Finance (Mr. Manness), or the Minister of "Illusions," would like to refer to it as the Fiscal Stabilization Fund.

The truth of the matter is that is a slush fund, and it would be very unfortunate to see this Bill pass. Unfortunately it will pass. Why it will pass, all we need

to do is look to the left of us in this Chamber to those that sit in the Opposition benches, and we will see that the New Democratic third Party has decided that they support this particular Bill, even though—and if I look at some of the comments that the NDP have put on the record regarding this Fiscal Stabilization Fund, and this is Mr. Doer that commented: I believe that part of what is in the fund is morally incorrect and morally wrong. This is what the Leader of the New Democratic Party said, yet he is going to vote for it.

Well, Mr. Speaker, there are many words that come across my mind when I hear the Leader of the third Party making a statement like this and telling us that then he is going to still support this fund. It does not end. I take a quote from Mr. Uruski who quoted that the Member from Interlake—and he quoted in reference to the Fiscal Stabilization Fund—that this is creative accounting in the nth degree, and he is voting for it too. He is going to be supporting this Bill. I find it amazing that they would do something of this nature.

An Honourable Member: To whom are you referring?

Mr. Lamoureux: The Member for Interlake (Mr. Uruski) is the one that I am referring to, one of the Members from the Dirty Dozen, as the Minister of Health (Orchard) so often comments.

I find it unbelievable that the NDP supports such a slush fund, and I guess if I really try and dig hard to find out why they would or how they could try and justify supporting a fund of this nature, I guess all we really need to do is go back to some of the funds that they had. We look at the Jobs Fund, Mr. Speaker. This is a fund and, instead of myself maybe giving a comment, I should use what the Government or the Minister or the Deputy Premier said, Mr. Cummings, in regard to the NDP then slush fund. He suggested that the move or dismantling will end the political manipulation of taxpayers' money the NDP has carried on since the program was implemented five years ago.

Like the Jobs Fund, this Fiscal Stabilization Fund is the same thing under a different guise. If anything, Mr. Speaker, it is worse. At least the Jobs Fund, in its own twisted way, had some merits in terms of trying to create jobs. In a twisted way one could probably justify it, but you would have to make a lot of changes in order to do that.

Mr. Speaker, there are aspects of the Jobs Fund that deserve some merit, but the way and the manner in which the previous administration had brought it through, by no stretch of the imagination is it any different from the Fiscal Stabilization Fund that this Government has brought through.

That is why, Mr. Speaker, when it comes to voting on this particular Bill, I am going to vote against it. I do not think I am going to have any problem whatsoever going to the -(interjection)-

Mr. Speaker: Order, order. The Honourable Member for Inkster.

Mr. Lamoureux: Thank you, Mr. Speaker. That is why I say I am not going to have any problem voting against

this Bill, because when push comes to push and going door to door talking to the people, you are going to find a lot of people, a lot of Manitobans who are going to be very upset with this Bill. I think it is important that the NDP not abandon all of their principles, that they look at it and call it as it is. It is a slush fund. They, along with us, can defeat this Bill so if they grab a bit of their principles, their former principles back 30-40 years ago and stick up for Manitobans, which they like to claim they do—

Mr. Speaker: Order. The Honourable Minister of Health.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I wonder if my honourable friend, the Member for Inkster, might permit a question at this time. It is very important.

Mr. Lamoureux: I would be more than happy to hear a question from the Minister of Health.

Mr. Speaker: At the end of your remarks? - (interjection)- The Honourable Minister of Health.

* (1600)

Mr. Orchard: I am wondering if my honourable friend, when he mentions the NDP in Manitoba have abandoned their principles when they vote with the Progressive Conservative Government, are those the same principles the NDP abandoned in Ontario when they voted with the Liberal Party?

Mr. Lamoureux: No, Mr. Speaker, the fund that we are talking about here is a slush fund that this Conservative Government has created and the same slush fund that this third Party in this Legislature is going to be supporting. I find it somewhat interesting that the Minister of Health is the one who stood up to ask a question. After all, one of the reasons why we have a slush fund of the amount we do is because of the monies that his own department has not spent, health care costs that are in need. This Minister is not ensuring that we have adequate health care in the Province of Manitoba.

Anyway, in closing I just want to comment that I am not going to have any problem voting against this Bill and I just wish the NDP would grab some principles and vote with us on this.

Mr. Speaker: As previously agreed, this Bill will remain standing in the name of the Honourable Member for Thompson (Mr. Ashton). The Chair would like to thank the Honourable Member for Thompson and the Honourable Member for Inkster (Mr. Lamoureux) for bringing this error to the attention of the Chair.

BILL NO. 31—THE LABOUR RELATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Labour (Mrs. Hammond), Bill No. 31, The Labour Relations Amendment Act; Loi modifiant la Loi sur les relations du travail, standing

in the name of the Honourable Member for St. Johns (Ms. Wasylycia-Leis), and also in the name of the Honourable Member for Concordia (Mr. Doer), who has 9 minutes remaining.

Is there leave that this matter remain standing the way it is? Leave? (Agreed)

BILL NO. 42—THE RESIDENTIAL TENANCIES ACT

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

Is there leave that this matter remain standing in the name of the Honourable Member for The Pas? Leave? Is there leave that this matter remain standing? (Agreed)

The Honourable Member for Rupertsland.

Mr. Elijah Harper (Rupertsland): Mr. Speaker, I would like to speak on this Bill No. 42, The Residential Tenancies Act, and I would like to speak from a northern perspective, Native perspective, how this Bill might apply or not apply.

I know that the conditions in the North are quite different than the conditions in an urban setting like Winnipeg. Primarily the housing is provided through CMHC or MHRC to the remote communities, Northern Affairs communities, and to a certain extent some of the Bills that are related to that. I know that The Tenancy Act refers to some of the regulations, and how this Bill might apply to the housing in the North, and also in the City of Winnipeg.

Many of the people that do go into the urban areas such as Thompson have problems in dealing with the landlords, and also with even obtaining suites or accommodations for their families. Certainly one of the basic needs, human needs of course, is shelter, and we find that the aboriginal people in Native communities find it very difficult to find accommodations or to provide a good home for themselves or their families.

Certainly with this Act coming into being I am sure some of the problems could be alleviated, and also some of the definitions, some of the regulations, that are talked about in this Bill.

Whether some of these aboriginal people, some of the elderly aboriginal people, that come into the city have a problem in understanding what the tenancy agreement is or reading the agreement itself, the conditions of the report, conditions of the housing report or of the apartment, and many of these people that come in would not understand it.

I am speaking to this in terms of whether this Bill addresses that problem, whether people actually understand what they are signing or what their responsibilities are. Certainly many of the Native people have come into the city for certain reasons, whether it be for health reasons, or whether for other reasons, social reasons, that they come in, and whether they

would understand the agreement that they are going into.

Many of the people that I have spoken to that come in do have some housing problems or lack of understanding what they are entering into. As a matter of fact, just yesterday I was approached by one person that came into the city, wanted to rent a house, and deposited some money to the account. He was not sure what this was all about. Also he was being looked after by the welfare department, he had used his money and was advised that he could not receive the money back. Certainly I would be following on that, but that is just an example of the situation that the Native people are in.

I wanted to mention The Residential Tenancies Act, whether CMHC would also be included, whether this Bill would cover that, because a lot of the houses in northern remote communities are run by CMHC and some of the houses are in poor condition, whether the Act would apply to them. That is something that is unclear as to whether this Act would apply to the federally Government-owned housing. Some of these houses are actually in poor condition, they need repairs, and certainly there needs to be some sort of an avenue where local citizens, local people, can address their concerns with some people with some authority.

I know that in the North we have set up local housing authorities to administer some of the regulations to enforce some of these regulations. Whether or not they could actually have the CMHC housing people do the repairs because in the Act that this legislation or this Act provides for is that landlords must provide repairs if they are found in conflict with the regulations or found that they are not up to standard.

I am questioning whether the fact that CMHC, a Government corporation, owns these houses in some of these remote communities, whether this Act would apply or actually under this authority CMHC some of the tenants could be asked to leave and force CMHC to repair some of the repairs that are needed in those houses. Certainly, with my experience in the North, I find that in the remote communities there are virtually no private sector that would operate in the communities. It is primarily the CMHC or MHRC housing that applies in many of these communities.

Certainly in the northern reserves, where virtually no standards exist on those communities, I would welcome some sort of authority, some sort of a Bill, that would ensure good quality housing, and good homes for many of those communities, especially in the reserve because there seems to be a lack of authority as to what kind of homes could be built on reserves, and usually that is done by the local bands.

I know that when I was a member of the Redsucker Lake Band and being part of that when we tried to get the federal Government to have some sort of standards on reserves we were not very successful. The Department of Indian Affairs only provided the financial part of the program, and usually it was not a substantial amount of money. You could only build maybe three or four houses, and if you wanted to build a good house you would probably only be able to build one good house.

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There is a lack of housing on many of these remote northern reserves and also the remote communities. As a matter of fact, in my travels I find that many of the people live in overcrowded situations. When I was in Berens River, we had 19 people living in one house, and that is beyond, I think, the conditions of anywhere in Manitoba, I believe, or even across Canada to have that kind of situation. I know many of the young people that are married, in many of these small communities, will not have a place to move into to. They seem to be just moving into their parent's place and living there. There are no accommodations available and no housing available. There is no planning available, and primarily because the housing is provided for, I have mentioned before, by MHRC or CMHC, and the houses are usually not in a good state of place to live in.

As you know CMHC or MHRC, some of the houses are paid or rented out by these Government organizations, and certainly they try to accommodate the local people. Many of the people do not own homes in those communities. They either rent or else have an arrangement so MHRC or CMHC pay for the houses that they live in, to own their housing, and usually based on ability to pay—their monthly income. In that program there are a lot of complaints, because some people pay more than others, some others pay a not so great amount each month. Even then it is becoming more costly to live in those houses, because of the inflation, the higher costs of living in remote communities.

The kind of housing that is situated and built in these communities is not conducive to the environment, through the winter conditions or northern climate, and that is one of the ongoing complaints that we always have had is that we need good quality houses that are suitable for northern conditions.

If we were to apply the standards, the repairs, or good housing, healthy, safe houses in the communities, let us say to apply it in Red Sucker Lake in my reserve, I could tell you that virtually every house in Red Sucker Lake would be condemned because it does not have the water and sewage. It does not have the heating system in place. A lot of the houses only have 15 amp service, and if you have to enforce any kind of standards on those communities, virtually the whole reserve would be condemned as unsafe.

* (1610)

That is why I say that most of the housing, like in the reserve, is the responsibility of the band, but they do not get any backup from the federal Government to enforce any kind, or to develop any kind, of a standard for the houses.

It is left up to the bands to build the kind of houses that they should, and because the need of the back level houses, the bands are forced to build really just basic shelter, and the quality of housing is not built. The houses that are built do not last long, and last maybe three or four years, and they begin to deteriorate.

In other areas of the northern communities, which are the provincial responsibilities for Northern Affairs, usually CMHC or MHRC built homes. The Government tries to work with the local communities, the local

community council, to develop local housing authorities so that they become responsible for delivery of the program. Also these local authorities can also have some authority to make sure that the houses are in good repair, the residents take care of their houses, and have some incentive for the community.

Certainly, what I find is that in the remote communities there is no private sector housing, only CMHC or MHRC. I also question the fact whether CMHC, the guidelines itself, the regulations, would apply to CMHC housing, because they are federally Crown corporation owned houses; whether we can ask the tenants to leave or force CMHC to fix up the houses that they have in the communities.

I believe in Norway House we have a situation there were a number of houses built, they have built in the waterline, but they are not hooked up to the houses. I am sure that many of the other communities like Cormorant are in a similar situation, and we need to address that problem where houses should be hooked up; where dollars have been spent by provincial Government to build the waterlines, and from this legislation from The Tenancy Act whether something could be done to force the Governments themselves, who are landlords, to live up to the standards or the regulations that are provided for in the legislation?

I would expect that CMHC would follow its rules and regulations as provided for under this Act. It certainly gives more authority to the people, the tenants, who require basic shelter, basic universal rights to a shelter to a good home, a healthy home, a safe home, which everybody should have. I mentioned before that most of the houses that are available in the remote communities are not necessarily privately owned, but also mostly Government sponsored housing programs. So CMHC or MHRC—whereas on the reserves it is mostly the houses in a sense could be said that they are built by the band. In that sense it is not privately owned, although those people that live in those houses assume that is their house. It is not a good quality house, but if some sort of legislation could be provided for with the senior Government, the federal Government, being involved in developing such a Bill, that could be implemented on those communities.

I know the costs are prohibitive. I know the costs are going to be really high if you were to build good standard houses to provide them with the kind of housing that is available to everyone in the City of Winnipeg who need good water and sewage, a warm house, good insulated homes. The house that needs to be built according to standards that would be able to attest the climate in the North. Today we find also that many of these communities have a backlog of housing needs, and they cannot really fulfill that need because the program that they are being financed to build the houses is limited every year, and the costs are going up.

There is no automatic increase in the housing capital that is needed in order to fill the need as required right now. I know that this Residential Tenancies Act would not apply to the northern reserves, but certainly I would expect that this Act would apply to CMHC and also the Northern Affairs community so that the tenants,

and their rights are protected, and that they do have a right in terms of understanding what arrangements they are getting themselves into.

The other question that I mentioned earlier, as a matter of fact, was the CMHC housing, whether this Act would apply to them. I would like that clarified, so that I can advise some of my constituents who are being served by CMHC programs. Certainly I would welcome any kind of improvements that will be made on this Bill to enhance the conditions of many of my constituents that are away from the main society, because they do not have the luxuries as has the City of Winnipeg. Even just to have electricity hooked up to their home or to have water, sewage, that is a luxury that many of my constituents look forward to.

I know that a good house breeds a good family, a healthy family, and also that the children who are able to go to school early, I know that when they wake up in a home that is really cold and the water pail is frozen, it is very difficult for children to get up and go to school in the morning.

Those are some of the things that you do not see here in Winnipeg. I guess people assume that people in the North are like everybody else, and certainly that is not the case. I would see that this Bill goes, in some ways, to protect the rights of the individuals and also to try to enhance the living conditions in the remote communities that are of course being served by MHRC and hopefully by CMHC.

I would just like to conclude that we would be supporting this Bill and maybe there should more of an improvement, especially in the North, in terms of living conditions. Certainly there are many discussions that have taken place in the North with community leaders, with the local people at the community level, to meet the requirements.

We have had that input from them and we have listened to many of their concerns regarding CMHC in terms of mortgage payments, in terms of their ability to pay, and also the concern about CMHC or MHRC coming in to repair their houses. I am certain this Act will provide that authority where CMHC or MHRC will come in a lot faster and have quicker response to the needs of the community.

With that, Mr. Speaker, I am pleased to put some words on the record on this Bill. Thank you very much.

Mr. Speaker: Is the House ready for the question? - (interjection)- Which one was that? Bill No. 42. As previously agreed, this Bill will remain standing in the name of the Honourable Member for The Pas (Mr. Harapiak).

BILL NO. 34—THE LOAN ACT, 1989

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

Is there leave that this matter remain standing in the name of the Honourable Member for Flin Flon? (Agreed)

BILL NO. 6—THE LAW REFORM COMMISSION ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Justice and Attorney General (Mr. McCrae), Bill No. 6, The Law Reform Commission Act; Loi sur la Commission de réforme du droit, standing in the name of the Honourable Member for Thompson (Mr. Ashton).

Is there leave that this matter remain standing? (Agreed)

The Honourable Acting Government House Leader. What are your intentions, sir?

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, I would ask that you call the Bills as they appear on the Order Paper from here on.

BILL NO. 7—THE INTERNATIONAL SALE OF GOODS ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 7, The International Sale of Goods Act; Loi sur la vente internationale de marchandises, standing in the name of the Honourable Member for Inkster (Mr. Lamoureux).

Is there leave that this matter remain standing? (Agreed)

BILL NO. 8—THE ENDANGERED SPECIES ACT

* (1620)

Mr. Speaker: On the proposed motion of the Honourable Minister of Natural Resources (Mr. Enns), Bill. No. 8, The Endangered Species Act; Loi sur les espèces en voie de disparition, standing in the name of the Honourable Member for Flin Flon (Mr. Storie) and the Honourable Member for The Pas (Mr. Harapiak).

Is there leave that this matter remain standing in the name of the Honourable Member for The Pas? (Agreed)

The Honourable Member for Flin Flon has eight minutes remaining.

Mr. Jerry Storie (Flin Flon): I would like to conclude my few minutes of remarks on this piece of legislation. Mr. Speaker, The Endangered Species Act is one of those Acts I mentioned previously that was prepared and developed by the previous Minister of Natural Resources, and one which this Government had the common sense to bring forward for approval of the Legislature.

Mr. Speaker, it is also one of those pieces of legislation, which for the average person, is not going to have a tremendous impact. Most people will not have read the Journals of this House, will not have been particularly interested in the debate, and will not have had an opportunity to read the specifics of this legislation.

Mr. Speaker, it is nonetheless important and it is important symbolically, as well as practically. In the first

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place, it is a recognition, a societal recognition, that we are endangering the lives of species on a daily basis. The World Wildlife Fund has indicated that some 18 species are added to the endangered species around the world on a yearly basis and we know that those species, in all likelihood, are going to become extinct.

We have a sorry history in the western world, and in other parts of the world, when it comes to salvaging the species who become endangered.- (interjection)- The Member for Portage (Mr. Connery), and the Member for Pembina (Mr. Orchard), continue to say 10 out of 10. I remind the Member for Pembina and the Member for Portage that was one group's opinion only; that the environmental groups in Manitoba were working with the previous Minister of the Environment, and in fact were -(interjection)- well, the Member for Portage says, one issue. Well, recycling is only one issue, yes.

Mr. Speaker, the Member for Portage is full of hot air as he usually is. The Soft Drink Bottlers Association was working actively and the previous Minister of the Environment, in the Conservative Government, had the good fortune of being able to announce very shortly after he assumed office that this program was in fact in place.

The fact of the matter is that the Conservative Party, and the Member for Portage, probably could not spell the word environment prior to 1980. The fact is that the majority of Members of the Legislature, and the majority of Manitoba society were not nearly as conscious of the difficulties that our environment faced collectively in 1980 as they are today.

Certainly I am one of those who will admit that my consciousness has been raised, when it comes to environmental matters. The Member for Riel (Mr. Ducharme), who sat on City Council and supported the spraying of mosquitoes and supported the dumping of salt on the banks of the river, supported all those things, is now a born-again environmentalist who knows all the buzz words and can point a finger with impunity, he thinks.

I acknowledge that I was not as conscious, as sensitive, to environmental issues 10 years ago as I was today. The fact is that a number of environmental problems were dealt with. The province took the initiative to pass a new environment Act, which has some of the toughest provisions in it of any legislation across the country, and we did that.

Mr. Speaker, I remind Members, who now take such pride in the pieces of legislation they have brought forward, that in fact they were NDP pieces of legislation. The fact that three out of the four pieces that were on the Order Paper, when this Session began in September, or when this Session resumed in September, were prepared by the previous administration.

The Member for Arthur (Mr. Downey) pretends that he is not some kind of Jimmy-come-lately, but we know that he too cannot claim to be other than a newborn, or a born-again environmentalist, but I do not think that the Member for Arthur, or any Member on that side, should be reluctant to admit, to acknowledge, that we all learn as we go along that in fact the major

news in the last decade which has brought about a new environmental consciousness was the acknowledgment from the scientific community that the ozone layer was disappearing, the greenhouse effect was going to be more rapid and more dramatic than we originally anticipated and people then began to accept the reality of the fact that we have to change the way we act.

Mr. Speaker, this Bill in and of itself does not significantly alter our habits and our practices as a society. What it does is in a very small way attempt to readdress, attempt to mediate or modify the net impact of our behaviour. That is all it does and as much as it is welcome we should not sit and Members on that side should not sit smugly and believe that this does anything to resolve the fundamental problem, which is in fact waste management, which is the production of materials that are destructive to our environment, which is the cumulative, collective activities of human enterprise which are damaging to our environment.

So, Mr. Speaker, this piece of legislation will receive the support of the New Democratic Party Caucus, but we should not believe for a minute that trying to protect in this small way, endangered species, does anything to relieve the fundamental problem or our fundamental obligation to change our activity, to change our habits, to change our practices.

Mr. Speaker, I yesterday challenged the Minister of the Environment who introduced a very, very progressive Bill in terms of the management of waste, the controlling of waste in our society. It is progressive in its outlook but the Minister of the Environment refused, refused not only in this Chamber but outside to reporters to indicate when the Government will bring in regulations or whether those regulations would be in place before the next election. This Government does not have the political will, the guts to introduce those regulations so the people will know what the impact will be.

Mr. Speaker, that is the fact of the matter. There will be no—I announce it today for public consumption, there will be no regulations attached, the details of this legislation will never be known before the next election. This is a piece of political fluff, posturing opportunism, call it what you will.

But this Bill, The Endangered Species Act, which was prepared by my colleague, the Member for Dauphin (Mr. Plohman), will get the support of the New Democratic Party as it proceeds through debate.

* (1630)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I want to speak on this Bill, The Endangered Species Act and I want to speak on it for several reasons. The main reason why I am stimulated to rise to my feet is the accusation by the last speaker, and I presume he is representing the New Democratic Party, that all of a sudden Members in the Progressive Conservative Party are born again environmentalists.

Mr. Speaker this caucus is represented by Members from across this province. Many of us are Members

from rural Manitoba representing rural constituencies. I want to tell my honourable friend that among us, and I include and I am proud to include myself as one of the Members so inclined, we are more concerned about the environment than my honourable friend would like people to believe, simply because we are closer to the environment than my honourable friend from Flin Flon is and his Members of his caucus.

The very essence of the environment in Manitoba is primarily three components: land, water and air. As representatives of rural communities, many of us as farmers, our livelihoods depend on the quality of land, quality of water, quality of air. Without it our livelihoods are gone and so are our communities. So for my honourable friend the Member for Flin Flon to make the indication in his speech that we are born again environmentalists, that proves his ignorance in the matter and his lack of understanding and his desperation to try to attach political labels.

I want to share with my honourable friend, particularly the last speaker on this Bill, the kind of commitment to the land that I grew up with as a youngster in Miami, Manitoba. My father was -(interjection)- now my Honourable friend, the Member for Flin Flon (Mr. Storie) makes a reference to the trees that we bulldozed. Yes, Mr. Speaker, across this province and in many other parts of the world, land has been cleared to produce the food that he fills his face with, contentedly. As a matter of fact, I would suspect that the Member for Flin Flon grew up on a farm wherein someone cleared the trees that were on the land that he may have even worked. My honourable friend, when he makes that kind of an accusation shows his ignorance, his abject ignorance.

I want to tell my honourable friend, he mentioned constantly the Manfor operation and its sale to Repap. Now, Mr. Speaker, my honourable friends in the New Democratic Party want to see the Manfor sale to Repap killed. I sort of am concerned about some of my honourable friends in the Official Opposition too. Let me tell you what the record of environmental protection under an NDP Government has been at The Pas with Manfor.

Manfor, under Government ownership, was not an environmentally friendly operation. The proposal of redevelopment by Repap is one of the most environmentally sound paper projects in Canada. They intend to clean up a dirty environmental operation that was there for years and years under a New Democratic Party administration. That, Mr. Speaker, is why the environmental group labelled the New Democratic Party of Manitoba in absolute last place for environmental issues and delivery on environmental issues.

The NDP in Manitoba, when Government, were rated 10 out of 10 provincially for demonstrating environmental concerns. Now, my honourable friend, the Member for Flin Flon (Mr. Storie), says, oh, well, that was just one group. That was the only group that rated the provinces, of environmental groups, across Canada. It was the only group that provided a provincial rating based on the facts. No other environmental group rated provinces across Canada. It was the only rating by environmentalists in Canada on provincial

administrations and that group rated the NDP in Manitoba 10 out of 10.

An Honourable Member: What about the environment? Tell us about the environment.

Mr. Orchard: My honourable friend, the Member for Thompson (Mr. Ashton), wishes to interject, and I will give him full opportunity to speak on this Bill.

I want to tell my honourable friend, the Member for Flin Flon (Mr. Storie), some of the environmental concern with which I grew up. My father is probably one of the first environmentalists that truly lived what he believed in and practised what he believed in. I think that sets him and members of his generation somewhat apart. We farmed rolling ground, it happens to be stony ground. I spent many a summer hour picking stones, but—

An Honourable Member: That is what we called R and R, rest and relaxation.

Mr. Orchard: —what we did, and I know my honourable friend, the Member for Brandon East (Mr. Leonard Evans), will not understand this because I doubt if has ever picked a stone in his life. It is not a pleasant duty. Most people who pick stones dump them, dump them on the side of the field, or dump them someplace.

(Mr. Deputy Speaker in the Chair)

My father insisted that we build check dams in the runs across the farm so that when there was erosion those check dams made of stones that we had to pick from the field anyway would slow up the water, any silt would drop, and now most of the erosion that happens from time to time when you have spring rains and that kind of unpredictable weather condition, we hardly lost any soil off of the land that my father farmed, and that land today is as productive as it was 45 years ago when my father removed those trees from it. Now, that is living what you believe, that is protecting the soil.

An Honourable Member: Chemical.

Mr. Orchard: Now, my honourable friend, we will deal with chemicals. We will deal with chemicals if my academic friend from Brandon East wants to deal with chemicals. We will deal with that too.

An Honourable Member: Do you burn straw, too?

Mr. Orchard: My honourable friend from Flin Flon asks, do we burn straw? No, and I have never burned straw since I have started farming in the Province of Manitoba, with the exception of flax straw which you cannot dispose of in any other way, and you know what, I learned that from my father. You do not burn organic matter, you return it to the soil.

Mr. Speaker, my honourable friends want to know if my father uses chemicals. Yes, he does and do you know why? I want to explain to my honourable friends because my honourable friends in the New Democratic Party are rather ignorant of why chemicals are used

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in a modern farming operation. What you have is an option in farming today of summer fallowing and my honourable friend calls it organic farming. Organic farming is a practice, but it is a very narrow practice because the consumer, and I will bet you my honourable friend from Flin Flon is one of those consumers who will not pay the price necessary to engender and to encourage organic farming. But you have two options in farming for weed control, you can summer-fallow, or you can fertilize and use chemicals. Now, summer fallowing means you leave the land black, and what happens to it? it erodes by wind, it erodes by water, organic matter is broken down so the soil becomes less productive over the long run, so farmers use chemicals to control weeds so they can continue with crop and protect the soil, as well as the economic impact of being able to farm every acre each year.

My honourable friends say, do you use chemicals? Yes, I do, because it is an environmentally sound management practice, much more sound than the management practices in many parts of western Canada where summer fallowing is the practice, and what happens -(interjection)-

An Honourable Member: What about zero tilling?

* (1640)

Mr. Orchard: Well, zero till is the most chemically dependent agricultural method there is. Did my honourable friend from Brandon East know that? Did my honourable friend from Brandon East know that zero tillage requires more application of chemical, not less? Do you understand that? No, he does not understand that. That is why he posed the question of ignorance.

Mr. Deputy Speaker, my honourable friend from the New Democratic Party's premise is that chemicals are wrong in agriculture, and would he have his way I presume he would remove the use of chemicals from agriculture in Canada and in North America and across the world. Well, that is fine. Let consumers like my honourable friend from Flin Flon advocate that, but be honest with the people when you advocate it, and tell them that they are going to pay 5, 10, 15 times the price for their food. It is as simple as that.

There is not a farmer in the world who would not prefer not to use chemicals, providing the return from organic farming or less chemical dependent farming was there, so that he could make a living or she could make a living, but the consumers will not pay that price, and that is the cold, hard reality of it.

But, Mr. Deputy Speaker, let me return to The Endangered Species Bill. My honourable friends from the NDP like to tell Manitobans and sell the story that they are the Party that is most environmentally conscious, and that is an amazing thing for them to say, because whilst they had care and control of the Crown-owned operation of Manfor they did not insist upon reforestation, one of the most environmentally sound projects in the forestry industry. My honourable friends from the New Democrats did not, did not, I repeat, force a reforestation program on the Crown corporation.

Now they were also negotiating with Repap, and my honourable friend, the Member for Flin Flon (Mr. Storie), says that from time to time, but you know one of the things they did not put into any negotiations with Repap for the sale of Manfor? They did not put in a clause which we put in, insisting that for every tree that is cut, a living tree replace it immediately in terms of planting, and seven years later in terms of it still growing.

My honourable friend from Flin Flon (Mr. Storie), who claims he belongs to a Party that believes in the environment, did not have that tough clause in the sales agreement with Repap. They were willing to allow reforestation to go by the boards, as they did with Manfor whilst they were Government, 15 of the last 20 years in the Province of Manitoba.

Let not Manitobans ever believe that the NDP are the only ones that believe in the environment. I will admit the NDP have all of the appropriate language, they know how to talk the right story, they know what the buzzwords are, what the latest touchstones are in the language, but they do not deliver, Mr. Deputy Speaker, because when it comes to issues of delivery, the only thing that the NDP have ever delivered in the Province of Manitoba are higher deficits, higher taxes and closed hospital beds. That is the reality.

Now I want to deal a little bit more on this Bill because this Bill deals with endangered species and is one part of this Government's agenda on the environment, and there are many, many other components of this Government's agenda on the environment. My honourable friend, the Minister of Environment (Mr. Cummings), yesterday introduced legislation which I think is leadership legislation in the environment.

Mr. Deputy Speaker, our commitment to the centre of sustainable development is real, it is necessary, it is leadership in Canada, it may well be leadership in North America that will emanate from this Government's involvement with the Centre for Sustainable Development.

An Honourable Member: When and where?

Mr. Orchard: Mr. Deputy Speaker, my honourable friend, the Member for Fort Garry (Mr. Laurie Evans) asks when and where. That is a good question. That is being resolved with the federal Government, who is a partner in this sustainable development centre. Commitment is real. The commitment is not there simply to attempt to garner some loose votes that may be out there, the commitment is there because we know it makes good sense to bring those kinds of public policies to the Province of Manitoba, good sense because many of us on this side of the House have lived those kinds of public policies in our businesses and in our occupations in rural Manitoba and in the City of Winnipeg. It is not a foreign concept to Members of this side of the House, not a foreign concept at all.

But, Mr. Deputy Speaker, what is foreign to the second Opposition Party, the NDP, is that in 15 of 20 years of Government, where they had the ability to deliver an environmentally friendly program to the people of Manitoba, what was the result of their tenure in

Government for 15 out of 20 years? It was the rating of 10 out of 10 in terms of concern for the environment by that Government, 10 out of 10. The reason was because my honourable friends, the New Democratic Party, had all the right language, they could say the right things about the environment, but they did not deliver on any of their commitments, promises or programs.

Mr. Deputy Speaker, I want to give you one example. You will remember this because you no doubt followed the election campaign of 1986 and in absolute hope you heard one Howard Pawley, Leader of the Opposition, make a promise to clean up the Red River and the Assiniboine River. Do you remember that? Of course you do. Well, do you remember any single commitment of one red Pawley cent toward the program? Well, I remember that because there was none.

Those people promised, they talked the right language, they have the environmental friendly language and phraseology and promises, but they did not deliver a damn thing. That is the reality, that is the cold, hard, unfortunate reality of the NDP in Manitoba. Fifteen of twenty years of talk and no action, and an environmentally knowledgeable group in Canada rated them 10 out of 10.

It is with regret that I have to put these remarks on the record because really I sort of tolerate my honourable friends in the NDP and I do not like to be drawing out all of their inadequacies that they piled upon inadequacy over the last 15 years of 20 years that they governed the Province of Manitoba. Quite frankly, I would like to see my Honourable friends regain some credibility. Well, I mean a little bit of credibility because that would have certain repercussions electorally, and I have to admit a vested interest in having my honourable friend, the NDP, gain a little bit.

* (1650)

The difficulty is, in this case Manitobans recognize, and recognize fully, that they were governed for 15 out of 20 years by people who talked but did not deliver, people who talked the right language in women's issues but did not deliver, people who talked the right language in terms of multiculturalism but did not deliver, people who talked environmental friendly language but did not deliver a single initiative, not one red cent by Howard Pawley to cleaning up the rivers in the City of Winnipeg, not one red cent, and that was the centerpiece of Howard Pawley's election platform in 1986.

It had the Member for Selkirk (Mrs. Charles) just absolutely jumping for joy, and she voted NDP I think. Well, I will stand corrected if the Member for Selkirk was not so scintillated against—however, I would suggest to you that one of the reasons the Member for Selkirk today is a Liberal and not a New Democrat. Not a New Democrat of the Premier's style because that was the Premier's seat since 1981 and it did not go back to being a New Democratic Party seat because the people in Selkirk remembered the promise in 1986 and saw absolutely no delivery. All talk, no action.

I really should not refer to this story I heard, but it was on Peter Warren so it makes it legitimate. Well, it

was on Peter Warren so it is sort of legitimate. Well, it is absolutely legitimate if it is on Peter Warren. Correct? It was about the discussion with the woman who was married for the third time, and it was to the—well no, I forget the details of it so I will not—I will let Peter Warren tell that story.

Mr. Deputy Speaker, this Bill is a statement by this Government of concern and of delivery on environmental issues. This Government's agenda is a sound agenda, a workable agenda in terms of the environment, and it is an appropriate agenda because it expresses the kinds of concerns and addresses those kinds of concerns in a meaningful way, in an affordable way and, I submit, in probably the most progressive way in Canada.

(Mr. Speaker in the Chair)

I simply want to indicate in closing my remarks that this Government's commitment is going to be real. It is not going to be based on the right kind of language to make people believe we care and understand, but then have no intention of delivering on promises, as the NDP did for 15 of 20 years. Mr. Speaker, when one analyzes the record on the environment of this Government already in 18 short months, I think it is rather commendable.

Remember when the ACRE Project was announced in the House by the Minister of Environment. Who stood up against the ACRE Project, which is an environmentally sound policy and program for rural Manitoba? Who stood up and said it was wrong and should not be done? None other than the Leader of the New Democratic Party. Shameful, absolutely shameful that my honourable friend, the Leader of the New Democratic Party (Mr. Doer), and his colleague from northern Manitoba would want to deny an environmentally sound corporation to serve rural Manitoba that they do not happen to represent. Their environmental policy appears to be one that if we represent the area we will talk about it and we will support programs possibly, but if we do not represent the area the environment does not matter. That is the impression one would get from their opposition to ACRE. Now, I do not know whether my honourable friend has the nerve to stand up and ask—I will answer any question my honourable friend from Flin Flon wishes to pose.

Mr. Storie: The Minister of Health has indicated he is prepared to take a question, Mr. Speaker. The Minister is trying to pretend somehow that nothing was accomplished from 1982 to 1988. Mr. Speaker, who established the Hazardous Waste Management Corporation? Who gave it a mandate to do exactly what ACRE has now been assigned to do? Who is creating duplication? Who is trying to curry favour instead of looking after the environment?

Mr. Orchard: I am pleased my honourable friend posed that question, Mr. Speaker. My honourable friends created a Crown corporation. They also created MTX which squandered \$27 million in Saudi Arabia. So what? It has been this Government that has taken the hearings to the people of Manitoba to try to establish a location

for the Hazardous Waste Management Corporation, not the NDP, absolutely not.

The answer to my honourable friend's question lies in the assessment by not a group of Liberals, not a group of Conservatives, not even a group of socialists, but rather an independent group of environments who have national knowledge, national reputation, that rated the NDP 10 out of 10 in provincial jurisdictions for care and concern and delivery of program to protect the environment. That speaks louder than any phraseology by my honourable friends, any questions they want to pose. Mr. Speaker, my honourable friends are very, very upset. They are very, very disturbed that they were identified and identified properly by environmentalists as being 10 out of 10 in the provincial ratings.

You know, Mr. Speaker, my honourable friend, the Member for Brandon East (Mr. Leonard Evans), I believe at some point in time he has been an educator in his life. He has asked me why am I saying 10 out of 10 for the fifth or sixth time in this address. Because, as an educator, he ought to know that repetition is the essence of learning, and Manitobans learned very, very well.

If my honourable friends in the New Democratic Party are dead last in terms of delivery on the environment, rated by an independent group of provincial Governments across Canada—dead last, because my honourable friends talked but did not deliver, had the buzzwords but did not take action, had the concepts but did not have the courage to deliver on them.

Mr. Speaker, this Government has the concepts, has the ideas and is and will continue to deliver on programs designed to be environmentally friendly and to be sound public policy for the protection of the environment. Thank you, Mr. Speaker.

* (1700)

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

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., it is time for Private Members' Hour.

ORDERS FOR RETURN, ADDRESSES FOR PAPERS REFERRED FOR DEBATE

Mr. Speaker: On the proposed motion of the Honourable Member for Churchill.

Mr. Cowan—

THAT an Address for Papers do issue praying for:

- (a) a copy of the Report on Churchill Rocket Range conducted by James Spiece Associates of Winnipeg; and
- (b) copies of all working papers and documents related to the report; and

- (c) copies of any staff analysis of the report to date, standing in the name of the Honourable Minister of Housing (Mr. Ducharme). (Stand)

On the proposed motion of the Honourable Member for Osborne (Mr. Alcock),

Mr. Alcock—

THAT an Address for Papers do issue praying for:

- (a) a copy of the report on the impact of the Goods and Services Tax on the Provinces, recently prepared jointly by the Provincial Deputy Ministers of Finance; and
- (b) a copy of the study commissioned by the Provincial Finance Ministers from the Conference Board of Canada on the regional impacts of the Goods and Services Tax.

Mr. Reg Alcock (Osborne): Mr. Speaker, some time ago, in fact back on September 21, I issued an Address for Paper and an Order for Return asking for a number of pieces of information from the Government.

At that time, Mr. Speaker, I was asking for, in the Address for Paper, copies of all written correspondence between the Department of Finance and the federal Government. I was also asking for copies of all written correspondence between the Department of Finance and the federal Department of Finance. I was also asking for copies of all written correspondence between the Premier and the Prime Minister regarding the national goods and services tax. I was asking for copies of all position papers prepared by the Manitoba Department of Finance and submitted to the federal Department of Finance.

Mr. Speaker, at that time the Government accepted that Address for Paper, the Finance Minister said, and I quote from Hansard "that after the first request that we will provide the correspondence insofar as they have the flexibility to release it." He did note that they could not release correspondence from the federal Government to us without their permission but I was prepared to accept that.

He also said we will accept Part (b) which was all written correspondence between the departments and he also said that they would attempt to comply with part (c) having to remove items that again came from other Governments to Manitoba unless they had their support. He also said that he was prepared to comply with Part (d).

To date, Mr. Speaker, he has complied with none of those. I have received none of that correspondence. I have received no information on this extremely important issue.

Mr. Speaker, as far as the Order for Return, I mean, what we were asking for there was copies of information that the department had of the impact of this tax on this province. This Government portrays itself as being an open, an honest forthright Government. It talks repeatedly about its willingness to supply information to Manitobans. It talks repeatedly about its position in opposition to this tax and yet it has consistently refused to release information.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The Honourable Member for Osborne.

Mr. Alcock: Mr. Speaker, in the Order for Return that I issued at that time or asked at that time, presented at that time, I was simply asking for the Government to pull together from their working papers the impact of this tax on Manitoba not just on Manitoba economy, although that was a part of it, but also on small business, on the quality of lives of seniors, on agriculture and on the cascading questions that had been raised by my Leader earlier on.

Again, the Minister of Finance accepted that Order for Return and again he agreed to do the work necessary to pull together that information and supply it. To date, Mr. Speaker, with the possible exception of some minimal information on the impact on the economy in Manitoba he has not met a single one of those requests, despite six weeks and this open Government's statement that it would provide that information.

I have to start asking myself, Mr. Speaker, why they are so unwilling to follow through on commitments that they make, and I think today we had something of a reply when we heard from Michael Wilson, who said, and I quote, "that behind closed doors, they say, you have got to go ahead with this, Mike, no question of that."

The Finance Minister of Canada is telling us that the Premiers across this country in fact support this tax, and I think that may be why they have been so reluctant to come forward with information.

The very information that I was requesting earlier, Mr. Speaker, in the Orders for Return that were accepted by this Government, I found later in fact existed in two reports: one being the joint report prepared by the provincial Deputy Ministers of Finance, who have been working on this for some time and have put forward a report.

I did say that I would be prepared to accept just the Manitoba proportion, not information on other provinces, and there is a study commissioned by the provincial Finance Ministers from the conference board. The Finance Minister (Mr. Manness) has admitted to its existence; they are just refusing to bring it forward.

I think we have to ask ourselves, why are they doing this? Why are they so unwilling to share with Members on this side of the House and with Manitobans the impact of this tax on Manitoba when they claim to be opposed to it, when they sit there every day and tell us that it is going to be harmful to Manitoba, and they will not support it in its present form?

Mr. Speaker, I think we are left with the only conclusion. It is the one that is put forward by Mr. Wilson, that they in fact do support this tax, support it despite the knowledge that all of us have of the very serious impacts of this tax upon the Province of Manitoba.

An Honourable Member: Not true.

Mr. Alcock: The Minister of Northern Affairs (Mr. Downey) from his seat says that is not true. What is the evidence of that? I mean, if they were so forthright, if they did in fact share our concerns about the impact of this tax on Manitoba, why are they unwilling to share that information with us? That is the real question here, and why is the federal Minister of Finance saying that behind closed doors, they say you have got to go ahead with this, Mike, no question of that?

Mr. Speaker, I am disappointed by the actions of the Finance Minister. I think every Member in this House had representations made to them by a number of groups in their areas or a number of the national groups that are working on this. The evidence of the destructive impact of this tax on Manitoba is irrefutable.

The federal Government has not been forthcoming with us. They have not met a single one of the tests that they put forward when they first introduced this proposal two years ago. They have not followed through on a single commitment they have made, and they have not been able to produce a single independent analysis that supports their contention that this tax will not be harmful to the economy.

* (1710)

Every independent study that has been done shows that it will cause an inflationary impact, it will reduce jobs, it will produce a nightmare for small business as they attempt to sort out how they are going to respond to this tax.

I had an interesting meeting with a series of veterinarians, who I think as much as any group exemplify the kind of problems that they face. They are a profession, and in fact the Members that I met with have a mixed practice, both small and large animal.

They buy their drugs from a mixture of human drug supply houses and veterinary drug supply houses. Drugs that they buy from human supply houses are exempt; they pay no tax on that. Drugs that they supply from veterinary supply houses they pay 9 percent on.

If they inject those drugs into dogs, which are considered to be pets, they have to charge the owner of the dog 9 percent for that service. If they inject those same drugs into a food-producing animal like a cow, they do not charge tax on that. If they go out to a farm and treat both a dog and a cow, they have to apportion their time and apportion the tax differently. The nightmare that this causes for them in attempting to manage a small practice is simply—I sort of reach for a word—ridiculous, stupid, completely unacceptable. I mean there is no legitimate reason for imposing this burden on people.

Seniors, Mr. Speaker, are at that point in their life when they are living on savings; they are living on income that they have put aside throughout years of contributing to the economy and from years of paying tax. Now all of a sudden, as they begin to live on that income, are going to be taxed on it. In fact, there have been some suggestions made by some groups that this move is simply an attempt to recover additional income from that portion of our population that are now beyond

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the normal reach of the tax rolls because of their changing status.

Mr. Speaker, no matter how you look into this tax, everybody who looks at this tax has serious concerns about it, and this Minister of Finance (Mr. Manness) and this Government have some answers. They have some detailed, credible studies that have been put together by financial officials that have been put together by the Conference Board of Canada. I think if they mean what they say as far as the opposition of this tax goes, we are entitled to that information and it should be produced as quickly as possible before we go any further down the road to implementation of this tax.

Mr. Speaker, the House of Commons committee heard a lot of representations on changes in the level of tax. The change from a 9 percent tax to a 7 percent tax I believe is simply a smokescreen. All it is, is an attempt to show that they are somehow responsive to the concerns that have been raised across the county. It does nothing to change any of the fundamental problems that exist with this tax. It may briefly slow down the inflationary impact, it addresses none of the other concerns and given the experience in every other country that has brought in a tax of this sort, all it does is delay the time that we move to 9, 11, 14 and whatever level of taxation that the Government feels that people are prepared to bear.

The move to move it 1 percent is much less of an impact and in subsequent years we believe that the Government will simply do what has been done in every other jurisdiction and slowly ratchet it up a point at a time until they get up to the levels that we have seen in other countries. The impact in New Zealand, which the Minister of Finance (Mr. Manness) likes to quote all the time, he talks about how well it was brought in, in New Zealand and the beneficial impacts of that implementation. In fact, inflation in New Zealand went up 6.5 percent, not 2.5 percent as is being suggested here. In fact, unemployment dropped dramatically in New Zealand with the imposition of this tax.

There is nothing, Mr. Speaker, again, that one can find in all of the massive amounts of literature that have been written about this tax that suggests it will be anything but harmful to Canada, and anything but harmful to Manitoba. Mr. Speaker, again, the Minister of Finance has information right now that would help us understand the specific effects on Manitoba, it would help us carry this fight to Ottawa and he is refusing to release it and I think that is completely unacceptable. I think the Government should reconsider this decision and comply with this Order for Return. Thank you.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, one cannot let the Opposition Liberal House Leader away with putting on the record the kind of information he has without somewhat of a challenge. I will try to be kind to the Opposition House Leader as I make some brief comments as it relates to the request for papers as it relates to the Department of Finance, and my defence of the Government.

I do not think there has been a more straightforward Minister of Finance in this province since the years of

the Sterling Lyon Government. I do not think there has been a more straightforward Government since the years of the Sterling Lyon Government than what we have right at this current time with my colleague, the Member for Morris (Mr. Manness) as Minister of Finance, and the Premier of the province, Mr. Gary Filmon, there has not been a more straightforward and open Government in this province.

Mr. Speaker, absolutely and totally proud, we are totally and absolutely proud of the financial record of the way in which we have handled the affairs of the Province of Manitoba. Let me add as well to the House Leader of the Liberal Party, goodness knows they need accurate information with some of the things that they have come to this Legislature with, having dragged it up from New Brunswick and Newfoundland, as to the kinds of information that he and the Member for Fort Rouge (Mr. Carr) gave their Leader to bring to this Legislature to ask questions on, and totally embarrassed her and his Party. Well, one should not feel that badly about them being embarrassed because it truly demonstrates what we would have if we had a Liberal Government, was they would make decisions and operate on inaccurate information and, of course, the fallout from that would be the people of the Province of Manitoba.

So, Mr. Speaker, one should not try to keep the Liberal Party from getting accurate information because to date the record, as it relates to accurate information, has been dismal. I again say that my colleague, the Minister of Finance, and this Government have been very straightforward in the provision of information.

Mr. Speaker, let me make another point. One has to really question the sincerity of the Liberal Party when they have had a chance to vote for major tax cuts for the people of the Province of Manitoba. I, for the life of me, cannot understand why they are so adamantly opposed to a taxation that will reduce the deficit, or help reduce deficits, and vote against provincial tax cuts that are right immediately within their jurisdiction and their power. I cannot understand it.

I had the opportunity last night to speak to a classroom full of Conservatives in the constituency of Selkirk who are extremely disappointed in their Member voting against tax breaks for the average income earner in Manitoba. They are extremely upset that she voted against education tax breaks off of farm land, that she voted against a reduction in payroll tax. A room full of constituents in the Selkirk constituency found their Member not speaking out in their best interests, and I can understand why. I can understand why, because she is not acting as responsibly as she should be. Spend, spend, spend.

In fact they were quite amused to hear that the Member for Selkirk (Mrs. Charles) truly thought that the money that she got for her constituency office was free tax money, the expression of free tax money. That is what she said in the Manitoba Legislature, that the money she has for a constituency office is free money—\$25,000 free money, incredible that the Member would in fact not have an appreciation where and who earned that money. It is the taxpayers, so let it not be said by the Opposition House Leader that their No. 1 concern

is about increased taxes and the taxpayers, that they are not getting information because this Government has been extremely open and helpful, and I say again, the one area that I do agree with them on—that they do need information that is accurate. Their record of performance truly demonstrates how inaccurate they are when they come to the Legislature, so anything we can do to help them in that regard. But the inconsistency is something that the average Manitoban cannot understand.

* (1720)

Let me just again say, it has been clearly stated time after time after time what this Government's position is as it relates to the general sales tax being introduced by the federal Government. We are opposed to it. The Premier (Mr. Filmon) has said that, everyone on this side of the House has said that, and I will continue to say that. But once again we have to remind the people of Manitoba, Mr. Speaker, and the member, the Liberal Caucus and the NDP Caucus should listen very carefully to this, that Trudeau and the Liberals in Ottawa put this country in such a bankrupt position that somebody has to pay the price for his incompetent direction of the fiscal affairs of Canada. That is the bottom line.

No, we do not need the sales tax, and I did not say that. I said somebody has to pay, somebody has to pay for the incompetent management of the fiscal affairs of Canada. We do not accept the general sales tax proposal, but you do not have Government money trees. It is the taxpayers that pay taxes to run the country. Within the province, and this is for the New Democratic Party, Mr. Speaker, goodness knows that they devastated and bankrupt the Province of Manitoba with their incompetent mismanagement of the affairs of the province, and again, I could go chapter, line and verse, whether it be MTX mismanagement, and the \$27 million in Saudi Arabia, whether it would be the bridge north of Selkirk without a road to it—I mean it was literally thrown away by the handful.

We have been able to, in our short term in office, present a budget that has been able to accomplish three important things: reduce the deficit, reduce taxes, and maintain essential services. It is extremely important, and that is one of the things that the people of Selkirk wanted to hear last night, that we are reducing taxes—something the Liberals, by the way, are voting against—that we are providing essential services, and I would not accuse anyone in here of not wanting that, but under the policy, I am sure, of the Liberals, would be difficult to do. We have to, as a nation and as a province, reduce the high cost of debt and interest that we are paying on behalf of the people of this country.

Do not let it be said by the Liberal House Leader that we are not responsible in providing information. Not only are we providing information, we are providing the proper fiscal direction and management that this province needs. We will put the best possible pressure forward to make sure the federal Government does not impose on the people of Manitoba and the rest of the country an irresponsible tax that cannot be coped with. Thank you, Mr. Speaker, for this opportunity.

Mr. Steve Ashton (Thompson): I appreciate the opportunity to rise and debate on this particular matter

and indicate that we in the New Democratic Party feel that the Government should be providing complete information on the goods and sales tax. I think that is important. I would suggest that the Members opposite might want to make sure that the information is thoroughly circulated to Members of their own caucus, because the Minister of Northern Affairs is correct to a certain extent, in that some Members of that caucus have indeed condemned the goods and services tax. He should also, I think, if he wants to put complete information on the record, put on the record the comments made by his Minister of Finance (Mr. Manness) indicating that he supports consumption taxes. That is a direct quote. It is in black and white.

So it was only when this matter became apparent to Members opposite as being a tax revolt that has gone from the length and breadth of this country that the Conservatives all of a sudden started putting a finger to the political winds and saying I guess maybe we should not support this goods and services tax after all.

Let us not forget that the Minister of Finance said that apart from a few technicalities he supported the GST, a few technicalities, Mr. Speaker. I do not think most people I have talked to about the 9 percent tax have said "I am opposed to it because of a few technicalities." They have not said that. They have not said anything of the sort. What they have said is that they are opposed to the basic unfairness of the tax and the fact that there is no action on the part of the federal Government to deal with the completely unfair tax system, the system that benefits corporations at the expense of individuals.

You know, I find it rather entertaining that the Minister of Northern Affairs (Mr. Downey) referenced the Trudeau period as being the reason why tough action has to be taken, the money has to be found. If I was to have listened to that, I would almost think that he was suggesting that the reason behind the GST is Pierre Trudeau. I will be the first to admit I am not the greatest fan of the former Prime Minister. I respect the former Prime Minister, I think we all should, you know, for his service to the country.

I was not a political supporter of Pierre Trudeau, I never have been and I never will be. How the Minister of Northern Affairs can rise in this Chamber some five years after Pierre Elliott Trudeau, the Liberals, have been out of Government federally is absolutely incredible. How the Member can get up and try and wash his Conservative hands of the impact of the last five years of the Brian Mulroney Government, the Conservative Government, the Government which he supported in the election of 1984, the Government that he again supported in the last election last year, it amazes me, the extent to which the Conservative Party will fight tooth and nail for their Conservative colleagues federally, during elections, and then almost immediately afterward try and almost deny the fact that they are Conservatives. I mean, I have never seen such political acrobatics as the Minister as the Minister of Northern Affairs today, trying to blame the GST on Pierre Elliott Trudeau. Well, I do not think anyone in their right mind, and I believe most Manitobans are in the right mind,

will believe the statement by the Minister of Northern Affairs.

I sense there is a confused Conservative Caucus over there. I sense they have a real problem on the GST. Their political instincts tell them that it is unpopular. Well, they are right. I have never seen such a reaction on an issue in my time. In fact, the only thing that parallels it in my constituency is the ridiculous move of the Conservative Government on the Northern Tax Allowance. I have had the opportunity to talk to literally hundreds of my constituents about this Bill. I think they have been credulous when they see the twisting and turning of the Conservative Government on this particular matter.

I mean if they could read the statements by the Minister of Finance (Mr. Manness) and, by the way, when I encourage people to sign the petition on the 9 percent tax, I had right behind me in the shopping malls in Thompson direct quotes from the Minister of Finance of this province, the Minister of Finance, the Conservative Minister of Finance of the country and Brian Mulroney. It was amazing to people because a lot of them took the time to read it and people were amazed because they were comparing the comments, not just of the federal Conservatives, but of this Minister of Finance, and then comparing them to the comments of the Premier.

Yes, the Minister of Northern Affairs (Mr. Downey) is right, some Members of this Government have condemned the 9 percent tax, but some of them have also gone to the point of virtually supporting it, bar some technicalities. That is not the opinion of people in Manitoba, Mr. Speaker, that is not the opinion. They want the 9 percent GST killed, and they do not buy any of this nonsense from the Minister of Northern Affairs about the GST being tied into Pierre Elliott Trudeau. I wish he would come up with a new line on that.

That is the problem the Conservatives have; they have been fighting ghosts. The Member has a great deal of difficulty now, I know he must have a great deal of difficulty in Arthur. If Peter Warren is correct and we have heard quotes from Peter Warren today, the Reform Party is probably nipping at his tails for that right-wing vote that he has always tried to cultivate, that extreme right-wing vote, Mr. Speaker. They are nipping at his tails, they are probably asking the Minister of Northern Affairs how he can call himself a Conservative and be in the same Party as Brian Mulroney and Michael Wilson on the GST and many other issues.

I do not blame the Minister of Northern Affairs when he says it is a lot easier to fight Pierre Elliott Trudeau than trying to explain—

Mr. Speaker: Order, please; order, please. The Honourable Acting Government House Leader.

* (1730)

Mr. Downey: Mr. Speaker, I wonder if the Member for Thompson would submit to a question.

Mr. Ashton: Mr. Speaker, we are not debating a Bill, we are debating an Order for Return. I do not think a question would be appropriate. It is on the public record, Mr. Speaker, it is on the public record. This Member is still out there, he is the Don Quixote of Manitoba, tilting at the windmill of Pierre Elliott Trudeau. If he thinks anybody is going to buy that, he is sadly mistaken. While the mere mention of Pierre Elliott Trudeau's name may bring some reaction from Members of his Party, from his supporters, his extreme right-wing constituency, it may bring some reactions still. There is another name that brings an equal reaction, Brian Mulroney, Mr. Speaker, because people realize, regardless of their political persuasion, it is amazing the extreme right of this Member's constituency, his constituent grouping, his extreme right, or people on the centre, or on the left or whatever part of the political spectrum, there is one name that brings amazing reaction to people, and that is not Pierre Elliott Trudeau anymore, it is Brian Mulroney.

When they think of the record, the dismal record of this federal Conservative Government, I know it must be embarrassing to the Member for Pembina. The Member for Pembina (Mr. Orchard) must be embarrassed to be a Member of the same Party. The Member for Emerson (Albert Driedger) must be embarrassed to be a member of the same Party when he daily has to go cap in hand to Ottawa to almost beg the Conservative Government not to slash VIA Rail again, or make the many other moves that they have done which have destroyed our transportation links in Manitoba.

I wonder where the Minister of Education (Mr. Derkach) will be next year when we get the next round of major cuts in terms of federal support for post-secondary education and transfer payments. I wonder if that Member will go down and tear up his Conservative membership card, tear it up because, if the Member had any credibility, if he had any political

Mr. Speaker: That is it. That is it. The Honourable Member for Thompson has seven minutes remaining. I would like to remind the Honourable Member that we are addressing an Address for Papers, a copy of the report on the impact of the goods and services tax on the provinces, recently prepared jointly by the provincial Deputy Ministers of Finance. The Honourable Member for Thompson.

Mr. Ashton: In fact, I am talking about probably the most devastating impact of just what I was referring to, the federal Conservative Government, and that is the goods and services tax. That is the most devastating impact of this Government. It will destroy the economic situation of the average family in this country, and the Members of the Conservative Party know that. I do not blame them for debating this order for return, Mr. Speaker. I do not blame them for perhaps having some reluctance to provide the complete information that the Member for Osborne (Mr. Alcock) requested. I do not blame them because it has to be a considerable embarrassment to them. It has to be a daily embarrassment.

I would like to know how they can justify as this particular order for return pinpoints the impact on

provinces, which has been determined both by the provincial Deputy Minister's of Finance and the study commissioned by the provincial Finance Minister's. I can understand their reluctance to have that information made available.

It is interesting, Mr. Speaker, you will have to forgive me if I got into the whole question of Pierre Elliott Trudeau and Brian Mulroney, the comments by the Minister of Northern Affairs (Mr. Downey) perhaps led me a bit astray, but I could not let that remain on the record. I can understand why they have been reluctant to provide this information. It is in much the same way they have been reluctant to take a strong stand on this issue, a strong stand that does not have the kind of contradictions we have seen from this Government.

We have only seen with the greater political winds that the backbone of this Government is strengthened to any extent, and I do not consider it to be to the sufficient extent, but it is only since the Conservative Party in Manitoba has seen how unpopular this tax is that we have seen them make any statements that were gone beyond the what-I-would-consider real position of the Minister of Finance (Mr. Manness) of this province.

The real position of this Party, the real instinct, the political instinct is to support the GST. For the Member for Emerson (Mr. Albert Driedger) who talks about polls, 80 percent of people across the country, and including in Manitoba are opposed to the GST. They are opposed to the move by the Conservative Government. So the Minister might well read that, as I am sure he has, because that explains why they have moved from what I would consider their real position. I believe the Conservative Party, in reality does support the basic principle of the tax as has been outlined by the federal Government, stated quite clearly by the provincial Minister of Finance (Mr. Manness).

They had some concern over details, Mr. Speaker, they said some concern over details. For them now to even pretend that they are opposed to this Act by the Conservative Government in Ottawa, I think, is stretching the whole question of the credibility of this Government to be the most extreme, Mr. Speaker. They do have a great credibility gap on this whole question, and that is why we want this information as much as the Member for Osborne (Mr. Alcock). We support this request, and we would advise the Minister of Northern Affairs (Mr. Downey) instead of getting into this great diversionary attack on Trudeau. I am surprised he has not attacked Mackenzie King, Mr. Speaker, that would have been just about as appropriate. Why does he not accept responsibility for the fact we have a Conservative Government that is bringing in a tax that is totally unacceptable to Manitobans?

We want the information in this Chamber that this Government has so we can launch a complete and absolute fight against that tax. That is why this order for return, Mr. Speaker, will receive the support from the New Democratic Party, and I would suggest should receive the complete support of the Conservative Party as well, if they are to have any remaining credibility on this issue where clearly they have very little credibility whatsoever.

Mr. Mark Minenko (Seven Oaks): It is unfortunate that we are even debating this issue, Mr. Speaker. It

is unfortunate that in some seven or eight weeks this Government which likes to use key phrases—like the Minister of Health (Mr. Orchard) was talking about in debating on the previous Bill, he liked to talk about a Government "that was responsible on its issue delivery," quoting the Minister of Health—that we even have to debate this matter when the Minister of Finance (Mr. Manness) accepted these issues, and took them under direction and agreed to provide these.

Mr. Speaker, as we have watched the news over the last several weeks, the news coming out of Europe, I think we can all agree that the strength of a democracy is indeed knowledge of what is happening in your community, knowledge of possible impacts of actions of various levels of Government. I think we can indeed all agree that is a fundamental foundation and a strength of a democracy, and here we have a Government whose Minister of Health (Mr. Orchard), in response to some of the barbs thrown at him and his Government by some of the Members to our left, said, we are an issue-delivery Government.

Well, this Minister issue delivered all right, on the psychiatrists' issue in Selkirk. That is issue delivery, Mr. Speaker. That is the kind of issue delivery that this Government is showing, not only in their programs, not only in answers to questions that the Minister responsible for Rural Development did not give, that the Minister responsible for the Seniors Directorate did not give, and that is what is at issue here on this debate, on this Order, Address for Papers.

They accepted this Address, Mr. Speaker, and yet eight months later we see what exactly they define as openness. Here again, we hear just a short hour ago the Minister of Health (Mr. Orchard) talking about issue delivery. It is indeed critical to the operation of this House, and critical for the understanding of this tax, that these papers be provided to Members of this Legislature.

Over the last number of weeks, I have been out in my community speaking to people about this tax the federal Tory Government is putting in place. While the federal Tory Government is literally ravaging this province on various services, various commitments, historical commitments that have been made, we see this tax, that once Manitobans hear about it they are indeed outraged.

* (1740)

Recently, I have had the opportunity to speak to a women's group who was interested in hearing some information about this tax. They were somewhat familiar with some of the things about the tax, but were not quite sure about some of the details, and we had indeed a very interesting discussion and a question-and-answer period. They were surprised, and shocked, and outraged as to the effect of this tax, what this tax will affect in their daily lives. They were surprised that it will affect the postage stamp that they put on that envelope to write to a friend in another part of this country. They were concerned and outraged, Mr. Speaker, about—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Mr. Minenko:—when I mentioned that funeral services will be taxed. They were concerned and outraged, and yet we have a Minister of this Government, the Minister of Health (Mr. Orchard), not five minutes ago, not 10 minutes ago, talking about from his seat in referring to some of the comments of the Member from Thompson (Mr. Ashton), that the Member from Thompson is crying out that the sky is falling.

When Manitobans hear about the impact of this tax, they not only feel that the sky is falling, they hear it falling all over them, and they are indeed concerned. What is this Government doing? They agreed to release these Papers that would provide Manitobans with more information on the impact of this tax, and yet they sit idly by chirping from their seat about open Government, saying, oh, wait for a program next year, talk to that Minister, talk to this Minister.

Well, this is indeed a grave concern. A tax that will so greatly impact on so many Manitobans and yet this Government is seemingly sitting idly by. Certainly, Mr. Speaker, it could not be from the fact that they do not have this information. If the Minister of Finance (Mr. Manness) was prepared to accept this before the Legislature, he should indeed have that information. I would also like to refer Members, specifically the Minister responsible for Rural Development (Mr. Penner) and the Minister responsible for Urban Affairs (Mr. Ducharme), to a press release issued on August 15 that I am sure both of them approved for release where they said they will defend municipalities from all adverse effects of the proposed federal goods and services tax.

Ducharme and Penner, the press release reads, said that protecting municipalities from the tax highlighted three days of meetings. Well, Mr. Speaker, they certainly have that information in front of them. Why are they not releasing that information? Is this going to continue, the ravaging of this province by the federal Tory Government? Undoubtedly, it will indeed, and these people are sitting on the other side of the House—

Mr. Speaker: Order, please. Order. The Honourable Minister of Rural Development (Mr. Penner), on a point of order.

Hon. Jack Penner (Minister of Rural Development): I am sure that the Honourable Member would not want to leave the impression that the Honourable Minister of Urban Affairs (Mr. Ducharme) and I have done absolutely nothing in trying to convince the federal Government not to impose the GST on municipalities. That is simply a falsehood.

Mr. Speaker: Order, please. The Honourable Minister does not have a point of order. A dispute over the facts is not a point of order. The Honourable Member for Seven Oaks.

Mr. Minenko: Mr. Speaker, perhaps the Speaker could advise me how much time I have remaining.

Mr. Speaker: Seven minutes.

Mr. Minenko: Mr. Speaker, if the Minister responsible for Rural Development is defending municipalities like he is preparing his rural economic development strategy in this province, to use his words, wait till the next budget year, I have grave concerns. I am sure municipalities have grave concerns if he is again defending them in the same way as he is setting out this Government's policy on rural economic development.

I am not suggesting in my previous comments that the Minister is not looking at this matter and giving it due consideration, but the indications, six to eight weeks waiting for these issues, waiting for the reports that the Member for Osborne (Mr. Alcock) has requested, well, Mr. Speaker, I would certainly ask the Rural Development Minister if he could perhaps sidle up to the Minister of Finance and suggest to him that in the spirit and in the interest of fellow Manitobans that these papers be released so that Manitobans can have another further glimpse. Like I said, the constituents in my community are very concerned when their attention is drawn to the impact of this tax on themselves, on their daily lives. Yet, what are the words of the previous Minister that has spoken on this? He is casting a red herring into something that, who knows where he is coming from, and indeed perhaps as the Member for Thompson (Mr. Ashton) suggested, he has something nipping at his heels.

Mr. Speaker, I would think that Members opposite would agree that the strength of our democracy is indeed information and access to information. They took great pride last year in proclaiming and putting in effect The Freedom of Information Act, and yet a few short months later we are debating a matter that the Minister of Finance (Mr. Manness) agreed to provide. How is that consistent? How is that a part of that open Government when the Minister responsible for The Freedom of Information Act said we are indeed an open Government and we are proclaiming this. Well, all right, we have requested some information.— (interjection)— Well, like the Minister of Health (Mr. Orchard) says, you cannot have it.

An Honourable Member: Why?

Mr. Minenko: Well, why? What is in that information that the Minister of Health does not want released to Manitobans? What is that? He answers "because" from his seat. Well, Mr. Speaker, I would ask any Member in this House, is that a sufficient answer? Ask a Manitoban, is that a sufficient answer? Mr. Speaker, in a response from a Member of the Government that I think would understand his responsibilities and be able to work within those responsibilities, an answer such as that shows a callous disregard to the process of this House and indeed the effect and impact of this tax on this Government. Is he protecting his federal cousins? What would he answer to that question?

In conclusion, I would just want to say that we feel that this information is critical and important for our continuing functioning in this House and providing the information to Manitobans. Thank you, Mr. Speaker.

Mr. Laurie Evans (Fort Garry): Mr. Speaker, I find that it is—

An Honourable Member: Okay, everybody who went door to door in Fort Garry, put your hand up.

Mr. Laurie Evans: Well, it was interesting to note that that many were in Fort Garry, because most people do not go out in the rain. They must be very worried about trying to pick that seat up.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Order, please. The Honourable Member for Fort Garry.

Mr. Laurie Evans: Mr. Speaker, it is interesting to note that there may be competition from the Conservatives to get the nomination in that seat, but I do feel that it is imperative to get up and put a few words on the record regarding this Order for Return. I find it somewhat incredible that there is a reluctance to provide the information that is requested here in this Order for Return.

The reason I find that it is incredible is that here we have a situation where all three Parties in this House have indicated agreement on the deficiencies in the GST.

* (1750)

It is interesting to see what the GST now is being referred to, because we all thought that it was referred to as the goods and services tax. Occasionally you hear it referred to as the general sales tax. Now we have a very prominent Member of the Conservative Government referring to it as the gouge and screw tax. So it makes one wonder exactly what we are looking at as far as this tax is concerned.

It was just a few days ago that the Minister of Finance (Mr. Manness) was quite prepared to brief the Members of the Opposition on this. He provided two documents, which I thought was very decent of him at the time. One of course was the presentation to the House of Commons that he had prepared. The other one was the federal goods and services tax proposal, which was also from his department.

It is interesting to note the change that has taken place, Mr. Speaker, because now you have to assume that the reluctance to provide the information has to be related to some sort of hidden agenda. It becomes very clear what that hidden agenda is when you look at what Michael Wilson has said in the last few days.

He said that those Premiers are all on side. You have to infer from that that the Premiers that are on side would obviously be those Conservatives, the few Conservative Premiers that are still left in this country. There was quite a few of them, but now they are gradually decreasing in number. There is not too many of them left.

What Michael Wilson went on to say was simply this, that those Premiers who were on side as far as the GST is concerned do not want to have to take the flak for the GST. In other words, they are going to stand back and let the federal Government take the flak, and

then at a later date they are going to come onside. That is what one has to infer, and from that one has to also infer that the information that this Government has is much worse than we expected it to be. In other words it must indicate that the devastation that will be on Manitoba will be far greater than anyone ever anticipated, and therefore I can understand the reluctance to provide that information. It is a lot worse than it was.

The issues that we have to concern ourselves with are obviously the ones that have been mentioned before, the concerns that we all have with the GST. The first of those, and I think the one that is most critical, is the concept of visibility.

I think it is critical that we find out, is this tax going to be visible or not? One looks at it, and the inference now is that despite what Michael Wilson said earlier on, that it would be highly visible, in all probably it is not going to be visible. It is going to be one of those things, when you walk into a store you are not going to know what the tax level is on that particular commodity that you are buying.

The other thing that I think is very critical is the concept of revenue neutrality. It is interesting, and I think most of us in the House got this paper today, which comes from the Canadian Federation of Independent Business, which is a group that you would assume was on side with the Conservatives. The title of that is: The GST, A Time Bomb. Here you have a situation where one of the more influential people, because I think everyone has heard of John Bullock, he is the one that is out preaching the Conservative doctrine most of the time, is now onside saying the GST is a time bomb.

So we have to infer from that, Mr. Speaker, that there is a lot of problems with this GST. It would seem logical to me that if there are problems, and the Government has information, and we are all operating on the same basis that we are all opposed to it, it would seem to make sense to me that you provide all the information that there is, and hopefully you are talking in the same vein when you are trying to criticize this tax.

So one has to infer that there is some good reason why the Government is not prepared to make this information available and we have not had that enunciated so far. So we have to infer that one of the issues is the failure to provide tax revenue neutrality. If you read the document from John Bullock, he indicates now that under the old manufacturer's sales tax we are accumulating something like about \$19 billion per year. Under the new one, the calculation is that it is going to be \$29.-something billion per year, so there is a discrepancy.

We were told before that the differential would probably be \$4 billion to \$5 billion. Now we are talking about \$10 billion and one has to assume from that—and I suspect that the reason that Pierre Elliott Trudeau's name was brought up, and I want to remind Members opposite that just five short years ago when our current Prime Minister came to be, we were looking at an accumulated deficit of about \$184 billion. Right now it is approaching \$350 billion, and it is very simple

mathematics to indicate that doubled. So one can argue that Pierre Elliott Trudeau left us a tax legacy, but now we are looking at something that is doubled and even he could not double it in the short five years that your friend has.

An Honourable Member: We are just paying the Bills.

Mr. Laurie Evans: Yes, we are paying the bill, but we are adding it up very fast and it is going up much—so I am quite sure, Mr. Speaker, that when history deals with Pierre Elliott Trudeau, and Brian Mulroney, that Pierre Elliott Trudeau will come out looking very good in relative terms.

The other thing that we have to be concerned about with this GST is the whole business of a confused two-tier system, and I think that it is imperative that all of the provinces be prepared to go back to the negotiating table and come up with a technique where they can get away from this confused two-tier system, because right now you are going to be faced with a situation where you will have some goods that have a federal tax on them, some that have a provincial tax on them, some that have both and some that have none. Can you think of a more ridiculous thing than that?

On top of that, you have the cascading component, so you are going to walk into a supermarket in the near future and you are going to be looking at a tax which is not 7 percent, it is not 9 percent, but it is going to be 16.63 percent. That has to be resolved, because you get the 7 percent and you get the 9 percent thrown on top of that, and instead of one or the other it is going to be 16.63 percent that you are going to be paying on those commodities that have the double tax.

So here you are looking at a situation, which is just ridiculous, and on top of that it is going to be hidden. So you are not going to know what you are faced with, unless this dilemma is corrected.

So here is something that I think all three Parties in this House, and hopefully all provincial Governments in Canada, will have the courage to stand up and force this federal Government to make some changes.

Now an acceptable change is simply not just rolling it back to 7 percent, because the Conservatives have a technique that is used very frequently, and that is to stand up and tell you how bad things are going to be and then slowly ease it off. You think, my goodness, this is great. It was not near as bad as I anticipated, and you get away thinking, well, that is not bad.

So they are going to go with the concept of a 9 percent tax right up until the very last minute and then they will probably say, oh well, that is a little too tough, and we will roll it back to 7 and everybody will think, my God, it is birthday time.

Well, that, Mr. Speaker, is a typical Tory technique. A very typical Tory technique is to lay it on the line, make it look very, very tough, ease the screw off a little bit, and you think, boy look at the relief we have had, and you are really impressed with that.

Now the other thing that we are faced with this GST is the inflationary impact. They have tried to convince

us that the inflationary impact, Mr. Speaker, would be about 2.3 percent.

Now we see, if you read the last issue of the Financial Post, that wage settlements in the last quarter have been in the range of 5.9 percent to 6 percent, which is considerably above the inflation rate. So what is happening in wage settlements, and I do not want to argue with the logic of doing this, but in wage settlements we are already seeing the collective bargaining trying to build in the impact of the GST and the wage settlements. So Michael Wilson cannot be so foolish as to assume that this is not going to have a much greater inflationary impact than the little bit that he says it has.

So I think without going into the details, the impact that this is going to have on two areas that concern me, namely, agriculture where I think the farmers are going to find that this is going to impact severely on them. They are going to get rebates, but they are still going to have to pay it. That is going to cost them a lot of money. The other area that is going to be hit very seriously is education. Now the only thing they indicate that is not going to be taxed is the tuition. Everything else in education is going to be subject to the tax with some of it getting a rebate. So I think it is incumbent on the Government to reassess this situation and provide the information.

Otherwise, I can only leave today on the assumption that this Government is not coming clean with us, and that the intent is to allow the federal Government to do what they are planning to do. Then at a later day, they will come on board. They will not have to take all the flak for it, but I would remind them, a Tory is a Tory is a Tory, and the federal Government will drag you down regardless of whether you want to appear to be divorced from them or not. Thank you. Mr. Speaker.

Mr. Speaker: Is the House ready for the question? The question before the House is—the Honourable Minister of Rural Development.

Mr. Penner: Mr. Speaker, it is certainly a pleasure for me to rise in my chair today and respond to the question that is before the Assembly today.

I was very interested in hearing the response of the Honourable Member for Fort Garry (Mr. Laurie Evans), and also the response from the Member, for Seven Oaks (Mr. Minenko), is it? I believe it is, and the reference that he made to myself and the Honourable Minister of Urban Affairs (Mr. Ducharme), in expressing his disappointment in the action that we had taken in regard to protecting the rights, and making sure that municipalities would not be paying an unfair share in the taxation of the GST, the federal tax.

It is interesting though, however, that the Honourable Member for Seven Oaks should make reference specifically only to municipalities.

Mr. Speaker: Order, please; order, please. I am interrupting the proceedings according to the Rules. When this matter is again before the House, the

Wednesday, November 8, 1989

Honourable Minister (Mr. Penner) will have 14 minutes remaining.

This House is now adjourned and stands adjourned until Thursday, November 9, 1989, at 1:30 p.m.