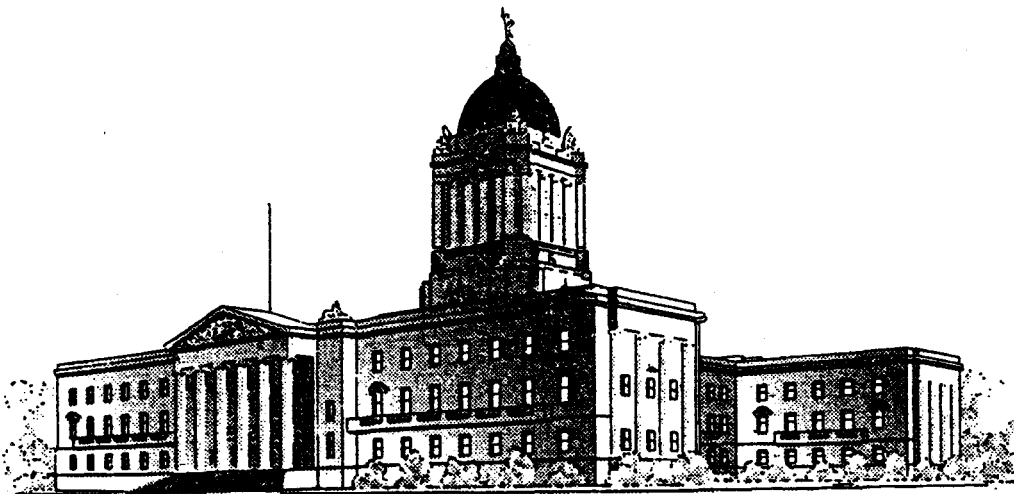




Fifth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
(Hansard)

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 30, 1994

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Railway Traffic Safety

Mr. Leonard Evans (Brandon East): Mr. Speaker, I beg to present the petition of Karen Campbell, Gordon Campbell, Janice Scott and others requesting the Legislative Assembly request the Minister of Highways and Transportation (Mr. Findlay) to enhance and promote a greater degree of safety in the vicinity of railway trackage with particular reference to small children.

READING AND RECEIVING PETITIONS

ACCESS Program Funding

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Dewar). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Mr. Speaker: Yes. The Clerk will read.

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS under the ACCESS program hundreds of students from disadvantaged backgrounds have been able to get post-secondary education and training; and

WHEREAS these students have gone on to successful careers in a variety of occupations, including nurses, teachers, social workers, engineers amongst others; and

WHEREAS the federal government has eliminated their support of the ACCESS program; and

WHEREAS the provincial government has cut support by 11 percent in 1993 and a further 20 percent in 1994; and

WHEREAS the enrollment has already dropped from over 900 to roughly 700 students due to previous cuts; and

WHEREAS the provincial government, in addition to cutting support for the ACCESS program by over \$2 million in the current year, is also turning it into a student loans program which effectively dismantles the ACCESS program.

WHEREFORE your petitioners humbly pray that the Legislative Assembly request the Minister of Education and Training (Mr. Manness) to consider restoring the funding to ACCESS program.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Hickes). It complies with the privileges and the practices of this House and complies with the rules. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

WHEREAS under the ACCESS program hundreds of students from disadvantaged backgrounds have been able to get post-secondary education and training; and

WHEREAS these students have gone on to successful careers in a variety of occupations, including nurses, teachers, social workers, engineers amongst others; and

WHEREAS the federal government has eliminated their support of the ACCESS program; and

WHEREAS the provincial government has cut support by 11 percent in 1993 and a further 20 percent in 1994; and

WHEREAS the enrollment has already dropped from over 900 to roughly 700 students due to previous cuts; and

WHEREAS the provincial government, in addition to cutting support for the ACCESS program by over \$2 million in the current year, is also turning it into a student loans program which effectively dismantles the ACCESS program.

WHEREFORE your petitioners humbly pray that the Legislative Assembly request the Minister of Education and Training (Mr. Manness) to consider restoring the funding to ACCESS program.

* (1005)

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Friesen). It complies with the privileges and the practices of this House and complies with the rules. Is it the will of the House to have the petition read?

An Honourable Member: No.

Mr. Speaker: Dispense.

WHEREAS under the ACCESS program hundreds of students from disadvantaged backgrounds have been able to get post-secondary education and training; and

WHEREAS these students have gone on to successful careers in a variety of occupations, including nurses, teachers, social workers, engineers amongst others; and

WHEREAS the federal government has eliminated their support of the ACCESS program; and

WHEREAS the provincial government has cut support by 11 percent in 1993 and a further 20 percent in 1994; and

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WHEREFORE your petitioners humbly pray that the Legislative Assembly request the Minister of

Education and Training (Mr. Manness) to consider restoring the funding to ACCESS program.

TABLING OF REPORTS

Hon. Eric Stefanson (Minister of Finance): Mr. Speaker, I am pleased to table the report of amounts paid to members of the Assembly for the year ended March 31, 1994.

ORAL QUESTION PERIOD

Winnipeg Jets Interim Agreement

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, I would like to thank the Premier (Mr. Filmon) for providing us with a copy of the letter from the president of the Winnipeg Jets hockey team yesterday afternoon.

Mr. Speaker, there are a number of paragraphs in the letter that allow us to raise some questions today in terms of the implications for the public of the agreement. We are not aware of who the private investors are, what conditions the private investors have participated with the private owners of the team, the majority owners of the team, and what that means for the operating-loss agreement signed in November 1991 by the provincial government, the city government and the majority owners.

I would ask the government, when will they be tabling the new interim loss agreement that is in place? Has it been amended, and will they be tabling the amended copy of that agreement in this Chamber?

Hon. Eric Stefanson (Minister of Finance): Mr. Speaker, I returned home late last night from Finance ministers meetings, and I have not had an opportunity to discuss this at length with the Premier (Mr. Filmon).

I will take the specifics of the request for tabling of additional information as notice at this time.

Mr. Doer: Mr. Speaker, my question is to the Deputy Premier and lead minister, I would assume, on the matter dealing with the agreement, because the Auditor reported to the Minister of Industry, Trade and Tourism (Mr. Downey) in the Auditor's

report which we received in this Chamber on June 7, I believe, of this year.

The private owners asked that the interim agreement be amended to delete the reference to the year 1997 in terms of the ability to sell the team.

My question to the Deputy Premier is, the provisions that allow and provide for the public of Manitoba, through the Province of Manitoba, to be responsible for the operating losses in the years '96 and '97, do they still exist in the operating agreement, or have those provisions been amended in terms of the taxpayers of Manitoba?

Mr. Stefanson: Mr. Speaker, once again to the best of my knowledge, the same provisions exist as is currently in the agreement. This is an extension by one year of the aspect of the agreement whereby the owners of the hockey club would be provided the opportunity to sell it effective July 1 of this year, but the remaining aspects of the agreement, to the best of my knowledge, remain as currently in the agreement.

But, again, I am sure the Premier (Mr. Filmon) will provide any additional information to the Leader of the Opposition.

* (1010)

Mr. Doer: Mr. Speaker, the owners of the team asked for a change to the operating agreement in terms of the ability to come to a decision point on May 1, '95, and that requires an amendment to the operating-loss agreement entered into between the province, the city and the majority shareholders.

I would like to ask the government, did they ask for a change on the operating-loss provisions for the year '96 and '97 in the negotiations with the majority shareholders of the Winnipeg Jets and have the situation where the operating losses would be potentially responsible by the taxpayers? Did they ask for that section to be deleted in the negotiations with the majority shareholders?

Mr. Stefanson: Again, Mr. Speaker, I will take the specifics as notice.

I know the Leader of the Opposition has sat in on at least one meeting on this very important issue

with owners of the Jets Hockey Club, with members of the Burns committee and so on.

I know the Premier (Mr. Filmon) has been keeping both Leaders of the two opposition parties informed on this issue, and we will continue to do so, because that is in the best interest of this issue and of the public's understanding of this very sensitive and very important issue for the economy of Manitoba.

Seven Oaks General Hospital Private Home Care Services

Mr. Dave Chomiak (Kildonan): Mr. Speaker, yesterday in this House, the minister refused to reveal the details of the We Care contract, a private nursing contract that has been given by this government. It is paradoxical because these friends of the minister are being paid to provide private nursing services, while the hospital where their private nursing services are being provided is forced to close for eight days over the summer because of budget cuts from the government.

Will the minister outline for us today how much they are paying We Care health services to undertake their private nursing contract, and will he table the contract?

Hon. James McCrae (Minister of Health): Mr. Speaker, the honourable member seems to have some problem with improving services for the patients at Seven Oaks Hospital. I wish he would take the time to find out who some of those patients are, because I am sure they would have some very harsh words for the honourable member, because all of the indications that we have to this point are that the patients are the main beneficiaries of the program.

I understand, for example, that because of this project, they have saved 254 patient days at Seven Oaks Hospital. That is 254 days that people have not had to languish in a hospital bed, because they can access more appropriate services at home. On an average cost of about \$500 a day, which I understand is the cost at Seven Oaks Hospital, that is a saving, over the term of this agreement, of \$127,000 or so. These numbers are approximate.

When I am able to, I will make exact figures available to the honourable member.

The contract for We Care I expect to amount to some \$25,000 to \$35,000. So that means, with an expenditure of that kind of money, we can either save \$127,000 or, alternatively, make beds available at Seven Oaks Hospital for people who need them.

Mr. Chomiak: It is funny, we nationalize the Jets' losses, but we privatize home care.

My supplementary to the minister is: How does the minister explain that on December 23, the president of We Care wrote to the department, outlining that the cost of the contract would be in the range of \$30,000 to \$100,000 for an eight-week period, and now the contract has been extended to 12 weeks and the minister says it is only \$30,000? How does he reconcile those figures, and will he table the contract?

Mr. McCrae: Mr. Speaker, I am sorry if the contract amount bothers the honourable member, that it is lower than it was initially expected to be. I really do not know how I can explain that today. I guess we just have to plead guilty that we did not spend as much as the honourable member would like us to spend.

The fact that is so troublesome for me is that the honourable member puts the views of his union boss friends ahead of the views of the patients of this province, and that, to me, is not something I would do.

Mr. Chomiak: Mr. Speaker, I wonder if the minister could explain the massive advertising contract of We Care and how come—and I will table some government documents on the Year of the Family that has We Care advertising on these documents.

Can the minister explain what the relationship is between this government and We Care, and will he table the contract that he has between We Care and this government?

* (1015)

Mr. McCrae: Mr. Speaker, I do not know what it is that causes the honourable member to want to be on a vendetta against a company that has its base in

the city of Brandon. I wish he would talk to the member for Brandon East (Mr. Leonard Evans), and I wish he and some of the other members who are constantly against jobs in this place would get together and maybe adopt a new policy.

The fact is, with its very humble beginnings, We Care has grown to something like 30 franchises from a very small two-person operation in Brandon. They provide jobs for over 300 Manitobans, and those Manitobans are people such as nurses and home care attendants and people who provide services to other people.

Across Canada, they have something like 3,000 employees. They are looking at expansion into the United States and the United Kingdom. I suspect this growth is because people like their services.

Winnipeg Jets Interim Agreement

Mr. Paul Edwards (Leader of the Second Opposition): Mr. Speaker, I noticed that the Minister of Finance was reviewing the correspondence to the Premier (Mr. Filmon) from Mr. Shenkarow dated yesterday, and I want to ask the Minister of Finance a question specific to the third paragraph of that letter, where Mr. Shenkarow specifically recommends that the November 1991 agreement be amended to delete the reference to the team remaining until 1997, and that it be amended to May 1, 1995.

Mr. Speaker, my question for the Minister of Finance: Does that recommendation include a release of the government from all responsibilities for that further two-year period, and secondly, if, in fact, that is the case, what has been the trade-off in the discussions between the government and Mr. Shenkarow which has led to that recommendation?

Hon. Eric Stefanson (Minister of Finance): I thank the Leader of the second opposition party for that question. Once again, I will have to take the specifics as notice on behalf of the Premier.

My understanding is in light of the events that have unfolded over the last week, that there is a great deal of momentum to address the many outstanding significant issues that can be

addressed within the realm of Manitobans and that this is the objective, to work towards that March 1, 1995, date in terms of resolving what is the June 30 deadline this year and obviously the fundamental issue of a facility here in Manitoba.

Mr. Edwards: Mr. Speaker, I look forward to a further detailed response from the Premier (Mr. Filmon) on that issue, because it is an extremely important one, specifically the issue of what the government's continuing responsibility is going to be under this recommendation.

My further question is to the Minister of Finance, and it is a simple one, Mr. Speaker.

To his knowledge, is the government going to be accepting this recommendation, because it is just that, a recommendation by Mr. Shenkarow. Has the government, has the cabinet had any discussions about this? Is the government going to be accepting this recommendation?

Mr. Stefanson: Once again, the letter dated June 29, addressed to the Premier (Mr. Filmon), has just arrived. My understanding is the direction that is outlined in this letter is something that we are certainly inclined to support in terms of our due process. It will follow our due process for approval and so on, and once again, the Premier will respond in greater detail, as he has done throughout and as we intend to do on this issue.

I think significant improvement has occurred over the last week in terms of everybody attempting to pull in a similar direction here. That is very healthy and positive, and we will continue to share the maximum amount of information on this issue.

Mr. Edwards: Mr. Speaker, obviously, that is true. There have been a lot of developments in the last week.

This particular aspect is brand new. The recommendation in the third paragraph of Mr. Shenkarow's letter is not something which has been the subject of debate in this Chamber or certainly at the meeting that I attended.

My final question for the Minister of Finance: The critical date of May 1, 1995, is the date on which the long-term viability of the team is going

to be assessed. Has the government had any discussions as to how they will make that assessment, how that assessment will be made by the levels of government to determine that long-term economic viability?

Specifically, has the government made any decisions as to what they would consider a proper commitment for a long-term lease that would be entered into by the Winnipeg Jets hockey team to evidence the long-term economic viability of the team?

* (1020)

Mr. Stefanson: Mr. Speaker, I think, as the Leader of the second opposition party knows, during this particular time frame up to May 1 of '95, there are some very fundamental issues that have to be addressed.

I know he is well aware of them, the issues relating to the league itself in terms of compensation of players and the issue of a player salary cap or a maximum amount of money for players' salaries, the fundamental issue of the arena here in Winnipeg and the involvement of the private sector in the development of an arena and/or any other vehicles for the financing. Many have been suggested over the last period of time.

Those are some fundamental issues, as well as now that whole initiative that I know the Leader of the second opposition party was privy to, the whole issue of a marketing approach to determine what kind of support there is for Manitobans to come forward to make a contribution towards having a seat in a new facility and the significant increase that Manitobans will incur in terms of making that commitment to the Jets.

So those are some very fundamental issues that will all form part of the ultimate decision by May 1 of '95.

The Real Property Act Amendments

Ms. Marianne Cerilli (Radisson): Mr. Speaker, the government has known for some time about the problems for people who sell their homes and have the purchaser assume the mortgage.

I want to ask the Minister of Housing (Mrs. McIntosh) why the government has not amended The Real Property Act in the last couple of sessions and when they plan to do that.

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Mr. Speaker, the question of personal covenants on mortgages has been a troubling matter for some individuals over the past period of time. I concur with the interests of the member for Radisson with respect to this matter. It is, in my view, unfair that those kinds of occurrences should take place.

However, Mr. Speaker, the matter is not quite as simple as simply implementing carte blanche legislation. There are a number of issues surrounding this matter. Do we go with Alberta, for instance, or Saskatchewan, where they have introduced in the 1930s, as a result of occurrences of that time period, one kind of legislation? Do we go with British Columbia which has a much more restrictive kind of legislation?

What happens to the mortgage market? Do corporations receive the same benefit as individuals? Do rental properties receive the same benefit as owner-occupied properties? What happens to commercial mortgages? There is a whole series of things.

What I have done is I have asked the Manitoba Securities Commission to conduct consultations and hearings with respect to these matters. They have, in fact, issued a paper with respect to the matter of mortgage personal liability or personal covenants under mortgages. They will conduct that survey over the next two or three months and then, once we have that report, we will be able to deal with the matter further.

R vs Baker Justice Department Review

Mr. Gord Mackintosh (St. Johns): Mr. Speaker, my question is to the Minister of Justice.

Last week, a Queen's Bench judge rejected the testimony of a complainant in an incest and sexual abuse case, apparently on the basis that she was suffering from delusions induced by her psychiatrist; yet, Mr. Speaker, I am advised there

was no expert psychiatric evidence before the court to suggest the complainant was suffering from false memory syndrome.

Mr. Speaker, Manitobans are concerned about the chilling effect this decision will likely have on survivors of abuse, especially those who have recovered memories of this trauma.

My question for the minister is, given that this involves an important matter of public policy, can she assure Manitobans that the decision in the Queen vs Baker will be appealed immediately?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): As the member knows, my department reviews all cases. We make decisions towards appeal based on facts and on criteria which are of long standing.

Judges also make decisions based on fact. So, Mr. Speaker, we will be following the process which we follow regularly within the Department of Justice.

Mr. Mackintosh: Will the minister be appealing this case immediately?

Mrs. Vodrey: As I said, there is a process which the Department of Justice goes through routinely in terms of reviewing decisions, and decisions to make appeal are then made based upon those criteria. The member knows this very well, and he asks a question which he knows is simply one which will follow the normal course.

* (1025)

Mr. Mackintosh: It is a straightforward question.

Given that the Crown surely anticipated that the defence of false memory syndrome would be raised at the trial and yet I understand that the Crown failed to prepare evidence to refute it, would the minister now ensure that a policy is put in place so experts do testify in appropriate cases, and will the minister confirm that cost was not a factor in the Crown's decision not to call expert evidence in this case?

Mrs. Vodrey: Mr. Speaker, the member knows very well we have very professional Crown attorneys. Those professional Crown attorneys conduct cases, I believe, in a very professional

way. Judges also make decisions based upon facts of the case.

If the member has some other way to do justice which is outside of that normal process, then perhaps he should say.

Dakota Ojibway Tribal Council Funding of Police Force

Mr. Eric Robinson (Rupertsland): Mr. Speaker, my question is for the Minister of Justice.

This is concerning the Dakota Ojibway Tribal Council. There has been a letter or there were letters sent to this government on February 3, March 14 and the latest one on May 27 to the Premier (Mr. Filmon) of this province concerning the 1993-94 funding contribution to the Dakota Ojibway Tribal Council police force to provide policing services in the DOTC area. The funding contribution was for \$150,000.

My question to the minister is: Would she communicate directly with the DOTC chiefs whether the response will be positive or negative from the province with respect to this request?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, I would ask the member to table the documents that he referred to in the House today so that I can also see them.

I would also like to remind him that the Dakota Ojibway Tribal Council police was a 100 percent federally funded police service—one hundred percent federally funded. It was a police service which operated as a bilateral agreement between the federal government and the DOTC communities. The federal government, the federal Liberal government, made a decision that they would not come forward and supplement the \$500,000 overrun of the DOTC communities. Consequently, the DOTC collapsed their police force.

This province and this government came forward, went to see the Solicitor General and indicated that we were prepared to enter into First Nations policing agreements, and those are tripartite agreements in which we would then assume a portion of the funding, but the funding for the DOTC police services before November

was totally the responsibility of the federal government.

ACCESS Programs Statement of Claim

Ms. Avis Gray (Crescentwood): Mr. Speaker, my question is for the Deputy Premier.

The ACCESS program students are intending to file a statement of claim today against the minister and this government because of claimed unfairness with the ACCESS program. The statement of claim will probably ask for the government to honour the contractual arrangement they have had with the students, so that, in fact, these students can finish their education.

I would ask the Deputy Premier if he could table a legal opinion as to the contractual arrangement regarding the ACCESS program, and is he prepared to do anything before they actually have to put this statement of claim in the courts today?

Hon. James Downey (Deputy Premier): Mr. Speaker, let us just review the history of the ACCESS program and the commitment of this government to the ACCESS program, where we have continued to support it when, in fact, the federal government has been reducing its funds to that program. For the past few years, it has been our effort that has maintained it at the level that it has been.

As far as the member's question as it relates to the filing of a statement of claim, I believe, if that takes place, it would be inappropriate to answer a court-related—[interjection]

Well, the member says it has not taken place yet. I mean, is it going to take place? Is it not going to take place? I think she should get her information accurate when she comes to the Legislature. If she is going to ask a question, I think the rules state that she should have the facts prior to asking that question.

I will take any specifics as it relates to that for the Minister of Education (Mr. Manness).

* (1030)

Ms. Gray: Mr. Speaker, this government has been told for weeks that, in fact, there will be a

statement of claim filed. It has not been filed yet, which is why we are asking the question.

I would ask the Deputy Premier—he has an opportunity to stop this court action and to actually ensure that ACCESS students have an opportunity to finish their education.

Can the Deputy Premier tell us, is he prepared to allow a court action to go ahead and have the government have to defend their actions, spend money, rather than allowing these ACCESS students to complete their education?

Mr. Downey: Mr. Speaker, I cannot quite understand the context in which the member is asking the question. She is suggesting that I should try and deter somebody from taking court action if they feel that is necessary. It is not my place to do that.

I would suggest that she should encourage the federal government to live up to their responsibility as it relates to the ACCESS program.

As far as any details as to what flows from today's action, we will leave that for the Minister of Education (Mr. Manness) to deal with next Question Period.

Hikel Report Tabling Request

Ms. Avis Gray (Crescentwood): Mr. Speaker, my final supplementary is to the Deputy Premier.

Can the Deputy Premier indicate to us today, is he prepared to speak with the Minister of Education and ensure that before the day is out, because it is the end of June, he will, in fact, table the Hikel report, which will have pertinent information relating to this particular court case?

We were promised it by the end of June. It is June 30. Will he ensure that the Minister of Education tables that report today?

Hon. James Downey (Deputy Premier): Mr. Speaker, I would take the specifics of the question as notice for the Minister of Education.

I would also have to review what the minister has said as it relates to that report and would be prepared to report back next week.

Goods and Services Tax Replacement

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Finance.

We noted this week that there was no, quote, scrapping of the GST at the federal Finance ministers meeting. The GST has risen out of the ashes like a phoenix to be a proposed 10 percent tax. The Finance ministers from some provinces were quoted as saying—[interjection] I remember the Liberals used to ask questions about the old GST, but maybe they want to ask questions about the new GST.

Mr. Speaker, the Finance minister from B.C. was quoted as saying, it is a \$400 increase per family, and therefore she was opposed to the tax. The provincial minister of Manitoba raised some concerns. The Premier of Newfoundland indicated they were in favour of the proposal.

Can the Minister of Finance indicate today, what will this proposal cost the consumers of Manitoba, please?

Hon. Eric Stefanson (Minister of Finance): Mr. Speaker, that is a difficult question to answer, because every time you make a different assumption in the economic model, it affects what the costs are.

We have been running various comparisons at different income tax levels, because what would happen under this 10 percent proposal is that there would be a shift, because both the provincial government and the federal government would be losing money from their sales tax sources.

The proposal is to shift that to personal income taxes through a flat tax at the federal level and at the provincial level. We have some information that shows the impact at various income levels, and the preliminary information—[interjection]

Mr. Speaker: Order, please. The honourable Leader of the official opposition asked a question, and I believe he is trying to hear the answer.

Mr. Stefanson: In terms of some of the information we have to date—and we will continue, Mr. Speaker, to be updating and adjusting and revising some of the information, but

those people earning over \$30,000, under the information we have so far, will be paying more taxes, because they will pay more taxes on their personal income taxes than they will under the sales tax.

There are other concerns we have as well, that, as the Leader of the Opposition indicated, we did put on the table during these meetings. We continue to be concerned about the base broadening, because it would mean moving into areas that currently do not have a provincial sales tax.

But probably even a greater concern is the potential short-term impact on our economy. Consumer confidence across Canada has been growing lately. We are seeing retail sales tax revenues growing. We are seeing our housing industry in Manitoba having better years the last two years, but consumer confidence across Canada is still quite fragile, and some of the shifts on consumption in terms of broadening that base are areas of great concern for us.

So, over all, we have put all these concerns on the record, and we expect that they will be addressed over the weeks ahead, Mr. Speaker.

Mr. Doer: I was a little surprised when the federal Finance minister, yesterday at the end of the meeting, indicated that the Finance ministers had agreed that they would now have their officials working on variations of the 10 percent theme and the proposals of the federal and provincial governments.

I believe that the first promise was to scrap the tax, not to refine the tax. I would have hoped out of that meeting that we would have had a resolution that the provinces would not go along with anything else except scrapping the GST which was the original promise.

Why have we agreed to participate with officials in the back rooms, with the federal government, on this proposal? Why are we not just saying, no, full stop, in terms of the federal proposal?

Mr. Stefanson: I should indicate quite clearly that all provinces have agreed to at least participate in the process, and that represents all three major

political parties across Canada representing various provinces within Canada.

The reason we are prepared to participate is because, whether it is a replacement or whether it is the GST under another name or whether it is a complete shift, the federal government does need that amount of money. There is no doubt. They have made no secret about that fact that they intend to still retain that amount of tax dollars somewhere.

I think it is incumbent on all of us to be sure that in any way we can impact, being sure that whatever the solution is, it is in the best interests of individual Manitobans, of Manitoba businesses, that we should be there to represent Manitobans in terms of our views and put forward our concerns. We have to be a part of that process to hopefully work towards, ultimately, the fairest solution, that we can be a part of providing information on it.

So we should be there. We disagree with what has been proposed to date. We do not think that is the solution. We do not support the kind of shift to the personal income tax basis being proposed. We have not seen a viable alternative so far. We have not seen a replacement of the GST, but we will be a part of the review process, Mr. Speaker.

Mr. Doer: Well, the member for Inkster (Mr. Lamoureux) is criticizing Ed Schreyer, Mr. Speaker. When the member for Inkster has the kind of record Ed Schreyer has, maybe he can start criticizing Ed Schreyer.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. Not only does the member have a right to speak, but he has the right to be listened to. Now, the honourable Leader of the official opposition.

Mr. Doer: Mr. Speaker, what concerns us now is how are the public going to be involved in these various proposals.

Prior to the federal Finance committee, the Liberal-dominated committee reporting, with their majority report on replacing the GST and leaving it open to food and drugs, some provinces presented briefs and had public debate about what would be in that brief, and other provinces did not. Manitoba

chose not to present a position to Ottawa and said they would wait till the Finance ministers meeting.

Mr. Speaker, my question is to the Minister of Finance. How is he going to allow the public of Manitoba to be involved in decisions that are very, very vital to families here in Manitoba, rather than just having officials meeting? How can we open up the windows and doors for the people to participate in their consumer taxes, rather than just officials in the back rooms?

Mr. Stefanson: Mr. Speaker, the Leader of the Opposition raises a legitimate concern and one that we share, because we are merely at the point where we had a Commons committee report that we adamantly opposed. I know the opposition party adamantly opposed that. I guess the good news to date has been now there is no discussion about broadening the base into food and prescription drugs and medical supplies. That is progress.

We now have another proposal come forward by the Minister of Finance of the federal government that we do not support, but at this particular point in time there is not a focus to go forward to the public for input and response to.

So over the course of the next several weeks, we will have officials work to see if there is any basis for finding anything that provinces collectively can agree to, and then we will be looking for an avenue to get the feedback from Manitobans, absolutely, because it is an important issue.

We will develop an avenue to get input on whatever decision we finally make on this very important issue.

* (1040)

CT Scanner Parkland Region

Mr. John Plohman (Dauphin): Mr. Speaker, I have a question for the Minister of Health.

The government has recently lifted the ban on the operation of CT scanners at the Concordia, Grace and Misericordia Hospitals, yet the people of the Parkland continue to wait for the decision of the government with regard to the purchase of a CT scanner that would serve some 40,000 residents of the Parkland region and save

thousands of dollars in travel costs every year for these residents. They still have received no word from the minister.

I want to ask the Minister of Health today whether he has received the final report from the provincial scanning committee that will be making recommendations to the government. Has he received that report, and, in fact, does it include a recommendation that the Parkland will receive or will be allowed to go ahead and purchase a CT scanner?

Hon. James McCrae (Minister of Health): When the so-called moratorium was lifted, Mr. Speaker, that was on the advice of that imaging committee. As yet, the imaging committee has not made recommendations respecting further installations in Manitoba. When they do, we will look very seriously at their recommendations.

Mr. Plohman: Mr. Speaker, that is not very reassuring for the residents who have raised some \$550,000 for the purchase of a scanner.

In light of the fact that the costs are escalating to some \$1 million for the purchase of a scanner from only \$500,000 a couple of years ago, will the minister now intervene to ensure that, in fact, this purchase can be made before the costs escalate to a level that is impossible for the residents to afford, Mr. Speaker? They need the decision now.

Mr. McCrae: Mr. Speaker, we know costs escalate, but the honourable member is certainly very wrong in what he is saying.

These machines cost a million dollars several years ago, so I do not know what he is talking about in that regard, but, certainly, as I travel throughout Manitoba, there are people who express an interest in this kind of diagnostic technology being available in their communities.

I do not want to discourage anybody from contributing to local efforts, but I would ask the honourable member to understand that the imaging committee's work is very important, and its decisions are based on health outcomes and population health needs, its recommendations, and we would be looking to their recommendations in the future.

Mr. Plohman: Mr. Speaker, in light of the fact that an exception was made for the three hospitals that received permission to go ahead and operate the scanners, which was a correct decision, will this minister now intervene and make an exception and get this on the way, so that the purchase can be made and the operations can begin to save money and provide the service for residents of the Parkland who have to travel to Brandon and Winnipeg for this service now?

Mr. McCrae: Mr. Speaker, one of the reasons the Pawley government had such a hard time in 1988 is that they just went around intervening all the time and making decisions that ultimately did not turn out to be in the public interest.

It is important to look at the scientific evidence with respect to population health needs and to use the health care dollar wisely. That is what we intend to do. I hope it means what the honourable member wants it to mean, but if that is not the case, we will address that when the time comes.

R vs Baker

Justice Department Review

Mrs. Sharon Carstairs (River Heights): Mr. Speaker, my question is to the Minister of Justice.

As the minister knows, I hand delivered to her office yesterday a request for an appeal in the Baker case, and I was particularly interested in her comments to the member for St. Johns (Mr. Mackintosh) today.

She said the judges made their decision based on facts, but there is no factual evidence that such a syndrome known as false memory exists. It exists in no documented psychological or scientific research in this nation or in any other nation.

Since that seems to be the basis upon which the decision in the court case will be made, and it is the first time such a syndrome has been used, will the minister personally review this case for the potential of an appeal?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, my answer remains the same as the earlier answer that I gave.

All cases are reviewed by the Department of Justice against a criterion to look at whether or not there are grounds for appeal. That will happen in this case also.

Mrs. Carstairs: Mr. Speaker, can the Minister of Justice tell the House today if one of the criteria that is used to evaluate a case is a decision based on misinformation and misfact?

Mrs. Vodrey: Mr. Speaker, I would want to be very careful about any comments that I make. Should this case go before appeal, any of my comments could jeopardize a case, so the member at this point will have to deal with the facts I can give her at the moment, and that is that all cases are reviewed for appeal against a criterion.

Any comments that I would make outside of that would certainly jeopardize a case. I do not think that is what the honourable member is asking for. I certainly hope not.

Mrs. Carstairs: Mr. Speaker, with the greatest respect to the Minister of Justice, I asked nothing in my second question about a case. I asked her what the criteria was and if that criteria included an examination of misinformation.

Mrs. Vodrey: Mr. Speaker, again, my answers remain the same. We review all cases according to criteria. I will not make any statement today in this House which may even be close to this case, because it would jeopardize this case before the courts.

The member continues to insist. It seems that she would prefer to have the case brought before this House instead of before a Court of Appeal.

Mr. Speaker: Time for Oral Questions has expired.

NONPOLITICAL STATEMENT

Fort Rouge School Graduation

Mr. Speaker: Does the honourable member for Osborne have leave to make a nonpolitical statement? [agreed]

Ms. Norma McCormick (Osborne): Mr. Speaker, last evening I attended a celebration to honour the Grade 6 graduates of Fort Rouge School hosted by their parents and teachers.

It was a wonderful evening for a number of reasons. First, it honoured nine students whose class represent a real United Nations. The names give evidence of the rich and various heritages they represent: Aaron Bruce, Tyson Creeley, Geraldine Duran, Roxandra Ioanovici, Calvin Nelson, Raeleen Nepinak, Kristen Osborne, Philip Starr and Helena Tewelde.

Mr. Speaker, it was a special evening in another way. There was a very touching moment, unannounced on the program, when Tyson Creeley announced a special tribute to teachers Jack King and Nick Devine, and a beautiful child with an enchanting voice, Reeshema Daniels, sang "Wind Beneath My Wings."

Finally, I had the opportunity to present an award to someone who has made a special contribution to the community. When the school determined the criteria I had established for the award, the teachers, parents and students chose to honour the school's Principal, Barbara Sarson.

Barbara Sarson is a remarkable woman. She values family, child and community safety and empowerment, and she readily takes up the causes for her children. She is the cook at camp, the last one to leave the school in the evening and is often back in the evening to participate and support the community's efforts to ensure that their voices are heard. She is a member of the Norwood Bridge Committee and has participated in the Mayfair Resource Group. Barbara Sarson embodies the determination and spirit of the Fort Rouge community—proud, hardworking, resourceful and unflinchingly dedicated to the children of her community.

I ask members of the Legislature to join me in congratulating the Fort Rouge School graduates, their teachers and their principal. Thank you.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Mr. Speaker, would you call Bills 25, 27 and 31.

DEBATE ON SECOND READINGS

Bill 25—The Statute Law Amendment (Taxation) Act, 1994

Mr. Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Stefanson), Bill 25, The Statute Law Amendment (Taxation) Act, 1994; Loi de 1994 modifiant diverses dispositions législatives en matière de fiscalité, standing in the name of the honourable member for Transcona (Mr. Reid). Stand? No. Leave is denied.

Mr. Leonard Evans (Brandon East): Mr. Speaker, Bill 25 is the usual statute law taxation amendment bill that we receive every year which contains a miscellaneous bag of changes to taxes and various other items that I often refer to in the budget document itself. This particular bill essentially puts into law many of the items referred to in the budget, many of the tax adjustments referred to in the budget by the Minister of Finance (Mr. Stefanson).

I would like to take a little time to discuss some of these changes and what they mean for the Manitoba economy, because the minister has stated in his explanation of this particular bill that many of these measures were geared to increasing employment, to stimulating the economy and generally were being put into place for economic growth reasons, although they have other impacts as well. Appreciate also that there are other elements of the bill that have very little to do with economic growth, but are more concerned with health matters, such as tobacco taxes and importation of tobacco which is covered in this bill in a later section.

One of the references in the bill, one of the tax adjustments in the bill relates to first-time home buyers whereby they will be given a rebate of \$2,500 from the retail sales tax if they are a first-time buyer and if they purchase a new house. There are some other conditions.

Presumably, the intent of this is to stimulate housing construction in the province, and we have no problem with that intention, that desire to increase the housing industry or increase the level of activity, but, unfortunately, Mr. Speaker, we do not believe that this worthy intention is going to

amount to much in terms of actual additional construction.

As a matter of fact, I note that in the summary of tax changes included in the minister's own budget document, he is estimating for a full year of a \$9.6-million cost, although I see there are some footnotes on it, so that may not be the total or accurate picture, but the point I am making, Mr. Speaker, without using that reference, is that we will have to do an awful lot more to get housing starts up to a level that we had some years ago.

* (1050)

It is rather sad that housing starts in this province have declined seriously over the last few years and are indicating a rather major weakness in our economy, because a housing start really reflects an increase in a household. You set up a new household, a family usually, and that new household does have a stimulating effect on the economy, because people usually go out and buy new furniture, appliances and so on, and generally stimulate the economy through increased purchases, and that is fine.

The point I am making, Mr. Speaker, is that the impact of this particular item will be relatively minor and, in my view, not provide the results that we would like to see—I am sure I would like to see—in terms of stimulating the housing industry.

I was looking at the figures supplied by the minister himself in his budget document where he has some economic statistics in budget paper A and he relates to investment in housing. There are figures on housing investment, and you can see housing investment down.

Oh, yes, here we are, the number of housing starts. Back in 1989, when this government was first elected, more or less, or the year after it was first elected, there were 4,084 housing starts in Manitoba. In 1993, the last year for which we have numbers, we were down to 2,425. As a matter of fact, the worst year was 1991 when we were down to 1,950.

The point I am making, Mr. Speaker, is that housing starts have taken a nose dive, and we have

to do something more than this particular measure to increase housing construction in the province.

I appreciate that there are other factors at work, such as interest rates. Mortgage rates obviously have an important impact on the demand for housing. Those factors go beyond the interest rate factor, go beyond Manitoba, and therefore it is appropriate to look at what is going on in Manitoba in comparison with the other provinces.

The sad fact of the matter is that, while there has been some dampening of housing by excessively high mortgage rates in other parts of the country, in Manitoba we have suffered the most. In fact, in many years, we are usually ranking eight or nine out of 10 provinces in terms of housing start increases.

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

For 1989, 1990, 1991, there were major declines in the level; '90-92 saw some increase, but we had a decline again in '93. At any rate, when you look at some of the other provinces, you will see that they have done much better. So the question is, why is housing construction lagging so much in the province of Manitoba? We say that this measure which we support is fine, but it does not go far enough. I would submit, however, there are other programs that the Manitoba government could engage in to stimulate the economy that would stimulate housing as well.

I notice that there is a reference here to reducing electricity rates for electricity used in manufacturing. It is being reduced from 7 percent to 2.35 for the period June 1, 1994, to March 31, 1995. Again, I do not know how significant that will be to assist in manufacturing in the province. I do not know how—this is the difficulty that we are labouring under here, is that while the minister has made various proposals here, presumably to stimulate the economy, there is no information as to the impact of these proposals. What is this going to do to manufacturers in that sector, that is, manufacturers that use a lot of electricity?

There are other changes as well. I notice there is some provision for mining tax relief. There will be

a credit equal to 7 percent of the investment in new mines and processing facilities which will be provided for the period April 21, 1994, to December 31 for the year 2003. This credit is to be deducted against a maximum of 30 percent of the mining taxes otherwise payable by a corporation for a year. Then there is, in addition to that, a processing allowance of 10 percent of the capital costs for processing assets. This is being doubled now to 20 percent of assets for new mines or expansions after April 21, 1994. Again, we wonder, how effective is this? We have no information from the minister, from the government, as to the impact, and surely we do need to stimulate the mining industry because, again I note, in the budget document tabled by the minister, that the mining industry has fallen on very tough times.

Back in 1989, the year after this government took office, mineral production was \$1,668 million, and by 1993, it had fallen to \$912 million. There has been a serious drop, a very significant drop in mining output in the province of Manitoba. The question remains as to whether this particular stimulus will be able to offset this decline and bring about a greater activity. Comparable or parallel to the declines in output, of course, are declines in employment; the amount of employment in the industry is negatively affected as well.

At any rate, there is a summary of all these tax changes shown in the book, and on balance, they are relatively modest. Under sales taxes, the government estimates giving up \$9.6 million; fuel taxes \$4.8 million—this relates primarily to locomotive diesel fuel—a loss of \$3.1 million for a change in the small business income tax rate, fine; and also a loss of \$1.9 million in changes in corporation capital tax exemptions.

On the other hand, the government has decided, in its wisdom, to apply the corporation capital tax to our major publicly owned utilities, namely, Manitoba Hydro and the Manitoba Telephone System, and expects to get an additional \$15-million credit there.

On balance, the point I am making, these tax changes are not very significant in terms of the total expenditure of this government. They are very, very minor, and I do not think they will have much impact on the various sectors of the economy. Goodness knows, the governments have to do something to stimulate the economy because all the information we have is that the economy continues to languish.

As a matter of fact, the latest information we have of the 13 current economic indicators that are available, provided by Statistics Canada, shows that 10 out of 13, we are performing below the national average. That includes retail trade, the rate of growth, the inflation situation, average weekly earnings, the increase in employment, population change, capital investment, farm cash receipts, construction work and building permits. In all of those areas, we are performing below the national average.

* (1100)

When we talk about sluggish investment spending, we should become very, very concerned because investment in Manitoba has not increased. In fact, there have been decreases. Again, looking at the budget document, between 1993 and 1989, the minister shows in these figures a decrease in total investment from \$3,751 million in 1989 to \$3,414 million in 1993, and this also applies particularly to private investment. Private investment is down as well over that period of time.

What is very disturbing as well is that the forecast for this coming year shows a decline in private capital investment, again, in 1994 over '93. As a matter of fact, the private capital investment situation in Manitoba ranks as 10 out of 10. Our situation is the worst in the country.

I say, Madam Deputy Speaker, that we in this House have to be extremely concerned as to where the Manitoba economy is heading and whether this particular budget document and the information and the changes now being proposed in this legislation, which comes out of the budget document in large measure, whether these are adequate, whether the budget has indeed

addressed—and therefore has this legislation addressed—the problem of sluggish economic growth, the problem of insufficient jobs for the people of Manitoba.

Without investment, without public investment and without private investment, you cannot have economic growth. That is the basis of growth; that is the basis of increasing jobs. If you want to increase jobs, generally, economic studies will show you have to have an increasing level of investment. That is the key. We are not getting that. We are getting declines in the level of private capital investment. We are getting declines, in some years at least, even in public capital investment.

You could argue, while these figures were forecasted before the federal government's infrastructure program, and indeed they were, the private capital investment, I submit, will not be changed very much by this, maybe some of the public figures because we are talking mainly about public works in the public sector, public investment. We are not talking private capital investment, which involves everything you can imagine in the private sector, from manufacturing to retail to other categories, farming, mining and so on.

So I do not see the federal program having much impact. In fact, my main complaint with the federal program of infrastructure, Madam Deputy Speaker, is that it is relatively small in comparison with the problem. When you look at the Canadian economy, with unemployment exceeding 10 percent—and in Manitoba we are not much better off, just slightly better off with unemployment rates ranging in the nine percent area—we have just too many people unemployed, and government, in my view, has a responsibility to be more aggressive, more active in stimulating the economy. So I refer to investment spending.

One could refer to other statistics, other dimensions of the economy and become very concerned. I notice, for example, in the value of building permits, for the information we have, the latest information at least I have, it shows that we rank 10 out of 10. Of course, building permits is an

indication of how much construction activity we are going to have in the future, and for the life of me, I do not understand why we have to continue to be so sluggish in this area. As a matter of fact, building permits have been declining since 1989. We have shown a decline in 1990, '91, '92, '93 and now, again, even a worse decline in the value of building permits.

So I say, the Minister of Finance, the government should be very concerned about this situation and ask themselves whether their economic policies and their fiscal policies and their financial policies are addressing the question that faces Manitoba, in fact, the No. 1 question that faces Manitoba today, and that is the lack of jobs which results from the lack of economic growth and a sufficiently high level of economic activity.

There are other areas—retail trade. The retail trade information we have for this year is not overly encouraging. There is some increase in it, but our ranking leaves much to be desired. I think we are ranking eight out of 10 provinces. Ten is the worst position. We are third from the lowest, being No. 8 out of 10. So that is something we should be concerned about as well, when we are looking at the statistics.

Manufacturing has increased somewhat over the previous year, but we have had a rather sluggish manufacturing-shipment performance in some of the previous years.

So all in all, Madam Deputy Speaker, the basic economic figures that we have had provided to us in the budget document and in the various reports that come out of the Manitoba Bureau of Statistics and Statistics Canada show an economy that has not grown, in fact, in some ways, has shrunk. I guess, overall, this is reflected in our population change because the population change is virtually stagnant.

In 1989, our population as of July was 1,000,106; as of July 1993, it was 1,000,116. It had only increased by 10,000 people in five years, and I submit that is tantamount to a stagnating population situation. Of course, most of that stagnation, in fact, depopulation is occurring in rural Manitoba, and that is a reflection of changes

that have been occurring in the agricultural-industrial sector.

So all and all, Madam Deputy Speaker, we have some measures suggested in this legislation that we can support. They make some type of effort to stimulate the economy, mining, manufacturing, small business and so on. As I have said before, they are relatively minor, relatively modest and almost in the form of tokenism.

Another area, leaving the economy aside for a moment, that this bill touches on, another important area, is the tobacco tax. It is being amended, I see, The Tobacco Tax Act, by this legislation, to strengthen collection and enforcement provisions as well as facilitating joint enforcement agreements with the other provinces. This we can commend the government for, and there are some other minor changes in the act as well.

I note, in order to effect a better control of illegal imports to the province, the department, the minister is redefining or clearing up the definition of extraprovincial marked tobacco products, and further, I note, is reducing the importation limits for tobacco products from 900 grams to 400 grams. So in effect it will be illegal now to import more than 400 grams at one time, I think, in addition to—I should check the numbers here—but I think that is in addition to 200 cigarettes per time.

* (1110)

This is a very serious matter. In many ways, we could criticize the federal government for caving in on this particular matter. It has caused a lot of grief in this country. The federal government actions have forced, literally, along with Quebec, other provinces to the east of us to reduce tobacco taxes, leaving Manitoba and other western provinces to carry on the fight against excessive use of tobacco which we all know is detrimental to the health of our people. Surely, what we are talking about here is strictly taxation not to necessarily raise money although it does that, but taxation to discourage people from smoking so that they may live longer, particularly young children and young people whom I know, because they are on relatively low income usually going on

allowances or whatever monies they might earn on a part-time basis as students, nevertheless they are among the low-income groups that we have. Young people are relatively short of cash usually, and they are particularly impacted by taxation changes and by prices of cigarettes.

It is regrettable that the federal government—and I appreciate the situation that arose out of what was happening in Quebec, illegal smuggling and all that, but nevertheless it is sad that actions had to be taken by the federal government in conjunction with Quebec, and, as I said, causing the other eastern provinces to virtually capitulate and reduce their taxes.

So Manitoba has a great challenge. I would think, therefore, that this particular section will make it better or easier, rather, for the province to maintain the level of control that it tries to maintain with respect to the purchase of tobacco products. I understand, also, there are some amendments here that are going to make it easier for the province to co-operate with the other western provinces to fight the good fight in this respect.

Madam Deputy Speaker, those are a few remarks I would like to put on the record. As I said, our major concern with the bill is that it is a reflection of the budget which does not go far enough to stimulate the Manitoba economy.

I just might say just before closing that I appreciate that we have to continue our fight against the GST, because not only politically is it bad because the people of Canada and the people of Manitoba hate the GST—they do not want another GST with a different name—but the people of Canada, the people of Manitoba want the GST to go. I believe it should go, and I believe it can go. I believe that there are other kinds of taxes that the federal government could collect to easily make up for the loss of revenue from the elimination of the GST, including taxes on family trusts, including loopholes that still exist for certain business practices such as meals and entertainment and so on, and other areas where we could legitimately and rationally increase revenue

to make up for the loss of \$18 billion or \$19 billion that the GST collects.

As a matter of fact, I note that a good chunk of the GST, I think about \$5 billion of it, if memory serves me correctly, is simply administrative costs or credits back to certain sectors of the economy such as hospitals, municipalities and so on. It is referred to as the mush sector, m-u-s-h, the mush sector. Monies are just forwarded and returned to these institutions and to these governments and to these agencies so that on a net basis the GST is only bringing in about \$13 billion or \$14 billion, at least this was the estimate of a year or two ago.

So I say if we eliminated the GST and looked at some other forms of taxes, you would find that the economy would be stimulated, because in my mind, I do not think there is any question that the GST as a national sales tax has had a dampening impact on retail consumption, and that, of course, has had a dampening impact on production, of course, resulting in less employment than we would have otherwise. So there is some good reason to oppose the GST, many good reasons to oppose the GST, but I will not take time to go into that at this time.

So, Madam Deputy Speaker, we are prepared to see this bill go to committee, and of course, in committee any member of the Legislature can discuss any particular part of the bill, whether it be changes to these various taxes or whether it be credits or whether it be the issue of tobacco consumption and tobacco taxes. Thank you very much.

Mr. Kevin Lamoureux (Inkster): Madam Deputy Speaker, I wanted to put a few words on the record on this particular piece of legislation.

I think one of the things that you will notice in this budget is that the Manitoba Telephone and Manitoba Hydro are now going to be subject to a corporate tax, and this is a government that has taken great pride in telling Manitobans that they do not increase taxes. I think this one particular example illustrates fairly clearly how the government uses its numbers and uses its tools to be able to increase taxes either at different levels or in different forms, whether it is the form of

offloading to a school board or a municipality or, in this case, to corporations.

By putting a capital tax, for example, or a corporate capital tax to MTS or Manitoba Hydro, what is going to result as a direct result of that will be an increase in utility rates to Manitobans, to the users, and all of us require telephones and require hydro power.

So, Madam Deputy Speaker, when we go before the Public Utilities Board or when these corporations go before the Public Utilities Board, they will now make a presentation, saying, look, we now have to pay this additional tax. As a result of this, we are going to have to charge the consumers of these products an increase in their rates.

So, in a roundabout way, the government has created additional revenues for provincial general revenue, while at the same time telling the corporations that they are going to have to make up for the additional revenue by charging their clients an additional fee to compensate the new tax that has been formed. Well, Madam Deputy Speaker, I think that if you take a look over the last six or seven budgets from this particular administration that you will see a number of those types of examples.

I did want to make mention of other things that this particular piece of legislation does basically. It gives legislative authority to the provisions contained in the budget. It provides for a sales tax rebate for the first-time buyers of new homes which can be perceived as a very progressive measure and incentive for first-time home buyers, because we do want to provide individuals the opportunity to be able to own their homes, and this might be the added incentive for those individuals to do just that.

Madam Deputy Speaker, when you provide incentives for individuals to start acquiring their first homes, hopefully what we will see is an increase in demand to a certain degree which will lead to additional construction work, whether it is on new homes or, in fact, renovations of older homes, which I would argue would create some

jobs. So this is what I would argue is a very positive aspect of the budget.

It also provides for the research and development tax credit which will be available to research performers doing contract research for any other company which cannot make use of this particular tax credit, which is perceived by many as making it more fair. Direct agents' items which are consumed in the manufacturing process will be sales tax exempt. Retail sales tax on 80 percent of the electricity used in mining and manufacturing will be reduced to 3.5 percent from June 1, '94, to March 31, 1995, and will be completely eliminated after that. In reading the minister's comments and information provided to me from the research, I am able to make that particular comment, along with that the small business tax rate will be reduced from 10 percent to 9.5 percent for '94 and 9 percent for 1995 and subsequent years.

* (1120)

Madam Deputy Speaker, I think that you would virtually find a consensus, at least I believe from a majority of the members inside this Chamber, surely from the Liberal caucus, that the small businesses, in fact, are the greatest potential for job creation well into the future, and what we can do to assist the small-business person, we should at the very least attempt to be doing, and hopefully, we will see a decision from government that will alleviate or allow more small businesses the opportunity to provide opportunities for Manitobans.

This bill also contains amendments to the Manitoba tax reduction and the cost-of-living tax credit program. The cost of living tax credit is no longer available to persons under the age of 18, unless they are married, the parents of a child or eligible for a property tax credit. The government is saying that this is to avoid benefiting parents whose income is too high to benefit. Will this catch other 16- and 17-year-olds who rightly deserve the credit? This is a concern, Madam Deputy Speaker, that we do have within our caucus.

There is another positive aspect in terms of the mining tax credit. These are good because they promote the mining business. We should,

however, be accompanying this with an educational opportunity in Manitoba. Currently there are mining and metallurgy courses at the Manitoba universities and, Madam Deputy Speaker, I think one of the things that has to be taken into account when we start giving some tax incentives is providing opportunities for training wherever it is possible.

I wanted also to comment on what the member for Brandon (Mr. Leonard Evans) was talking about, and we saw earlier today, in terms of different forms of taxation. I know in the past that members of the Chamber have talked about the GST and what it is the federal Liberal government has said, and they make reference to the red book.

Madam Deputy Speaker, I do not believe that in fact they have read or are aware in terms of what the national Liberal party's campaign commitment was, because I believe if they were aware of it that in fact they would see that our federal counterparts or our national government is in fact living up to its commitments. For those members I wanted to read in terms of what the commitment was for the GST. The public already knows about it, and I would like, you know, members of the Chamber to be aware, because I do not believe that in fact they have read the red book.

This is quoted right from the red book, Madam Deputy Speaker. In the first session of a new Parliament, a Liberal government will give an all-party finance committee of the House of Commons a 12-month mandate to consult fully with Canadians and provincial governments and to report on ways to achieve tax fairness, simplicity and harmonization. In particular, the committee will be mandated to report on all options for alternatives to the current GST. A Liberal government will replace the GST with a system that minimizes disruption to small business and promotes federal-provincial fiscal co-operation and harmonization.

Madam Deputy Speaker, I believe if you look at what the current federal government is doing that you will find that it is consistent in terms of what the red book is saying. I would like to believe that there will be a lot of input. I know I personally will

be giving input in terms of what I believe is what my constituents would like to see dealt with with respect to what the future of the GST should be.

I have consistently argued, even when the GST was implemented, that the GST is, by being a consumption tax, not necessarily a fair nor appropriate tax, and, I argued, so is the provincial sales tax. The provincial sales tax, I would argue, is more regressive than the current GST. I argue it now, and I argued that to my constituents in the last provincial election, which I did because I think it is important that, yes, it is easy for us, as I did, as I am sure that all members of this Chamber did, to argue that the GST is a tax that has to be replaced. Hopefully, it will be replaced. But it is also important for us to indicate to the constituents that we represent that the PST is no more progressive; in fact, it is more regressive than the GST in many different aspects.

So it will be interesting to see the type of debate over the next number of months on this particular issue. I look forward to it.

I see that the national government has come forward to the committee, their Finance committee, as they had made a commitment in terms of bringing something forward, consulting with the provincial counterparts and Canadians, and I am going to do what I can to ensure that the consulting is, in fact, taking place.

I think that the arguments have to be consistent, and if you argue why it is that the GST is a bad tax, many of those very same arguments could be used with the PST. We do have a federal government that is being receptive to listening in terms of what problems of taxation, different forms of taxation that the provinces are having across Canada and addressing all of those tax unfairnesses, that it is not just going to be left to a consumption tax of the PST or the GST, that this is something that is going to be broadened.

I was listening to the member for Brandon East (Mr. Leonard Evans) when he made reference to other forms of taxation, and I trust that those are the sorts of presentations that we will be hearing, and the only thing that I would caution is that, what is in fact applicable to taxation policies at the

national level is also applicable in many cases to the provincial level, and that is why it is quite easy to say that this is bad in terms of the national government and this is bad what they are doing here and there and here but, Madam Deputy Speaker, many of those here-and-there are applicable on the provincial scene, and it would be interesting to see the sorts and forms of presentations, because I do trust that members of all three political parties will be commenting extensively on taxation policy, not to take the narrow approach of, this is the GST, and all I have to do is say that I oppose the GST and that will see me elevated possibly another vote or two in my own personal riding.

Madam Deputy Speaker, I think that you have to take the broader picture of fairer taxation. The member for Brandon East made reference to food exemptions and so forth. I believe in the last federal budget that, in fact, some of those concerns were addressed, that there were some limitations that were put on. There is no doubt, we can point out numerous loopholes within the taxation, and I do not think those are things that can be closed virtually overnight.

But, Madam Deputy Speaker, I do believe it is important that we see both national and provincial governments moving in a more fair way in dealing in taxation and taking away some of the exemptions, some of those excessive exemptions that maybe the business elite have used in the past, can be a very positive one. But there are many forms of taxation, and all of those taxations, I would argue, need to have the debate.

* (1130)

Point of Order

Ms. Becky Barrett (Wellington): I am not sure if it is a point of order, but I would like to ask the member for Inkster if he would take a question, a brief question from myself.

Madam Deputy Speaker: It is not a point of order, but is the honourable member for Inkster prepared to entertain a question from the honourable member for Wellington?

Mr. Lamoureux: Not being one to ever turn down a question, I would be more than happy to as long as I can get through with my speech.

* * *

Ms. Barrett: Madam Deputy Speaker, I appreciate the member for Inkster's willingness to take a question from myself. The question is very specifically and very simply, the member has been talking about fair taxation and I am wondering if he could share with us his position and the position of his provincial party on the whole issue of revisiting the tax loopholes as a part of the family trusts.

Mr. Lamoureux: Well, Madam Deputy Speaker, I think that I am making it fairly clear in terms of what the provincial Liberal Party is committed to doing, and that is to take a look at all forms of taxation and to look at areas where we can make sure that individuals are in fact being taxed appropriately. Not necessarily being the minister or the critic of Finance, the details of that specific question I could not really give an accurate answer in terms of the Liberal Party policy.

I can say that the Liberal Party, provincially, has made commitments consistently that we will be seeking to ensure that all forms of taxation are fair. Not only are we going to focus attention just on the GST, the federal government or family taxes, we want Manitobans to take advantage of what the national government is offering. They are offering a wide spectrum of debate, not only on the GST but on all forms of taxation. They have provided the opportunity for the Minister of Finance to look at the different forms of taxation in ways in which the federal government might be able to assist, and vice versa. I think that is a positive step.

Hopefully, we will in fact see positive contributions from all three political parties, because it is very easy to say that this is a tax we want to see disappear. It is very important that we have to recognize that the levels of revenue are likely going to be at the same level or, if not, pressures put on governments to increase the levels of revenue that governments both provincial and federal have, and what we have to be pushing for is fairer taxation.

You know, one would ask, does the NDP believe in a consumption tax as a progressive way of taxation? I think that is in fact a fair question to ask, and I look forward to hearing from the members. The members from the New Democratic Party say that they are against the GST. They say they are against the GST, and Madam Deputy Speaker, I do not want to read into the reasons why. It is a consumption tax. Okay, so they say they are against the GST, but does that same principle of a consumption tax hold true for the provincial sales tax?

I recall comments to the effect that Ed Schreyer, for example, campaigned that he would get rid of the provincial sales tax. Well, if Ed Schreyer did what it is said that he was promoting, we would not have a provincial sales tax, which was in fact a commitment made by the NDP then. But as the Leader of the Liberal Party (Mr. Edwards) has pointed out, the New Democratic Party raised it. Not once but twice they raised the provincial sales tax. So if in fact the New Democrats were opposed to a consumption tax, then how can they, with any character or any credibility, say that we oppose a consumption tax when, not only did they renege on their own promise, Madam Deputy Speaker, they increased a consumption tax, or is the New Democratic Party saying, we oppose only a consumption tax at the federal level, but we are in favour of a consumption tax at the provincial level? I hope that the New Democrats will answer that particular question, as the provincial Tories.

I trust that the discussions that are going to be ongoing will be at a higher level as opposed to what has been happening inside this Legislature on the whole debate of the GST. I want to see the debate on consumption tax, and let us look in terms of if there is agreement that a consumption tax is necessary in Canada—and when I say in Canada, I am combining provincial and federal governments—then how do we best ensure that a consumption tax is going to be as progressive as possible and fair. That means that there might be a requirement to have a rebate system for those that are paying a provincial consumption tax. Would the New Democrats oppose a rebate system for those who cannot afford some of those basics, who are having

to pay that now, currently, under the provincial sales tax?

We have not had that particular debate inside the Chamber. Should there be a rebate on the provincial sales tax? Maybe there are some things that the current GST could be crossed over. If the GST is completely abandoned and there is no federal consumption tax, well, is there a need then to revisit and to look at the provincial sales tax? Maybe Ed Schreyer or the NDP were wrong when they said that we want everyone to pay this particular tax. Not only do we want them to pay the five percent, but we increased it to six, to seven, in fact, that there is merit that there should be a rebate system. To the member for Thompson (Mr. Ashton), I think that he would find that the Minister of Human Resources, Mr. Lloyd Axworthy, has been fairly clear and consistent in terms of what it is that is being changed.

Madam Deputy Speaker, it is only the New Democrats, and we saw it earlier today, that want to live today in the past. Today we see everyone in the New Democratic caucus worshipping Ed Schreyer. Well, Ed Schreyer is one of the individuals that—sure he did a lot of wonderful things for Manitobans, but he has also caused a number of the problems that we are facing here today, and some of the things—[interjection] Well, the member for Transcona (Mr. Reid) says, name one. I can name a lot more than just one of the things that the former Premier of the Province of Manitoba has done, and I have just been talking about one for the last 10, 15 minutes, that being the provincial sales tax.

The New Democratic Party really and truly, Madam Deputy Speaker, can be cut into two parties. You can have the New Democratic Party in office versus the New Democratic Party that is out of office with no opportunity of forming office, because when they have no opportunity to form office, they will say and do absolutely anything, anything, in order to get themselves into office. Once they get themselves into office, then they become Liberals.

Point of Order

Mr. Steve Ashton (Thompson): Madam Deputy Speaker, on a point of order, I did just walk in, and I was trying to determine what bill we are talking about here. I realize the member for Inkster is somewhat sensitive about the NDP, particularly in his own riding. I also realize he is somewhat sensitive about the federal position on sales taxes, but the last I read in terms of the Order Paper, we were debating The Statute Law Amendment (Taxation) Act, 1994. So I am asking whether his comments are relevant on this particular bill.

* (1140)

Mr. Lamoureux: On the same point of order, Madam Deputy Speaker, I think the NDP House leader is, in fact, quite wrong in his assessment. If he takes a look and possibly reads the bill, he will find that it is dealing with taxation. For the last 20 minutes I have been dealing strictly with taxation, so I would argue that this is, in fact, quite relevant and possibly a bit of an irritant for the New Democratic caucus to be listening to what is actually happening, the real world.

Madam Deputy Speaker: Order, please. The honourable member for Thompson (Mr. Ashton), in my opinion, indeed did have a point of order. The point of order is relevancy. Debate on second reading of bill is supposed to be relevant to the principles of the bill. This bill deals exclusively with provincial taxation not federal taxation, and I would ask for the co-operation of the honourable member for Inkster to keep his comments relevant.

Mr. Lamoureux: Madam Deputy Speaker, I would question in terms of some rulings of the Chamber, I would argue that to talk about GST, to talk about PST forms of taxation and what the federal government is proposing to do in terms of meeting and talking with the Minister of Finance and talking about provincial forms of taxation and how the federal government might be able to co-operate taxation changes is, in fact, quite relevant.

Having said that, I see that the member for Thompson wants me to talk strictly about

provincial taxation even though I do believe that it is fairly consistent with speaking of the bill. One can take it as you want.

Madam Deputy Speaker, having said those few words on this particular piece of legislation, I would look forward to see a level of debate, if not inside the Chamber, outside of the Chamber, with members of Parliament, with Canadians talking about fairer taxation. I can assure you that the provincial Liberal caucus will be leading the debate within the different communities, because we believe that this is an issue of fairness, and we are going to strive to accomplish it. Thank you.

Hon. Donald Orchard (Deputy Government House Leader): Madam Deputy Speaker, I presume debate is concluded.

Madam Deputy Speaker: Is the House ready for the question? The question before the House is second reading of Bill 25, The Statute Law Amendment (Taxation) Act, 1994. Is it the pleasure of the House to adopt the motion? [agreed]

Mr. Orchard: Madam Deputy Speaker, would you call Bill 31.

Bill 31—The Manitoba Employee Ownership Fund Corporation Amendment and Income Tax Amendment Act

Madam Deputy Speaker: To resume debate on second reading of Bill 31 (The Manitoba Employee Ownership Fund Corporation Amendment and Income Tax Amendment Act; Loi modifiant la Loi constituant en corporation le Fonds de participation des travailleurs du Manitoba et la Loi de L'impôt sur le revenu), on the proposed motion of the honourable Minister of Industry, Trade and Tourism (Mr. Downey), standing in the name of the honourable member for Flin Flon (Mr. Storie). Is there leave to permit the bill to remain standing? No?

Mr. Steve Ashton (Opposition House Leader): Madam Deputy Speaker, the order was changed for the Liberal Leader to be able to speak, so I would ask that it remain standing in the member for Flin Flon's name, who will be up shortly.

Madam Deputy Speaker: Is there leave to permit the bill to remain standing in the name of the honourable member for Flin Flon (Mr. Storie)?

An Honourable Member: Stand.

Madam Deputy Speaker: Leave? [agreed]

Mr. Paul Edwards (Leader of the Second Opposition): I want to thank the opposition party for their accommodation so that I can put a few words on the record today about The Manitoba Employee Ownership Fund Corporation Amendment Act. I do not intend to speak at length on this.

I have had the opportunity to meet with representatives of the Employee Ownership Fund Corporation and to discuss and review these amendments. They are primarily designed to clear up some of the inefficiencies which have resulted in the first years of operation of this fund. As in many cases, when the act was originally passed, some of the problems could not have been foreseen. Now that we have had the benefit of some experience and hindsight and the benefit of advice from those administering this fund, the position taken by the corporation, and these amendments are at the request of the corporation itself, revolve around how they assess the value of the shares and stocks and assets that they have, with what regularity and on what basis.

Specifically, the fund wants to value these at par rather than at the fluctuating bond market price, because the fund apparently does not intend to sell them, and this, to us, having had that discussion, appears to make good sense. I did express a concern to the fund operators who I met with that the Securities Commission had been solicited for its advice on this because of course they are the primary regulators of this type of fund in the province of Manitoba.

I wonder if at committee there will be some letter or some advice from the Securities Commission or others in the government, and that I think would satisfy us, to give us some comfort with respect to the shareholders and just ensuring that there is no compromising of the duty to inform shareholders of the value of their shares and to report to the board of the fund itself.

Madam Deputy Speaker, we are pleased to support passage of this bill to committee with those comments having been made and look forward to some further discussion at the committee stage. Thank you.

Mr. Jerry Storie (Flin Flon): I want to first of all thank members for allowing this to remain standing in my name. Our caucus has discussed this bill. We have met with a number of people, representatives of the Crocus Fund and have received the background information provided by the minister responsible. As my colleague for St. James has suggested, we too are prepared to let this proceed to committee.

Madam Deputy Speaker, I think Manitobans will know that the fund itself is doing quite well, that in the last number of months it has received some major boosts in terms of the investments in the fund, and we know that in the not too distant future there are going to be a number of new investments made by the fund in ventures in Manitoba.

That is what we believed was the rationale for creating this fund. It is the kind of fund that has worked very well in other provinces, perhaps most notably in the province of Quebec. These amendments are to facilitate the work of the board and to ensure that they are not encumbered by rules and guidelines that are perhaps more stringent than the rules and regulations which guide the investment decisions in other funds.

Madam Deputy Speaker, I know there have been a couple of minor amendments in the last few years, and that is to be expected, given that this is the province's first experience with employee ownership funds. This idea, which came about as a result of a lot of work between the Manitoba Federation of Labour and the previous government, is now finally coming to fruition, that individuals and other institutional investors are now finding the fund an attractive place to put money to spur economic development in the province of Manitoba, and that is to be commended as well.

I want to conclude by saying that Manitoba investors and people who are involved in payroll

deductions to contribute to the fund, to institutional investors, to individual Manitobans who want to invest in something that is going to have a long-term benefit for the province, is going to keep capital in Manitoba and working for Manitobans, this is a tremendous opportunity. If these small amendments that we are making in this session assist in that, we will all have done a good job.

With that, we are prepared to let this bill move to committee, Madam Deputy Speaker.

Madam Deputy Speaker: Is the House ready for the question? The question before the House is second reading of Bill 31 (The Manitoba Employee Ownership Fund Corporation Amendment and Income Tax Amendment Act; Loi modifiant la Loi constituant en corporation le Fonds de participation des travailleurs du Manitoba et la Loi de L'impôt sur le revenu), on the proposed motion of the honourable Minister of Industry, Trade and Tourism (Mr. Downey). Is it the pleasure of the House to adopt the motion? [agreed]

Hon. Donald Orchard (Deputy Government House Leader): Madam Deputy Speaker, would you please call debate on Bill 27.

* (1150)

Bill 27—The Highway Traffic Amendment Act

Madam Deputy Speaker: To resume debate on second reading of Bill 27 (The Highway Traffic Amendment Act; Loi modifiant le Code de la route), on the proposed motion of the honourable Minister of Justice (Mrs. Vodrey), standing in the name of the honourable member for Transcona (Mr. Reid).

Mr. Daryl Reid (Transcona): Madam Deputy Speaker, I am pleased to rise today to add my comments to Bill 27, The Highway Traffic Amendment Act.

This piece of legislation was brought in by the Minister of Justice (Mrs. Vodrey) on I believe it was June 22, just last week. While we have had just a few days to look at this piece of legislation, we think that it goes part way towards addressing

what has developed into a very serious problem within the province in dealing with auto thefts and auto vandalism.

This problem knows no bounds. It is occurring both in urban and in rural centres. I have looked at some of the reports that have come before us lately wherein we see, even in southwestern Manitoba, incidents of vehicle thefts. Of course, this is causing a loss not only for the people that own the vehicles, but also for MPIC and other people that have their vehicles insured through MPIC to pick up the costs associated with those losses. So society in general loses as a result of the thefts.

I think before I get too far into that, Madam Deputy Speaker, I should put some information on the record pertaining to what has been happening with respect to vehicle thefts and vandalism within the province.

In my research on this subject, I have come across information that shows that there has been a significant increase in the number of automobile thefts within the province. The information that has come to my attention indicates that a lot of the thefts that are occurring have been as a result of actions by young people of our province, in particular, young people between the ages of 12 and 19. That is not to say, Madam Deputy Speaker, that some of the thefts are not occurring by others of our society outside of that age group, but in particular the information that I have says that 95 percent of all vehicle thefts are committed by young people between the ages of 12 and 19.

That is a very serious indicator of what is happening within our society, and I believe that this legislation, while it attempts to address part of the problem, does not maybe in some senses address the total problem as we see it. I will get into that a bit further on.

In 1993, we had some 5,200 vehicles, I believe it was, that were stolen within the province of Manitoba. That is a significant number and a significant loss not only for the owners but also for MPIC which has to pay to the owners any of the losses that are incurred. It is my understanding that is a 170 percent increase over the previous year, 1992. So we can see that there has been, obviously,

a history or a pattern developing where we had an increasing number of vehicle thefts.

It is my understanding from comments that have been made by members of I believe the Winnipeg police that the projected losses for 1994 are in the range of some 7,200 vehicle thefts that are going to occur for this year. When we take a look at the number of vehicle thefts that have occurred to this point in time, I think it was to the end of last week, Madam Deputy Speaker, the losses by vehicle thefts are over 2,800 vehicles for this portion of 1994.

So it appears that there is going to be no change in the pattern in the number of vehicles that have been stolen and there needs to be some serious steps taken to address the problem. This bill I believe will address part of the problem, and in a few moments I will indicate where we may be able to make some other changes to address part of the problem as well.

It is my understanding that the Manitoba Public Insurance Corporation sustained losses in 1993 of nearly \$10 million due to vehicle thefts and vandalism. That was nearly a doubling of the figure of the previous year. So you can see there has been a significant increase in the costs.

The question I have is if this problem has been growing in its magnitude—and looking at the figures that I have just placed on the record—if this problem has been growing in its magnitude for the last two years, why is it that it took a year and a half for the Minister of Justice (Mrs. Vodrey) to take the necessary steps and to bring forward legislation in conjunction with her colleague the Minister of Highways and Transportation (Mr. Findlay) to address the problem that we are facing?

I would think that if we had that indication that there was going to be serious problems continuing, that we could have in the last session which continued on into the summer of 1993 introduced legislation at that time. There is no excuse, saying that we were short of time to introduce that legislation.

The minister only just last week introduced the bill. So we can see that there has obviously been

just a short period of time that we are allowed to debate this piece of legislation. The government could have taken the steps a year and a half ago when it looked like there was going to be a continuation of the number of thefts.

MPIC has indicated that for the average vehicle loss, they incur some \$2,000 per vehicle which is horrendous. I know that I have talked to some of my colleagues in this House. In fact, my colleagues on this side of the House have themselves had their vehicles stolen in the last couple of years. So the vehicle thefts know no bounds on those who are affected by it.

An Honourable Member: I have had a couple of computers stolen.

An Honourable Member: We are talking about cars.

Mr. Reid: Yes, we are talking about vehicle thefts. There are other thefts, as members opposite indicate. Possibly, from my recollection, maybe their offices were broken into and some of their equipment was stolen. The member for Sturgeon Creek (Mr. McAlpine) indicates that his office was broken into on more than one occasion and that he had some of his equipment stolen. So, obviously, there is a problem there as well, but we are dealing in particular with vehicle thefts and vandalism with this legislation here.

I look at some of the comments that have been made not only by members of the public, the Winnipeg police force, but some of the media in the city of Winnipeg here as well. One editorial in particular made reference to the fact that they would like to see some differential in the insurance premiums for protected versus nonprotected vehicles. When we talk about that I believe that they are referencing the fact that there may be opportunities for the owners of vehicles to make purchases of certain equipment to protect their vehicles from theft.

Now there are several devices on the market, whether it be the locking steel bars with a cost range of \$30 to \$70 or steering wheel column clamps that can cost upwards of \$250. There are other means like J-bars for \$30, and there are also alarm systems, Madam Deputy Speaker, that can

range anywhere from a little over a hundred dollars to somewhere in the range of \$2,000. So there are substantial costs that would have to be borne by anyone wishing to put on antitheft devices on their vehicles.

Now, there is the possibility that MPIC could give some consideration by way of premium reductions for those that want to protect their vehicles from theft. It may be something that may be worthy of consideration.

I think, in referring to some of the information that has come to my attention, we look at the type of vehicles that are being stolen within the province, and it is my understanding that a large number of those vehicles are from General Motors. That might lead one to conclude that particular manufacturer is making vehicles that are somewhat easier to tamper with and to bypass the ignition systems and ignition lock systems that are in place.

It may be appropriate for the Minister of Highways and Transportation (Mr. Findlay), when he is meeting with his federal and provincial colleagues and counterparts at the end of next week, Madam Deputy Speaker, to raise at that meeting the possibility of the Government of Canada communicating with the manufacturers of vehicles to have them take the necessary steps to improve the security devices on the vehicles and make it more difficult for vehicle thefts to occur by anyone that should tamper with the vehicles by way of bypassing the ignition systems.

(Mr. Speaker in the Chair)

It is my understanding that some of the young people have learned the techniques, and others have learned the techniques of bypassing this. If we were to make it more rigid and to make it almost impossible for them to bypass, I think it would act as a deterrent. So I ask the Minister of Highways and Transportation to raise this issue with his colleagues at next week's meeting.

The question I have—also I guess it is another way of possibly addressing the problem here—is if MPIC is incurring such large costs, and we saw that it was nearly \$10 million in 1993, and it

appears that it is going to escalate from that point for 1994 as a result of vehicle thefts, is it possible for MPIC to put in place premiums for those convicted of automobile thefts or vandalisms to allow MPIC to recover some of the costs that are associated with that? I do not think it is fair for honest, law-abiding citizens of our province to incur those costs by way of their premium increases. It may be appropriate for MPIC to look at putting in place increased premiums for those that are convicted of vehicle thefts or vandalism at the point where they are eligible to drive. It could be a step that the government could take to move beyond just the suspension of the driving privileges.

* (1200)

This bill changes The Highway Traffic Act to include vehicle theft and vandalism offences as a reason for suspension of driving privileges. As we all know, driving is a privilege and not a right within our province. It is able to be, for just cause, suspended by the Registrar of motor vehicles. I think that is a move in the right direction, to allow the Registrar to have those powers.

This legislation brings into place for a first offence, which was a previous occurrence, that the licences could be suspended for six months on a first offence of vehicle theft. This legislation will now change that to one year. Of course, for any subsequent offences, the suspension period remains at five years. The difference now is that anyone who contravenes The Highway Traffic Act and commits these offences and is under the legal driving age of our province, the suspensions will take effect when the individual reaches the age or attains the age of 16 years.

I do not believe that this piece of legislation will totally address all of the problems for those, in particular, young people that are committing these offences. I just think back, Mr. Speaker, to the time when my colleague the member for St. Johns raised in this House the issues relating to court delays for young people charged with committing offences. My colleague indicated at that time that the court delays were up to 11 months before any

of the young people were brought before the courts to have any sentencing take place.

In fact, my colleague has indicated to me that there was one case that he was dealing with, or was aware of in particular, where one young person who had pled guilty to stealing cars had to wait up to nine months for his sentencing. During that period of time when he was waiting that nine months for sentencing, he went out and stole another eight cars.

The delays within the court system are not acceptable in that we need to make them more meaningful and more immediate in dealing with the charges for anyone being charged with these offences.

We need to have the immediate and meaningful consequences and not the delays, because I believe that young people in particular, but not necessarily limited to them, need to be made aware of the consequences and need to have the appropriate actions taken in as short a period of time as possible and not wait for the nine months to allow more infractions to take place.

In fact, my colleague has indicated to me that some of the young people appear to be thumbing their noses at the justice system in the province when they realize that there are no consequences for their actions.

One of the ways that we can look at to make some improvements with respect to the costs and improvements to this legislation so that we make the consequences more meaningful is if we were to have restitution in full for any of the costs or any of the hardships that might occur as a result of thefts or vandalism, not just the suspensions themselves, because if the young people see the suspensions not occurring for a period of time and the justice system does not appear to be serious, maybe restitution in full to those who are affected would be in order as well.

Now, there may be other consequences as a result of calling for restitution wherein some individuals may not be able to pay some of those costs, but I think there may be an opportunity to have complete community services to make that

restitution. So it may not necessarily take the form in financial ways, but maybe looked at in community services to repay the debt that has occurred as a result of the thefts.

In other words, Mr. Speaker, we would have no free rides for anyone who is charged and convicted of stealing vehicles or committing vandalism to those vehicles.

I looked at some of the comments by the police forces wherein they were saying that they want the Crown now to go to the maximum, to enforce the laws of the province in dealing with car thieves so that there will be no deals cut with the people who are involved in these.

In fact, one of the police officers says that this piece of legislation is a good piece of legislation and that it will be the answer to all of the concerns. I think that was going a bit far. I think that there are other steps that can be taken to take the necessary corrective action.

I talked a few moments ago, Mr. Speaker, with my colleague the member for Rupertsland (Mr. Robinson), and we talked about the possibility of having wilderness camps where we have those young people in society who do commit these infractions where they break the law, that it may be possible if they are repeat offenders and they are not willing to listen to the justice system of our province to remove them from interaction in society, not just to send them to detention centres like Seven Oaks or the Macdonald Youth centres, but to send them to wilderness camps to remove them from society and to hopefully instill in them the need to have more respect for the property of others and hopefully will cause them to have some more respect for themselves at the same time. I think the wilderness camps that were cut by this government in their past budgets would have been one of the ways this problem could have been addressed.

It is my understanding that most of the vehicles are recovered within 48 hours, although some vehicles are never recovered. I looked at comments that had been made in public by some of the defence lawyers when they wanted us to take personal circumstances of the person charged into

account. I already spoke about that a few moments ago. I see few if any exceptions where we could take into consideration personal circumstances of individuals stealing cars. I could understand if an individual is stealing food to support themselves, to feed themselves or their families or they are in need of clothing, Mr. Speaker, but I do not understand how the theft of an automobile would fit into those categories of sustaining life. I do not think there would be any but maybe one or two exceptions in cases of emergency where it would be warranted for a vehicle to be taken to address the needs of the emergency.

I believe this is an issue of public safety. I have looked at some of the events that have taken place within our own city of Winnipeg where we have had, in the past, high-speed chases where there was a loss of life. In fact, I believe one of them was the offender. The alleged offender died as a result of the high-speed chase. That is unfortunate, but another circumstance or tragic event occurred wherein an innocent person in another vehicle was struck by a vehicle that was stolen and there was loss of life by an innocent member of the public, which is obviously a hardship for the family but is also something that is unfortunate and tragic. If we can avoid in some way a repeat of those occurrences, I think it would be a good move.

(Mr. Bob Rose, Acting Speaker, in the Chair)

This bill I believe, while it may prevent some thefts and it may hopefully reduce the number of high-speed chases and if it saves a life, I think it would be worth it. I think there are other steps that can be taken as well to reduce the incidence of vehicle thefts and vandalism.

The questions that I have, Mr. Acting Speaker, and I will hopefully be raising these questions at committee stage, deal with certain segments of the legislation itself. I am not sure why the minister chose to go with three or more offences before the person who has committed the offences has their licence suspended for the five-year period. I am not sure why the minister chose to move in that direction with three or more offences. It is my understanding that the offences that fall under this suspension, the ability of the registrar to suspend

driving privileges, deal with the dangerous driving of vehicles. It deals with alcohol-related offences, and it now deals with automobile theft and vandalism. So I am not sure why the minister chose to go with three offences versus a repeat offence as grounds for this, and we will be asking the minister that.

We think back, Mr. Acting Speaker, to a time not that long ago, when we saw a TV program in this city where there was an individual who had gone before one of the justices in this province, was found guilty and lost driving privileges. In fact, I think the program even went on to talk about an individual who had already been suspended and went before the courts and had further suspension and fines levied. Then the TV cameras followed this individual outside of the courts where the individual went back into their vehicle again and drove that vehicle home.

Now, I think there needs to be some steps taken to—[interjection] Well, the Minister of Justice (Mrs. Vodrey) indicates that the Criminal Code deals with that, but I think that while the Criminal Code may have an effect on that, it does not seem to have any effect on those who are committing the infractions. There does not seem to be an understanding or comprehension of the magnitude of the further infraction of those who are leaving the courts after they are found guilty, pay the fine and then go out and operate their vehicles.

* (1210)

I hope that this bill will in some way address that, but I am not confident that it will go the full distance in addressing the causes there. I am not sure how this is going to stop the repeat offenders. Those who may have some sense of honesty or dignity to themselves who want to operate within the law, after they see this law being passed, may sense that they will not go out and have repeat offences, but those who are now thumbing their nose at the justice system, I am not sure how this bill is going to have any impact upon them, how they are going to take this bill seriously and want to act within the bounds of the law if we do not take the steps to deal with that. I think we have to take some further steps in dealing with that.

This piece of legislation will move through to committee hearings and will give members of the public the opportunity to come forward and, hopefully, put their thoughts on the record about how this bill is going to impact on those who commit these offences. This will give us the opportunity to ask further questions of the minister relating to this piece of legislation.

Hopefully, at the same time, the minister will have the opportunity to look at Hansard and the comments we have made here and will hopefully listen to some of the suggestions about ways we can improve and tighten up on the process where we deal with those who commit these crimes, whether they be young offenders or whether they be others. Those who commit these infractions have to be responsible for their actions, and I hope that the suggestions we have put on the record here today will go some distance in helping the government to understand that there are other actions they can take in dealing with these matters, and that they will listen to members of the public at the same time.

I look forward to this bill going through to committee stage, and hopefully, members of the public will come out and place their concerns on the record as well.

Thank you, Mr. Acting Speaker, for the opportunity to place these comments on the record.

Mr. Gary Kowalski (The Maples): Mr. Acting Speaker, I would like to add a few words before I recommend that this be passed on to the committee.

In the short time we have had to review this bill, I note that it provides for automatic licence suspension for any person who has been convicted of an offence in the Criminal Code which relates to auto theft or auto vandalism, and I have no problem with that. It also dealt with the licence suspension period for first-time offenders from six months to one year. The Justice minister stated in the House that this lengthening of the suspension period puts Manitoba more in line with suspension periods in most other provinces. For subsequent offences, the suspension period is still five years.

Again, I have no problem with that provision in this bill.

If the offence is committed when he or she is less than 16 years old, suspension does not take effect until the offender's 16th birthday. This corrects a flaw in the legislation which has the suspension starting from the date of their conviction, when they are already ineligible to drive. If a person has committed three or more offences which result in suspension of their driver's licence within a five-year period, they will not be eligible to apply to a licence suspension appeal board until the suspension or disqualification period has expired. I am concerned about this section in that if there may be a legitimate reason for an appeal, we are taking away the privilege of due process for an appeal where there may be a legitimate reason for that appeal. So I will be interested in talking about that in committee.

This bill does not do very much to address the problem of youth crime other than increasing punishment of young offenders. I do not know if there is any evidence that suspending drivers' licences of young offenders who steal cars will discourage them from stealing them. I do not know if these young offenders think far enough ahead in the future to worry about whether they can obtain a driver's licence at 16. Will they stop driving because they do not have a licence? That did not stop them in the first instance for those under 16. Will the Justice department begin a promotional campaign to inform young offenders of the consequences of a car theft or vandalism conviction? I think this harkens to a survey done by the Winnipeg Police Service recently about young people's knowledge of their responsibilities and consequences now. I think an important element for the provision of this bill to work is that there will have to be information going out in public to make sure everyone is aware of the consequences.

This bill addresses the problem of youth crime by increasing the punishment. Deterrence has two different elements to it. One of the elements is, if the penalty is severe, the offender also has to feel there is a good chance of them being caught. Now

I was very cynical about the deterrent effect for young people until we had the Listening to Youth conference here in the Legislature. I heard from a number of young people, and although it was not unanimous, there were many young people who felt that the deterrence of not being able to get their driver's licence would have an impact and make them think twice about doing some actions. So for those few, this legislation may work, but the other part of deterrence is, what are the chances of these young people, or any person who is suspended, of being caught? Right now, we have thousands of suspended drivers in Manitoba that drive every day.

I harken back to the campaign against impaired driving. One of the elements that made that campaign work was that with the ALERT and roadside enforcement program, people were of the opinion that not only were the consequences severe, but there was a good chance that if they did drive and they were impaired that they would be caught. Well, I think with this legislation we are going to have a lot more suspended drivers, but will those suspended drivers continue to drive if they believe the chance of getting caught is slim?

In some cases, we have suspended drivers driving to work every day, we have suspended drivers on the road every night, because of underresourcing of our police services in Manitoba. I do not know how much of a deterrent effect this legislation will have.

Another element I am concerned about is parental notification. Right now, for a young person to get a Highway Traffic Act ticket or a series of tickets, they can proceed with the matter, pay their fine, and the parents never be aware that their child has received a common offence notice.

(Mr. Speaker in the Chair)

Although the parents, upon arrest, will be notified of the charge of driving suspended, I do not know if parents right now—we do not have enough of them attending court with young offenders now. Will they be aware of the suspension, the length and the different elements of it?

So I am wondering if in this legislation there should have been stronger provisions for notification to parents and that parents would be also responsible for the driving suspended of their charges.

In spite of those few concerns about this legislation, on behalf of the Liberal caucus I recommend that this legislation be passed on to committee.

Mr. Speaker: Is the House ready for the question? The question before the House is second reading of Bill 27, The Highway Traffic Amendment Act; Loi modifiant le Code de la route. Is it the pleasure of the House to adopt the motion? [agreed]

Is it the will of the House to call it one o'clock?

House Business

Hon. Donald Orchard (Deputy Government House Leader): Mr. Speaker, I would like to give notice of a Standing Committee on Law Amendments for Monday, July 4, 1994, at 10 a.m., to which Bills 22, 24, 27 and 31 will be referred.

Mr. Speaker: I would like to thank the honourable deputy government House leader for that information.

Committee Changes

Mr. Doug Martindale (Burrows): Mr. Speaker, I move, seconded by the member for Transcona (Mr. Reid), that the composition of the Standing Committee on Law Amendments be amended as

follows: Transcona (Mr. Reid) for Rossmere (Mr. Schellenberg); Radisson (Ms. Cerilli) for St. Johns (Mr. McIntosh).

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I move, seconded by the member for The Maples (Mr. Kowalski), that the composition of the Standing Committee on Law Amendments be amended as follows: The Maples (Kowalski) for River Heights (Mrs. Carstairs) effective Monday, July 4, 10 a.m.

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Law Amendments be amended as follows: the member for Niakwa (Mr. Reimer) for the member for Roblin-Russell (Mr. Derkach); the member for Lac du Bonnet (Mr. Praznik) for the member for St. Norbert (Mr. Laurendeau); and the member for Ste. Rose (Mr. Cummings) for the member for Assiniboia (Mrs. McIntosh).

Motions agreed to.

* (1220)

Mr. Speaker: Is it the will of the House to call it one o'clock?

Some Honourable Members: One o'clock.

Mr. Speaker: The hour being 1 p.m., this House is now adjourned and stands adjourned until Monday at 1:30.

Everybody have a great Canada Day.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 30, 1994

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