

Second Session - Thirty-Sixth Legislature

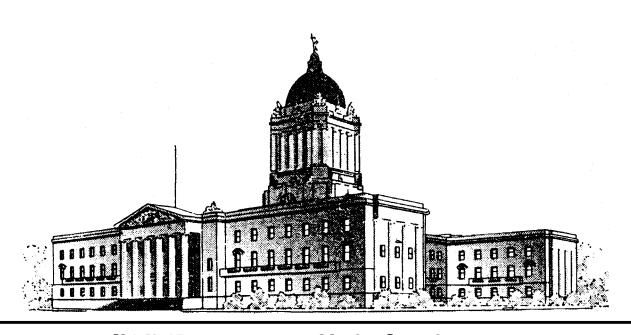
of the

# Legislative Assembly of Manitoba

# DEBATES and PROCEEDINGS

(Hansard)

Published under the authority of The Honourable Louise M. Dacquay Speaker



Vol. XLVI No. 48 - 1:30 p.m., Monday, September 16, 1996

# MANITOBA LEGISLATIVE ASSEMBLY Thirty-Sixth Legislature

# Members, Constituencies and Political Affiliation

Name	Constituency	Party
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert, Hon.	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim, Hon.	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David	Riel	P.C.
PALLISTER, Brian, Hon.	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
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## LEGISLATIVE ASSEMBLY OF MANITOBA

## Monday, September 16, 1996

The House met at 1:30 p.m.

#### **PRAYERS**

#### **ROUTINE PROCEEDINGS**

#### PRESENTING PETITIONS

# Teachers-Collective Bargaining and Compensation Review

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I beg to present the petition of D. Fontaine, Kelly Barkman, Karen Penner and others urging the Minister of Education to recognize the true value of teachers and reject the recommendations made by the May 1996 paper entitled Report of the Teacher Collective Bargaining and Compensation Review Committee.

#### READING AND RECEIVING PETITIONS

# Teachers-Collective Bargaining and Compensation Review

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

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

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

THAT the May 1996 report of the Collective Bargaining and Compensation Review Committee is a direct attack on the collective rights of all teachers and consequently will negatively affect the quality of education in Manitoba; and

THAT by pursuing the direction and recommendations suggested by this report teachers will be stripped of any

powers they have with regard to collective bargaining; and

THAT teachers by educating our youth to compete successfully in the knowledge-based economy of the 1990s are generators of wealth; and

THAT any changes to the teachers' compensation process only be undertaken with the idea of improving the present system and not by attacking teachers' ability to bargain.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba urge the Minister of Education (Mrs. McIntosh) to recognize the true value of teachers and reject the recommendations made in the May 1996 paper entitled Report of the Teacher Collective Bargaining and Compensation Review Committee.

**Madam Speaker:** I have reviewed the petition of the honourable member for St. Boniface (Mr. Gaudry). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the May 1996 report of the Collective Bargaining and Compensation Review Committee is a direct attack on the collective rights of all teachers and consequently will negatively affect the quality of education in Manitoba; and

THAT by pursuing the direction and recommendations suggested by this report teachers will be stripped of any powers they have with regard to collective bargaining; and

THAT teachers by educating our youth to compete successfully in the knowledge-based economy of the 1990s are generators of wealth; and

THAT any changes to the teachers' compensation process only be undertaken with the idea of improving the present system and not by attacking teachers' ability to bargain.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba urge the Minister of Education (Mrs. McIntosh) to recognize the true value of teachers and reject the recommendations made in the May 1996 paper entitled Report of the Teacher Collective Bargaining and Compensation Review Committee.

Madam Speaker: I have reviewed the petition of the honourable member for The Maples (Mr. Kowalski). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the May 1996 report of the Collective Bargaining and Compensation Review Committee is a direct attack on the collective rights of all teachers and consequently will negatively affect the quality of education in Manitoba: and

THAT by pursuing the direction and recommendations suggested by this report teachers will be stripped of any powers they have with regard to collective bargaining; and

THAT teachers by educating our youth to compete successfully in the knowledge-based economy of the 1990s are generators of wealth; and

THAT any changes to the teachers' compensation process only be undertaken with the idea of improving the present system and not by attacking teachers' ability to bargain.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba urge the Minister of Education (Mrs. McIntosh) to recognize the true value of teachers and reject the recommendations made in the May 1996 paper entitled Report of the Teacher Collective Bargaining and Compensation Review Committee.

#### **Home Care Services**

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT on at least six occasions during the 1995 provincial election, the Premier promised not to cut health services: and

THAT on December 16, 1995, a plan to privatize home care services was presented to Treasury Board; and

THAT this plan calls for the complete divestiture of all service delivery to nongovernment organizations, mainly private for-profit companies as well as the implementation of a user-pay system of home care; and

THAT previous cuts to the Home Care program have resulted in services being cut and people's health being compromised; and

THAT thousands of caring front-line service providers will lose their jobs as a result of this change; and

THAT profit has no place in the provision of vital health services.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plan to privatize home care services.

\* (1335)

## Native Addictions Council of Manitoba **Incorporated**

Madam Speaker: I have reviewed the petition of the member for Rupertsland (Mr. Robinson) and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Dispense.

Madam Speaker: Dispense.

Mr. Eric Robinson (Rupertsland): Let us have that one read.

**Madam Speaker:** I have reviewed the petition of the member for Rupertsland (Mr. Robinson) and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Madam Speaker: Yes. The Clerk will read.

Mr. Clerk (William Remnant): The petition of Steve Courchene, Robert Flett, Arnold Fontaine and others,

Praying for the passing of an act to amend the Revised Statutes of Manitoba to change the name from Native Alcoholism Council of Manitoba Incorporation Act to Native Addictions Council of Manitoba Incorporated; and that the Head Office shall be located within Manitoba as opposed to Winnipeg; the Board of Directors be com-posed of not more than nine members as opposed to 12; the quorum be set at 50 percent plus 1 of the total number of elected members, as opposed to 10.

#### **Pharmacare**

Madam Speaker: I have reviewed the petition of the honourable member for Burrows (Mr. Martindale) and it complies with the rules and practices of the House. Is it the will of the House to have the petition read.

Some Honourable Members: Dispense.

Madam Speaker: Dispense.

The petition of the undersigned citizens of the Province of Manitoba humbly sheweth:

THAT during the 1995 provincial election, the Premier promised not to cut health services; and

THAT the Pharmacare program brought in by the former NDP government was the first in Canada and has served as a model for pharmacare programs in Canada: and

THAT the Manitoba Pharmacare program has enabled thousands of Manitobans over the years to be able to stay out of costly institutions and to avoid financial ruin due to the high cost of necessary pharmaceuticals; and,

THAT previous cuts to Pharmacare have reduced the budget from \$60 million to less than \$50 million over the past two years; and,

THAT as of April, 1996 the provincial government is slashing benefits, effectively putting a tax on the sick, and reducing the Pharmacare budget by \$20 million; and

THAT these cuts more than double the deductible for most Manitobans to over \$1,000 for most families effectively ending Pharmacare for the vast majority of the population regardless of health.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Premier and the Minister of Health to consider reversing their plan to cut Pharmacare in 1996.

#### TABLING OF REPORTS

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Madam Speaker, I have three reports to table, the Residential Tenancies Commission 1995 report, the Residential Tenancies Branch 1995 report, and the Department of Consumer and Corporate Affairs 1995-96 Annual Report.

#### Speaker's Statement

Madam Speaker: Prior to Oral Questions, I am pleased to introduce to the House the six young people who have been selected to serve as Pages at this session. They are, beginning at my extreme right, Chrissie Ambrose, Interlake School Division; Anastasia Bowe, Lord Selkirk School Division; Crystal Cinq-Mars, Transcona-Springfield School Division; Thaddaeus Unruh, Hanover School Division; Tara Ranson, Transcona-Springfield School Division; Allison Stephen, St. Boniface School Division. On behalf of all honourable members, I welcome you. We look forward to working with you.

#### **ORAL QUESTION PERIOD**

1996 Summer Olympic Games Premier's Travel Expenses

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

During the Atlanta Olympics, on July 25,1996, the Premier was asked who was paying for his trip to Atlanta and his affairs at the Olympic Games. The Premier answered, the Pan Am Games Society was paying for the trip. On July 30, Frank McKenna said that IBM was paying for rooms for Premier Filmon and for hospitality.

Who was telling the truth? Premier Filmon on July 25, or Premier McKenna on July 30?

Hon. Gary Filmon (Premier): The answer is both, Madam Speaker, because I went to the Olympics with the Pan American Games Society, and in the course of the first seven days that I was there, we stayed in a home that was rented by the Pan American Society. They paid for my transportation costs. We hosted, as a provincial government, co-hosted with the federal government. a luncheon reception for the Pan American delegates from the various Pan American countries. Then in the last two days I moved into a hotel, at which time I was there promoting Winnipeg's and Manitoba's interests with respect to economic development.

As you may know, directly and indirectly, IBM employs about 750 people in Manitoba, and we believe that it is in our interest not only to have that employment but to have more. In conjunction with that, I might say that I paid the costs of my own accommodation and expenses while I was there with the IBM people.

\* (1340)

Mr. Doer: Madam Speaker, I am pleased the Premier, after Premier McKenna revealed the fact that he had stayed as a guest of IBM at the hotel in Atlanta, has apparently reimbursed IBM.

I would like to ask the Premier how he could say on July 25 that it was the Pan Am Games Society that was paying for his room and hospitality, when on July 23 and on July 24 he was accepting a free room and hospitality from IBM.

Mr. Filmon: I said that the Pan American Games paid for my trip to Atlanta, which is true. I have already indicated that I paid the costs of the time that I spent in the hotel with IBM

Mr. Doer: Madam Speaker, the Premier has not answered the question of truth and honesty.

On July 25 he was asked the question, who was paying. Why did the Premier ignore to tell the people of Manitoba and the people on that broadcast, why did he not tell the people the truth that IBM had paid for his hotel room and hospitality when it had done so two days before that? Why did he choose not to tell the people of Manitoba the truth, and what kind of example is he setting for a lot of other people in this province who are going through a lot of hardship because of his government? He cannot even tell the truth about freebies he is receiving from a corporate entity. Why?

Mr. Filmon: Madam Speaker, I do not understand what part the member for Concordia has difficulty understanding. Number one, the trip was paid for by the Pan American Games Society, and the expenses while I was with IBM were paid for by me.

# **Teaching Profession Collective Bargaining**

Ms. Jean Friesen (Wolseley): Madam Speaker. my question is for the Minister of Education.

I want to draw the minister's attention to an OECD research report sent to all Ministers of Education in January which points out that high standards in education are best maintained where there is strong public support for teachers and where teachers' professional abilities and autonomy have respect from government and others.

I want to ask the Minister of Education to begin this school year on a new basis, on a co-operative basis, and to withdraw her plan for teachers that even the Winnipeg Free Press said would—and I quote—frustrate and demoralize, that wages will drop, the best and the brightest will move away, the quality of Manitoba's public school system will slowly but surely decline.

I am giving the minister an opportunity to change that.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I, like the member opposite, have placed great value on the public school education system and upon the people who work in it for the collective good of our students. I believe very strongly that the measures we are bringing into place in this session will be measures that will help improve the quality of education. That is not to say it is bad—you do

not have to be sick to get better-but to constantly seek improvement in the system by higher standards, by proper assessment, et cetera, in co-operation with the teaching force that is very well trained and working very hard to help improve that quality along with us.

So I see no problem with saying I want a positive cooperative workingship with the teaching profession. I do indeed seek that. I do believe, Madam Speaker, that the measures we are putting in place will lead ultimately to that kind of positive relationship between government and those who teach our students in Manitoba.

# **Education System Student Transportation**

Ms. Jean Friesen (Wolseley): Madam Speaker, my supplementary is to the Minister of Education. I want to ask her to explain to the House why it is better to spend several thousand dollars transporting a cabinet minister's wife to South America than it is to reinstate the cuts that her government has made to the transport grants for Manitoba students.

Hon. Linda McIntosh (Minister of Education and Training): The government of Manitoba does transport or provide transportation grants to all students in rural Manitoba who live more than 1.6 kilometres from their schools. That has not changed. Similarly, the government of Manitoba will provide transportation grants in urban settings the same distance, 1.6 kilometres, where there is no public transit.

There are areas in the city where public transit is limited and in that particular venue we are looking at that issue, as are certain members of the City Council and the school divisions involved, but I think that the focus in education has to be upon the quality of that that is taught in the schools. Absolutely, I agree with the member, we have to ensure easy access to schools by those students who attend.

\* (1345)

Ms. Friesen: Could the minister tell us how she intends to explain her government's priorities, free trips to South America on the one hand, and on the other hand, families, ordinary Manitobans, who are now being faced with hundreds of dollars in bills to pay their school transport

costs, or indeed to that six-year-old child who is going to be left by the wayside to walk many miles to school as a result of these policies? Will she explain those priorities?

Mrs. McIntosh: Madam Speaker, I believe I have already answered the question, notwithstanding or accepting any of the preamble that was part of the member's question, that lengthy preamble that did cast aspersions upon people and decisions that I think were not quite accurate or fair.

Having said that, Madam Speaker, I have just indicated that the Department of Education does provide transportation grants rurally, as they always have. In the urban setting we are looking now, and the Department of Education, through its Advisory Committee on Educational Finance is looking specifically at the question of what to do with those parts of the city where the city has cut back on transit.

Now the member does not include all of the details in her question and knows full well that City Council itself, in terms of its own transit decisions, will impact negatively or positively upon decisions made by the Department of Education. We are looking to ensure that there is no unseemly overlap that would disaffect students, and we are in the process of that examination now.

# Deputy Premier Spousal Travel Expenses

Mr. Tim Sale (Crescentwood): Madam Speaker, while CP workers were losing their jobs, social assistance rates were being slashed, Misericordia is being closed as an acute care hospital, teachers are facing unprecedented increases in class size, the Deputy Premier went on a 16-day trade mission to South America and took his wife along on a \$4,500 air fare.

What other expenditures, Madam Speaker, were incurred by Mrs. Downey in her role as part of the official delegation and were paid for by government, including such things as meals, incidental travel and other expenditures?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, first of all, I would

advise the opposition that it might be helpful if they got all the facts as they relate to any travels that I have had along with my spouse, and I am quite prepared to do so. That is the first thing that should be addressed so that the truth is on the table.

Secondly, Madam Speaker, the member would be well advised to find out what the results of the mission have provided for the people of Manitoba. [interjection]

The members laugh. I can assure the members that the people of Manitoba, as having my spouse travel with me and which she was fully invited to be part of, which she fully participated to benefit the Pan American Games, as of next year I am informed that there will be some 15 tourism operators, women tourism operators, coming here to put Manitoba and Winnipeg on the venue as it relates to the Pan American Games, something that would not have happened had she not been part of that trip.

Mr. Sale: Is it then still the minister's claim that Mrs. Downey was performing important duties on behalf of the Pan Am Games Committee as part of the work of the trade delegation, or is he now changing his tune?

Mr. Downey: No, Madam Speaker. I find it somewhat strange that members of the opposition have difficulty with spousal participation with their political partners. That seems to be a problem that they have. The constituency which I represent, and I believe the majority of Manitobans, feels proud that the spouses of politicians are part of their activities. Secondly, as I said to the member earlier, I am quite prepared to provide all the documentation needed to show that it was a spousal program, and secondly, prepared to show all the documentation needed that there are tremendous results that are flowing from any involvement that Mrs. Downey had on that trip.

Again I am somewhat surprised at the tack that that individual would take as it relates to spousal relationships.

\* (1350)

Mr. Sale: If Mrs. Downey was really part of the official delegation performing important official duties, why then is she not even mentioned in the press conference, the press release, which lists every other member of the

delegation name by name, affiliation by affiliation, job by job? Where is the honesty? Where is the openness? Where is the integrity?

Madam Speaker, I will table this press release for the honourable members.

Mr. Downey: Madam Speaker, again let me clearly state that Mrs. Downey was there as part of a spousal program. She has the invitations clearly indicating that she was part of the events that took place as they related to that mission. Secondly, she was legitimately there representing the Pan American Games as an ambassador. It is a program that they are putting in place.

I can assure you, as I will assure the public of Manitoba, the results of the mission in which Mrs. Downey attended will pay in dividends far and above what in fact has been the cost. Again I would advise the members to get their facts before they come on this personal attack on an individual who is not sitting in the Legislature, who is not able to stand up and speak in the Legislature. Again I am, I have to say, most disappointed because I am quite prepared to provide all the information that is necessary to demonstrate the work that was done, and it is very positive indeed.

# Deputy Premier Spousal Travel Expenses

Ms. Becky Barrett (Wellington): The Minister of Industry, Trade and Tourism has said about his wife's role in going with him on a 16-day trip to South America that—and I am quoting here—she was there to promote the Pan American Games and was asked to do so by the Pan American Games organization.

The Pan American organizing committee stated that it was not the Games' idea that Mrs. Downey go on their behalf. It was Mr. Downey's office who approached them, stating that she was already going on the trip.

My question to the minister is: Who is telling the truth here? Is the minister telling the truth or is Barbara Huck telling the truth, who is the vice-president of the Pan American organizing committee?

Hon. James Downey (Minister of Industry, Trade and Tourism): The day that I am not able to tell the

truth will be the day that you do not see me in this Legislature. Again I suggest that members find their facts. First of all, their accuracy of the time in which I was in South America is totally inaccurate and again evidence that they have not done their homework. I do not know whose numbers they are taking. Secondly, it was a legitimate spousal program which Mrs. Downey was attending in South America. It was a legitimate spousal program that she was participating in.

Secondly, the department discussed with the Pan American teams if there was a role that Mrs. Downey could play when she was in South America. They said, yes, that they were introducing an Ambassador Program of which Mrs. Downey could be part. Yes, Madam Speaker, the department offered the opportunity and there was a role that she could play.

Now the members for some reason have a problem with the promotion of the Pan American Games and all the benefits that it will bring the people of Manitoba. I would advise them, Madam Speaker, they are on a dangerously downhill political slope if this is the level they have to reach to get political marks.

\* (1355)

Ms. Barrett: Madam Speaker, why did the Minister of Industry, Trade and Tourism state on public radio that the Pan American Games organizing committee asked his wife to participate in helping with the Pan American Games while she was in South America instead of what he said later and which he has said in the House today, that it was initiated by the minister's office himself? Which one is the truth, what he stated in the media or what he is telling us today? Which one is the truth?

Mr. Downey: Madam Speaker, as I indicated, there was a legitimate spousal program in which my wife participated to go to South America.

Secondly, Madam Speaker, there were discussions with our department and the Pan American Games, of which the discussions concluded by the fact that they agreed there was a role that she could play when she was going to be there on a spousal program which would benefit the Pan American Games. [interjection]

Again, Madam Speaker-well, the member for Thompson (Mr. Ashton), whose wife, quite frankly, has been part of government contracts-

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

**Mr. Downey:** Madam Speaker, I am quite prepared to disclose the involvement of the member for Thompson's wife in programs that the government had in place.

#### Point of Order

Mr. Steve Ashton (Thompson): A point of order, Madam Speaker, the Deputy Premier was talking about my wife. She put in a bid on a contract with the provincial government and was awarded that. I guess he probably has some difficulty since most contracts in his department seem to have gone to Tory connections, but my wife put in a bid and she got the job.

Madam Speaker: Order, please. On the point of order, the honourable member for Thompson does not have a point of order. It is clearly a dispute over the facts.

. . .

**Madam Speaker:** The honourable Minister of Industry, Trade and Tourism to quickly complete his response.

Mr. Downey: Madam Speaker, as I said, the offer was made to the Pan American Games, of which they said she could participate as an ambassador on behalf of the Pan American Games on the tour. It was very successful and I am quite prepared to provide all the evidence for the people of Manitoba as it relates to that trip.

Ms. Barrett: Will the minister now admit that he either did not tell the truth, he lied to the people of Manitoba on CBC Radio when he said that the offer was initiated by the Pan Am Games committee, or he is not telling the truth and he is lying to us in the House today? Which is it?

Mr. Downey: Madam Speaker, this is a serious issue in which another person has been implicated by the members of the opposition, which I think is somewhat unfair. I would ask that they get the facts before they

carry out the kind of smear tactics that they are trying to carry out.

Madam Speaker, I will repeat for the people of Manitoba: There was a spousal program in which my wife was participating, in a trade mission to South America, which was absolutely legitimate. The invitations were there. In discussion with the department and the Pan American Games, it was clearly indicated there was a program which—it is called the Ambassador Program—Mrs. Downey could carry out.

Whether it was initiated by my department, whether it was initiated by the opposition, the important thing is we have absolutely nothing to hide, Madam Speaker. We have absolutely nothing to hide and the result of the trip will be seen as—

Madam Speaker: Order, please.

#### **Point of Order**

Ms. Barrett: Madam Speaker, the issue is not who started it or initiated the program. The issue here today and has been for weeks is that the minister is deliberately misleading the people of Manitoba and the House today.

Madam Speaker: On the point of order raised by the honourable member for Wellington, the honourable member for Wellington does not have a point of order. It is clearly a dispute over the facts.

\* (1400)

## Regional Health Boards Cost of Establishment

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health.

The Minister of Health, at no doubt great expense to the taxpayers of the province, put out an eight-page glossy telling how wonderful this government is doing in health care. In fact, the headline is, Keeping Manitobans Informed.

Yet, Madam Speaker, when we as an official party are trying to get information in terms of the costs of the regional health associations, authorities, the Department of Health has denied us access to that information.

My question to the Minister of Health: Will he tell this Chamber what is the actual cost of establishing the 10 regional health boards?

Hon. James McCrae (Minister of Health): We will compile that information and make it available for the honourable member, Madam Speaker.

Mr. Lamoureux: Madam Speaker, I am wondering if the Minister of Health, because we have made application, will agree to investigate as to why it is that it would have been turned down when we applied to get through Freedom of Information this very valuable information regarding these regional health boards.

Will he report back to the House?

Mr. McCrae: Yes, Madam Speaker.

# Department of Health Advertising Campaign Costs

Mr. Kevin Lamoureux (Inkster): Can the Minister of Health give us an indication in terms of the latest, most recent propaganda campaign that this ministry has launched in the public, what is the actual cost of producing the Keeping Manitobans Informed and other ads that are going on with respect to this government's health promotion?

Hon. James McCrae (Minister of Health): The one constant theme I have heard in my three years as Minister of Health is that the people of Manitoba wish to be informed so that they can be part of the consultative partnership process in which we have engaged in our province with respect to health care. I am very happy to be able to make available information for the people of Manitoba so that they know the direction that their health care system is taking.

Madam Speaker, the total cost of the television messages is \$123,535, and the cost of the Healthnews document the honourable member has with him today, including design, printing and distribution, is \$106,000.

#### Department of Health Healthnews Costs

Mr. Dave Chomiak (Kildonan): Madam Speaker, my question is also to the Minister of Health.

How does the Minister of Health justify this kind of expenditure of a Tory propaganda sheet, complete with the minister's photo on it, prepared by the Premier's campaign manager, Barb Biggar, in Tory blue? How does he justify spending hundreds of thousands of dollars when the minister knows that money could be used to take people off cardiac waiting lists, when that money could be used to give people treatment for long-term treatment in terms of drug dependency, when the minister knows we have the longest waiting lists in the country? How does he justify spending hundreds of thousands of dollars on this Tory propaganda piece of garbage?

Hon. James McCrae (Minister of Health): Madam Speaker, as I looked in the mirror this morning, I have to admit that there is truth to the old adage that you cannot make a silk purse out of a sow's ear. I have to admit that any photograph of myself does not really enhance the look of the document. I would readily admit that.

The only thing the honourable member does not ask that virtually everybody else in Manitoba does ask is, will you give us some factual information? The honourable member does not want factual information because he has already got his mind made up. Manitobans do not, Madam Speaker, they simply want to know what is going on in their health system. We owe them that service, and that is what that paper represents.

Mr. Chomiak: Madam Speaker, how does the minister explain, when we did a Freedom of Information request about how much money and about the contract Barb Biggar got to do this piece of propaganda, the request came back and said there were no contract payments to Barb Biggar? How does the minister explain, and what did Barb Biggar get paid to do this Tory piece of propaganda that gives us no facts but is Tory propaganda?

Mr. McCrae: I will obtain that information for the honourable member, Madam Speaker.

Mr. Chomiak: Madam Speaker, since this document is titled Issue No. 1, will the minister do the right thing and confirm in this House that no more of this Tory propaganda will be issued and that the minister will use that money to pay for the much-needed health care that had been created by this government with the longest waiting list in this country?

Mr. McCrae: I will give the honourable member the assurance that there will not be any Tory propaganda, Madam Speaker, but I will also give the people of Manitoba the assurance that we will continue to put out information that will keep them informed on what is going on in a very changing world.

## Social Assistance Rate Reduction

Mr. Doug Martindale (Burrows): Madam Speaker, today on the steps of the Legislature poor people were gathered to protest the cuts in welfare rates in this province. They are very concerned, not only about the cuts to the welfare rates but also about the ethics of the Filmon government.

I would like to ask the Premier how he can justify accepting gifts from large corporations like IBM and repaying when he gets caught, how he can justify the Deputy Premier (Mr. Downey) and his spouse travelling at government expense to South America at the same time that his government has cut welfare rates, including, by almost 30 percent, the rates for infants on city welfare in the city of Winnipeg. How can he justify spending tens of thousands of dollars in travel and cutting welfare rates at the same time?

Hon. Gary Filmon (Premier): Madam Speaker, I know that the member opposite is being somewhat facetious about this because his colleagues, when they were in government, spent hundreds of thousands, in fact, millions of dollars in travel. Their utilization, whether it be of government aircraft, exceeded anything that we have done since we have been in office. Their expenditures on sending ministers and entourages to places like Korea, Japan, India and so on were far in excess of anything that we have done.

When I look at, for instance, a news clipping of one of the former ministers of that government now in British Columbia as a bureaucrat spent \$80,000 last year in travel on behalf of B.C. trade-New Democrat, Madam Speaker, one individual, New Democrat. That is the kind of thing that is commonplace to New Democrats.

So all of this that they put forward is pure hypocrisy. The fact of the matter is that this government has presided at a time when our increase in exports has been

greater over the last five years than any other province of Canada because of the efforts that we have made to promote this province, to promote the interests of investment and job creation, trade and export opportunities in this province. That is what is important to the long-term interests of the people of Manitoba.

Mr. Martindale: Madam Speaker, I would like to ask the Premier if it is the policy of him and his government to pay for the travel expenses of a spouse of a cabinet minister while at the same time cutting welfare rates. Is it their government policy to pay for the travel expenses of spouses of cabinet ministers and at the same time cut welfare rates?

Mr. Filmon: You know, when Team Canada is put on by the federal government, an initiative that is designed to improve our opportunities for trade and business development throughout the world, the federal government, in fact the Prime Minister, requests that the spouses of the First Ministers go, so that when we go there and we meet with high level people, presidents, prime ministers, people—

#### An Honourable Member: Dictators.

Mr. Filmon: Well, of course, the only dictator that is supported in this Legislature is the Cuban dictator supported by New Democrats. New Democrats, who claim that they do not know there is a dictatorship, that they do not know that there are human rights violations going on in Cuba, support that country actively and openly.

#### **Point of Order**

Mr. Dave Chomiak (Kildonan): Point of order, Madam Speaker. I believe the Premier was asked the question with respect to his government policy of allowing cabinet ministers to travel to South American countries and otherwise, and the Premier, in an attempt to try to defuse attention away from his trips and the trips of his Deputy Premier, is going all across the board trying to justify that. I ask you to ask the Premier to cite Beauchesne's, and if he cannot answer the question, then to sit down.

Madam Speaker: On the point of order raised by the honourable member for Kildonan, indeed you do have a

point of order. I would ask the honourable First Minister to please respond to the question asked.

\* (1410)

Mr. Filmon: Madam Speaker, I appreciate your comments. I know that the truth hurts members opposite. The fact is that the Prime Minister requests that spouses—and pays for the spouses of First Ministers to go along because he knows that when you have social events, when you have programs in which your counterparts have their spouses there, it is rude not to have them there, that there are instances in which spouses are—[interjection]

Madam Speaker, I wonder if members opposite could be just a little bit calm and not try and interject. I know they are having difficulty when I give them facts. They are not interested in facts; they are only interested in attempting to harass those of us who get up to respond to their questions, but if they would be patient and calm, I would attempt to answer their question.

Madam Speaker: Order, please. I would ask for the co-operation of all honourable members in listening to the question being posed and also in the response to the question.

The honourable First Minister to quickly complete his response.

Mr. Filmon: So it always has been the policy that where spouses are included in the program, they would be able to travel at public expense. I know that was the case under the Pawley administration. I can tell you instances in which specifically the Premier would have had his spouse with him at public expense. We have many of those listed and we can give them that, so this is not a difference in policy between our administration and a previous administration, nor between our administration and any other administration in Canada.

# CP Rail Layoffs-Weston Shops

Mr. Gerard Jennissen (Flin Flon): My question is for the Premier.

On September 11 the Deputy Premier (Mr. Downey), who is also Minister of Industry, said on behalf of the provincial government that he had no knowledge of any job losses at the Weston Shops. The next day the Minister of Transportation (Mr. Findlay) said he and other members of cabinet were told by CP a week previous that CP was moving 138 jobs to Calgary and laying off another 137 workers.

My question is simply, which minister was telling the truth about government knowledge of the loss of CP jobs?

Hon. Gary Filmon (Premier): Madam Speaker, I find this to be incredible, that the member opposite cannot follow the news media. The Deputy Premier was away. We have just been talking about his purpose in being away, where he was and when he was, and he was not at the briefing that the Minister of Transportation and I were. So they did not ask us and we did not obviously respond.

**Mr. Jennissen:** My supplementary question is to the Minister of Highways and Transportation. Why did this minister and the Premier not go to the wall to stop these jobs from being moved to Calgary?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I think the member is of full knowledge that the rail industry in every sector is under a lot of challenge right now as it adjusts to supplying services under modern technology.

We went to the wall to bring CP jobs to Winnipeg. The customer service centre which serves all of Canada—only one centre in all of Canada—it is right here in Winnipeg. We brought it here almost two years ago. In that process we gained 275 jobs. We argued with CP that we wanted to see no loss of jobs in the shops here in Manitoba. They laid out their case.

In balance we are not that far behind, because we only lose 8 percent of the jobs in CP whereas nationwide the loss is 21 percent. We are not as bad as the nationwide average because the customer service centre came to Winnipeg, and loss of jobs happened in every province except Manitoba in that context. That is the delivery of service with the new technology that we have the jobs here in Winnipeg. We went to the wall there and won.

We also spoke very strongly to CP about new changes that they might have in the future, that we have those jobs come to Manitoba as they readjust the way they handle their workforce.

## Canadian Transportation Act Government Support

Mr. Gerard Jennissen (Flin Flon): My final supplementary to the same minister: Why did this government support the Liberal privatization of CN and the Canada Transportation Act, which are already threatening the future of communities such as Leaf Rapids, Pukatawagan, Steep Rock, Ethelbert and others?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, the Canadian Transportation Act that was passed by the federal government and the three prairie provinces, Manitoba, Saskatchewan and Alberta, as Ministers of Transportation, we went down to the House of Commons, spoke in the committee stage against various provisions in that bill, because we could see the outcome. Premiers wrote letters saying that the bill was far too liberal in terms of allowing changes to happen that were going to impact the economies in western Canada.

So we did not support; we opposed the bill in many respects to be sure that they did not go too far and, Madam Speaker, certainly maybe they did go too far, but they did not listen to us, neither Manitoba, Saskatchewan or Alberta, in the Ministers of Transportation coalition.

# Crime Rate Reduction Strategy

Mr. Gord Mackintosh (St. Johns): My question is to the First Minister.

This weekend in my neighbourhood one more Manitoban, a senior I know and have great respect for, was terrorized by violent strangers in her own home. While robberies in Canada overall climbed 8 percent since 1990, I am told this morning by Stats Canada they have gone through the roof-[interjection] They have increased 8 percent in Canada overall. They have gone up through the roof in Manitoba by 65 percent since 1990.

My question for the minister is, while he and his First Ministers and families were on their paid excursions or their cruises, whatever, did they happen to turn their minds to the seniors and others being terrorized in their homes and on the streets back here in Manitoba?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, though I cannot speak about a specific case, I am pleased to give a little bit of information to the member because I think it is important for all Manitobans to know. First of all, in the one case of home invasion which was prosecuted through our courts, there was a 10-year sentence which was obtained, a very significant message on how vigorously issues such as this will be prosecuted. We also are providing funding to Age and Opportunity to assist elder victims of crime, and we continue to have a number of programs.

There is absolutely no question this kind of criminal act and fearfulness that people experience as a result needs to be carefully looked at, needs action, and that is exactly what our government is doing.

Mr. Mackintosh: Madam Speaker, well, with statistics like this and if the government was so serious about crime, why over the last year and a half has the government implemented only five, we understand, of 36 of its promises for provincial action on crime? What is it waiting for? We have the worst violent crime rate in the whole country now.

Mrs. Vodrey: Madam Speaker, the member often puts forward stats, does not always date them. We could argue statistics, he and I. I have a large number of statistics and bar graphs, too, which indicate in fact all of the decreases that are occurring, but I do not think it is the war of statistics in this Chamber and on this floor that will actually help Manitobans. The war of statistics does not help anyone. What will help Manitobans are the programs that have been put in place, programs such as the assistance we are providing to victims, programs such as the aggressive position that I have provided a memo to our prosecutors on in terms of bail, programs such as 40 more police officers on the street in the city of Winnipeg. It is that action that the people of Manitoba will benefit from.

Mr. Mackintosh: Rather than action, would the minister admit this is just tough talk, just that, just talk,

that the government is totally, utterly ineffective in dealing with our crime because it is so blinkered it cannot see the link between the despair of our growing underclass and our crime rate and the link between inaction and our crime rate?

Mrs. Vodrey: It is this government's concern about criminal activity, it is this government's concern about support to victims that has caused us to put into place some of the most significant programs across this country. In fact, it is our leadership that caused the NDP government to, last week, finally come on board last Wednesday with our gang strategy. Finally, they released 18 points which in fact were consistent with the programs which we have put forward. Finally, they come on board with the position about criminal acts committed by children under 12. Finally, they come on board with a gang line which the member across the way has stood up and has said that he did not like before. We are pleased they recognize the efforts. We are not finished. The people of Manitoba deserve ongoing effort to make themselves safe in their own communities. That is exactly what we will do.

\* (1420)

# Sexual Offenders Community Notification

Mr. Steve Ashton (Thompson): Madam Speaker, the last two weeks have been a very difficult time in the community of Thompson with a released sex offender who was loose in the community with very limited provisions under the probation. I just learned this morning that this individual has been apprehended. In fact, the RCMP have gone to court to attempt to have stronger provisions put in place. This was a person who was a repeat offender, who is a substance abuser who never received the kind of treatment that might have prevented this situation and is now considered a high risk to reoffend.

I would like to ask the minister if she will review this particular case of Mr. Honask [phonetic] in regard to both the fact that this individual did not receive any treatment for the substance abuse and that this high-risk offender has been, at least until this morning, loose in the community creating a great deal of concern to the residents of Thompson.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, the member knows, across the way, that we do have a Community Notification Committee where there is the opportunity to review the cases of individuals who are due for release from our institutions, and then there is an opportunity to look at notifying the community.

In regard to the specific case, I will have to take it under advisement. I have to be very careful whether or not there are any charges. I will remind the member across the way though, the Community Notification Committee, the first of its kind in Canada, received no support from the NDP.

**Madam Speaker:** The time for Oral Questions has expired.

## Speaker's Ruling

Madam Speaker: I have a ruling for the House.

The opposition House leader, on May 22, 1996, raised a point of order about words used by the First Minister (Mr. Filmon) in replying to a question posed by the honourable member for Crescentwood (Mr. Sale).

Hansard shows that the First Minister said "he was incompetent when he worked for the government and he is incompetent today, and that is exactly where he stands."

Having researched the matter, I find that the word "incompetent" has been used in this Chamber by both sides of the House, and there is no record of a Manitoba Speaker ruling that word to be out of order. I am ruling that the language used was not unparliamentary, but I ask all honourable members to take care in selecting their words.

#### **MEMBERS' STATEMENTS**

# Tourism Winnipeg Week Competition

Mr. Mike Radcliffe (River Heights): Madam Speaker, it is my pleasure to rise in this House today and address the members and welcome them all back from the summer break

In Saturday's Free Press there was a wonderful letter to the editor by a young man from Verdun, Quebec, named Matthew Roy. Mr. Roy visited our wonderful province this summer, and I would like to quote from some of his letter to our members here today. Mr. Roy says, it all began with a careless aspersion meant to make Montrealers reeling from the referendum, a sluggish economy and a long winter feel better about their city. He said, if you think things are bad in Montreal, wrote the Montreal Gazette, try a week in Winnipeg.

Well, Madam Speaker, Matthew Roy had an opportunity to visit Winnipeg and I would like to share with the members of this House today some of his thoughts. He says, what I experienced was an absolutely unbelievable outpouring of generosity and hospitality. Friendly Manitoba is not just a motto; it is a state of mind. I do not think I will ever again meet such an extremely hospitable and amiable collection of people as I did that weekend in Winnipeg. We and the rest of Canada would do well to strive to emulate not only Winnipeg's friendliness but also its strong community spirit and multicultural harmony manifested by festivals such as Folklorama.

As a native of Quebec, I was also very impressed with the Manitoba Franco-Manitoban community of St. Boniface, articulate, warm and jovial. They assured me at a bonfire at Fort Gibraltar that their culture was well entrenched, their annual Festival du Voyageur a cornerstone of Winnipeg life. Both Folklorama and the Festival du Voyageur are testaments to cultural harmony and a model for my own embattled province, he says. Multicultural harmony is a hallmark of what it means to be Canadian, as is friendliness, humility and, of course, the love of hockey, all of which seem to be cornerstones of Winnipeg. In that regard, Winnipeg is very much the heartland of Canada, the place where all things truly Canadian thrive. Thank you.

**Madam Speaker:** Order, please. I was experiencing some difficulty in hearing some of the comments by the honourable member for River Heights.

# **Employment Creation Government Strategy**

Mr. Doug Martindale (Burrows): Madam Speaker, on March 12 this year the Filmon government announced

their so-called welfare reform. It consisted mainly of cuts to people already subsisting on welfare for a total of about \$23 million in cuts, and as of May 1, people who are deemed employable on city welfare are expected to live on \$411 a month. However, when you look at the reasons behind this—and I assume that the reason was to reduce rates so much that they would force people to find jobs—what has happened?

Well, in August there were 5,000 fewer people employed than in July. No change August over August one year to the next. The number of people on provincial social assistance, many of whom are deemed employable, is static. It is stuck at about 26,000. Winnipeg Harvest though is now feeding 36,000 people a month, an 8.6 percent increase over June, July and August of last year, but when it comes to job creation, which should be the real task of this government, their efforts are pathetic. Their own press release admits that they only intend to create 700 jobs as a result of their initiative and one of their programs, Taking Charge!, has no job creation goals, none whatsoever. What people in this province want is work. They do not want to be punished for being poor. The Filmon government should invest in job creation not in poor bashing. Thank you.

# Water Pure & Simple Grand Opening of New Building

Mr. Frank Pitura (Morris): Madam Speaker, it is my pleasure to address the House today.

I would like to tell the members about a small company called Water Pure & Simple. The company was started three years ago by a Manitoban named Micheal Poirier. With a 20-year plus history of sales and marketing, wholesale pumps and filtration equipment, the current trend toward purified water created a wonderful business opportunity as another example of how small business can successfully create jobs in Manitoba.

I had the pleasure of attending the grand opening of the company's new building this past Saturday in Otterburn, Manitoba. The company employs two full-time and three part-time staff. They also service the market area of all of southeastern Manitoba including the city of Winnipeg. This Manitoba company is the first of its kind to utilize a reverse osmosis process. Using a six-step purification procedure, including reverse osmosis, it takes out up to

98 percent of the impurities in the water. Bacteria and parasites, inorganic materials, organic contaminants, pesticides, herbicides and radionuclides are removed from the water.

Madam Speaker, this government has created a positive environment and provided businesses and communities with the tools to launch their ideas and create jobs. Water Pure & Simple is just one example. There are many more examples of small businesses that are helping to make Manitoba strong.

Under the Filmon government the stage has been set. We have worked hard to establish a foundation on which Manitoba can build a solid and prosperous future. We have created the right climate in order that small businesses can prosper and create jobs. This right climate is based on having a long-term strategy, accountable and responsible fiscal management focusing on creating jobs and wealth in the private sector and working in partnership with the community.

\* (1430)

# Northern Health Care System Physician Resources

Mr. Steve Ashton (Thompson): I wish to address an issue that strangely enough is not addressed in the document being distributed by the Minister of Health (Mr. McCrae) on health reform, which was so aptly described as a Tory propaganda piece, and some of the very real medical concerns in my community, starting with a critical shortage of doctors. I want to indicate that I have been contacted by many constituents just the last number of weeks; they are unable to receive urgent medical care because of that shortage.

I want to first of all indicate that the Thompson General Hospital has been actively trying to recruit doctors, but there are a number of problems with the recruitment process in particular because of some pressures, I believe, in terms of qualifications. There have been a number of doctors, and one very good doctor, who have left our community, and there has been increasing difficulty in recruiting doctors from overseas. Unfortunately, that has often been the main source of supply of physicians in the last number of years because

of the reluctance of Canadian-educated graduates to come to northern Manitoba.

It is something that I think is very unfortunate because, as is the case with much of rural Manitoba, there is a very good lifestyle, as well as a very important medical practice that is available. I believe, Madam Speaker, there are things that can be done, and I look to the Minister of Health and to the Department of Health to take some initiatives. In fact, I would recommend a number of things. First of all, we have to recognize the fact that salaries are not the only factors involved. One of the concerns of one of the doctors that has left Thompson was over the impact on medical procedures of the health care cuts, so we have to stop cutting back on our rural and northern hospitals.

The second thing, Madam Speaker, we have to do is identify the need to make sure that Canadian-educated grads who get their education at the expense of the taxpayers practise in rural and northern Manitoba. The bottom line is we need to avoid the kind of critical doctor shortage we have in Thompson.

# Carte International Expansion

Mr. Peter Dyck (Pembina): It is my pleasure to rise in the House today on this the Second Session of the Thirty-sixth Legislature and address the members. When our government was re-elected for a third consecutive term, our goal was had make Manitoba the best place anywhere in which to live, to work, to invest and to raise a family. I would like to relate to all members a success story in my constituency of Pembina, a story that emphasizes our government success in creating the right climate for business growth and job creation.

This story focuses on a business called Carte International Inc. Carte International Inc. manufactures and distributes power and specialty electrical transformers for electrical utilities and commercial and industrial consumers. The company's goal is to be a world-class manufacturer that consistently meets all technical and delivery requirements for all its customers in the global marketplace.

Carte International is committed to excellent customer service, continuous improvement and the principles of total quality management. From its inception in April of 1973, the Winnipeg-based Carte International has undergone a great deal of expansions, one of which resulted in facilities being leased in the community of Morden. Initially, 30,000 square feet was leased and to that an additional 15,000 square feet was added just last year. The employees of Carte International have recently announced that they would be buying the business. The employees' goal has been achieved through the Crocus Fund.

Their announcement demonstrates how strong the economic climate in Manitoba is and, by extension, Manitobans benefit as businesses not only remain in Manitoba but as they continue to expand just like Carte International

From a local point of view, the decision by Carte International to first of all expand and then expand again in Morden is very welcome. This organization employs close to 200 Manitobans, 200 Manitobans who continue to contribute to the well-being of Manitobans. This decision by Carte International indicates the level of confidence they are placing in the people and the government of Manitoba. Thank you very much, Madam Speaker.

#### ORDERS OF THE DAY

#### **House Business**

Hon. Jim Ernst (Government House Leader): Madam Speaker, in a spirit of co-operation, I believe there might be a willingness to waive private members' hour today.

Madam Speaker: Is there leave to waive private members' hour today? [agreed]

Mr. Ernst: In that case, Madam Speaker, on a matter of House business, I would like to advise the House that the Standing Committee on Economic Development will meet Friday at 10 a.m. until 12:30 p.m. to consider the report of Manitoba Mineral Resources.

Madam Speaker: The Standing Committee on Economic Development will meet Friday a.m.

Mr. Ernst: 10 a.m. to 12:30 p.m.

Madam Speaker: 10 a.m. to 12:30 p.m.

#### **DEBATE ON SECOND READINGS**

Hon. Jim Ernst (Government House Leader): Madam Speaker, would you please call then Bill 19, Bill 4 and Bill 67.

# Bill 19-The Dangerous Goods Handling and Transportation Amendment Act

Madam Speaker: On the proposed motion of the honourable Minister of Environment (Mr. Cummings), The Dangerous Goods Handling and Transportation Amendment Act (Loi modifiant la Loi sur la manutention et le transport des marchandises dangereuses), standing in the name of the honourable member for Kildonan (Mr. Chomiak).

An Honourable Member: Stand.

Madam Speaker: Is there leave to permit the bill to remain standing? [agreed]

Mr. Gregory Dewar (Selkirk): Madam Speaker, I too would just like to begin by welcoming all members back after our summer break. I know myself and members on this side of the House were very busy over the summer attending the various events that are held throughout this province and in particular in my own community.

I would like to welcome the Pages here to this Chamber and to this session. I understand one of the Pages is from my community. My colleague from Transcona (Mr. Reid) said there are two from Transcona. Well, I have one from the Interlake as well. They say that Selkirk is the gateway to the Interlake. We would like to consider ourselves a very important part of the Interlake.

I notice the member for Pembina (Mr. Dyck) was speaking recently. I understand he had some health problems early on, and I would just like to wish him the best of health.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

It is also an honour to be the first speaker on this side of the House as we head towards what I know will be a very interesting session this particular fall session. We have a number of very contentious pieces of legislation to deal with as we move towards the session. I know we have got many, many very contentious pieces of legislation, and I will welcome the opportunity as we proceed to comment on that

Today I am pleased to put a few words on the record in terms of one of the two environmental bills brought forward this session. This one is an amendment to The Dangerous Goods Handling and Transportation Act.

On behalf of my side of this House, we are going to put forward some of our concerns. I know some of my other colleagues are anxious as well to put comments on the record about some of the shortcomings we see in this particular amendment. As members are aware, the amendments put forward in this particular act, one of the more contentious ones and one that we on this side of the House take particular issue with is one that gives the director the authority to decide whether an environmental assessment and review is needed before a licence to operate a hazardous waste disposal facility is granted.

I was interested in the comments made by the minister on this when he introduced this bill into first reading, and he stated at that time he wanted this particular change, the change to have the public hearings dropped. In case of a small facility, it would have to undergo the public hearing process, and he feels that the cost of the \$5,000 for conducting the hearings is high. We concur that is a high expense, but we also feel that perhaps there may be another way to deal with this issue. Perhaps there could be a review process that is cheaper. We on this side of the House, and I know members opposite too—or they should—value the public hearing process that we do have in this province.

Over the last number of years, I have had the opportunity to attend many of the Clean Environment Commission hearings on various proposals. I was always impressed by the level of contributions made by Manitobans, and some of them agree with the proposal and some of them take issue with the proposal. It is a very healthy debate, and it is a debate we feel that is very important here when you deal with environmental issues and when you deal with issues related to the licensing of

a hazardous waste disposal facility. So that is one of our chief concerns.

There are some other ones related to the extending of the time limit on prosecutions, but I would like to concentrate on this particular amendment to the act, and that is the doing away with public hearings for an application to license a hazardous waste facility. We understand that small facilities have to undergo the public hearing process, but by this particular amendment, large facilities would not undergo public scrutiny, and we feel that is wrong. So we are prepared as we move along in this session to offer a compromise.

As I said, we feel that the public hearing process is very important. It gives Manitobans the opportunity to raise issues, issues that perhaps the government does not like to hear, but nevertheless it provides a forum for Manitobans, and we would like to see that particular forum continued in this province, like is it fair, Mr. Deputy Speaker, for large-scale operations to escape public scrutiny by a public hearing process, and we on this side of the House feel it is not.

We were able to and we have done some work on this, and we will be proposing, when this legislation does go before a hearing, before a committee of this House, some specific criteria. We feel that public hearings, instead of simply being done away with, they should depend on specific criteria rather than on the lone discretion of a director. We feel that there is still a need for public hearings whe. It consists to licensing certain types of facilities based upon a number of different criteria, and we will be bringing forward that amendment.

We have been able to get some information on this, we have done some work on this, and we are certain that the government will recognize that our amendments are in the public good. We hope that the minister will accept these recommendations, these amendments, in the spirit of cooperation that we know exists here in Manitoba. It is the custom here in the province, it is tradition in the province to try to work out a compromise on various issues, try to come to an agreement that would satisfy all stakeholders in a particular situation. We feel that an amendment that we are prepared to offer as we move along would satisfy that.

\* (1440)

I would like to go through, if I can, just some of the general outline of what we feel an amendment or the amendments that we are going to be bringing forward would be. I think the first one would be, in terms of specific criteria, that the proximity to residential areas should be a condition. Now, whether that is an area of high public usage, such as a major urban centre or a special natural area, whether it is near a provincial park or one of the many other natural areas we have in the province near a source of water or an area that is inhabited by wildlife and so forth, the proximity to an area would be very important as the first criterion.

Another one we would like to raise to the minister's attention, and we hope that the minister will be responsive to our concerns, is the amount and type of waste that is being considered, and now we mean that in terms of toxicity, the degree of the toxic nature of that particular waste that is being treated—not only in terms of that, but also the tonnage, the volume, whether it is tonnage or litres. There we feel that there should be a point at which public hearings are mandatory, and we will be offering specifics as we move along.

We understand that in British Columbia the construction of a new facility, which constitutes a reviewable project, for example, would be the disinfection or the sterilization of biomedical waste, a storage facility where the waste is, for example, stored in containers and the facility has the storage capacity of 10,000 tonnes or more, a situation where a facility has a storage capacity of 5,000 tonnes or more and the waste is stored in waste piles, surface impoundments or land treatment facilities.

These are just some of the examples that you could use, and that we will be bringing in our amendment. The amount and type of waste being considered is another criterion

The third one would be the type of facility being considered, and what we mean by this is whether or not the storage of a certain tonnage of waste, as I mentioned before, whether or not there is an incinerator, a thermotreatment facility, or the use of a facility for a treatment of a special waste if it has not been previously licensed for.

Again, Mr. Deputy Speaker, we are putting forward these amendments as a reasoned response, as an effort to be responsible opposition, but we also feel that in all cases the minister should have the discretion to call public hearings even if a licensed application is set below guidelines to prevent licensing increments. So we feel that the minister should have that discretion to call public hearings.

Again, we will be bringing forward amendments to this act that would deal with these specific concerns that I raised before the House today. Again, proximity to residential areas. If it is near a large urban setting, for example, that would be a trigger that would call for public hearings. The amount and type of waste being considered would be another trigger, whether it is at the level of toxicity, tonnage or litres, the volume of that particular waste, the type of facility that is being considered. Finally, we feel that the minister should have the discretion to call for public hearings under any condition.

These are some of the concerns that we have related to this particular legislation. We feel that the public hearing process has served Manitobans well over the last number of years. We know that the Clean Environment Commission, for example, will bring forward some recommendations to the government, and the minister at times will abide by those recommendations. Other times he does not or the government does not, but that is the nature of the particular act. We understand that. They are there to advise the government, to make recommendations to the minister, and we feel that they have done some very good work, the result, I would suggest, of a number of very good presentations made to the Clean Environment Commission over the years.

I have had the chance to attend many of the Environment Commission hearings and was very impressed with the level of contributions of Manitobans. We feel that scrutiny by a public hearing process is very important, particularly when you begin to license hazardous waste facilities.

So under the current legislation, the government is going to wipe that clean. Any application for a licence will not have to undergo any public hearing process. The requirement for public hearings has been dropped, and instead it is up to the discretion, the lone discretion of the director. We feel that there should be certain triggers that would initiate public hearings. I talked about those earlier on in my comments and, while we accept the fact

that it is an expensive process, we feel that there may be a way as well to get the public involved and perhaps save the taxpayer of this province some money. But it is not fair for large-scale operations to escape scrutiny by a public hearing process.

So, Mr. Deputy Speaker, we do have a great deal of problem with that, and we on this side of this House have a hard time accepting the legislation as it is currently drafted. While we will be offering amendments when we do reach the committee stage, amendments that I outlined, we still have difficulty with the current legislation as it is drafted in second reading. I know that some of my colleagues here are interested in making some comments on that and specific examples as it relates to their constituency.

Again, most of the amendments in here are house-keeping in nature and that is a concern that we have. Housekeeping in nature, is that simply a quote for something far more devious? When you consider what they are up against here on the other side of the House, we have to be very cautious when we deal with the changes and amendments legislation when it was brought forward by the members opposite, but as was clearly demonstrated earlier on in Question Period, where the integrity of the member opposite was brought into question by this side of the House. So it is important that we review the legislation and bear in mind that it requires a careful scrutiny.

Mr. Deputy Speaker, as we mentioned as well though, even though we did receive some information back from the British Columbia Department of Environment, we are waiting for additional information, some more specific information from other jurisdictions, and so we do urge that this bill goes to committee at a later date so we can assure that we do have some facts to draw on as we draft our amendments.

We also await, like all members, we do await the comments of different groups as this legislation goes to the committee stage, goes into the committee and allows the public of the province to offer their comments as well.

\* (1450)

Mr. Deputy Speaker, with those few comments, I put forward to the minister, I offer some responsible

amendments, some responsible action that we feel the government should take to make the legislation acceptable to this side of the House. We do feel, as it stands, we will not be supporting the legislation, but we do urge the minister to accept our amendments when they are brought forward in good faith in the committee stage but, currently, as I said, we do have a problem supporting this legislation.

With those few comments I would just once again like to welcome all the members back and wish you all a very productive legislative session. Thank you.

Ms. Marianne Cerilli (Radisson): Mr. Deputy Speaker, I too want to make some comments on Bill 19 and other amendment to The Dangerous Goods and Transportation Act. I find it disconcerting that there are no members opposite who want to make any recommendations or comments on this bill. I find it rather interesting that the minister is being left to stand alone. I understand that the Minister of Environment (Mr. Cummings) is being left to stand alone to defend his bill, and none of his colleagues want to wade into the regression that this government is continuing to pursue with its regressive approaches to environmental related legislation.

This is definitely not progress in terms of environmental legislation. This is a weakening of environmental legislation in key areas. It is a weakening in terms of the provisions for public review. It is also a weakening because it is giving more discretion and more power to the minister and to political decision making and taking it away from the public. That seems to be a trend with this government. There is a very definite trend where they are centralizing more and more power into the hands of cabinet and individual ministers and taking it away from public procedures and this Assembly to review and have access to information and decision making.

There are more than a thousand contaminated sites in this province and there are probably millions that are generating hazardous waste and dangerous goods. I would suggest that there needs to be greater provision for protection and public scrutiny rather than less, but here we have, once again, this government, which is very good at spewing the rhetoric of sustainability but, when it comes right down to it and you look at their actions, they are going backward.

Specifically what this bill does is approximately three significant things which we oppose in principle. On second reading we are debating the principle. On principle we would oppose that any requirement to have public hearings and a Clean Environment Commission review, we should not be eliminating those provisions.

It is, I think, really telling of this government, when you look at what their record has been on environmental impact assessment process, whether it was the Ducks Unlimited fiasco, whether it was the minister interfering on the disbursement of money during the Conawapa hearings, right now we have the Schneider plant being constructed on the fringe of Radisson and, as I understand it, there has been no environmental impact assessment even begun on that development. We have had that over and over again with this government where they seem to play fast and loose with the environmental impact assessment procedures as they are laid out in law and they frequently either manipulate or ignore the requirement to have environmental impact assessments.

Here again, in this legislation where it had said clearly, very clearly, they shall have a public hearing and an environmental impact assessment by the Clean Environment Commission, now they are making that ministerial discretion. That can be seen as nothing else than regression and a backward move in terms of dealing with dangerous goods.

I am going to get into, afterwards, how the minister is dealing with that or his comments in trying to defend that. I will get into that later on.

The other area that is of concern is an arbitrary designation which is again going to be up to the minister. It is an amendment under Section 40 which adds in the designation of classification of special wastes, and it allows for that to be dealt with in regulation. As I understand it, this will allow for the minister to decide what is hazardous waste and what is not and will then be able to categorize it as special waste. We do not know how that is going to be dealt with. We do not know what kind of public access there will be to designation of the disposal of those kinds of dangerous goods, but the arbitrary designation of special wastes is also of concern to us.

Also, there are other arbitrary powers given to the minister and the director in terms of the transfer of licences or permits and the minister being able to impose any terms or conditions on the transferee or transferor that the director considers appropriate. Well, that is pretty broad legislation where they have powers that are not specified in the act but allows them to do anything they feel is appropriate when there is a transfer of a licence or permit.

The other area that I would appreciate hearing clarification on from the minister is the whole idea of putting a one-year time limit on the duration for filing complaints with regard to dangerous goods and hazardous waste for prosecution. I do not understand, at this point, how they could justify this amendment, because we know that oftentimes caveats that have been put on lands with Land Titles have been misplaced. I will refer quite frequently in my debate here today with the contaminated site of my own constituency left by Domtar. I know in that situation there were requirements for a clean up of that site that was attached to a sales agreement for that property, and when the property was sold only a month later-that contaminated site was sold only a month or two later-that requirement or attachment to the sales agreement for that land for clean up of the site was dropped.

I do not understand, when we have those kinds of activities that occur with the sale and resale of property, how we can limit to one year the ability for prosecution on dealing with violations related to hazardous waste.

Now I mentioned that I was going to get into a little bit about what the government is saying on how it defends this, and I find that this is fairly thin and flimsy especially when we look at the definitions from other provinces in the regulations and the clear distinctions that are made when dealing with hazardous waste so that it is not this wide open door that is being created with this legislation by this minister.

## \* (1500)

The government is saying, well, we cannot have very expensive public hearings that can cost \$5,000 on all these small little gas stations that are having to deal with hazardous waste or other small operations. We cannot

expect the public to have input and access on every single situation. So rather than delineating in the legislation when and where there should be the guarantee that there would be a public review, the minister has gone to the other extreme and said it is his jurisdiction or decision, and there is nothing in the bill that is going to assure the public when there will be public hearing.

So I find that the minister's claim that it is either too expensive or too time consuming, that could have been dealt with by at least putting some specifications in there of when it shall be deemed appropriate that there is a guarantee for the public to have a hearing, whether, as the member for Selkirk (Mr. Dewar) has said, that is determined because of the size of the contamination or the size or the amount of hazardous waste; whether it is the type of hazardous waste; whether it is the proximity to public lands or residential neighbourhoods or areas that are highly open to public access or those kinds of stipulations.

I would think that it would make sense to have some guarantee that the public is going to have a say in the siting of a hazardous waste disposal facility under certain considerations. I think that the minister is going to have to answer that question in the House today and in committee.

I wanted to also point out that there seems to be some fairly large loopholes in the definition of dangerous goods or hazardous waste disposal facilities. Again, this has come to my attention because of dealing with the Domtar contaminated site in my constituency. It points to another reason why there needs to be opportunity for public review. That is the whole orientation of dangerous goods and handling legislation, to encourage onsite management of hazardous waste.

In the Transcona situation, because Domtar has now bought back the land that is contaminated and they were the generators of the hazardous waste, it can be left there and put into some type of disposal unit even though that type of disposal unit would never be allowed to be sited in a residential area otherwise. So because it is being generated on that site, the legislation and definitions are such that it is allowed to be stored and treated there permanently even though it would not otherwise be able to be transported there if it had not been generated on that site.

I understand that there is work being done in the Ministry of Environment here to sort of streamline and deal with the large amount of hazardous waste that is being generated in the province and is not properly being treated or disposed of. I understand that this is part of a larger package of changes that are going to be coming forward. I know that the province does have a problem with the number of gas stations, for example, that need to have contaminated soil dealt with.

I want to draw the minister's attention to the legislation from British Columbia which deals very specifically in their regulation of special waste and special waste treatment facilities, where they have very specifically pointed to times and instances when there shall be a public review. I just want to make mention of those. The construction of a new facility constitutes a reviewable project for the purpose of this act if the facility is for treatment of biomedical waste or special waste and the facility is of a type specified in the subsection. Then it goes into offsite incineration or thermal treatment facility; offsite, short-term storage facility where the waste is stored in containers and the facility has a storage capacity of 10,000 tonnes or more.

The point and the reason I want to bring this forward to the minister is, it is clear that the line can be drawn between what is a smaller, perhaps inconsequential hazardous waste disposable facility and what is a larger one, and I just wanted to bring that to the minister's attention. I would certainly be willing to photocopy that and send it of woman, which I think I will do just so he is aware that his very broad open door for treating all hazardous waste disposal facilities the same is not what is happening in other jurisdictions.

The other thing I want to deal with briefly is the use of Bill 19 and when the minister is going to use his very broad and arbitrary powers. The minister and I have been corresponding now for many years, and we have had many discussions about the Domtar site in Transcona. I had asked him in Estimates this past year if in fact Bill 19 could be used in this situation so that there would be no public hearing or environmental impact assessment involving a panel with the Clean Environment Commission review, and the minister was very crafty and sneaky. The minister never really answered my question, and now it has become clear, since May as events have unfolded, just how sneaky this minister can be.

When I asked him that question in Estimates, in Environment committee Estimates, he said that Domtar would be getting a letter requiring them to remove that soil from that site. He led me to believe that there would be no need for having a public review because the concern of having that waste stored in Transcona was going to be dealt with. Domtar would be required to remove the soil because they were going to be put on notice, as he said, and they were going to be sent this letter. Now, as we find out, that letter is not really the government's position, and it is not going to be the requirement necessarily by this government to have Domtar remove the soil.

I would ask the minister to show to me otherwise that he did not want me to believe at that time in Estimates last May that in fact that letter would be enforced and Domtar would be required to remove that soil. So now we are again dealing with this minister who is going to have very broad discretion, and if it is going to be up to him, I do not know the considerations that that minister is going to make, but I do know that the existing legislation is not really taking into consideration the proximity of that site to residential homes and a residential community.

I have already dealt with the problem in the definition of hazardous waste disposal facility of not necessarily including a facility that is on the site where the hazardous waste was generated, and those are the kinds of ways I think that we find legislation has loopholes in it that do not consider specific examples or situations. We may, as in the case of Transcona, have a very unique example of where the legislation is inadequate in really protecting the environment and protecting the health in the long term—I want to emphasize in the long term—of the community and the residents or anybody who may decide to take a walk out into that part of Transcona.

I think those are about all the comments that I wanted to make on this bill. If I could just for a moment, I just wanted to make sure that I was not omitting anything from some of the concerns that we had raised. I am looking forward to having this go before the public hearings. I am concerned, though, that given the large amount of very regressive and in some ways disastrous legislation with very serious implications for the province that this government is bringing forward that a bill like this is not really going to receive the attention that it

deserves and the very large powers that it is giving to the minister.

So I am hopeful that we will have at the public hearings some good presentations but, again, because of the large number of other bills that are taking up the time of members of the public to prepare presentations on and to consider, I am concerned that this legislation is going to slip through with not the scrutiny that it may otherwise have received from the public and definitely deserves to receive from the public, because some of the concerns I think that we have about siting dangerous goods and handling facilities are definitely in the public's interest, that we want there to be consideration of the proximity to residential areas and places of high public usage or natural areas.

#### \* (1510)

I think that those are the kind of issues that the public should definitely have a say in through some type of public hearing process, and I am hopeful that the word will get out that that is what this bill is doing. It is removing the requirement to have public input on siting a hazardous waste disposal facility. That could occur at the public hearings for the review of the bill, and I am hoping that it will.

As I have already said, the example of the contaminated site in Radisson, where they are going to create what could be defined in any other sense a hazardous waste disposal facility, it may not require or it may not be deemed to be defined in that way because of the way the legislation works even though it is in a residential area. That is cause for great concern.

I can see that the minister is listening to my comments carefully and is shaking his head at times and nodding, so I know that we will have more discussions on this. I look forward to his response to my letters that I have sent. I know that sometimes the letters that I send on this issue can be quite lengthy, but I know that the people who reside adjacent to the Domtar contaminated site are very interested in some clear, concise answers to the questions that they have. Some of them justifiably are especially concerned because it is now being shown that the lands their home is on, the property that their home is on is likely also contaminated.

So those are the kinds of reasons that we think on this side of the House that when there is a hazardous waste disposal facility that is being situated in close proximity to residential areas that there definitely should be a guarantee that there will be a public hearing and the opportunity for those residents to have a say and to have full access to information on the review, environmental impact assessment for that hazardous waste disposal facility.

I think the other couple of areas where we want to make sure that there is an opportunity for review, by public review, would be the amount and the type of waste being considered in terms of its toxicity, its tonnage, the litres or the parts per million or the concentration of contamination, and this is stipulated in the British Columbia regulations, the legislation.

So I do not know why the minister would be doing something different here, to have environment legislation be weaker than they are in other provinces, but we are greatly concerned that we would have the strongest possible protection and involvement of the public here as they are going to have in any other part of the country.

One of the other things that should be considered in terms of requiring a public hearing on siting a hazardous waste disposal facility would be the type of facility being considered, and, again, that would perhaps include the design of a facility and the tonnage of waste that is being stored there and the use of the facility for treatment of a special waste if it is not previously licensed for that. So there are some, I think, types of waste or types of facilities that would be of particular concern for the public, and that should definitely be outlined specifically in the legislation to guarantee that there is going to be full public review and public disclosure debate on all the information.

I think there could be the discretion in the legislation for the minister to have the chance to call for public hearings in any specified criteria, or when the application for licensing for a hazardous waste disposal facility was below any of these guidelines that we have suggested. There still could be a discretion for the minister, but certainly it should not be as broad as it is in this bill.

Similarly, there should be some kind of explanation for Section 33.1, Limitation on prosecution, to limit a one-

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year time period as when there can be evidence introduced, and a call for prosecution in violation of The Dangerous Goods Handling Act is just inexcusable, and it does not seem to me that there could be any reason why it was one year. Why not two years or five years? Why did they decide it was one year, and how can there be a justification for limiting the opportunity to prosecute on a violation of this act and dealing with something as serious as dangerous goods and hazardous waste?

The minister must be bowing to the pressures of certain industries that deal in hazardous waste, and I would think that they are forgetting that the legislation like The Environment Act and The Dangerous Goods Handling and Transportation Act are there to protect the public and protect the environment, and they are not there to make it easier for industry to deal with hazardous waste and dangerous goods. It seems at times that the minister forgets that. It seems, in this case, they are very much making it more difficult for his department to prosecute and to deal with violations in areas of hazardous waste than to have the public good in mind. I think that is a serious concern, and the minister should at least give us a very clear explanation of why they selected a one-year time limit on prosecution and introduction of evidence and setting that procedure in place to have some consequences when there is a violation of the act.

#### \* (1520)

I guess, on that note, I will conclude my comments, because we know that this government has a pretty horrendous record when it comes to enforcing legislation like The Dangerous Goods Handling Act. The minister criticizes me, myself or others of my colleagues on this side of the House when we point out to the government the limited number of prosecutions that occur under their legislation dealing with environment, and they will always say things like, well, it is not just the amount of money that you collect or the number of prosecutions, there are many other ways that we can ensure that we are in compliance with the law, but I do not see that happening. I think that this minister has found, perhaps, one of those other ways, and he is making it so easy for industry to get around having to be open about dangerous goods handling.

You know, I visited the Chalk River nuclear plant on my holidays this summer in Ontario, and there was a fellow there who was working for the summer. He was telling horror stories of nuclear waste in the United States being transported in Coca-Cola trucks so that people in the community would not know when these dangerous goods were being transported through their community, and in the very small corner of the back of the truck near the mud flap, there would be a little radiation sticker that would show that it was in fact not Coca-Cola but nuclear waste.

Those are the kinds of issues that this legislation is designed to try and deal with, to protect communities, not only of the transportation hazards with transporting hazardous waste and dangerous goods, but also for the treatment and storing of it. This government has a long way to go in adequately enforcing these laws, and it should not be, as this bill does, weakening those laws, so it is easier for industry to have those regulations in force. With that, Mr. Deputy Speaker, I conclude my remarks.

Mr. Jim Maloway (Elmwood): Mr. Deputy Speaker, I am pleased to rise today to speak on this bill, and I wanted to say at the outset that we are against the bill, because at the end of the day it means a watering down of environmental legislation in this province. I can tell you that in North America, particularly in the United States right now, we see a wave of examples, a lot of examples of jurisdictions backing down to industry when it comes down to a fight between industry and environmental regulation. For example, just recently in Atlantic City, I believe the city in the States, to encourage new casino developments, have in fact passed new state laws that have allowed for the industry to get a huge-I do not know whether it is \$30 million or whatever it is, the cost of cleanup of the contaminated site is paid for by the taxpayers in order to encourage this particular company to build a casino in Atlantic City.

So, at the end of the day, when companies are negotiating to establish new plants and new jurisdictions, the governments that they are negotiating with oftentimes will give exemptions, will change environmental regulations in an effort to encourage a company to locate to within their organization. Any time in this day and age, in the 1990s, that we see governments watering down environmental legislation, we have to ask ourselves: Whose purpose does this serve, and why is the government doing it?

Another argument, I suppose, against watering down environmental legislation is that if one jurisdiction waters down environmental legislation, then there is extreme pressure on other jurisdictions to at least match or, in fact, beat the watering down of their particular legislation. So what we have under those circumstances is a race to the bottom in environment legislative areas.

Now my colleague the member for Radisson (Ms. Cerilli) talked about nuclear waste being trucked north into Canada, and that is the ultimate effect of watereddown and weak environmental legislation. Where you have states in the United States that have very strong environmental laws, you will find that companies will find alternative methods, alternative means to get around that legislation. If it means trucking the hazardous waste to a jurisdiction that has poor legislation, then that is, in fact, what industry will do. I guess the principle here, Mr. Deputy Speaker, is that the bill is only as strong as the minister's and the government's abilities and desire to enforce it. You can have the strongest legislation that you want, but if there is a lack of will on the part of the minister, on the part of the government, to enforce it, then there is not much point in having the legislation.

What you find in this province and other provinces in this country and, in fact, North America is really the emergence of the corporate state, and we see that in spades with this government particularly over the last eight years. I mean, we see ministers of the Crown wandering around the world trying to entice, in some cases, very specific types of businesses to their jurisdiction, but in some cases there is no specificity to it at all. In fact, just last week I listened to an interview in which a minister of the Crown was interviewed, and he was asked, well, what where you doing down in South America, you know, were you talking to-actually this was someone who was on the trip, a business person. They were asked about specifics as to what particular reason were you down there, and the person did not really know. Well, we went down there just to sort of cast around. We went down there to cast around to see if maybe someone was interested in our product.

That is what we have here. We have ministers being sent out on fishing expeditions, fishing around to attract some sort of new business to Manitoba, and what the ministers use—I mean, let us look at it for a moment. What would a minister of the Crown use to entice new

businesses to Manitoba? I mean, they can offer monetary incentives, but one of the major ways that they will attract businesses here is by promising changes in legislation. That goes part and parcel with any sort of economic incentives that are being offered.

So, to the Minister of Environment (Mr. Cummings), I would ask the Minister of Environment whether he would know that, in the case of the New Jersey casino that I made reference to, the casino operator from Las Vegas, before they would build a casino in New Jersey, demanded and got concessions from Atlantic City and from the state, some of which involved economic incentives and some of which involved environmental incentives and environmental reductions. So that is what this minister and this government are up to, Mr. Deputy Speaker. What they are up to is using whatever tools they have at their disposal, and they readily admit it, whatever tools they have at their disposal to attract business to this jurisdiction. If it means watering down environment legislation on Bill 19 or any other bill, that is what they will certainly do.

Now, Mr. Deputy Speaker-[interjection]

Mr. Deputy Speaker: Order, please.

#### **Point of Order**

Hon. Glen Cummings (Minister of Environment): Yes, on a point of order. The casino the member is referring to in New Jersey was built on an abandoned land site. I wonder if he has a site that he is talking about in Manitoba.

Mr. Deputy Speaker: Order, please. The honourable minister did not have a point of order. It is a dispute over the facts. The honourable member for Elmwood to continue.

Mr. Maloway: The minister is obviously not paying attention to the point, and I want to reiterate for the minister that the point is that when jurisdictions, whether they be in Canada or the United States, are competing for jobs, competing for businesses, part of the component, part of the enticement process involves environmental

concessions. The minister knows very, very well that before a plant locates in Manitoba, there may be demands from the government that involve tax concessions, other monetary considerations, but also environmental concessions.

## \* (1530)

What we are saying on this side, Mr. Deputy Speaker, is if discretion is given to this minister and this particular government, then we and the public of this province cannot be sure that concessions will not be given to companies which have in effect a way of eliminating or lowering the environmental standards. So we have said that we intend to bring in amendments to the legislation which will, we hope anyway by specific criteria, may in fact alleviate part of the concerns and help to solve part of the potential problems that we can see.

Because if we allow, as the bill does, the director to be the arbitrator, then basically we leave this whole area up to the political whims and the political decision making of the government, of the minister, and of the director. We have said over and over again that we want to make certain that there are adequate public hearings and that there is specific criteria that are laid down, because weakening the environmental laws of this province is, I believe, not in the best interest of the province as a whole. There are concerns, Mr. Deputy Speaker, with the development of huge hog operations in this province, and we can only imagine what sort of promises are being made to the operators of these farms. I believe that if it is a case of increasing exports and increasing jobs in this province up against the environment, I have a feeling that the environment in fact will be the loser in a fight such as that.

Mr. Deputy Speaker, this government has a very sorry record in a whole number of areas. This is a government that talks about economic development—and it has a terrific record in economic development. We have just seen the province lose \$13 million in the ARCOR fiasco over the last couple of years. We have seen the Hazardous Waste Management Corporation. The government spent \$20 million in that corporation. Just another failed scheme of this government. At the end of the day, it had to be given away to an outside firm.

Mr. Deputy Speaker, I did want to, at this point, point out that it is now the 25th anniversary, just past, of

Greenpeace, and I wanted to congratulate the Greenpeace organization for being around for 25 years. While I certainly do not agree with all of their tactics, certainly their intentions are fairly honourable. I can tell you that it was Greenpeace who raised the awareness for millions and millions of people worldwide, going away back to the times when the States were using nuclear testing, and I recall the Americans blowing up islands, the Amchitka Island in the Aleutian Islands. Through that process of Greenpeace getting involved and confronting the States and confronting the French nuclear testing in the South Pacific, what we saw was a great developing awareness of environmental issues that were not at the fore back 25 years ago. It is, I guess, fortunate that we have organizations such as that who stand there as a watchdog to make certain that there is a decent balance in the process. I know that the minister, being part of the government, I am sure would be very happy not to have such interjections by different groups.

My point, Mr. Deputy Speaker, is it is very important to the public of Manitoba to have organizations like them pointing out areas of concern, areas of concern that are not being pointed out by other people. I think it is incumbent upon the government to pay attention to these organizations and to strike a balance for the good of the long-term interests of the people of the province, not just the short-term electoral prospects, whether they be good or whether they be bad for the government. That is what tends to happen in governments, that they look only so far as the next election. I know that is how governments look. Excessive paranoia is one of the first signs of a government that has been around a long time. They come in, and the member for Brandon East (Mr. Leonard Evans) will point this out or will bear me out on this-or the Member for Lakeside (Mr. Enns). They come in with the best of intentions, but within a short period of time they become excessively paranoid, start seeing enemies that are not there, seeing things that are not there.

We have the situation that has been developed over the last summer with the Premier (Mr. Filmon) not sure which way he is going, and the Minister of Industry (Mr. Downey), totally confused. These men cannot figure out from one day to the next what they are doing—did IBM pay for it or did they not pay for it?

**An Honourable Member:** The righteous always know where they are going. They should stick to the right.

Mr. Maloway: Mr. Deputy Speaker, the Member for Lakeside talks about sticking for the right. That is exactly what this legislation is all about. This government is finally, after eight years, eight long years, taking a tentative step to the right and is showing its true colours here. What is that step to the right? What does that involve? That step to the right is very consistent with the effects of free trade agreements, the race to the bottom in labour law, race to the bottom in wages and benefits and also a race to the bottom when it comes to environment legislation.

I mean, the whole ideology of this government is to reduce as much of the state supports as possible, privatize as much of the economy as possible, in fact, scramble the egg, scramble it so much that it would be impossible for us, when we get in power, to unscramble it again. This is the intention of this government, is to privatize the telephone company, get rid of the telephone company. As a matter of fact, the Minister of Natural Resources, I recall hearing him on CJOB a few years ago, when they were first elected, saying that he wanted to privatize the roads. Now there is a member who is ahead of his time. The Premier was so aghast at this that he took him into the woodshed, and he came out quite chaste for a few years after that. Any time you mention privatization of roads around this minister, you get this response from him; he is very apologetic for that response.

#### \* (1540)

Given what has happened in England since 1979, this government is simply playing catch-up. This government is simply going to try to play catch-up politics here and divest itself of the telephone system, and Manitoba Hydro will be next. There will be many more government enterprises that will follow suit. It is all part of their open-for-business approach to the world, if they can say we have divested ourselves of all of the state enterprises, we have freed up Manitoba for competition in health care and in fact all sorts of different areas, and part of that is making the environment legislation, bringing that down to the lowest common denominator as well. That is the intention here, bring the environment legislation down to the lowest common denominator on the basis that they can be on an equal playing field with the lowest, and that is where this government is headed. There is no, you know, the pieces of the puzzle are pretty much all in place. The Minister of Natural Resources stepped out of line there by promising to privatize the roads, but he got taken care of pretty quick, because he was not supposed to let that little nugget drop. That was part of the secret information he had heard in one of his caucus meetings, and he let this information drop. It almost upset the apple cart. I can just imagine the conversations in caucus after the Minister of Natural Resources created that big kafuffle, though once again the pieces of the puzzle are falling into place.

Mr. Deputy Speaker, the minister of natural affairs is encouraging me to continue here, and I would like to oblige him, but I think my time is running out.

Mr. Deputy Speaker, I believe the member for Brandon East (Mr. Leonard Evans) wants to say a few words on this bill.

Ms. Diane McGifford (Osborne): I move, seconded by the member for Selkirk (Mr. Dewar), that debate be adjourned.

Mr. Deputy Speaker: Order, please. This bill is already standing in the name of the honourable—as previously agreed, this will remain standing in the name of the honourable member for Kildonan (Mr. Chomiak). Do you want it standing in two names? That is good? Thank you.

## Bill 4-The Manitoba Public Insurance Corporation Amendment Act

Mr. Deputy Speaker: On the proposed motion of the honourable Minister of Environment (Mr. Cummings), Bill 4, The Manitoba Public Insurance Corporation Amendment Act; Loi modifiant la Loi sur la Société d'assurance publique du Manitoba, standing in the name of the honourable member for Broadway (Mr. Santos).

An Honourable Member: Stand.

Mr. Deputy Speaker: Is there leave for this matter to remain standing? [agreed] The honourable member for Brandon.

Mr. Leonard Evans (Brandon East): Thank you, Mr. Deputy Speaker. I have just been given an additional responsibility. I am now the member for Brandon—

Mr. Deputy Speaker: East.

Mr. Leonard Evans: I think he said-Brandon East, right. I heard you say Brandon, which is fine. I feel that way sometimes because I get problems from both east and west Brandon and we try to serve all who have problems with this government.

**An Honourable Member:** In your wildest dreams, Lenny, in your wildest dreams.

Mr. Leonard Evans: Never mind. In our wildest dreams we used to hold two seats, Mr. Deputy Speaker, at one point, and maybe that time will come again. Who knows?

This particular bill amends for the first time The MPIC Act that we passed here a couple of years ago wherein we established the no-fault system. The no-fault system, which I think has worked fairly well over the last couple of years since its inception, I know the minister had a great deal of problems to begin with. When we first started, the member for Elmwood (Mr. Maloway) and myself first started urging this minister and this government to bring in the no-fault system, there was a great deal of reluctance on the part of the minister and the government.

The system that existed previously, the tort system, was okay, and, yes, the minister said publicly, the minister said, no way will we bring in a no-fault system. I know in response to my question in the committee when we were reviewing the annual report of the MPIC, he did state, and it is on the record, that he would in no way bring in a no-fault system of public auto insurance in this province.

Well, not long after, a few months later, the minister saw the light. I think he also saw the Autopac premiums rising to the moon, and that would be a very great embarrassment to him and his government, who more or less told the people of Manitoba that if they elected the Conservatives there would be no more Autopac increases, in fact there might even be decreases in the premiums. I think many people have been disappointed since that time but, regardless, the minister finally did see the light and brought in the recommendation, the key recommendation of the Kopstein report. Judge Kopstein, who was appointed by the previous NDP government to look at the

entire Autopac insurance system to see how it could be improved, made a great number of recommendations. I know the minister has brought in some of them, which we applaud, but this was the key one, which he was very, very hesitant about.

Finally, he did see the light, finally, he and his government did bring in the bill, and after some debate in this House, it was passed. The minister will note that we supported the passage of this bill. I believe the Liberal opposition, however, was very much opposed to it. I think they—if I could pass an editorial comment here—got taken in by some of the legal profession of this province, who thought that this no-fault insurance program would not benefit Manitobans. Well, it certainly has not benefited the legal profession because I know many, many lawyers who did a lot of business handling Autopac cases have, of course, lost that business. I think it amounts to—I do not know what the number is—millions of dollars worth of business.

The business, of course, came about because of the tort system, where there was a fight over who was at fault and so on. I remember quoting at one point—I do not know whether it was in a debate here or in a committee or what—Justice Dickson in a Supreme Court of Canada trilogy decision. He says, quote: The subject of damages for personal injury is an area of the law which cries out for legislative reform. The expenditure of time and money in the determination of fault and of damage is prodigal. The disparity resulting from lack of provision for victims who cannot establish fault must be disturbing, unquote.

What Justice Dickson stated in so many words was that the previous system was not adequate, was not fair. In fact, some people faced financial ruin because of the previous system, having been involved in an automobile accident, having not been able to work or carry on with their business and not getting a decision out of the courts that could have awarded them, or, on the other hand, if they were declared to be at fault, to be ruined for that reason. As Judge Kopstein just said in his report, all of us make mistakes, and the line between fault and no-fault is very thin at times. So this legislation has corrected that error. In fact, it was almost a moral error in a sense.

I think, by and large, the minister is following our advice, brought in the legislation, and I think, by and

large, it has worked fairly well. That is not to say that there are not complaints. He knows that because he receives letters. I often get copies of these letters from complainants. But I might say that most of the complaints do not necessarily deal with the no-fault aspects, that they deal with other matters. They deal with treatment by staff.

I was reading one letter here, which I will not read into the record, but it was sent to the minister in February 1996 by some very worthy Manitoba citizens, middle-class citizens whose automobile was stolen and all the trouble they had. By the time they were finished with the process of dealing with MPIC, they felt that they were the criminals and not the victims of a theft of their particular vehicle. It happened to be a 1993 Plymouth Voyageur, by the way. It was stolen September 20, 1995. They go on at some length in a very well-typed letter explaining how in their judgment they were very poorly treated by the staff of MPIC.

I have made this point earlier, Mr. Deputy Speaker, and that is that it is very critical that MPIC bend over backwards to be as fair with people as possible, to be as accommodating as possible, and that they should be as civil as possible. In this particular letter they refer to one employee who was yelling at them over the phone. There may be extenuating circumstances, but the people who wrote this letter to complain sound like very reasonable, fairly well-educated, well-established middle-class Manitobans who felt that they were very badly treated.

#### \* (1550)

There are others whom we get complaints from—I am not so sure whether they do have a case of complaint or not. There are other unusual cases that have come up. Again, they do not necessarily deal directly with no-fault.

But there is a case of the Amalgamated Transit Unions and how the transit workers are treated by the system that we have. Apparently, a transit driver, a Winnipeg transit driver, does receive surcharges on his or her driver's licence related to accidents that occur while working on the job driving a Winnipeg bus. For whatever reason, MPI refuses to even though the City of Winnipeg is cared for in a different way—City of Winnipeg generally cares for its buses with a direct arrangement with MPIC. Nevertheless, with regard to the drivers, the drivers are

forced to pay extra on their personal driver's licences because of accidents that they may have had while driving on the job.

There seems to be an element of unfairness here, and the corporation refuses to back down from their present policy. I do not know to what extent the minister is interested in this or has been made aware of this particular accident surcharge program. But the drivers and their union, the Amalgamated Transit Unions, believe that they have been unjustly treated by MPIC in this respect, that drivers who are on the road day after day for many hours as part of their job obviously are more inclined or leave themselves open to accidents more than the average driver who does not spend as much time on the road. It is just the question of statistical possibilities that drivers of buses would-or of any vehicle that you are driving day after day, hour after hour-that any driver would have a greater possibility of getting involved in some accident.

At any rate, I would hope at some point that this matter can be resolved. It seems to me, however, that the corporation has not responded positively and, indeed, has made a suggestion that is apparently not acceptable; that is, for the transit drivers to consider buying back minor claims from the City of Winnipeg, which would allow the city the opportunity not to have the cost of that claim included in the annual insurance premiums and, at the same time, allow the drivers an opportunity to avoid a minor claim from appearing on their driver record.

I mention this as another example of the various complaints that come in and problems that the public seem to have with MPIC. But, again I repeat, a lot of this has not to do per se with the no-fault program. There are some complaints about no-fault, but, by and large, they are relatively minor. I think the minister would probably agree with me that they are relatively minor. There is an appeal procedure. I do not have the figures on this, but I gather that there are not that many appeals going to the appeal board, which is under the Minister of Consumer and Corporate Affairs, which to me reveals that the system is working fairly well.

So, as I say, this bill is the first amendment we have to that no-fault program. They deal with two areas as I read, one dealing with the Public Trustee of Manitoba. There was a section in the original bill requiring notice to be given to the Public Trustee of any payment to someone by MPIC, but it turns out that the Public Trustee really has no jurisdiction where Autopac payments are involved. The Public Trustee office itself has requested this amendment.

There was some explanation given of this by the minister when he introduced the bill that this particular repeal of Section 158(3) is being done at the request of an agreement of the Public Trustee and the Attorney General's department that removes the ability of the corporation in reference to benefits due to infants or other persons who have a committee appointed on their behalf or any other person who in the opinion of the corporation is best qualified to administer the funds. In other words, the section served no purpose, and the Public Trustee itself wanted to be removed from that particular reference in that particular section.

#### (Madam Speaker in the Chair)

The other section that the minister is affecting in this bill is Section 197 where reference to unemployment insurance disability benefits is being removed. Under the original act, the UI benefits would be deducted from any income payments made by MPI under the Personal Injury Protection Plan, and I gather there is some concern on the part of the federal government with regard to this. The federal government is concerned because it runs the UI program, and it is a matter of employers having to pay an increase in premiums for UI disability monies being paid out. As I say, the federal officials have threatened to raise the premiums as a contingency. I do not think anything really has happened under this section, but as a contingency against having to pay UI disability benefit to Autopac victims. So there again it is a minor technicality, but still important enough for the minister to want to bring in this legislation to remove them.

I am disappointed that the minister did not take the opportunity to make some other changes that we had suggested when it was going through originally. The minister may recall that I proposed a list of two or three pages of amendments, I think 30- to 35-odd amendments that I thought would strengthen Bill 37, as it was called at that time. I guess I got one or two of them accepted, but the bulk of them were either rejected or modified in some way.

One recommendation we made was that there should be a review after three years, and the minister did accept it, although not in the form we had suggested. We had suggested that there be a review by the Public Utilities Board in three years from the passage of the legislation, but that per se was not accepted. Instead, the minister brought in an amendment which said there will be a review—it is a little broader in its reference—but there definitely will be an official review of the whole no-fault legislation at the end of the three-year period. That made sense, and it will give people an opportunity to come forward with their suggestions regarding the working of the particular legislation.

But, as I said, there are other things that I think are crying out for amendment. Other amendments should be forthcoming in my judgment, some of them I had suggested previously and they were rejected. minister may still want to reject them, but I think of one in particular, and that is the seven-day waiting period for payment of income replacement. I do not see why a person who is employed has to lose one week's wages because he or she was involved in an automobile accident, and surely under the tort system that would have been taken into account. I do not think anyone would have been deprived of an amount equal to a week's wages from any benefit paid through the courts to those who I guess in this case would be deemed to be not at fault. But I say this whether you are at fault or not at fault, that it is not fair to say to someone, well, tough, you did have an accident, you are not only going to lose whatever you lose by way of an accident, their being disabled and so on, in poor health, and you will get part of your salary eventually, but we are not going to pay you the first week.

I think that was a reasonable suggestion that was made to the committee. I brought it in by way of an amendment and it was defeated, but I would have liked to have seen that brought forward, as I said, plus a few others that we brought forward by way of amendment which we thought were useful and beneficial. We thought, for instance, the spousal definition should be changed to allow a person to be considered a spouse after two years instead of after five years. We thought two years was a reasonable period for that particular definition.

\* (1600)

We thought that there should be a change in the legislation to prevent discrimination against someone who is incapable of employment because of undertraining or a poor job market, because there is the question of whether a person is employable or not and whether the corporation should pay income to someone who may not be employed or deemed not to have been able to hold a job of a certain level, paying a certain amount of income.

There are other amendments we thought were reasonable, and that is regional income differentials. We felt that in northern Manitoba, where the cost of living is higher and where incomes had to be higher, that the \$55,000 limit was not reasonable. It was reasonable in the bulk of Manitoba, but in remote northern Manitoba and industrial northern Manitoba, places such as Thompson, the \$55,000 is not as reasonable a figure as it is in, if I can use the term, southern Manitoba.

We felt that there could be a more generous schedule of benefits to those who were made incapable by means of accidents, including increasing the death benefits. We felt that the death benefits for the surviving spouse were totally inadequate, as well as death benefits for surviving children.

We felt that there should be more generous treatment for those who require around-the-clock personal care because of an accident over and above the care that medicare could possibly provide for, allowing someone to have care in an uninstitutional environment and also requiring the MPIC, or MPI as it is often called now, to rehabilitate victims, that they be required to rehabilitate the victims. There is reference to this, but it says, may rehabilitate the victims, instead of shall rehabilitate the victims.

At any rate, there are other amendments that I will not go into but other amendments that we suggested we thought were reasonable and just, but they were not accepted. Hopefully, when this is reviewed and perhaps some amendments being brought forward after the review, some of these suggestions will be incorporated. I made those suggestions and those amendments in a positive way to make the legislation more acceptable to the people of Manitoba and to ensure that we bend over backwards to be as fair as possible in providing assistance to those who are affected adversely by an automobile accident.

At any rate, Madam Speaker, this is not a controversial piece of legislation as such as it stands, and so, therefore, we will be supporting the passage of it. I do not know

whether there will be much interest at the committee stage. There may on the part of some in the legal profession, I am not sure. I note that from time to time you see the odd article usually written by lawyers criticizing the no-fault system—[interjection] I might say of all political persuasions that they are still not very happy. In fact, I saw one article recently in the Manitoba Motor League magazine, I guess, Canadian Auto Association, Manitoba branch, where there was an article wondering whether a particular court case meant the beginning of the end of no-fault insurance.

I think personally he was well off base, and I do not believe that that is the beginning of the end, that particular court case which involved the municipality—if I can find the article here, I will make a quick reference to it—which involved a municipality and its responsibility for a particular bridge being out when the accident occurred. At any rate, I cannot seem to place it, but at any rate the point is that there are people in the legal profession who are still very keen on seeing this legislation eliminated.

I would only say in conclusion, Madam Speaker, that since this legislation was brought in, the Province of Saskatchewan has also moved to bring in a no-fault system, and I have not had reports about what has been happening in Saskatchewan, but I think generally it is working okay in Saskatchewan, as well. Theirs does provide for a legal appeal process that we do not provide for. So there is that difference, and I know there are some other differences between the two jurisdictions.

Madam Speaker, with those—I did not really mean to speak this long, but I guess I am just about out of my time anyway. At any rate, I do not know whether anyone else—I think other members of the Legislature may want to talk on this, because it does provide people with an opportunity to reflect on the auto insurance system that we have. Goodness knows there is a great deal of interest in it because most of us drive automobiles, or if we do not drive automobiles, we are passengers in automobiles or in some kind of vehicle, and therefore it affects all of us very directly.

I think, by and large, the public auto insurance system that we have has been a net benefit to the people of Manitoba. We have a system in B.C. as well, B.C., Saskatchewan and Manitoba, and I think in those other

jurisdictions as well people are satisfied. You do not see large groups of people or organizations who are calling for privatization of the system, and particularly among older people who remember what it was like before we had Autopac, cases in point where you might be under the private system, where you might be, say, away from your home for a couple of days on a holiday or business trip or whatever and you come back to the house, pick up your mail and find that your automobile insurance has been cancelled while you were away, because for whatever reason the auto insurance company felt that they did not want to continue to insure you. But there were all kinds of horror stories of people not getting benefits as they should under the private system.

One of the advantages of the present system, I think, is the fact that we have this system of claim centres, and I think it has become better. It has become better over the last several years where it is accommodating people more readily than when it was initially set up, and the idea is a terrific one. Under the old system what you would do is if you had an accident in the middle of the night, you would have to phone your poor automobile insurance agent and usually call upon him or her for some kind of assistance. Well, the auto insurance agents now, of course, do not have that problem. They do not have that burden because the system is that you call directly into MPI. I have had constituents who have told, some very prominent people in Brandon, I might add, who told me-this is a couple of years ago-that they had been involved in an accident in California and how well MPI looked after them, how well they were treated by MPIC. They could not say enough about the level of service by the corporation.

I think, by and large, the corporation staff are dedicated to their job and do serve the public of Manitoba well. No matter what organization you have, you will always have instances where something happens where words may be said, where tempers may fray, and the staff involved may come to the end of his/her tether and may say something he/she may not wish to have said. But you see that in all lainds of organizations where ultimately the service is as good as the people who provide the service. You see in large corporations as well, in large retailers, where you sometimes get services that are less than desired.

Having said that, Madam Speaker, we look forward to this legislation going to the committee. Thank you.

\* (1610)

Mr. Jim Maloway (Elmwood): Madam Speaker, I am pleased to rise today to speak to this particular amendment, Bill 4, of the Manitoba Public Insurance Corporation.

I want to begin by saying that at the outset, ultimately what the government should be looking at implementing is a universal system of accident and sickness, whereby an accident that befalls a person is covered centrally. regardless of how the accident occurs. Think for a moment, Madam Speaker, of the current patchwork, mishmash system that we have now and we have had in this country for years. If one gets hurt through a car accident, a person would normally have to sue for their benefits, but if you are fortunate or unfortunate enough to be hurt at work, then you went through a no-fault system and collected through Workers Compensation. If you were lucky enough to have a private plan on the side, then you could, in fact, collect on an accident that occurred on your leisure hours, but people who were homemakers or students, there were two glaring categories where none of the above applied, where there was no possibility of getting coverage for these people, the only way they could be covered if it was an automobile accident.

So that is what we have had, Madam Speaker, from a historical point of view, in the country, and we have argued for years, 20 years at least, that we should develop a universal accident and sickness model. In fact, we had a white paper, I believe it was back 20 years ago, designed to establish such a model, and it is one that we should commit ourselves to developing over the years.

Now, a universal model can, in fact, involve premium charges to the people who are involved in the system. We are not suggesting here that it would be 100 percent funded by the taxpayers, but it could be a combination of taxpayer funding and members of the general populace making contributions, but the fundamental point here, Madam Speaker, is that we have to understand that rather than having a universal system that covers everyone, regardless of how the accident happened, we have this patchwork, mish-mash approach, and so in an effort to make some sense of it and because we know that a universal system is not imminent, we in our caucus have

tried to go about making some incremental improvements in what we have in front of us.

One of the big improvements that was made 20 years ago was the adoption of the Autopac system as we know it today. One of the mistakes of that day was not to develop a no-fault system. We adopted a modified no-fault system and allowed people to sue for benefits under the tort system. So 20 years passed, and it was through the good graces of Judge Kopstein and his report where we had recommendations, a number of recommendations.

One of them was the adoption of a no-fault system, a no-fault system that the government initially said it would not adopt and then turned around six months later and adopted it. That system, and I give them credit for this, was patterned on the system that has been in effect in Quebec since 1978. Rene Levesque, who was the Premier of the day, brought in that particular system way back in 1978, and it has functioned so well that in fact I believe that it has accumulated something in the neighbourhood of \$2 billion for general revenues in Quebec and in fact it is adequately covering people 100 percent.

So what has happened in the intervening period is that Manitoba got on board two and a half years ago. Since then Saskatchewan has got on board and I understand pretty much copied the Manitoba plan, which, once again, copied the Quebec plan, and now I understand B.C. is also looking at the plan.

Now, lest you think we can relax and believe that our system is now going to be the standard, I want to point out to you that Ontario is now making a huge regressive move the other way. November 1 of this year, the Conservative government of Premier Harris will be implementing a new system which, while it does have some thresholds to the tort system, and one knows that the thresholds are just simply targets that the lawyers manage to knock down over time, they have essentially opened it wide open to the legal profession again. After November 1 in Ontario the residents there will be back to the good old days of having to sue the insurance company to get their benefits.

Now given, Madam Speaker, that Ontario is such an overpowering influence in the country, then there is some concern that, when Ontario goes a certain way, people are

concerned that the rest of the country will be dragged with it. In this case I do not really see that as a possibility for a couple of reasons: one, with Quebec, Manitoba, Saskatchewan and possibly B.C. all going to a consistent system, to a system that we know works, by the way, that has a track record; and we see Ontario going back in time to a system that has a track record. We know it, too; it is a failure. So we know already months before the implementation of the plan that this plan is not going to work. We know that. We know that in two or three years down the line the opposition parties in Ontario will be campaigning for some new type of auto system in that province on the basis that the one introduced November 1, 1996. did not work, and we know that is going to be the case at this point.

So, once again, to give the government credit, they picked an option that has a track record of success, and after two and a half years it is relatively successful. I believe. Now we were able to squeeze out of the government a three-year appeal. We were able to squeeze out of the government a three-year review of the legislation, and in fact it is only six months to go before the appeal, the review, is to take place. I was interested in my colleague the member for Brandon East's 'Mr. Leonard Evans) comments about that because the minister then, I believe, should be now considering how it is he is going to conduct this review. I think that, with the results this system has now shown over the next two and a half years. it is quite possible that the minister may, in fact, agree to some of our amendments that the member for Brandon East made those two and a half years ago. I think it is possible.

I know this seven-day waiting period is an issue in Ontario, it is an issue with all of these systems. Certainly that seven-day waiting period is something that we should consider eliminating. Perhaps, when we look at all the figures that are being presented to this review, the minister will agree with us.

\* (1620)

There were several pages of amendments that the member for Brandon East made. I do not have them here and I do not recall them all, but another one was extending the territory to this program to take it beyond the borders of North America. The minister at that point had, and I agree, some reservations about that. But I

think that having three years experience we will see whether there was in fact any real exposure there, and perhaps he would be in a position to do that, to extend the territory beyond Ontario. It is a good system because it allows the insurance to follow the individual as opposed to the vehicle, and it allows for people not having to sue to get their just benefits. So on that basis I think it was a fairly good idea.

Now there is always suspicion, and there has to be in any opposition, as to what the government motives are as far as privatization is concerned, especially when just in the next half hour or so we will be discussing the bill to privatize the telephone system. So, as much as the members opposite want to say that there are no efforts afoot to privatize the Public Insurance Corporation, we on this side of the House cannot take them at their word at this point because of things that we hear in other places. We know there are groups active out there encouraging the government to privatize this service or privatize this enterprise. I am sure they are being approached about privatizing the Hydro system and many, many other corporations, many, many other services that the government provides.

So the minister may say that he has no intention to privatize, but in actual fact we would know that there will be many representations being made to him, in fact, that would accomplish that final scenario. I will throw out just a couple of examples where this, in fact, might become possible or probable. There is the whole area of the collision claims. The private industry has been after this government and probably our government as well before, asking why it is that people have to insure for the tin, why they have to pay for insurance for collision on old vehicles, some of which are worth a couple of hundred dollars, why they have to do this. No government up till now has made that optional, but certainly that is one of the arguments that the private insurers are using and will be using to this government. They will be saying, Mr. Minister, is it not about time that people had this option? They will frame it that way. They will talk about how it is an option and how people should not have to insure their old beaters and that they should have the right to drive them around in as bad shape as they want, and they should not have to pay for the insurance.

The member for Brandon East (Mr. Leonard Evans) will know that one of the arguments about the good

features of Autopac when it was first brought in was that it took a lot of the beaters off the road. In the old days, when it was the option to insure the car itself, a lot of people did not bother insuring the car, and so if they had a broken windshield, they just drove with it the way it was

So, if government does go back to an option on collision and gives the people what they may want on this issue, the negative effect of that will be that you are going to see a lot of uninsured cars as far as collision is concerned driving around, and so while the liability side of it will be acceptable-you see, I am trying to think of it from their perspective. If you were to argue the privatization case to them, how could you argue it and make it sensible to them? One of the ways that you would do that is to argue that, well, we have taken care of the liability of it. We have adopted the Quebec plan. It is there. It is working well. It is making a profit. It is profitable, and the insurance companies would not want that anyway, and that makes up maybe 25 percent of whatever hundred millions of dollars of premiums that it takes in, but what we will take is the tin side of it, the side whose costs are really escalating now and that is mandatory, and we will take that three-quarters of the premium dollars. We will throw that out there, and we will say, it is not mandatory anymore; you can go ahead and compete. That way they keep everybody happy. They keep those of us who want the public institution to stay, they keep them happy, but then they also keep their private buddies happy as well.

I am not saying they are going to do this. I am just saying it is one of the options that are being thrown at them at this point. We have seen them before, even in this very case, the minister going on CJOB a couple of years back and saying there will be no no-fault system as long as this government is in power, as long as I am the minister, and almost six months to the day, there he was wheeling in the bill and taking credit for it, and more power to him. He saw a need. He saw—

An Honourable Member: You are just jealous, Jim.

Mr. Maloway: The minister says, I am just jealous. I mean the fact of the matter is he did it, and of course, but he could see what was going to happen to these premiums with an election coming up. They could understand that element. That element was pretty clear to

them. Of course to be fair, Madam Speaker, this system, I can tell you, has done exactly what Tillinghast said it would do. Tillinghast said that it would save, I believe, \$72 million or a \$100 reduction per vehicle; in fact, the propaganda that Autopac puts out bears that out. They claim that without the no-fault system that in fact each motorist would be paying \$100 more. So based on where the premiums would have gone—

An Honourable Member: It is \$136.42.

Mr. Maloway: Now the minister corrects me and says it is \$136, and you know I believe him for that.

This is just some of the observations that I had, or that we have, about this particular piece of legislation. Bill 37 that was brought in three years ago—and it is an example, I guess it is one example of the opposition and the government basically agreeing on the right way to move at this particular juncture in this particular environment, but I can tell you that our support would be stopping there when it comes to maintaining the corporation in a viable form. We would have to argue that any attempt to sell off the claim centres or to make the collision damage optional is in a way an effort to divest the people of this province of a corporation that has worked very well for them and in their interest, by the way, for a number of years.

Now I am not sure how much time I have here, but-

**Madam Speaker:** The honourable member has 12 minutes and 30 seconds remaining.

\* (1630)

Mr. Maloway: Thank you, Madam Speaker. Well, that 12 minutes is just about as much time as I need to explain to you as to what happened in the run up to the election campaign, because most people are really interested in knowing what was going on. They were leading their lives as they do, and what was going on down there where those little wheels that were spinning in the back rooms. What was going on in the run up to the election campaign? What do we know about where all the players were sitting and what they were doing at the time?

Well, we know that when this legislation took effect on March 1 of 1994 that there were outstanding liabilities of

perhaps \$500 million. We will never know what the true figure is because the auditing process serves to keep that information from us. We know that there were actuarial reports that had to be given to the audit committee of the corporation as far back as April 1 of 1994 that would indicate outstanding liabilities of perhaps \$500 million. That is what we would know at that time, yet what did the corporation do? What did these responsible management types over there do, the political masters of the corporation? What they did was through their appointees on the Public Utilities Board they submitted to the Public Utilities Board a request to decrease the rates. Now that sounds familiar. Elections coming up, and rate reductions are the order of the day, and that is in fact what happened. They reduced the rates by 6 percent or whatever it was for the period going into the election, knowing full well that they had this potentially \$500 million.

Now, the member for Lakeside (Mr. Enns) is following along here rather well, and I think he kind of understands just where the train kind of goes. Now, at the end of the day, the corporation had to file its annual statements, and it was going to show record losses, \$48 million-was it? I mean, pretty atrocious losses. I think, you know, in the league of a former NDP minister's experience, but those two years were relatively consistent. So what they did was to confuse matters for people; they extended the accounting year. It was normally a 12-month accounting year, so they made it a 16-month accounting year. It threw everybody off. You know, they knew that would be kind of hard to explain to the press because the press have a lot of things on their plate and they can only do so many things at one ...me. Right? So you try to explain 16-month accounting cycles and so on to the press. It is kind of difficult to do. They were able to get themselves through this process this far, so far, remaining intact, but at some point in time I personally would like to see some explanation given as to how it is possible that they could justify going to the PUB for a rate reduction when in fact the outstanding liabilities were perhaps \$500 million.

Now, when did the outstanding liabilities get reported? Months later when the corporation's quarterly financial statements came out, they had the report that things were not going as well as they thought, and they blame them all on the tort claims that were unresolved at that point. That is how they justify them. But at the end of the day if we could find out what their actual reports really said,

I think we would find out that they knew in advance. I guess they are just hoping that all this will go away and blow over. You know, they have been a pretty lucky bunch up till now after eight years. Well, until today or recent weeks anyway, things have been going relatively well for them, but things may not continue to be headed in that direction.

So now what we have got on our hands is a couple of years of rate increases to pay off the debts that have been incurred now because the premiums have been lower than they should have been, and the cycle will start over again. We are going to be two years from the next election within six months. So they will have a couple of years now of rate increases to wipe out that \$48-million loss that the minister is riding right now and, hopefully, build up a bit of a surplus, and then bingo just before the next election down it will go again.

This is the government that came to power saying it was going to do things differently than before. It said, we are not going to do what they think we did a couple of times. Here we have them doing almost to the dollar-even the deficits are pretty much the same. So, if they have difficulties with the debts, they are in a kind of a no-lose situation here, because if the corporation runs big deficits over a couple of years and becomes unsustainable, then now they have their argument for privatization. So the public really cannot win, they have got them coming and going. They can massage the rates to make themselves look good for elections and, also, if the rates go up too high or there is a big debt, they know that some of the public may support them for privatizing pieces of the corporation.

Well, I think, Madam Speaker, they do so at their peril, because I think people are relatively satisfied with the corporation over the years, and I think they would punish any government that attempts to, by stealth or otherwise, privatize the corporation. I would also point out that there would be a tremendous loss to the Manitoba economy in terms of the premiums that would be lost, that would be flowing out of the province.

Right now, I believe there is approximately \$700 million, certainly a year's premiums anyway, sitting in the Department of Finance invested in hospitals in Manitoba, schools in Manitoba, municipalities in Manitoba, and if the corporation were privatized so that a significant part

of its revenue now became put in the hands of private companies, what in effect would happen out of that is that that money would have to be replaced. Let me tell you—the member for Brandon East (Mr. Leonard Evans) can bear me out—that no company is going to invest in a hospital in Melita or a town council at a lower rate of interest if they could get money a better return in a shopping mall in downtown Vancouver or downtown Toronto. And the Premier understands this; certainly Sterling Lyon did way back in 1978 when he embarked on this plan. At the end of the day, he pulled back because when he saw the numbers he realized that we could not tolerate this particular loss of premium dollars from the Manitoba economy, that it was just not a sustainable thing to do.

So we will do our jobs and keep track of what the government is doing, and the minister should be aware that we will have to ask him questions at times when we think things are not going the right way, because we can never be sure. I mean, with governments they tend to slip things through the back door and you do not know that the-well, you know, the minister is shaking his head. But after the last election, just a year and a half ago, tell me who thought the Manitoba Telephone System was set for the chopping block. I do not recall knocking on doors, chasing the Conservative candidate in Elmwood or up and down Henderson Highway, I do not recall him or the Premier, and I know they do talk, I do not recall either one of them talking about selling off the telephone system. I do not recall that. I think they probably would have done it last year but, I mean, the Premier is smart enough to know that if he announced it last year that the public just would not believe it. They probably would say, now, how could you possibly go through an election in April and in two months decide to sell off the telephone system?

\* (1640)

So, you know, he was prudent enough to give it a year, but now he is full steam ahead. No mention was ever made about selling off that telephone system. So, you know, you have to forgive us if we are a little bit suspicious here in that we may go through the next election and the Premier may say, well, we are not going to touch Manitoba Hydro. But we got to know that Quebec Hydro is being sold off, we know that Ontario Hydro is being sold off, so no matter what the Premier

says, we have to be a bit leery about statements like that because, at the end of the day, once the election is over, the government has five years to do what it pleases. As long as it does its privatization in the first year or two by the time the third or fourth year rolls around, people will have largely forgotten about it and, of course, that is what the governments are counting on. That is what they are counting on doing.

These are assets that the public already own. I mean, we own the assets of the Public Insurance Corporation. We own the assets of the telephone system. Here we are selling off the cable, and anybody that knows anything about the cable business knows that the cable business is going to be the big business of the future in that you will be able to hook up to the Internet much, much faster through your cable system, through Rogers Wade [phonetic], so you will be able to hook up that 500-whatever they are versus 28.8 through a computer modem right know. So any company that owns a cable company would be well set.

What did we do two years ago? We sold off the cable company. So there is no sense of planning. We are going to sell this company when in fact it is—

**Madam Speaker:** Order, please. The honourable member's time has expired.

As previously agreed, this bill will remain standing in the name of the honourable member for Broadway (Mr. Santos).

To resume debate on second reading, Bill 67.

## Bill 67-The Manitoba Telephone System Reorganization and Consequential Amendments Act

Madam Speaker: On the proposed motion of the honourable Minister of Highways and Transportation (Mr. Findlay), The Manitoba Telephone System Reorganization and Consequential Amendments Act (Loi concernant la réorganisation de la Société de téléphone du Manitoba et apportant des modifications corrélatives), standing in the name of the honourable member for Elmwood (Mr. Maloway).

An Honourable Member: Stand.

Madam Speaker: Is there leave to permit the bill to remain standing? [agreed]

Ms. Diane McGifford (Osborne): Madam Speaker, I want to thank the member for Elmwood for so courteously setting the ground for me today but, before launching into a discussion of The Manitoba System Reorganization and Consequential Amendments Act, I wanted to take this opportunity to welcome all my colleagues back to the House. I trust that everybody had a productive and restful summer in the province of Manitoba, and I am hoping that the acrimony and recriminations that characterized the last session of the House will not be with us during this session.

I also wanted to take this opportunity to congratulate the six Pages—I guess they are not right in the House right now—but to congratulate the six Pages on their appointment. I think that the Pages are certainly young people who inspire us all and give us confidence in the future of Manitoba

Having said that, it is with a heavy heart that I turn to the discussion today, the privatization of the Manitoba Telephone System. With the privatization of Manitoba Telephone System we will have the end of public ownership, the sacrifice of public assets. It would seem to me that these are driven by ideological decisions and a thirst for money for the Fiscal Stabilization Fund. The privatization of Manitoba Telephone System is not in the interests of average Manitobans, who will only suffer a loss of services and of course will also suffer an increase in rates.

I wanted to just mention a little bit about the history of Manitoba Telephone System. Manitoba Telephone System, of course, has a long and proud history in the province of Manitoba. It was the first government-owned telephone system in North America. I think, as most members of the House know, it was established in 1908 under the then-Tory Premier, Rodmond Roblin. MTS pioneered the extension of services throughout Manitoba, to the North, to rural Manitoba, and, of course, to our cities and urban centres.

It seems to me, Madam Speaker, there is a certain irony in the fact that it is another Tory Premier (Mr. Filmon) who is putting MTS on the chopping block, undoing the

work of his predecessor, and dismantling this very valued Crown corporation.

I also wanted to talk about the lead-up to the announcement of privatization, as it seems to me, Madam Speaker, that this was a process which was quite rank with trickery and duplicity. Before the announcement there was a long history of denial. I just want to run through the history of denial which preceded the announcement of privatization and the presentation of Bill 67. My colleague for Elmwood (Mr. Maloway) has already pointed out that through the 1995 election this government was consistent in denying that they were considering the sale of MTS. Then on May 24, 1995, when the House opened first after the April 25, 1995, election, the member from Thompson asked the Premier if he had any plans to privatize Manitoba Telephone System. I want to quote what the Premier said. The Premier answered: "I can indicate that we do not have any plans to do that.... We are not driven ideologically or hidebound as are members opposite. We continue, obviously, to keep an open mind to all opportunities that are presented to us, but we have no plans to do that"-"that" being privatize the Manitoba Telephone System.

Then on September 26, 1995, the member from Thompson again asked questions of the Minister responsible for the Manitoba Telephone System (Mr. Findlay), mentioning the July 1995 restructuring into four divisions, mentioning this in the preamble to his question. Of course, many of us know that restructuring often precedes privatization. The response from the Minister of Telephones was that the restructuring was done for reasons that have nothing to do with privatization. Privatization as a principle is not driving the organization, not at all. The only person that is raising the issue of privatization is the NDP. The NDP are the only people.

**An Honourable Member:** How does he get away with it?

Ms. McGifford: How does he get away with it, indeed? Even after it was disclosed in this House in December 1995—and I think it was the Leader of the Opposition (Mr. Doer) who asked questions. Even after it was disclosed that the government had hired three brokerage houses to evaluate MTS, the Premier (Mr. Filmon) and

the Minister for Telephones (Mr. Findlay) continued to deny that privatization was an issue, and they continued to avoid, and dodge, in fact, any questions about the sale of MTS. At this point there were still no straight or honest answers to this side of the House, so axiomatically, Madam Speaker, there were no straight and honest answers to the people of Manitoba.

You know, Madam Speaker, after such prevarication, one would think that an explanation, an apology, something like this might be due to the opposition and to the people of Manitoba, but of course nothing came because, as many of us know, there is not very much respect on the part of government for the people of Manitoba. It seemed to be true in the case of the privatization of Manitoba Telephone System that there was no respect for the wishes of the people of Manitoba. I want to turn to that question right now, turn to the rights and reactions of Manitoba people.

\* (1650)

I think our critic for the telephone system, the member for Thompson (Mr. Ashton), has said over and over that the government did not campaign on the side of MTS; in fact, they flatly, baldfacedly denied that they would sell MTS. They kept the public in the dark. They kept the people of Manitoba, who are the shareholders in Manitoba Telephone System and the owners, they kept the people in the dark. The people consequently in April 1995 did not give the government a mandate to sell the Manitoba Telephone System.

Now, Madam Speaker, my side of the House maintains that the public should be consulted and that there have been no consultations. We imagine, however, while there have not been consultations with the people, there have probably been dozens of calls to Tory cronies and hangers-on, those people who are negotiating deals in order to line their pockets, but let us put that aside for minute.

The public, of course, is creative and innovative, and even if the government is denying them consultations, their voices will win out. My party, our caucus, my caucus believes in the public. We believe in grassroots participation. We believe in listening to the voices of Manitobans. In addition to this, there are still some community newspapers around who are happy to

represent the voices of Manitoba people. So together, the people, my caucus and party and some of the news media have delivered the clear message that Manitobans absolutely, unequivocally wish to retain Manitoba Telephone System as a Crown corporation. The people in Manitoba have really put up a Not For Sale sign here.

I want to consider a couple of the articles that I read on the sale of MTS. Consider, for example, the Birtle Eye-Witness of May 13, 1996, which concludes very decisively that the sale of the Manitoba Telephone System is an attempt to fleece the people. I am sure the member for Roblin-Russell (Mr. Derkach) read this article and probably read the one in the Roblin Review which was equally adamant in its article entitled, Manitobans need a say—a say, of course, that this government has not given Manitobans.

Then there is the Brandon Sun's May 12, 1996, article entitled, Tory privatization scheme bad deal for most Manitobans, an article which concludes rather colourfully, and I will share that conclusion with the House today. I quote from the Brandon Sun: The Premier (Mr. Filmon) promised us public hearings on this issue. Let us all get out and tell them that the public is tired of feeding his pigs and tentative friends that are oinking around the public trough. If something has to go to market, let it be them.

I am sure this is an article that caught the eye of the Minister of Health (Mr. McCrae), from Brandon, for example, and several other ministers—[interjection] I cannot speak for the Brandon Sun. This is a writer. The Minister of Housing and Urban Affairs is asking a question. This is an article from the Brandon Sun.

There were other articles, for example, one in the Winnipeg Real Estate News. In the Winnipeg Free Press there were several. There have been articles in community and rural newspapers, and we all know, of course, that the sale of MTS in rural areas is certainly not embraced. People in Morden, people in Steinbach, people in Swan River, people in Dauphin, people are incensed everywhere. People in Portage object to the sale.

In fact, as I have read more and more and spoken to more and more people, I am not quite sure who supports it other than the Tory caucus opposite here. In fact, Madam Speaker, 15,358 persons from all over Manitoba took the opportunity offered by the NDP critic for Telephones and voted on the sale, and about 97.5 percent of these 15,358 persons voted against the sale of MTS.

Some of these people appended notes to their ballots, and I want to quote from one which I found quite illuminating from one of the constituents in Osborne, who said, quote, it is time to get rid of this dictator Premier. Well, I agree heartily. These are basic plain words, but they are to the point, and I think at times like this I find it difficult not to endorse points like this. Even if it is extreme, it is an honest expression of emotion and anger, and I want to point out again that this government did not give the people of Manitoba an opportunity to express their feelings at any public forums or anything of that kind.

Let us turn to the effects of the sale, and here let us remember that private companies are out to make profits. Private companies are not social activists. Efficiency and profits are the order of the day, not affordable services. Now, this should be self-evident. The costs of telephone services will escalate. Currently MTS has the second lowest residential rates in North America, second only to SaskTel which is the only other publicly owned company.

Consider the impact of increased telephone rates on people living on fixed incomes. Seniors, there are many seniors in Osborne who have told me they do not know whether they will be able to afford a telephone. Consider the effects of people living on disability pensions or persons living with chronic illnesses. I know in another life when I worked in the AIDS community there were many people living with AIDS, dying with AIDS, who could not even afford a telephone and who desperately, I might add, needed a telephone. This may not be an option at all for them once the Manitoba Telephone System is sold and the rates begin to escalate. Of course, it will make it very difficult for persons on social assistance to afford telephones, some again who desperately need telephones, some of whom cannot even afford telephones as things stand now.

If Manitoba loses the Manitoba Telephone System, profits and jobs are likely to leave the province. Control over the company may move to Toronto or New York or Texas or Tokyo, who knows. A couple of words about jobs. Currently, the Manitoba Telephone System

employs approximately 4,000 people. These jobs, of course, once the system is sold, could be moved out of the province overnight. You would think that a province which has such a dismal record in creating jobs would be eager to keep the jobs that we have now in the province, but it does not appear to be the case. You would think a government which constantly talks about our children's future would want to retain a Crown corporation which has functioned as an instrument of sound social change, which has kept profits in Manitoba, and which has provided province-wide service and which the citizens of Manitoba currently own.

A few words about the Alberta experience, and I understand that we are emulating Alberta in, as in other things, the sale of MTS. We seem to be moving more towards the Alberta model in other areas like social welfare and health. Anyway, a quick word about the Alberta experience with privatization. Certainly the Alberta experience should ring warning bells for Manitobans. In the six years since privatization rates have increased so that Albertans now pay 34 percent more than Manitobans for basic telephone services. The Alberta Government Telephones has just applied for another \$6 a month rate increase. That may actually have passed by now. I am not quite sure. The Alberta Government Telephones system has indicated its intention to raise rural rates in order to achieve, and I quote, full recovery of the cost of rural telephone services. This would be quite disastrous to Manitobans living in rural areas here.

### \* (1700)

Of course, why are we not surprised with these moves? Less than 10 percent of Albertans bought shares. All Albertans are now paying the price for privatization. This is what happens when you take a million owners and sell it to a few thousand. This is what happens when you privatize a public resource. When public resources are privatized, they cease to operate in the interests of the people. This is what has happened in Alberta. We have every reason to believe this is what will happen in Manitoba. Some people get awfully rich, just as some people got awfully rich in Britain when Margaret Thatcher sold water companies. Some people got very rich at the public's expense. [interjection]

The Deputy Premier (Mr. Downey) has just told us that Margaret Thatcher is a fine person. Well, no comment.

In conclusion, Madam Speaker, at one of the public meetings on Manitoba Telephone System and the possible privatization, I met a woman, a senior citizen, who told me that she came from a family of 13 siblings and she had six children of her own. She said that she saw Manitoba Telephone System as a publicly owned company which served an important role in her family's life. Her children, her brothers and sisters all lived in various areas in the province, and she said the phone had become a lifeline for the family. It was a way of keeping in touch with the family and keeping the family together. She said that they communicated by telephone, and she talked about phoning one brother once a week and one sister, I suppose, the next week and so on and so forth.

The point was, with the current rates this family could continue to communicate with each other, but they probably will not be able to do so when telephones are privatized. Her words touched me. They were also important because I think they bring another important dimension to the Manitoba Telephone System debate. She made me aware that the gift that a Crown corporation can bring its citizen owners is that it does not need to worship at the altar of the technocrat, that it does not need to worship at the altar of efficiency, that it does not only need to consider efficiency, but Crown corporations have the luxury of considering the social importance of its services and the social consequences of its action. Madam Speaker, let us remember that fools rush in where wise men often fear to tread, and I would say that the sale of MTS is another fool's rush.

I began by talking about the duplicity surrounding the decision to privatize. I moved on to talking about some of the strong public outcry against privatization. Then I moved on to discussing the sad consequences to our province if this government goes ahead with its plan to privatize the Manitoba Telephone System. In short, Madam Speaker, from start to finish the decision to sell Manitoba Telephone System has been shrouded in darkness and negativity and, I think it is fair to say, in ill will. Clearly the bill is dangerous to Manitoba, clearly it is morally unsupportable.

So, Madam Speaker, I want to joint with my Osborne constituents who voted so overwhelmingly to not privatize Manitoba Telephone System, and I want to join with my colleagues and ask the government to reconsider this bill.

Just one final word: Please, please, leave Manitoba Hydro alone. Thank you.

Madam Speaker: As previously agreed, this bill will remain standing in the name of the honourable member for Elmwood (Mr. Maloway).

Hon. Jim Ernst (Government House Leader): Madam Speaker, would you please call Bill 43, Bill 16 and Bill 44.

# Bill 43-The Municipal Assessment Amendment, City of Winnipeg Amendment and Assessment Validation Act

Madam Speaker: On the proposed motion of the honourable Minister of Rural Development (Mr. Derkach), The Municipal Assessment Amendment, City of Winnipeg Amendment and Assessment Validation Act (Loi modifiant la Loi sur l'évaluation municipale et la Loi sur la Ville de Winnipeg et validant certaines évaluations), standing in the name of the honourable member for Elmwood (Mr. Maloway).

Is there leave to permit the bill to remain standing?

An Honourable Member: No.

Madam Speaker: No? Leave has been denied.

Ms. Becky Barrett (Wellington): Madam Speaker, yes, I am prepared to speak on Bill 43, the Municipal Assessment, et cetera, Amendment Act, and we will be prepared to pass this bill through to committee upon the conclusion of my speech today.

I would like to say that this is one of those times that I think certainly the media is not as interested in as I would like them to be sometimes, where we, on this side of the House, agree with the piece of legislation that is being presented today or has been presented this last spring.

I think although we do have some areas and may be bringing in some minor amendments to the legislation when it goes to public hearings, I think we are all aware of the problems that have beset the City of Winnipeg in recent years and have come home to roost most unfortunately for all of us, just recently in the assessment process, the problems that have beset the City of

Winnipeg in its assessment, trying to deal with the assessment issue over the past I 0 or 15 or even 20 years, depending on whom you speak to, are problems that are somewhat addressed in this piece of legislation. The province does not have complete authority in this regard and can only do so much to help the city to make the assessment process more fair, more equitable and more open.

I believe, along with the minister when he introduced this legislation, that Bill 43, in principle, will go some way to giving the city some of the tools it will need in order to make the assessment process fairer for all the citizens of Winnipeg.

According to my reading of the legislation and people I have spoken with, most of the items in the legislation deal with commercial properties. Much has been made about the costs to the city coffers for the inaccuracies in assessments of commercial properties over the last period of time, and that is true. The vast majority of the number of properties assessed in the City of Winnipeg are, of course, residential, but, on the other hand, the vast majority, the highest proportion in percentage, of the properties that cause assessment headaches and that have cost the city hundreds of millions of dollars are commercial properties. Bill 43 recognizes this and also recognizes some of the problems with the current Municipal Assessment Act that has led to the loopholes, I think you could call them, that has led to some of the problems that have plagued the city.

One of the loopholes that Bill 43 tackles is it eliminates third-party appeals by persons who are not the registered owners of a property. This will have the effect of severely limiting the ability of tax consultants, quote, to file a large number of appeals without the knowledge or consent of the registered owners of the property.

\* (1710)

Currently-and this has been in the media several times—a third party can file an appeal of an assessment of a commercial property and, I believe, of a residential property, and there actually are corporations and businesses in the city which do nothing but file these third-party appeals on behalf of corporations. They readily admit that they file thousands of appeals which have the effect of clogging the system, costing much time

for the city assessors to respond to these appeals, and then in many cases, in up to half of those cases, they withdraw the appeal before it even hits the Board of Revision, never mind the Municipal Board.

So what Bill 43 will do is that it will eliminate the ability of these consultants to go through the tax rolls; as a matter of fact, on CBC radio in April of this year, one of these tax consultants readily admitted that this is what he does. He says, and I quote: We cannot just sit back and wait for people to knock on our doors. Basically we write letters to the owners of the larger properties, and we go to the assessment records and find out those who have large assessments, and we just write to them and introduce ourselves and ask them if they are interested—end of quote.

So what they do is they file massive numbers of appeals, and they do it a bit on consignment, I guess you could say. They will tell the owner of the property, let us file an appeal on your behalf, and we will take a percentage, upwards of half of in some cases, of the assessment rebate if we are successful. One company filed 800 corporate appeals after the 1994 assessment. The manager of that company made no bones about it. He did not apologize. He says he is an advocate for the property owner, and he fixes mistakes in the assessment roll. Well, what actually happens in this case is that because this third-party appeal is allowed, there are a huge number of cases that assessors have to prepare, and then in many cases those appeals do not ever go to the second stage.

Another element of The Municipal Assessment Act clarifies the information required from a property owner by the assessor and provides for additional penalties for failing to provide information to the assessor and/or for presenting new information to the Board of Revision and the Municipal Board. What currently happens according to the city is in many cases these tax consultants and owners of property will not provide all of the information requested or required by the assessor in order for them to make an accurate assessment. Then they bring to the appeal hearing process additional new information that will lead the Board of Revision and/or the Municipal Board to reduce the assessment because the assessment was too high in the beginning because the owner of the property did not provide all or provided inaccurate information at the front end.

Currently, the city says only about 30 percent of businesses give the assessor all the information requested prior to an appeal. This legislation in Bill 43 will clarify the information that an assessor has the right to have on the part of a property owner and increases quite substantially the penalties for not providing that information. Actually, we have a couple of amendments in the penalty area. We would like to see it even more strict, but at least this is a beginning.

Another thing that the legislation does, it extends the reassessment cycle from three years to four years which will allow for a more complete assessment to be undertaken, and one hopes that will then get the process on a good basis from which assessments can be done in the future.

I spoke with the minister and his staff on this element saying, well, is four years too long? Is that too long a cycle? Is there not an ebb and flow in the assessment of properties, most particularly corporate properties? I was assured by the minister and his staff that in reality the real estate cycle and the value cycle in the city of Winnipeg is much more stable and has been much more stable over time than almost any other city in the country. Now, I guess you could make it an argument that stability could also be stagnation, but I will not make that argument at this point, just to say that they feel very strongly that a four-year cycle will allow for enough time for the Assessment Department to make an accurate assessment of properties and still provide fairness to individuals who want to make an appeal to the assessment.

Another question I had is one of the amendments which allows only one appeal per cycle unless there is a significant change in the property or the ownership changes. I said, well, okay, what about market fluctuations or something else happening, and again I was assured that this still allows for fairness on the part of owners of property, and it assumes that the assessment will be more or less accurate and fair in the beginning. If you put this together with the changes that are required and the information that is required by the owners of the property up front in the process, if you cut down on the number of third-party appeals or eliminate the third-party appeals and you put the assessment on a good cycle, one appeal per cycle should provide fairness to the owner. This will also cut down on the cost of the appeals and, again, free up the Assessment Department to undertake

the basic assessment of all the property in the city of Winnipeg, thereby leading to a better assessment.

Another element that is quite important in the process is the redefinition of railway roadway. The original intent was that the railway roadway would be the small amount of vacant land, the land on either side of the railroad track, that you have in place for safety reasons. Well, over time that has been used by-because it is not clear, the railroads, and they have been saying this since 1990, are stating that commercial properties that are on their property that are sometimes leased to other corporations and businesses, the railroads are saying these properties should be assessed at the lower roadway rate rather than the actual rate these properties would be assessed at if they were assessed at the normal commercial rate.

There is an amendment in this piece of legislation to close that loophole and thereby eliminate the exposure of the city to at least \$10 million in rebates to the railways. So we believe that this is also a good amendment for the city to enable the city to provide a better municipal assessment process.

As I said, by and large, we are in favour of these amendments. We will be bringing forward some of our own to actually, we believe, tighten up the process even more and make this piece of legislation even better. John Scurfield's report on the assessment process came out just after this bill was introduced. I think, in reading the Scurfield report and the legislation and discussing it with the minister, this bill will address some of the concerns in the Scurfield report. It will not address all of them, but what it potentially can do is maybe make the assessment department better able to do their job. One of Scurfield's biggest comments in his report dealt with the fact that the political masters, if you will, the actual city councillors have gotten far too involved in the day-to-day running, the micromanagement, if you will, of the city's business instead of leaving it to the people who have been hired-the administrators and the line people-to do the jobs that they were hired to do.

### \* (1720)

I think this is very well seen in the fact that a political decision was made to do the appeals of residential property owners first in the middle 1990s. We had our

civic election in 1992 and another one in 1995, and I believe the city councillors were concerned that residents who vote versus commercial properties who do not would be very upset if their appeals were not heard. consequently the city heard, and the Board of Revision and the Municipal Board heard, from the residential owners whose appeals made up 20 percent of the potential losses to the city first instead of listening to the 80 percent of the appeals which were corporate appeals. The corporations were happy with this because from the time they made the appeal until the time the appeal was heard and a decision was made if their assessment was deemed to be too large, they got prime plus four as an interest rate on the overpayment. Now I do not know anybody who gets prime plus four for an appeal of this sort.

This does not deal with this particular piece of legislation, but I understand in The Municipal Act there will be an element which will reduce that award to the Court of Queen's Bench award system which is much fairer. Hopefully, the changes in The Municipal Assessment Act and the changes in The Municipal Act will allow the city workers to do the job that they were trained for and to get training for the job that they are supposed to do, rather than having the politicians paying attention to the short term rather than the long term.

Just before I close on this legislation, one item that I would like to say that I hope the province does not put in place, which they did not put in place in Bill 43, is a recommendation of the Scurfield report, that there be a single appeal for residential property owners, that it go only to the Board of Revision rather than being able to go to the Municipal Board as well. I would like to strongly urge the government not to implement that kind of an appeal process, even if the city requests it. I know the province usually gives the city pretty much everything it wants. That was a facetious comment, Madam Speaker, but I hope that they do not in this regard, should the city ever come forward with this recommendation that came from the Scurfield report.

Madam Speaker, with those comments, we are prepared on this side to pass Bill 43 to committee where we will be making some amendments to strengthen what is a piece of legislation that we think is a fairly decent piece of legislation on the part of the government. Thank you.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, we, too, within the Liberal caucus would like to see this piece of legislation go to the committee stage. The public's attention to this particular issue, if you like, in terms of the reassessments and how the whole procedure is gone through with respect to the private individual really was highlighted during the Scurfield report in which there was an estimated some \$40 million that needed to be found somewhere. What we would like to be able to see is a great deal more attention given to this particular issue.

I know with Bill 43, the legislation arose largely as a consequence of requests for amendments from the City of Winnipeg. The most significant change alters the reassessment cycle itself, changing it from three to four years. The city would have been able to meet the 1997 deadline for the next reassessment. The city had a large number of unexpected appeals from their last assessment which have put them behind schedule somewhat.

Madam Speaker, I can remember when we had this legislation come forward in committee a number of years back, there was a great deal of concern that was being expressed at that time in terms of why it is that these assessments have to be dated so far back. At that time. the Liberal caucus expressed a great deal of concern even with a three-year assessment and why it is that it could not be done in a shorter time span. My gut feeling on this particular piece of legislation is that we could, in fact, see some other form of legislation in the not-too-distant future, again dealing with this very same issue. With technology being the way it is today, one would think that there would be a better way in ensuring the property taxpayer will be better served through more up-to-date assessments. Because the property values fluctuate virtually every year, it seems-in some areas it tends to increase; in other areas it unfortunately has been decreasing-that there is a need for ensuring that there is a sense of fairness being applied for assessments. No one wants to be paying more than their fair share, and anything that can be done to ensure a sense of fairness is in the best interests of the property taxpayer.

To that end, we are quite content to see this piece of legislation go to committee stage, but we do have some concerns and would have liked to have seen the government, particularly the Minister of Urban Affairs (Mr. Reimer), working more closely with the City of

Winnipeg in seeing if in fact there were some things that they could have done to try to ensure that we are not going to be dealing with legislation similar to this possibly two or three years from now. Thank you.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 43. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed. Agreed and so ordered.

## Bill 16-The Charleswood Bridge Facilitation Act

Madam Speaker: To resume debate on second reading of Bill 16, The Charleswood Bridge Facilitation Act (Loi facilitant l'application de l'entente sur le pont Charleswood), standing in the name of the honourable member for Selkirk (Mr. Dewar). Is there leave to permit the bill to remain standing?

An Honourable Member: No.

Madam Speaker: No? Leave has been denied.

Ms. Becky Barrett (Wellington): Madam Speaker, I will speak very briefly on this piece of legislation.

The Charleswood Bridge Facilitation Act in effect gives the D.B.F. Ltd., which constructed the bridge, it will enable them to become the registered owner of the bridged land and clarify that the city has the right to lease the public right-of-way to D.B.F. There was a loophole that was found in The Real Property Act which needed to be filled in order to enable D.B.F. to get a mortgage on this bridge.

We have some major concerns about the principle of public-private partnership of public works such as bridges that was developed in the building of the Charleswood Bridge. We spoke out against it at the time. We still believe that this is not the way to go. There was a lot of money spent on the Charleswood Bridge, money that could have better been spent on other public works. However, Madam Speaker, the bridge has been built, we are at this point doing something that will facilitate, hopefully, a successful conclusion to the

process of joint partnership. So we are not prepared to vote against the bill, and we would be prepared to send it to committee.

**Madam Speaker:** Is the House ready for the question? The question before the House is second reading of Bill 16, The Charleswood Bridge Facilitation Act. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed. Agreed and so ordered.

# Bill 44-The City of Winnipeg Amendment and Consequential Amendments Act

Madam Speaker: To resume debate on second reading of Bill 44, The City of Winnipeg Amendment and Consequential Amendments Act (Loi modifiant la Loi sur la Ville de Winnipeg et apportant des modifications corrélatives), standing in the name of the honourable member for Burrows (Mr. Martindale). Is there leave to permit the bill to remain standing?

An Honourable Member: No.

Madam Speaker: No? Leave has been denied.

Ms. Becky Barrett (Wellington): Madam Speaker, yes, this piece of legislation is in response to several requests from the City of Winnipeg, one dealing with local improvement districts, another dealing with consultation on Plan Winnipeg amendments, a third dealing with the role of the Public Utilities Board vis-àvis city user fees and, finally, some administrative amendments of a very minor nature.

We do not have any problems at this point with the items in the legislation. I look forward to meeting with the minister's staff prior to its going to committee, at which point we may have some concerns or even some amendments, but at this point we are prepared to send it to committee.

Mr. Neil Gaudry (St. Boniface): Madam Speaker, I know time is short, and I would like to pass and see this bill go to committee. I had quite a few comments to make, but we could make them in committee, because this bill contains amendments to several different aspects

of the City of Winnipeg. The act repeals transitional provisions-

### Point of Order

Hon. Jim Ernst (Government House Leader): I wonder if there is agreement for a couple of minutes to not see the clock to allow the member for St. Boniface to finish his remarks.

Madam Speaker: Is there agreement for the Speaker not to see the clock for a couple of minutes so the member can complete his remarks? [agreed]

\* \* \*

Mr. Gaudry: Madam Speaker, the need for the provision has lapsed since the city has adopted administrative by-laws incorporating changes to its structure. This bill allows the city to designate areas where improvements will be undertaken and for a district improvement levy to be charged to landowners. Either a councillor or petition from landowners can initiate the process. The proposal for district improvement could be developed identifying the boundaries of the proposed local improvement district, the nature of the improvements to be undertaken, estimated cost and the estimate of the fee to be levied against landowners to finance the project. A committee of council would then hold public hearings on the proposal and submit recommendations to council.

\* (1730)

Present legislation requires the city to establish an annual uniform rate for each type of local improvement. The rate is applied on a citywide basis. The city has requested that the act be amended so as no longer to require a Charities Endorsement Bureau. Presently applicants seeking to solicit funds for charitable purposes must apply to a board comprising of 12 members. The city wishes to delegate this task to a single employee. Council requested that the requirement, an Executive Policy Committee hold public consultation on a proposed Plan Winnipeg amendment prior to first reading. Council felt that this requirement made the approval process needlessly cumbersome. Council will still be required to hold a public hearing once an amendment to Plan Winnipeg is given first reading.

Madam Speaker, the member for St. Norbert (Mr. Laurendeau) would like me to do it in French, but I will wait for his translation and then we will continue from there.

This act also contains a provision which reflects a recent decision of the Manitoba Court of Appeal. In 1994, community groups filed a complaint with the Public Utilities requesting the board review Winnipeg Transit fares. The Court of Appeal ruled that the PUB had no role to play in the determination of Winnipeg Transit fares. This authority is reserved for the city under The City of Winnipeg Act. As a result of this decision this act contains an amendment to The Public Utilities Board Act to eliminate the conflict between the two pieces of legislation.

With these comments, Madam Speaker, I would like to see it to go to committee. Thank you very much.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 44. Is it the will of the House to adopt the motion?

**Some Honourable Members:** Agreed.

Madam Speaker: Agreed? Agreed and so ordered.

The hour being 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

#### **Erratum**

Volume XLVI No. 47–1:30 p.m., Thursday, June 6, 1996, page 3425, first column, the heading should read: Highway Maintenance PTH 275.

Continuing in the second column, the fourth paragraph should also read PTH 275, instead of PTH 75.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, September 16, 1996

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