



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
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	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
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, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	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.	Rosmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 9, 1998

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Rail Line Abandonment

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I beg to present the petition of K. Behrmann, S. Behrmann, G. Silverthorn and others praying that the Legislative Assembly of Manitoba request that the provincial government go on record requesting that CN and CPR do not proceed with any discontinuance of lines until that report has been tabled, that being the Estey Grain Transportation report.

READING AND RECEIVING PETITIONS

Rail Line Abandonment

Madam Speaker: I have reviewed the petition of the honourable member for Swan River (Ms. Wowchuk). 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.

WHEREAS affordable transportation is a critical component of grain production; and

WHEREAS under the Crow rate benefit, Manitoba was the cheapest place on the Prairies from which to ship grain but became the most expensive following the abolishment of the Crow rate; and

WHEREAS the Canada Transportation Act proclaimed on July 1, 1996, gave railways the ability to discontinue and scrap branch lines without public input; and

WHEREAS several lines were targeted immediately by CN for abandonment; and

WHEREAS CN gave notice on May 6, 1998, that the Erwood Subdivision will be discontinued in 1998; and

WHEREAS the loss of this line would severely impact upon the communities of Bowsman and Birch River as well as surrounding communities; and

WHEREAS in 1997, western grain farmers lost millions of dollars due to backlogs and delays by the major railways; and

WHEREAS as a result the federal government set up the Estey Grain Transportation Review which is scheduled to release a report later this year.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba request that the provincial government go on record requesting CN and CPR to not proceed with any discontinuance of lines until that report has been tabled.

**PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has adopted a certain resolution, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for St. Vital (Mrs. Render), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Vic Toews (Minister of Justice and Attorney General): I am pleased to table the Fatality Inquiries Report for the year 1997.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to

the public gallery where we have this afternoon thirty-one Grade 5 students from J.R. Walkof Elementary School under the direction of Miss Linda Bergen. This school is located in the constituency of the honourable member for Pembina (Mr. Dyck).

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

ORAL QUESTION PERIOD

Crown Attorneys Vacancy Rate

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, on May 27 of this year, we raised questions to the Minister of Justice (Mr. Toews), in fact to the Premier (Mr. Filmon), about the stress, the workload and the vacancies of the Crown attorneys office. These concerns were confirmed by comments made publicly by Mr. Hannon, the head of the Crown attorneys association. Yet on May 28, in this very same Chamber, the minister stated that he had talked to Mr. Hannon, and the article did not indicate what, in fact, the position was.

Madam Speaker, today Mr. Hannon is again quoted as saying that he stood by his article and quotes in the original article.

I would like to ask the minister: who is telling the truth, Mr. Hannon in his first and second statements or the minister on May 28 when he denied those comments?

Hon. Vic Toews (Minister of Justice and Attorney General): The question that was put to me by the Leader of the Opposition on that date was whether there was—in the context of an outside operational review to be done, he indicated one position. I indicated that I had had a conversation with Mr. Hannon, and that was not my understanding of Mr. Hannon's position.

In fact, Mr. Hannon has, along with the Crown attorneys association, put out a press release today indicating that they have developed a strong working relationship with the management team in Manitoba Justice, including the Minister of Justice, and he

indicates that we believe that MACA, that is, the Manitoba Association of Crown Attorneys, and Manitoba Justice share the same common objective of ensuring an efficient and responsive criminal justice system that meets the needs of the community.

In respect to any specific review, Mr. Hannon's comments are that there may be many ways to do this.

* (1335)

Mr. Doer: Madam Speaker, this is a repeated pattern of this minister. There are public concerns that are raised; the minister denies it. He misleads the House and then he tries to patch it up later with his word in absolute tatters in terms of his integrity in this House.

On May 28, the minister stated in Hansard: "The only direct vacancies that I am aware of today are the two vacancies that were created as a result of the appointments last week."

Mr. Hannon had said that there were an unprecedented number of vacancies, and on June 6, the government itself bulletined seven Crown attorney positions in terms of the vacancies that exist in his department. Why did the minister deny that there were so many vacancies, and why did he not tell us the truth when he said there were only two vacancies when we raised the question on May 28?

Madam Speaker: Order, please. I would remind the honourable Leader of the official Opposition that "to tell the truth" has been ruled out of order on several occasions.

Mr. Toews: Madam Speaker, on the same day that the member indicated that there were 15 vacancies—[interjection] And his member for St. Johns (Mr. Mackintosh) indicated—well, I am sorry. The Leader of the Opposition indicated eight and the member for St. Johns indicated 15, one or the other. There was a discrepancy of seven positions there. In fact, there are today three vacancies in the Department of Justice, two of them arising out of that appointment process. I have indicated before that there are a number of shifts going on in the department as a result of the Lavoie—[interjection]

Madam Speaker: Order, please.

Mr. Toews: There have been in fact, Madam Speaker, an addition of seven Crown attorneys. Some Crown attorneys are moving into those positions, creating vacancies, and so those vacancies have not yet been created and we are obligated to fill those vacancies.

So when the member says there are eight or there are 15, he is wrong. Today there are three vacancies, and my department is taking very active steps to ensure that those vacancies are filled. I think that the Manitoba Association of Crown Attorneys has indicated in their press release today that they are very pleased to work in partnership with Manitoba Justice in addressing these issues.

Operational Review

Mr. Gary Doer (Leader of the Opposition): Again, Madam Speaker, Mr. Hannon said there is an unprecedented number of vacancies in the Crown attorneys office when we asked the question. He has seven vacancies that are bulletined today. Again, his word is not worth very much in this Chamber when it comes to dealing with our side of the House.

Over the last year we have talked about the regrettable increase in violent crime here in Manitoba. We have talked about the underresources of Crown attorneys in the Crown attorneys office. The minister has denied that there are any resource problems. In fact, he said on May 28, we have appropriate resources in the Crown attorneys office.

Today the Crown attorneys have stated that they have between 50 and 100 cases on the docket court. I would like to ask the Premier (Mr. Filmon): will he get control of his minister who denies there is any difficulty in the Crown attorneys office? In terms of the public interest, will we have the operational review, as they have had in other provinces, so that we can be sure that public safety is paramount in the Crown attorneys office here in Manitoba?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, this is again a member who consistently misrepresents figures in order to make a point that is not correct. What the Crown attorneys

had said: it is common in docket courts for there to be 50 to a hundred cases. The impression that the member leaves consistently is that there are 70 or 80 contested cases in these matters; when he talks about bail hearings, that there are contested cases.

You know, Madam Speaker, I went through those bail courts, and on no day on a bail court in the month of December were there more than five hours in court. On the day that the member specifically said there were 70 cases, court—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Justice, to complete his response.

Mr. Toews: Well, Madam Speaker, this is a member who leaves a misleading impression on the record. You know, I went through the docket where he indicated that there were 70 cases, in fact, 70 bail hearings, which he has repeated over and over again. I would ask him to go back to that docket, because that is a member who never checks his facts. In fact, when I went to the actual court records, court sat on that day from ten o'clock to twelve o'clock, from 1:30 to 3:30—four hours.

* (1340)

Minister of Justice Apology Request

Mr. Gord Mackintosh (St. Johns): Madam Speaker, just over the last several weeks alone the minister has said, and I quote from May 5: “whenever there has been an issue of resources or an issue in terms of addressing process, we have addressed that.”

He said on the same day: “the government has consistently provided the Crowns with the resources that they require.” But yet today we have the Manitoba Association of Crown Attorneys saying that the resource requirements have not been addressed, and say in fact that they are very concerned about the resources and supports available to assist them to do their jobs.

So my question now to the minister is: would he apologize and retract his drivel when he has consistently said to overworked and under-resourced

Crowns and to Manitobans, who are increasingly concerned about their safety, don't worry, be happy?

Hon. Vic Toews (Minister of Justice and Attorney General): Well, Madam Speaker, we know exactly the kind of drivel that the member for St. Johns brings here on a consistent daily basis. The other day he stands up and says that a Crown attorney—and he accused the Crown attorney of letting a case sit for 18 months when in fact the true facts, which he knew, were that—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Point of Order

Mr. Mackintosh: I understand why the minister is rightly exercised today about the situation in his department, but I rise on a point of order, Madam Speaker. He just made an accusation that I knew facts that of course I did not know. What I knew was what the victim knew. He has put on the record wrong information. It was his department that not only left the victim in the dark but led her on. I ask the minister to correct the record, withdraw those statements and deal with the issues facing Manitobans rather than some personal and wrongful accusations.

Madam Speaker: The honourable government House leader, on the same point of order.

Hon. James McCrae (Government House Leader): Madam Speaker, on the same point of order. In raising his point of order, the honourable member for St. Johns has made his confession that he did not know what he was talking about. We will accept that, that he does not know what he is talking about. But on the point of order, we appear to have a difference of opinion between the honourable member and the minister—a very rare occurrence.

Madam Speaker: The honourable member for Thompson, on the same point of order.

Mr. Steve Ashton (Opposition House Leader): On the same point of order, Madam Speaker, I believe the difficulty that we are placed in this time is that this minister repeatedly in his answers makes these kinds of

comments and statements, refuses on many occasions to answer questions, and this is the situation we ran into here.

In fact, the whole dispute is over the fact that our critic was basing his questions based on feedback from the victims, and I wish the Minister of Justice would understand that we speak on behalf of Manitobans, including victims, and we make no apologies for that in Question Period.

Hon. Gary Filmon (Premier): On the same point of order, Madam Speaker, it is a rule in this House that it is up to the individual who brings the information to the House to ascertain the veracity of it. Basing it on the plea of victims without checking the facts, which he has now acknowledged, is now a plea of ignorance on the part of the member opposite for which he is responsible. It is up to him to check the facts before he brings them to the House on the record.

Madam Speaker: On the point of order raised by the honourable member for St. Johns, the honourable member for St. Johns does not have a point of order. It is clearly a dispute over the facts. But I would request that the honourable minister keep his response specific to the question asked and not provoke debate.

* * *

Madam Speaker: The honourable Minister of Justice, to complete his response.

* (1345)

Mr. Toews: Thank you, Madam Speaker. In fact, I accept that the member was speaking in ignorance rather than out of knowledge, but in fact what the Manitoba Association of Crown Attorneys has said is they have developed a strong working relationship with the management team in Manitoba Justice, including the Minister of Justice. We believe that the Manitoba Association of Crown Attorneys and Manitoba Justice share the same common objective of ensuring an efficient and responsive criminal justice system that meets the needs of the community. Indeed, that is what I have indicated the commitment of this government is, working with that particular union in order to ensure that these needs are met.

Crown Attorneys Operational Review

Mr. Gord Mackintosh (St. Johns): My supplementary to the minister is: since he said that he has been conducting and his department has been conducting an ongoing review of the Prosecutions branch, and yet the issues of public safety still have not been fully addressed, my question is why should Manitobans trust the management of the Prosecutions branch, including the minister, to review the Prosecutions branch? Why should we trust people, including the minister, who have been instrumental in a policy of underresourcing the Prosecutions branch. They are just looking at themselves.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, when the Lavoie report came out from Mr. Justice Schulman, this government acted in a responsible manner. Both the Family Services department and the Department of Justice asked for and received an extra, on an annual basis, \$1.9 million, which meant seven more Crown attorneys for the entire system.

Mr. Mackintosh: I would like the minister to answer one of my questions—

Madam Speaker: Order, please. The honourable member was recognized for a supplementary question.

The honourable member for St. Johns, with a final supplementary question.

Mr. Mackintosh: Since the minister appears to have negotiated of management an internal review of Prosecutions, would he not recognize that this is not just a labour-management issue? It is a matter of public confidence and public safety that cannot be negotiated behind closed doors. Would he order an outside, objective review to restore confidence? He did it for Headingley. He did it for the Law Enforcement Review Agency, and our safety demands no less for this Prosecutions branch.

Mr. Toews: Madam Speaker, I made the position of the department and the government well known. If this matter can be resolved between the Crown attorneys and management in terms of ensuring that the

appropriate resources are there, are not the Crown attorneys, is not the association, are not the managers who work in the courts on a day-to-day basis the people who are best in the position of determining what their needs are? Who has a greater interest, other than the people of Manitoba, other than the Crown attorneys, to ensure that there are appropriate resources so that the people of Manitoba are safe?

This is a member who continually misrepresents the position of the Crown attorney and criticizes the Crown attorney, as he did yesterday in respect of the case where he said a Crown attorney left a case sitting for 18 months when that, in fact, was not the case. The RCMP brought the file to the Crown attorney, completed in March of 1998, and yet he continues to make those kinds of accusations.

Chief Judge Public Statement

Mr. Steve Ashton (Thompson): Madam Speaker, we are seeing increasingly that this Minister of Justice is losing confidence of people in our legal system. We are seeing it when he purported to speak for Mr. Hannon, and we see now today that Mr. Hannon has indicated clearly on the record that his comments, as reported in the Winnipeg Free Press, were accurate. We saw the same kind of process with the Chief Judge.

I would like to table a copy of the Order-in-Council, Madam Speaker, which indicates clearly that the Chief Judge is appointed by the Lieutenant Governor in Council, an Order-in-Council appointment, and I would like to—

An Honourable Member: Three copies.

* (1350)

Mr. Ashton: This is on file; this is not a new document. This is for courtesy of the members opposite.

I would like to ask the Minister of Justice whether he will now recognize that, first of all, he has very little, if any, credibility in speaking for others, and that, because of his comments in the ministerial statement reporting on the comments of the Chief Judge, many people are

saying in the legal community that either the Chief Judge speaks directly on what happens or the Chief Judge should resign—this because of his action.

Point of Order

Hon. James McCrae (Government House Leader): Madam Speaker, on a point of order. We were reminded recently by the Leader of the Opposition (Mr. Doer) that documents filed in this House are supposed to be filed in triplicate. I remember the comments I made at the time. Notwithstanding, it is a practice that you have encouraged us to follow, that when we are tabling documents, we should do it in triplicate. [interjection]

Now I hear the honourable member for Thompson say, well, this is something that is on record. Well, most documents are on record somewhere. I suggest that this tabling ought not to be accepted unless it is done in triplicate, as insisted upon by the Leader of the Opposition.

Madam Speaker: The honourable member for Inkster, on the same point of order.

Mr. Kevin Lamoureux (Inkster): On the same point of order. Madam Speaker, I think some common sense has to prevail on this issue. I think quite often when a document is tabled, if it is in a spontaneous nature, you cannot expect the MLA to run to the appropriate caucus room and run and get three copies of it, come back in and then table the document. Common sense has to prevail.

I think, under certain circumstances where it can be accommodated by tabling three documents, that that is preferred. But when you have something that is being tabled where it is more of a spontaneous nature, you should not have to have duplicates in order to do that. I think it would be bad in terms of precedent setting if we started to insist on that.

Madam Speaker: On the point of order raised by the honourable government House leader, I would agree, indeed, that the honourable House leader did have a point of order. All members are required to table three copies of all documents when tabling.

* * *

Hon. Vic Toews (Minister of Justice and Attorney General): Well, again, Madam Speaker, the member relies on anonymous sources saying that the Chief Judge should resign and indicates that there is some connection between the Lieutenant Governor in Council appointing a judge. Well, I can tell you that every province appoints provincial judges through the Lieutenant Governor in Council. One thing that needs to be made clear is that the independence of the judiciary is guaranteed, not through any statute, but the Canadian Charter of Rights. That guarantees the independence, and every judge in this province understands that independence, which independence was confirmed by the Supreme Court of Canada in a very recent decision.

Mr. Ashton: Well, Madam Speaker, I am wondering whether this minister will recognize that the only province we have seen a minister so desperate to save his political hide that he actually came up with an agreement with the Chief Judge and then spoke for the Chief Judge is Manitoba. When will he recognize that he has seriously jeopardized the position of the Chief Judge in this province, a position that he appoints through Order-in-Council, and when will he do the appropriate thing and allow the Chief Judge either to speak or, as increasingly people are saying in the legal community, have that Chief Judge replaced because she is clearly in jeopardy because of his actions as the minister?

Mr. Toews: You know, Madam Speaker, first of all, they say that I have an inordinate amount of influence over the Chief Judge. Now they are saying I have an inordinate amount of influence over the Crown attorneys' union. They seem to think that I have the authority or somehow the power to make people say what I want them to say. Perhaps what is being done is being done with the consent of the parties involved, and I would indicate that is exactly what has occurred.

Mr. Ashton: Madam Speaker, on a final supplementary: will the minister acknowledge that indeed our point is exactly that, that he is purporting to speak, whether it be for the Crown attorneys when he was wrong, as is proven by the statements by Mr. Hannon, and increasingly people are asking if he was

wrong in the Chief Judge? Will the minister do the right thing and either allow the Chief Judge to speak or replace the Chief Judge, which is what is clearly being talked about by more and more people in the legal community in this province?

* (1355)

Mr. Toews: Madam Speaker, the member knows, and again misrepresents what the facts are or my abilities are, that I have absolutely no ability to replace the Chief Judge. The Chief Judge's independence and her actions are guaranteed by the Constitution of this country. This is a member who now wants us to ignore the Constitution.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Toews: Finally, this is a member who said that the issue being dealt with as the Chief Judge on the nominating committee had nothing to do with the judiciary. Now he says, today, that it does have something to do with the judiciary.

Crown Attorneys Operational Review

Mr. Dave Chomiak (Kildonan): Madam Speaker, we have a real problem in Manitoba with respect to the administration of justice and the way the Justice portfolio is being handled by the present Justice minister. The Crown attorneys are forced to speak out. The minister contradicts the Crown attorneys. In an article today, the Crown attorney again repeats his statement, and the minister contradicts the Crown attorney. Several weeks ago the minister contradicted the Chief Justice; the Chief Justice contradicted the minister. We have a pattern here.

Will this Minister of Justice, this embattled Minister of Justice, this Minister of Justice who chooses to fight word games across the House not realize that the office of the Department of Justice is in jeopardy because of his statements and his handling of these affairs? Will he not recognize that what is needed in the case of the Crown attorneys is an independent review of the office of the Crown attorneys in order to raise the issue above this political wordsmithing by the Minister of Justice?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, if one wants to go through the questions and answers given in Hansard or indeed in Estimates, I would say that we are not in disagreement with either the Crown attorneys or indeed the Chief Judge. I will leave that issue.

All I will say in respect of the particular issue with the Crown attorneys, that the Crown attorneys have recognized that management in the department is undertaking the review of the branch to determine what additional supports are required. What the Manitoba Association of Crown Attorneys says is that they are pleased to be participating in that process. This is something that the Crown attorneys believe will assist in dealing with the problem. I want to ensure that any problems that are there are addressed, and I am committed to working with those Crown attorneys and with management to ensure that these problems are addressed.

Mr. Chomiak: Madam Speaker, would the Justice minister not agree that if he wants to disregard everything we say in this House, does he not have a problem when his head of his Crown attorneys has to go to the media to talk about docket lists of 50 to 70 cases a day; attorneys indicate 50 to 100 cases on the docket, five or more trials per day, and that they have to have a press conference to try to get the minister and management to try to agree to address this problem when the minister stood up in this House day after day for a year denying there is a problem? Will the minister not objectively see that an outside review is required, at least to confirm the word of the minister?

Mr. Toews: Madam Speaker, I know that the Justice critic was in committee with me when we discussed the issue of the concerns of the Crown attorneys. One of the things I specifically said on Hansard is that I would welcome a public statement by the Crown attorneys association to set out exactly what their concerns are. Indeed, I view this document as a very positive document in terms of identifying the issues that the Crown attorneys see.

So this document is very positive, as opposed to the press releases that the Crown attorneys association have had to issue in the past when the member for St. Johns (Mr. Mackintosh) continually misrepresents their

position so that they have to get out a press release indicating that the member for St. Johns is misrepresenting their position.

* (1400)

Mr. Chomiak: Madam Speaker, would the minister not agree that there is a problem when there is a contradiction between the Chief Justice and the minister, and the Chief Justice then meets with the minister and a statement issues? Now we have a contradiction between the Crown attorneys and the minister. The minister talks to the Crown attorneys obviously on the record. He spoke to the Crown attorneys, and now we have a statement that is issued by the Crown attorneys that the minister is relying on as his defence. Does he not see objectively that the public would be concerned about this minister, and will he again not recognize that an independent, objective review is required in order to clear not just the Crown attorneys in Justice but the minister's name?

Mr. Toews: Madam Speaker, there are approximately 70 criminal Crown attorneys in this province, and for this member to suggest that I am now crafting a statement on behalf of those Crown attorneys is simply not correct.

School Divisions Amalgamations

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is either for the Premier (Mr. Filmon) or the Minister of Education. The need for change has been totally ignored in the whole area of school division boundary redistribution. For over 10 years, during elections, the government has implied that they want to be able to address this issue, but through the years they have totally ignored the issue. In fact, we spent hundreds of thousands of dollars for a school division boundary review which that review currently sits on the shelf as nothing is being done.

My question for the government is: does the government have any intentions on bringing forward redistribution of school divisions in any sort of a tangible way? And I am not talking about the volunteered one or two school divisions, Madam Speaker, that we have seen over the years.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, the member is wrong if he says that the Norrie commission report is sitting on the shelf gathering dust. Mr. Norrie made many recommendations; we have accepted 26 of them, and they are currently either in place or being put in place. His recommendations on amalgamation had a lot of very good points, and we have been working in a very tangible way on voluntary amalgamation.

The member should not put down voluntary amalgamation. For amalgamation to work, it does require absolutely a positive buy-in from co-operating divisions. We know we have two amalgamations currently underway. We have many other divisions currently talking about amalgamation to the point that we have hired a full-time staffperson knowledgeable in this area. In fact, Mr. Roy Schellenberg has just come on staff to be a full-time facilitator to work with school divisions interested in amalgamation to take them through the things that can occur and the things that could occur and how they themselves can merge. School divisions are beginning to merge functions, share services, et cetera, leading to possible amalgamation discussions.

Mr. Lamoureux: Madam Speaker, will the Minister of Education recognize the need to be fair? If you allow a school division in excess of over 30,000 students compared to another school division at less than 7,000, should not then school divisions of largeness be allowed to have the same sort of a smaller community-based school divisions? You should not be able to argue it for both ways.

Mrs. McIntosh: I am not quite sure that I follow the intricacies of the member's question, but if he is asking what I think he is asking, the Province of Manitoba has things such as small-school grants. It does not matter how large the school division is, the small-school grant is based on the size of the school regardless of whether it is a big division or a small one. We also have grants for isolated areas. We have transportation grants for people who are in remote areas, et cetera. There are many factors in the formula that take into account small, remote and isolated areas.

Having said that, if there are economies of scale that can produce a cost savings and introduce more cost-

effectiveness, then school divisions seeing the merit of that have the opportunity with encouragement from the province to become officially amalgamated, but that decision we feel absolutely has to come from the boards themselves and not be imposed by government.

Mr. Lamoureux: Madam Speaker, I am asking the minister to recognize—if you are allowing on a volunteer basis for school divisions to amalgamate, is it then safe to assume that the government is also allowing on a volunteer basis for those areas of communities that want to have their own school division? So this way, if you want to reduce a school division from 30,000 to 10,000, it in fact could be done.

Mrs. McIntosh: Madam Speaker, school boards are charged with the mandate to deal with things that would appear before the board of reference in terms of changing school division boundaries. Even with the amalgamations that have occurred so far, the one that is furthest down the road being St. Boniface and Norwood, the final determination of that has to go to the board of reference for determination. Of course, the case they present being valid is something that the board of reference will determine. If a school division wishes to downsize, if that is what I hear the member talking about, then something would have to be done with the portion of the division that is no longer going to be included, and that would be something the board of reference would have to take a very close look at, because you cannot leave a body of schools without having a governance jurisdiction.

Farm Machinery Warranties

Ms. Rosann Wowchuk (Swan River): Madam Speaker, when farmers buy a new tractor or combine, they pay a tremendous price. Many feel that this price is too high, and you would think that with this kind of price companies would be prepared to offer a reasonable warranty. Here in Manitoba we have a two-year warranty on this equipment, but not for long because the government is bringing forward changes that will reduce the warranty to one year.

I would like to ask the Minister of Agriculture why he is bringing this change forward since it is not requested by the farmers. On whose behalf is he acting,

because it does not appear he is acting on the farmers' behalf?

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, we have a responsible group of people that advise the minister and the department on the functions of the farm machinery act. I point out to her quite correctly the high expense of farm machinery. Only in Manitoba added to that expense is a 2 percent surcharge for our insistence on a warranty that does not prevail in other parts of the country, Saskatchewan notably and Alberta. It is the advice of the Farm Machinery Board, which has farmer representative on it, has farm machinery representative on it, that this is a move that brings our practice of warranty in line and in harmony with neighbouring provinces that is certainly being requested, has been requested for some time by implement dealers in the western part of our province.

Ms. Wowchuk: Madam Speaker, we continue to level the playing field to the lowest common denominator.

Madam Speaker: Order, please. The honourable member for Swan River, with a supplementary question.

Ms. Wowchuk: I would like to ask the minister if he can tell us what evidence he has that prices are higher on this side of the border, because all research that has been done for us shows that there is no difference in price on the Manitoba side to the Saskatchewan side. Will he admit he is just acting in the best interest of the farm machinery dealers, not the farmers?

Mr. Enns: Madam Speaker, the extra 2 percent is imprinted right on the invoice. I can show her that at any time.

The other issue is that times are changing. Not only for farm machinery but for other things, you can purchase a level of warranty that suits your operation, your business. Most of the farm machinery, particularly some of this big, expensive machinery, is not on a yearly basis anymore because it is not relevant; it is on hour use. They have hour meters on these big tractors and on these machines. The warranty extends for X number of hours. In purchasing machinery, if you feel that you want to buy some additional warranty, you do that. That seems to me the appropriate way of

doing it rather than impose on everybody a level of warranty that is out of step generally in the industry and particularly out of step with other farmers in western Canada.

Emergency Repairs

Ms. Rosann Wowchuk (Swan River): I hope the minister would recognize that it is final purchase price that matters to farmers.

* (1410)

Madam Speaker: Order, please. I would remind the honourable member for Swan River that she should pose her question without any preamble.

Ms. Wowchuk: Thank you, Madam Speaker. I would like to ask the Minister of Agriculture why his government is reducing the length of time during the day when producers can order emergency repairs. It used to be from 8 a.m. to 10 p.m. and now it is just normal working hours. The minister is a farmer; he understands the importance of emergency repairs. Why is he reducing this length of time?

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I want to indicate to the honourable member for Swan River that it is precisely some of these questions that I asked a year ago. I was being asked a year ago by the same Farm Machinery Board to bring in the act that I did. I said, no, no, I need to ask a lot of people first whether or not all these amendments make sense. I allowed a year to take place. I discussed with KAP, among other people—by the way, the Keystone Agricultural Producers organization—with a number of other organizations, and have taken a whole year to satisfy myself that the amendments represent current industry norms and are in the best interests of agriculture here in Manitoba.

Education System School Nursing Services

Ms. Jean Friesen (Wolseley): Madam Speaker, in the city of Winnipeg school nursing services are at about half strength, and nursing duties are being offloaded onto teachers. I would like to ask the Minister of Education whether it is the government's policy to train

teachers to search for head lice and to use teaching time for such examinations.

Hon. Linda McIntosh (Minister of Education and Training): I indicated to the member, last week I believe it was, and perhaps she maybe does not recall my indicating that last year the Department of Health made available to school divisions some \$450,000 for the purpose of being able to hire registered nurses for schools. From that pool of money, some quarter of a million dollars was utilized for the hiring of registered nurses in schools. So there should be no need for teachers to be assuming registered nurses' duties, given that funding for the hiring of nurses through Health was made available.

Ms. Friesen: My supplementary is to the Minister of Health. Could I ask the minister to tell us how it is that school nursing services in the city of Winnipeg have deteriorated to such a serious extent when this government, this minister, the previous minister, possibly even the minister before that has made commitment after commitment to the Postl report and to community-based nursing services, beginning in the schools?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I would reject the member's accusation that school nursing services provided through the Ministry of Health in any way or form have declined. There have obviously been increases in need in some areas, shifts in need, and those we are hoping to accommodate through our regional health authorities, but I do reject her comment that there has been some massive decline in service.

Ms. Friesen: Madam Speaker, the supplemental, also to the Minister of Health.

Would the minister make a commitment in the agreement that is being reached now between the City of Winnipeg Health Services and the Long Term Health Care Authority that public health nurses will be returned to the schools and that they will form the basis for medical services which will focus on the child?

Mr. Praznik: Madam Speaker, we would expect that, in an appropriate fashion, the Winnipeg Long Term Care Authority, as well as rural regional health

authorities, will use the schools, where appropriate, to provide for services. If the member is asking that there be in each school a public health nurse there full time, that may not be necessarily the most efficient way to deliver those services. So I cannot make that commitment to her today, but certainly, where it is appropriate, that is part of the expectation of delivery of service by regional health authorities.

Sayisi Dene TLE Framework Agreement

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, my questions are for the Minister of Northern Affairs.

Last month the minister refused to support the substantive parts of Resolution 30, the Sayisi Dene Relocation, stating that rather than asking the federal government to reopen negotiations, he is hopeful that the federal government will, on its own, agree to accept TLE within the territory of Nunavut.

My question is simply this: given that the federal government immediately, following the signing of the TLE agreement in principle on May 31, 1996, reversed its position and said that it would accept TLE lands outside Manitoba, why does this minister continue to argue the contrary?

Hon. David Newman (Minister responsible for Northern and Native Affairs): Madam Speaker, I, of course, cannot and will not defend the federal government's position on this. The federal government's position is, frankly, unacceptable.

The position that was taken in relation to the negotiating of the treaty resulting in Nunavut having terms in the agreement for their future which did not include the Dene people and their traditional hunting grounds has caused a dilemma, a dilemma which they can solve.

My understanding is that a process is underway between the Sayisi Dene and the Dene people in the existing Northwest Territories to try and come up with a solution co-operatively with the emerging leadership of Nunavut and the federal government, and hopefully this will bring about a success. We are certainly on their side.

Mr. Jennissen: Madam Speaker, given that the Sayisi Dene will be voting on the TLE framework agreement next month, what efforts has this minister made to pressure the federal government to live up to its obligation, and could he table any such correspondence?

Mr. Newman: Madam Speaker, I had a meeting face to face with the federal Minister responsible for Native and Northern Affairs, Jane Stewart, in my office and not only raised the issue but presented a document outlining our concern about this issue. That has been a matter which has been a responsibility of the federal government to address through her since that time and no doubt before I ever had that face-to-face meeting.

Children First Report Government Response

Mr. Eric Robinson (Rupert's Land): Madam Speaker, last week Manitobans were angry over the revelations concerning how many children this government was warehousing in hotels due to cuts in foster care, cuts to welfare, amongst other cuts to supports for low-income parents and students. Apparently, in Saskatchewan they have kept their supports in place and just half the number of kids are in care, so it has no children living in hotels in that province.

I would like to ask the Minister of Family Services what the response of this government has been with respect to the 1993 report of the First Nations Child and Family Task Force entitled Children First: Our Responsibility.

Hon. Bonnie Mitchelson (Minister of Family Services): I thank my honourable friend for that question. That report was commissioned by our government, and the recommendations that were in the report, I believe, and other reports that have come forward have recommended that we should be looking at the issue of an aboriginal agency or some way to better serve aboriginal children within the city of Winnipeg.

Madam Speaker, I have had discussions with the federal minister because, in the absence of federal legislation around child welfare, I, as the minister in Manitoba responsible for The Child and Family

Services Act, have responsibility for all children throughout the province, although we do mandate agencies. The agency that is mandated in the city of Winnipeg is the Winnipeg Child and Family Services agency. But obviously we are seeing high numbers of aboriginal children within the city of Winnipeg's jurisdiction, and we are not doing a very good job of trying to deal with the issues of those children.

So, Madam Speaker, I have put in place a process where we have invited the AMC, the Manitoba Metis Federation, the Social Planning Council, the Aboriginal Council of Winnipeg and the Winnipeg agency together to try to find ways of resolving the issues and provide better services to children.

Madam Speaker: Time for Orai Questions has expired.

* (1420)

Speaker's Ruling

Madam Speaker: I have a ruling for the House.

The honourable member for St. Johns (Mr. Mackintosh) on May 12 rose on a matter of privilege asserting that the Minister of Justice (Mr. Toews) had deliberately misled the House because of the inconsistencies in the minister's versions of events regarding the appointment of judges to the Provincial Court of Manitoba and moved that the matter be referred to the Standing Committee on Privileges and Elections.

I wish to thank the honourable member for St. Johns, the government House leader, the opposition House leader, the Minister of Justice and the honourable member for Inkster (Mr. Lamoureux) for their advice to the Chair on the matter of privilege.

The two tests for a matter of privilege are: one, was the matter raised at the earliest opportunity, and two, is there sufficient evidence that the privileges of the House have been breached to warrant putting the matter to the House.

With respect to the first test, the honourable member did raise his matter at the earliest opportunity. With

respect to whether the member has made a prima facie case, I would refer members to precedents established by rulings of Speakers Walding, Phillips and Rocan, as I did on March 13 of this year when ruling on another matter of privilege. These rulings clearly indicated that a deliberate misleading of the House involves an intent to mislead and/or knowledge that the statement would mislead. Perhaps more importantly, Speakers Walding, Phillips and Rocan have ruled that when one member charges that another member has deliberately misled the House, the member making the charge must furnish proof of intent.

Parliamentary Privilege in Canada by Joseph Maingot sustains this opinion. On page 234 he states that an admission that a member of the House was intentionally misled and a direct relationship between the misleading information and a proceeding in parliament would be necessary to establish a prima facie case of a matter of privilege.

I wish to say at this point that, short of a member acknowledging to the House that she or he deliberately and with intent set out to mislead, it is virtually impossible to prove that a member deliberately misled the House.

In reading the Hansard, I would agree, as the member for St. Johns phrased it, there was "a series of inconsistencies" in the statements of the Minister of Justice between May 7 and May 11. However, that is not sufficient to establish a prima facie case of privilege. Speaker Rocan on June 19, 1991, was very clear on this matter when ruling on two different matters of privilege. In the first instance a minister had asserted one set of facts in Committee of Supply but made a contradictory statement later during Question Period, and in the second instance a statement in Supply was later repudiated in a press release.

To paraphrase from one of those rulings: while the minister may well have contradicted himself, the member for St. Johns has not furnished proof that the minister deliberately set out to mislead the House. Although the member for St. Johns may have a grievance or a complaint against the minister, I must rule that he has not established a prima facie case of privilege and rule his motion out of order.

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, with regret, since we certainly agree with much of the text of the ruling, we do challenge your ruling that it is not a prima facie case.

Voice Vote

Madam Speaker: The ruling of the Chair has been challenged. All those in favour of sustaining the ruling of the Chair, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

* (1430)

Formal Vote

Mr. Ashton: Yeas and nays, Madam Speaker.

Madam Speaker: A recorded vote has been requested. Call in the members.

Order, please. The motion before the House is shall the ruling of the Chair be sustained.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Cummings, Derkach, Driedger (Charleswood), Driedger (Steinbach), Dyck, Enns, Faurschou, Filmon, Findlay, Gilleshammer, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Penner, Pitura, Provenk, Radcliffe, Reimer, Render, Stefanson, Sveinson, Toews, Tweed.

Nays

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Evans (Brandon East), Friesen, Jennissen, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Mr. Clerk (William Remnant): Yeas 26, Nays 20.

Madam Speaker: The ruling of the Chair is accordingly sustained.

Mr. Neil Gaudry (St. Boniface): Madam Speaker, I was paired with the member for Gladstone (Mr. Rocan). If I had voted, I would have voted to sustain the ruling of the Chair.

MEMBERS' STATEMENTS

Back 40 Folk Festival

Mr. Peter Dyck (Pembina): This past weekend I had the pleasure of attending the 9th Annual Back 40 Folk Festival in the town of Morden. The festival is a nonprofit organization whose primary purpose is to educate the Morden and Winkler area about folk music by exposing residents to folk music. Folk music is an enjoyable pursuit that conveys a healthy message for the community and family life, and to that end the festival aims to keep homemade music alive throughout the Pembina area.

During the all-day event, people were treated with the blues, a touch of Latino, a taste of Celtic, an immersion in Mennonite Circle Games and songwriters' workshops, just to name a few. An event such as the Back 40 Folk Festival does not occur without a committed core of volunteers and generous sponsors. I would therefore like to voice my congratulations to the board of directors and in particular its chair, Mr. Dave Stobbe, for their efforts in presenting another successful event.

I am especially pleased that our government, through the Department of Culture, Heritage and Citizenship, is a proud sponsor of this ongoing festival. As well, many local businesses or organizations, including the Town of Morden, Morden Lions Club, Leisure Travel Vans and Triple E Canada, support the festival and make it possible. With the 10th anniversary already in the works, I encourage all my honourable colleagues to come out to the Pembina constituency next June and see a sampling of true rural hospitality and music. Thank you, Madam Speaker.

Education System

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, while edicts from the Minister of Education (Mrs. McIntosh) are becoming more and more

commonplace, who apparently knows better than teachers, principals, superintendents and school boards, yesterday alone I raised the issue of the latest edict from the Department of Education, stating that school divisions and teachers are going to be required to expend \$40 of their \$50 for textbook materials from the Manitoba Textbook Bureau. This is only the last of a series of edicts, even though in this circumstance ordering from the Textbook Bureau at this time is more expensive, provides less flexibility and eventually means fewer classroom materials for students.

This heavy-handed approach has been seen in several different issues. God Save the Queen recently was the first of a series of edicts, completely out of touch of what is the reality in Manitoba schools. Number two, the Minister of Education feels that she knows more about discipline than principals when she issued an edict saying that Chris Millar needed to be made an example of. Number three, there is the exam scam in which we had a whole series of exams pronounced by the minister, and meanwhile teachers, principals, superintendents and school boards urged the minister to reconsider. It was not until much later that she actually did that.

Finally, we have the textbook scenario, which is a final example of another edict from the minister. The question is: is the minister finally going to learn to listen to those educators, those teachers and school boards, who perhaps know better than the Minister of Education? Save them some grief, Madam Speaker, consult first before you issue your edicts. That is our message to the Minister of Education.

Finally, one further question that Manitobans have is why the Minister of Education appears to have no respect for those educators, those trustees, superintendents, principals and teachers who she appears to have little respect and no time for. Thank you, Madam Speaker.

St. Norbert Foundation

Mr. Marcel Laurendeau (St. Norbert): Madam Speaker, it is a pleasure to rise in this House today and pay recognition to yet another step our government has taken in support—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Laurendeau: Let me start again, Madam Speaker. It is a pleasure to rise in this House today and pay recognition to yet another step our government has taken in support of young Manitobans challenged with addiction. This morning I had the pleasure of participating, along with my colleagues the Minister of Health (Mr. Praznik) and the Minister of Family Service (Mrs. Mitchelson), in an announcement at the St. Norbert Foundation that establishes a residential treatment facility to help young solvent abusers aged 16 to 26 with priority placement for pregnant women. This commitment our government has made of \$1.2 million to this program is another example of our dedication to ensuring all Manitobans are able to fully participate and benefit from the success of our province's experience on so many levels.

The St. Norbert Foundation has been an important part of my community for the past 25 years and has demonstrated the values that St. Norbert has become known for. The foundation, through its board of directors and its executive director, has proven its ability to assist Manitobans with a variety of challenges and has benefited our community. Today's announcement will mean that 20 beds will be available for solvent abusers and an additional 10 will be available for dependent children. Individuals will be given the vocational, intellectual, and communicative skills that are needed to succeed in society and will receive important parenting skills without having the family unit interrupted.

This morning, after the announcement, I had the opportunity to talk to one of the participants in the foundation program, and he spoke of how the facility was giving him renewed self-confidence and the skills to lead a fulfilling life. He told me that he was learning important parenting skills, skills such as emotional support that would ensure his children had a head start in life. This is just one story, and there are many more similar stories from those who are currently involved in the foundation and those who have been in the past. It is for that reason that I continue to be proud of the work of the St. Norbert Foundation, and I am particularly proud that our government has been able to work in partnership with the foundation for the betterment of Manitoba and all Manitobans.

Employment Creation

Mr. Leonard Evans (Brandon East): Madam Speaker, it is rather amusing to listen to members opposite from time to time take credit for the economic situation in the province of Manitoba. Indeed, they delude themselves about the causes of any economic expansion that we do appreciate in this province, assuming that their fiscal policy is some sort of critical factor in it. But this is not the case. In fact, there are some very major reasons why economic trends are what they are. But I want to ask members opposite, if the situation in Manitoba is so good, why are we nine out of 10 in job creation this year in Canada? The first five months, January to May of this year, we are second from the bottom, low man on the totem pole, and our rate of job creation was 1.1 percent so far this year, whereas Canada's was 3.0. Canada has three times the rate of job creation than Manitoba, and even in our sister province of Saskatchewan, the job creation was double what we have had in Manitoba, 2.4 percent compared to 1.1.

So the government should be concerned about this relatively weak employment growth that we have. They should be concerned about outward migration. They should be concerned about lagging real wages, and they should get real and realize that whatever economic growth we do have is a result of low interest rates on the one hand and a buoyant American economy on the other, which has a very positive impact on our exports, and thirdly, a relatively cheap Canadian dollar. Those are the real economic factors, not the fiscal policies of this government, Madam Speaker.

* (1440)

School Divisions—Amalgamations

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I just want to continue on from my question from earlier today. I think the Minister of Education (Mrs. McIntosh) intentionally ignores, I believe, what is a very important issue. The government is actually very firm in its position that all amalgamations of school divisions will be done on a volunteer basis. So, in essence, what we have is the government of the day saying that we will allow school divisions to grow, but we will not allow school divisions to get smaller. I

think that does provide two levels of service, completely different, and I do not believe that it is fair. I have always been an advocate of reviewing the school divisions. I believe that the overall reduction is in fact necessary, but I also believe, as I made presentation to the Norrie commission, that you cannot have it both ways.

I believe that the government is, in fact, doing a disservice to a great number of Manitobans by not taking any sort of a stand or demonstrating any leadership on the whole way in which we administer education, public education in the province of Manitoba. As a result of that lack of leadership, what we see is many different inequities throughout the school divisions. It is unfortunate, because this is a government that has been now in power for the last decade, and still, unfortunately, chooses to show no leadership in addressing this very important issue which, unfortunately, will likely not get resolved in the near future because of the unwillingness of this government to recognize the need for change in that area. Thank you.

Committee Changes

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, I move, seconded by the honourable member for Charleswood (Mrs. Driedger), that the composition of the Standing Committee on Public Utilities and Natural Resources for Tuesday, June 9, 1998, at 10 a.m. be amended as follows: the honourable member for Turtle Mountain (Mr. Tweed) for the honourable member for La Verendrye (Mr. Sveinson).

This change had been moved in the standing committee this morning, by leave, and is now being moved so that the records in the House will be accurately reflected.

Motion agreed to.

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, on the expectation that a number of bills might be passed today at second reading, I would

like to announce that on Thursday, June 11, 1998, at ten o'clock in the forenoon, the Standing Committee on Law Amendments will sit to consider bills referred to it. This particular announcement would require the leave of the House because, as you know, the House will be sitting Thursday morning.

Madam Speaker: Is there leave of the House to permit the Standing Committee on Law Amendments to sit concurrently with the Chamber on Thursday, June 11, at 10 a.m., to consider bills referred? [agreed]

Mr. McCrae: That is on the expectation, as I say, that some bills will receive second reading today.

It is also expected that on Thursday morning we will have two private members' hours to deal with matters on the Order Paper for that day.

It is expected that Wednesday, tomorrow, we would spend the entire day, once we move to government orders, that we would deal with Estimates and waive private members' hour tomorrow.

For today, well, we just do not know, Madam Speaker, what we are going to do with respect to private members' hour, but we will see what kind of progress we make. It may be that at five o'clock we will ask members not to see the clock—or not, depending on what kind of progress we have made with respect to bills.

An Honourable Member: That is kind of wishy-washy, is it not?

Mr. McCrae: Well, I thought it was a bit that way, too. When we are wishy-washy like this, we are reminded by the member for Inkster (Mr. Lamoureux) that we—[interjection]

Madam Speaker, would you be so kind as to call Bills 22, 24, 37, 41, 19, 44, 36 and then the bills in the order we see them on the Order Paper?

Would there be agreement to waive private members' hour tomorrow, Wednesday?

Madam Speaker: Is there agreement to waive private members' hour tomorrow, Wednesday? [agreed]

DEBATE ON SECOND READINGS

Bill 22—The Veterinary Services Amendment Act

Madam Speaker: To resume adjourned debate on second readings, on the proposed motion of the honourable Minister of Agriculture (Mr. Enns), Bill 22 (The Veterinary Services Amendment Act; Loi modifiant la Loi sur les soins vétérinaires), standing in the name of the honourable member for Burrows (Mr. Martindale).

Is there leave to permit the bill to remain standing? No? Leave has been denied.

Ms. Rosann Wowchuk (Swan River): Madam Speaker, the vet services amendment bill, as the minister indicated in his comments, is not a very lengthy bill or one of very much substance. It is one that is just going to make a few changes to the act that has been in place for some time.

The one change that it does make, Madam Speaker, is it allows for the dissolution of vet services districts that have come to a point where they are no longer in existence, and in the present situation there is not the ability to dissolve these vet services districts. I guess when the legislation was first brought in, it was anticipated that there would be a continuance of vet services districts for a long period of time, and there was no need to think about this continuance of them. But we have seen a change in the climate, in the environment in rural Manitoba. When I checked with people in the department as to what was happening, they said that there was an increase in private vets in some areas, and in other areas there just was not, and there have not been that many services districts that have been dissolved.

* (1450)

But we have seen a difference in the kinds of services that are provided in rural Manitoba under this government. Over the past few years, we saw services that were once provided by the Department of Agriculture that are now privatized and a move over to private services.

But I want to say, Madam Speaker, that the livestock industry is a very important industry in rural Manitoba, whether it be cattle or horses or hogs or poultry. They play a very important part in the economy of rural Manitoba, and there is definitely a need to have veterinarian services provided to the farming community.

As I said, Madam Speaker, the area that we have seen a difference in is we have heard people saying there are less services or it is more difficult to get services, particularly in the calving season. There used to be much more willingness on the part of veterinarians to go out to farms to provide services. Now it is required more on the part of the farmer to bring his animals to the vet clinic or to the veterinarian to have services provided. So there are some differences in the services that are provided, but when I first saw the bill and I saw the move to discontinue vet service districts, I was a little bit concerned that this was a move to see more of them dismantled. I would hope that they would not be dismantled.

The bill also provides for immunity so that no proceedings can be brought against members of the board for actions done in good faith, Madam Speaker, and that is a good clause. People volunteer their time to serve on these boards. They should have the protection that other boards do have to ensure that they do not end up with lawsuits on their hands when they are actually doing volunteer work.

The bill also allows for municipalities to get back any expenditures that they put in place for out of pocket when the district was being set up, such as capital, such as property and other services, or it could be a building that the municipality has set up. Virtually the bill gives way to distribute and dispose of the assets in an orderly fashion. It also puts in place an appeal board to hear appeals that may be made against decisions with regard to vet services boards, Madam Speaker.

It is a bill that I am disappointed that vet districts are being discontinued, but that is the way things evolve sometimes in the rural community. As we move over to more of a private system and government vets have to set up their own practices in the rural communities, there is not any further need for the districts. So this bill will allow for this to happen in an orderly fashion,

and we are prepared to support the bill and allow it to go to committee.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, just very briefly, Bill 22, from what we understand, this act has not been changed for some time now, but the recent closure of a veterinary district exposed areas where the act was lacking in terms of facilitating that closure. The bill aims to improve regulation of a veterinary practice, which is something that perhaps could have been done somewhat sooner, given the rapid expansion of the livestock industry in the province of Manitoba, something in which I know the current Minister of Agriculture (Mr. Enns) takes a great deal of pride, particularly with the hog industry, where we have seen just tremendous, tremendous growth. Hopefully, this will do some assisting in the latter parts of the comment that I just made. Thank you.

Madam Speaker: Is the House ready for the question? The question before the House is second reading, Bill 22. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed. Agreed and so ordered.

Bill 24—The Crop Insurance Amendment Act

Madam Speaker: To resume adjourned debate on second reading on the proposed motion of the honourable Minister of Agriculture (Mr. Enns), Bill 24, The Crop Insurance Amendment Act (Loi modifiant la Loi sur l'assurance-récolte), 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. Rosann Wowchuk (Swan River): Madam Speaker, I am pleased to rise and speak on this bill today to speak about Manitoba Crop Insurance. Manitoba Crop Insurance is a very, very important tool used by farmers across the province. We just saw in the last week or so how important it was when we had the untimely frost that hit many, many farmers and put

tremendous amount of pressure on them. Whether it be frost or flooding or drought or hail, those acts of God, Mother Nature showing its strength, create a burden for farmers, but the burden is much lessened by a very good program that we have and that we have had for many years in Manitoba, and that is the Manitoba Crop Insurance program.

This program pays out large amounts of money to farmers during times of disaster. Of course, farmers have the option of whether they choose to go into the program or not, and over the past few years, we have seen an increase in the number of farmers who are participating. One of the reasons that has happened is because we now have Enhanced Crop Insurance, which is a program which was brought in as a result of additional money coming in from the federal government. The provincial government had the ability to enhance crop insurance and offer a 50 percent coverage to farmers without any charge other than the administration fee of the program. So we have seen an increase.

That is certainly an improvement to crop insurance, but it is the kind of program that we always have to be looking at, and looking at ways to improve the program. As I listen to farmers speak about this program, an issue that has come up many times is, not only in crop insurance, but how we can get better coverage. The input costs are much higher than they ever used to be. Costs of producing this food for the rest of the world put a tremendous burden on farmers, on their pay cheque or their return for their product. We have to look at ways that we can continually review the program to ensure that there is the best possible coverage that we can have for farmers. As crops evolve, as we change things, we have to always be looking to add in additional crops.

Crop Insurance also administers other programs, the safety net programs, and it is timely that we should be talking about safety nets at this time, given that the program is negotiated between the federal and provincial government and they are up for negotiations. We had this discussion the other day, a short discussion when we were in Estimates. I conveyed to the minister how important it is that we have the best possible safety nets that we can and, as these negotiations go on, that we ensure that the safety nets that we have are based on

risk rather than on the value of the product that is being produced as is being proposed by other governments. We know that here in western Canada and here in Manitoba we face much, much greater risks than do people in the West, in Ontario or in British Columbia. The Prairies are an important part to the economy. We grow a lot of crops here, but also the farmers who work in this area have a great amount of risk.

* (1500)

The bill, Madam Speaker, allows for the sale of data collected by Manitoba Crop Insurance. Manitoba Crop Insurance collects data on various crops and a lot of agriculture material, and, as I understand it, they have been able to sell this information from time to time and use it as a revenue source. This legislation will legitimize the sale of the information through Crop Insurance that has been taking place up till now. Certainly we have no problem with that section of the bill.

Madam Speaker, the section of the bill that we do have concern with—and we have not had very much time to discuss this in Agriculture Estimates. That is one of the mistakes you make when you allow the department to go later rather than earlier. I think it is a lesson that I will learn if I have any choice in it. Next year, I will be sure that Agriculture Estimates are early up on the list so that we can have the time that Agriculture really deserves, because, as it looks right now, the Agriculture Estimates are going to be squeezed very greatly and will result in us not having the opportunity to discuss in much detail many of the concerns and issues that are facing the agriculture community. However, I know that we have concurrence, and perhaps at that time we can raise more of those issues.

But the issue that I have concerns with, Madam Speaker, and that we have discussed in our caucus, is the section to deal with reinsurance. The bill gives the ability to charge interest on loans and set private reinsurance for the corporation. This could have implications. What we are concerned about is two things. I am concerned as to why the minister is looking at reinsurance, this issue right now. As I understand it, Manitoba has just signed a five-year deal with the federal government, and the federal

government will provide reinsurance. There is no big rush to proceed with this. I believe that, if you are moving on this, it is going to give the federal government a signal that you are prepared to move to private insurance. I really feel very strongly that the federal government has a responsibility to agriculture. They have certainly been renegeing on that responsibility.

We have seen over the last couple of budgets that there has been very little mention of agriculture within the federal budget or throne speech. There is less and less of a commitment. When we make this kind of move, saying we are getting ready just in case the federal government wants to get out of reinsurance, then the provincial government is sending the signal to the federal government saying they are quite prepared to let them get out of this responsibility. I am not quite sure why the government would bring forward an amendment that will now allow for reinsurance with the government of Canada, the government of Manitoba, the government of any other jurisdiction, any person, whether or not that government or person in Manitoba is insured under the act. The current act allows for the advancement of funds to the corporation without legislative authority for the building of capital on an interest free loan. This amendment will allow for the charging on interest of loans.

So, Madam Speaker, there is a concern as to why the government would want to then open the door up. Is the government now saying that they want to allow for insurance to go out into the private sector? If this is the case, if we start to reinsure in another area, what is going to be the impact on producers? Producers now say the price they have to pay for insurance is high. When you look at their bottom line, where the return for the product that they are getting, after you take into consideration all the input costs, farmers are operating on a very, very narrow margin. They cannot afford to have additional costs, and they cannot afford to be without insurance. So I would have to tell the minister that we have serious concerns.

We will talk about this in greater detail, I hope, when we get back into Agriculture Estimates as to why the government is seeking the ability to reinsure from agencies other than the provincial or federal government, and why the government is proposing to

charge loans to the corporation from the reinsurance agency, from bearing interest to becoming interest bearing or noninterest bearing.

So, Madam Speaker, there are areas that we do have concerns with. We do not support the government on the concept of reinsuring. We have talked to the various farm organizations. We have talked to the National Farmers Union. They have expressed the concern of the possibility of this change resulting in higher premiums for recovery of interest charges on loans from the government. Keystone Agricultural Producers has also expressed a concern. It feels that the federal government is pulling out, and the provinces have not got the capacity to cover reinsurance by themselves, so they will then have to go to the private sector to have this reinsurance.

I have to say, Madam Speaker, that when we talked to the Saskatchewan government, they said that they could not see any reason for moving into the private sector for reinsurance, because of the five-year agreements that they now have. There are five-year agreements. Manitoba has a five-year agreement with the federal government. Saskatchewan has a five-year agreement with the federal government, and, they again said that they do not see any reason to expand the reinsurance into the private market. Again, getting into the private reinsurance is only going to raise the premiums.

The other concern is that Crop Insurance has been considered a green program under the international trade markets, so then why do you want to change it? If it is not considered that it is a subsidy in any way, why would you want to change it over? As I say, Madam Speaker, we have concerns. We have no problem with the section of the bill that is allowing for the sale of information the Manitoba Crop Insurance collects, the data that they collect. We have no problem with that. We have a serious concern with the decision of the province—that part of the bill that will allow Manitoba Crop Insurance again to move into the private sector when there are agreements in place. In my opinion, what this bill does is open the door for the federal government to back out of their responsibilities for reinsurance in Manitoba prematurely. There is, and I think, with all the pressures that we have on the farming community right now, we do not need

additional costs or we do not need to bring forward the risk by bringing reinsurance to the private sector which will result in higher premiums for the producers and will allow for the federal government to get out of their responsibility with regard to the farming community.

I mentioned earlier that crop insurance, as it is right now, is considered to be acceptable on the national trade agreements. I think, with those comments, I will leave that one and perhaps when we get into the Agriculture Estimates or when we get to committee on this bill, those concerns that we have, if the minister has an explanation for them, he can bring them forward to us at that time, but just as with other bills, we checked with the farming community and the farming community has concerns with what the impacts of this bill will be on farmers, that indeed, if we go to the private sector that there are going to be increased costs and really the province should be lobbying the federal government as hard as they can to live up to their responsibility to the farming community rather than allowing them an opportunity to renege further on them.

Thank you, Madam Speaker.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, you know, in listening to the member for Swan River, I think there is a lot of merit to what it is that she is saying which the government should be making note of. I believe that the public is or many Manitoba farmers recognize the need for involvement of insurance programs that are sponsored through government and one always has to be somewhat concerned when we see changes that could ultimately have a negative impact on the way in which we cover insurances.

* (1510)

Having said that, suffice to say that this bill concerning crop insurance deals with the Manitoba Crop Insurance Corporation and how it operates. There are a handful of housekeeping clauses from what I understand. In particular, there is one part that deals with the concerns to the sale of MCIC data. Over the years, MCIC has become more sophisticated in gathering information of particular plants in agricultural production. Some of this information is quite desirable and has been in many cases sold off in some instances. From what I understand, the amendments will acknowledge what has actually been taking place and

will allow for the corporation to do so then for its own benefit. Thank you.

Madam Speaker: The honourable Minister of Agriculture, to close debate.

Hon. Harry Enns (Minister of Agriculture): Just a few comments in closing debate on the bill at second reading at this point in time. I appreciate the comments from both sides of the House on this issue and will look forward to having the honourable members, particularly from Swan River, have an opportunity to debate some of these issues with Crop Insurance officials when second reading of this bill is before us. I intend to have somebody there for second reading because some of these issues should be abundantly clear. We certainly do not want to do anything that would allow, will even give the perception of allowing Ottawa to back away from its current level of contribution to crop insurance. It is the one program that has, over the course of years, maintained a steady 60-40, roughly, contribution, 60 percent Ottawa, 40 percent the province, and despite the fact that the overall safety net support program provided by Ottawa has been decreased from a maximum of \$860 million to some \$600 million—a very significant decrease.

I appreciate, Madam Speaker, that because of the priorities of everybody and their attention span, everybody focuses on the cutbacks that have occurred in social services, in health, education, but agriculture has taken an unprecedented—I say this to my friend from Inkster—reduction from Ottawa; the elimination of the Crow alone, over \$700 million. [interjection] That has now run out. It was a three-year cushioning package just to make the drop a little easier to take, but the fact of the matter is it was just about enshrined as part of the Canadian Constitution, if you like, a part of Confederation. Ever since this part of the Prairies started growing grain, we had a set price, a freight price, to move the grain. [interjection] I agree with you. That is another issue, but I am just talking about Ottawa's reduction. Also, as honourable members are aware and I want to alert them to it, Ottawa is backing away from some other very significant and worrisome areas, meat inspection, health and food inspection and things like that, this coming at a time when Canadians, Manitobans, legitimately should be and are concerned about what we eat.

We are concerned about how our processors handle them. We are concerned about how they are handled in the retail trade. We are concerned about how they leave the farm gate. Do they leave them as healthy animals, or are they injected with antibiotics and other medicines just to keep them well enough to get them on a truck and ship them and the likes of this? I note my good friend the honourable member for LaVerendrye (Mr. Sveinson) understands all this because he, of course, has been in the meat inspection business prior to him coming into this Chamber, so he makes a valuable contribution on this subject, and I encourage him to indicate this on some indications that we have on this bill.

However, having said all that, allow me, Madam Speaker—it is within the rules. It is because of my modest nature that I seldom blow the horn of my government or of myself, but despite the fact that we have lost the Crow, despite the fact that we have lost the Canadian Wheat Board freight-pooling arrangement at the St. Lawrence Seaway which has equally a big impact on our grain moving east, Manitoba, during the period of our stewardship, 1988 to '97, increased its overall cash receipts by some 45 percent. That is when the Canadian average across Canada was 32 percent.

More importantly, again, because of the loss of the Crow—and this is why the member for Inkster (Mr. Lamoureux) intuitively says it is partly good too, and it is because what it has done, it has enabled us to ship more value-added goods. During the same period of time, we increased our share of Canadian agriculture's overall production from 9 percent to 10.2 percent. That is significant when you consider the big provinces like Quebec or Ontario or all the Maritimes, of course. They had no impact of the Crow. It was only on the three western provinces, really, where the impact of the loss of the Crow applies and to Manitoba specifically.

So I input that interesting little bit of information on the record because it is agriculture innovation we are talking about, an agriculture matter. I appreciate the comments of honourable members and look forward to a good discussion on this when we arrive at committee.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 24, The Crop Insurance Amendment Act.

Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

Bill 37—The Farm Machinery and Equipment and Consequential Amendments Act

Madam Speaker: To resume adjourned debate on Bill 37, on the proposed motion of the honourable Minister of Agriculture (Mr. Enns), The Farm Machinery and Equipment and Consequential Amendments Act (Loi sur les machines et le matériel agricoles et modifications corrélatives), 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. Rosann Wowchuk (Swan River): It gives me pleasure to speak on another bill. You know, we were just talking earlier about not having enough time to speak on agriculture, and now we concentrate it all in one day. We should be spreading this out over a few days to give people more opportunity to hear the challenges that farmers face but also the great values of the agriculture industry.

Before I speak specifically on the bill, I want to say to the minister that we were talking about the impacts of changes, and there has been a tremendous impact that has resulted particularly on the prairie provinces because of changes made to federal programs, whether it be the Crow or the pooling. The honourable member for Inkster (Mr. Lamoureux) has indicated from his seat, and I will quote: but it is going to be better for Manitobans eventually in the long term.

* (1520)

Maybe it will but in the short term. First of all, we have to recognize that it was a huge renege of responsibility on the part of the federal government when they chose only to put in transition money for three years. They were backing off on a big commitment and a big responsibility to agriculture. In

time things are going to change, but, in the next year or two, things are going to be very difficult for farmers because there is not going to be any more transition money. It is just going to be the return from the production. The minister indicates that cash receipts are up. Cash receipts are up in some areas, but the bottom line for farmers with additional input costs, additional transportation costs, all of that has put some farmers in a very, very difficult position. I do not believe that farmers are better off now than they were as the transition comes through. Farmers change to different crops and production, which they will have to do, because they can no longer afford to ship grain to foreign markets with the low grain prices that we have and with the price of freight where it is. We also have to recognize that we are never going to use all of our grain in this process at all. We are going to have to ship some to foreign markets, and there is going to be those challenges there as well.

We are a grain producing area and we will shift over, but there are still going to be people who will grow grain, and that is going to be a real challenge. They can convert to different crops such as canola and beans and other products. Anybody that knows farming knows that you also have to have a rotation, and every few years you are going to be growing crops that are not bringing a very great return to the producer, but he still has to have some of those as part of the rotation.

Madam Speaker, the bill we have before us now is The Farm Machinery and Equipment and Consequential Amendments Act. We are talking about how difficult it is for farmers at the present time and them not having very many safety nets. One of the things that farmers like to have—it is just like any other person that is in business that uses equipment—they like to have some warranty on their equipment. Manitoba farmers are presently lucky in this area because they have a two-year warranty. A two-year warranty is not that long when you consider that on machinery such as a combine, which is only used for a very short period of time during the harvest season, the warranty is not very long. Even on a tractor, when you are paying over \$100,000 on a tractor, a two-year warranty is not that long.

However, for some unknown reason, this Minister of Agriculture (Mr. Enns) has decided that he would listen

to, I guess, the farm machinery dealers and the manufacturers who are, I must say, probably in much better financial shape than many farmers are right now, and he has decided to change the level of warranty from two years to one year. Now, why are we doing this? To level the playing field with other provinces. Well, my goodness, Madam Speaker, can we not be the leader and stand up for farmers and say this is good for farmers and encourage the other provinces to stand up for their producers and have a better warranty and ensure that there is a two-year warranty instead of a one-year warranty?

The minister said that part of this has to do with cost, that the warranty is written right into the price of the machinery. Well, Madam Speaker, we all know that whether we are buying a car or a tractor or a combine, we all negotiate. It is the bottom line of what you pay for that piece of equipment that really is the true price, not the 1 percent or the 2 percent that is added on to the warranty and the sticker price. It is the actual price that you pay.

We have done some checking, Madam Speaker. There is this discussion that they are changing this so that, I guess, farm machinery dealers would not have to worry about people running across the border into Saskatchewan to buy a machine there because it is cheaper. Well, what we have found out is that there is no difference in price. The dealers know they want the business, and they are going to meet the price of the farmer. I am sure when you are buying a combine that is worth well over \$100,000, there is enough cushion in that price if the dealers can well afford to, and the manufacturers can well afford to, absorb that extra price.

I have to wonder why a machinery dealer would worry about a two-year warranty. My goodness, you would think that they would have enough faith in their equipment that they have developed and are putting up for sale that they would think that their equipment is of high enough quality that they could ensure that there was a two-year warranty there. So it is a real concern that we have with this piece of legislation that the Minister of Agriculture (Mr. Enns) should be listening to the farm dealers and rather than saying and bending to the pressures that I am sure have been put on him, rather than bending to those pressures, he would be

standing up for the farmers and ensuring that they have some guarantee and some warranty on the equipment that they are buying.

We all know that, of course, when you have a warranty, warranty does not cover all parts, but the basic parts of the equipment should be covered. There have been changes to the warranty so that now things like belts and hydraulic components, electrical parts, diesel pumps are not excluded from warranty, but other parts are excluded. That happens with every warranty. There are certain parts of the equipment that are not under warranty.

The other area that I raised earlier today in Question Period with the minister is the emergency repair parts. Now, the minister often tells us that he is a modest farmer, and I know he is a very modest man. I also know that the minister works with farm machinery, and he understands the pressure that comes on farmers whether it be at harvest time for a grain farmer, or seeding during the spring, or the milking season which is every day for a dairy producer. When a piece of equipment breaks down, it is vital that you have that piece of equipment as quickly as possible.

In the old legislation, there was a requirement that when there was an emergency—and a farmer just could not be calling the dealer up for some bolts or some minor parts to get them ordered to be considered an emergency. In our own situation where we are grain farmers, I share with you an example of two years ago when I am not sure what was happening, but we were combining canola. We were just having such a difficult time with parts breaking down for us, and we were able to call dealers after regular working hours. The dealers are very good. They are very prepared to provide you with those repairs, and they will go the extra mile. In our situation, we could not get the repairs for our combine in Swan River, but the dealer gave us the phone numbers. We ended up going as far as Ste. Rose for the repairs, but we needed them. It was harvest, and the dealers were very accommodating with us.

So I am not quite sure why the minister is prepared to change the legislation that previously said that emergency repair parts could be ordered from Monday to Saturday from 8 a.m. to 10 p.m., which gave you four extra hours at least during the day, but, under this

legislation, it means that you will only be able to order your repairs during normal hours.

Now, I know that there are farm machinery dealers who are still going to go that extra mile and provide farmers with the emergency service, but I do not know and I do not understand why the minister would change the legislation. The legislation has been working, and it did give farmers a bit of leverage. When someone did not want to go the extra mile, you could say, well, you had the act to fall back on. That was your insurance that you would be able to get those repairs as quickly as possible.

So I do not understand, again, why, when farmers are facing the tremendous challenges that they are right now with changing crops and diversifying into different livestock and other things that are going to require them to have different kinds of equipment and will require that they will continue to need emergency services, as I say, Madam Speaker, whether it is in the dairy industry or the livestock industry, cattle industry, any of them, and emergency repairs will be needed, I do not understand, again, why the minister has moved in this direction. There must be someone who is pressuring him to do this or encouraging him to do this, but it is certainly not from the farming community.

* (1530)

We have talked to various farm groups and, again, we have checked with Keystone Agricultural Producers, and they have expressed the same concerns that we have, that the changes that are being brought forward are not in the best interests of farmers. They do not believe that this is going to save them money, and nobody believes that by reducing the warranty from two years to one year that you are going to see a decrease in the price of the combine or the tractor you are buying. Anybody that believes that is—[interjection] Yes, that is right. You have got something to do. We could sell them quite a few things. It is not going to happen.

So, Madam Speaker, as we had talked about earlier, farmers are going through a transition time, a time when they will be requiring different types of equipment, times when they will be facing different challenges and working with new kinds of equipment,

and we would hope the machinery dealers would have enough faith in their equipment that they would be quite prepared to provide a two-year warranty.

This is certainly not a bill that we can support. I would ask the minister to reconsider what he is doing here and, perhaps, leave this bill for a later time. The bill can pass; the minister does not have to enact it. Maybe we can reconsider this and think about what is in the best interests of farmers, because I believe he has made a mistake on this one. Machinery dealers should be able to stand behind the product that they produce, and the minister, recognizing the importance of agriculture and the pressures that farmers are under, knows that getting repairs as quickly as possible is important.

There are other sections in the bill, but it is those two sections that are causing us enough concern that we cannot support this bill. I understand that there are presenters who will be speaking on this bill, making presentations in committee. We look forward to that and look forward to possibly hearing explanations from the minister as to at whose suggestion these amendments came forward. Thank you, Madam Speaker.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I did want to say a few words on this particular bill, a few words of very serious concern. [interjection] The member for St. Norbert says: support it 100 percent. Not, not.

I would look to the Minister of Agriculture (Mr. Enns), who has been here for a number of years, and even that goes back to Ed Schreyer's time when he was the Premier. The minister might recall that back then there was legislation that was brought in that changed warranties. Some of the comments, from what I understand back then, were that, look, you could get better warranty on a watch than you could for a tractor. That sort of stuff was coming out.

In second reading, Madam Speaker, again, I have not had the opportunity to go over Hansard in detail, but if I were to speculate, I would think that we probably had individuals like the Minister of Agriculture raising those concerns. If in fact he had, he would have been right. If he did not, I think maybe he overlooked it. But I would suggest to you that this is a piece of

legislation on the surface that does not appear to be very, let us say, farmer- and consumer-helpful. The minister has not convinced members of the Chamber, and I also believe others, that this legislation is, in fact, warranted.

Now, whether it was the opposition from this government when it was opposition to Mr. Schreyer, or it was the different interest groups. Then Mr. Schreyer made the changes, from what I understand, for third reading to take into consideration some of his misgivings from second reading.

Madam Speaker, I know that the Minister of Agriculture (Mr. Enns) is very open minded on issues of this nature. I might not necessarily be able to be there for the committee hearing itself, but I would like to see some sort of amendments brought forward to the legislation. When you talk about the reduction, for example, of the warranty to the hours of service that was posed to the Minister of Agriculture earlier today for emergency services, the impact on the surface is quite overwhelming. I think that there is a need for the Minister of Agriculture to indicate to the Chamber in terms of where it is that he is getting the amendments from.

You know, the minister often makes reference to the fact he listens very closely prior to bringing in legislation. Well, Madam Speaker, I am interested in knowing whom he might have been listening to with respect to some of these amendments. That could cause some concern, as they point to the member for Turtle Mountain (Mr. Tweed). Maybe the member for Turtle Mountain will stand up. Mind you, there might be somewhat of a conflict. I do not know. I would hope that the Minister of Agriculture broadened his consultation outside of the member for Turtle Mountain to at least include some of those consumer groups, such as the farmer. I think the farmer is very important. In the past, our Minister of Agriculture has talked about the importance of our farmer.

But, Madam Speaker, I did want to conclude, both the minister, in responding to the previous bill, and the member for Swan River made reference to the Crow rate. I really do believe that it is in our best interest that the Crow rate did disappear. I believe that the Minister of Agriculture is in concurrence with that. The

question then becomes one of compensation. Was the compensation adequate? That is something which, from a Manitoban's perspective, I would think that we would always be asking for additional compensation or more compensation. But that to the side, I would argue—and that is the reason why I said “in the long term”—that far too often, if you leave it up to those that pull the economic levers in eastern Canada and, to a certain degree, on the West Coast, Manitoba and Saskatchewan would be nothing more than a hinterland where we would not be allowed to have diversification.

An Honourable Member: Drawers of water and hewers of wood.

Mr. Lamoureux: The haulers of—drawers of water and doers of wood—

Some Honourable Members: Hewers.

Mr. Lamoureux: Hewers—make sure I am not mispronouncing that word, Madam Speaker—of wood. Hansard will ensure that proper pronunciation was there.

But the point is made, Madam Speaker, that being that the Crow rate, getting rid of the Crow rate, the national government should in fact be applauded for it, because, in the long term, the province of Manitoba and our agricultural sector in particular will benefit tremendously by that.

Having said that, I have expressed my concerns on this bill. I trust that the Minister of Agriculture (Mr. Enns) will give reconsideration to some of the concerns that have been brought forward, or, at the very least, articulate as to why—and I hope, I cannot commit to being at the Agriculture committee hearings on it, but I hope that the minister will deal with it. Thank you.

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, just a couple of comments in regard to the bill that is being presented before us today. I reference the member for Inkster's (Mr. Lamoureux) comments about a watch and the warranty that comes with it being longer than perhaps the \$15,000 car or \$200,000 tractor, but I guess my first question would be: when that person needs a warranty for his watch, he takes it to the dealer. The dealer repairs it. Who pays the

dealer? The manufacturer? That is how warranty works in most parts of Canada. If you buy a \$300,000 Porsche, the dealer is not responsible for the warranty that is put on that particular piece of machinery. It is the manufacturer that covers the warranty.

The warranty that we are talking about is an imposed warranty upon the dealer. It is not a warranty upon the manufacturers. The dealer who is selling and representing the manufacturer of that product is being held responsible for two years to maintain all the warranty and repairs necessary on that. I would suggest to you—the member for Inkster—that there are very few, and in fact after the debate is over I will ask him to maybe list some of them, because I know of none of them. Having had experience in the car business, having had experience in the implement business, having bought appliances, having bought furniture, the dealer is never responsible for the warranty. It is the manufacturer of the product that represents.

* (1540)

I can remember back in the late '70s, the car companies changed their warranties from a one-year, 12,000-mile, 20,000-kilometre warranty, to a seven-year, 115,000-kilometre warranty. They did not ask the dealers if that was what they wanted, because they were not imposing any extra costs upon the dealer. That was something that the manufacturers saw the consumer asking for and requiring, and they met those needs.

Several years later they changed it. They changed it back to a three-year, 60,000-kilometre warranty. And why? Because the consumer told the manufacturers that the costs of the additional warranty and the implications of the warranty were raising the costs of the vehicle to the consumer. Therefore, they said: give us a more comprehensive warranty for less of a period of time, and that is exactly what I see happening, in the sense that the dealers do not make the product that they are selling. They represent the product, and I think we are putting an unfair burden on them particularly again.

The member for Swan River (Ms. Wowchuk) brings it up. If the farmers in her area are going to Saskatchewan and buying implements, which they do, they are coming back with a one-year warranty. They

do not come back to Manitoba and get a two-year warranty.

So obviously they are seeing a price advantage in Saskatchewan to buy. I can tell you from experience that is exactly what happens, and dealers are worked back and forth on that system. I have lived it, so I know. I think the member for Swan River should talk to the dealers and find out how much it is impacting them, because it is impacting them greatly, particularly on the Saskatchewan border. We do not experience the same problems on the east side simply because we are not competing with an agriculture.

The member for Swan River mentioned in her statements, the dealers are doing well, the farmers are suffering. Well, I can tell you that that is not true. The correlation is, as the farmer does well, so does everybody in rural Manitoba, so does the grocery, so does the pharmacist, so does the petroleum dealer. Nobody benefits unless the farmer is doing well. I believe that, and I think the member believes that, even though she distorts her statement to think that the farm machinery dealers are coming to government and asking us to dictate down to a policy that would impose or put something onto the farmer that is not fair and equal across the entire western provinces.

When the member brings up the idea of labour or the idea of the hours, I questioned that too, because, again, as a provider of a service to a person, their hours are unlimited and unrestricted. I would suggest that, if you can find a dealer in rural Manitoba today that is still in existence, it is because they have been open and available every time the need has been there. Whether you put it in writing or put it in any kind of legislation, the hours that people work are going to be to accommodate the need.

Again, I question why they would have to even put a time frame on it, but if they are, in the instance of a small dealership who is employing people, he may say to that person: you work till six o'clock; I will be available, because I cannot afford to pay you to work till ten o'clock on call if it has been a rainy day and there are no calls. So I am suggesting to you that there may be something behind that. I am not sure, but all I know is any dealer I know in rural Manitoba today that exists in the farm equipment business does not exist

because they have taken advantage of farmers, does not exist because they have ignored the needs of farmers, and does not exist because they have neglected their duties. They are there because they have served exactly those reasons. They have been there when they have been needed. They have provided exemplary service. I think that, if you questioned your farm community, you would find that they would say that. They would defend the dealer as much as the dealer defends the farmer. I think that is something that we cannot ever forget.

I support the bill. I have been involved with The Farm Machinery Act at a personal level for years, and as a dealer I can tell you there have been certain impediments that I have seen in the legislation for years. I also know from talking to my constituents, my friends, farmers, agricultural people that they would agree too that there have been impediments in the legislation for them. I think what has happened is that we have listened to both sides and tried to come up with a reasonable resolve to some of the dilemmas that they saw. I would support the bill. I think there are going to be some suggestions of some changes. I think as always that the minister has been open and available. I congratulate him for his consultations, because I know he has met with a lot of different groups, so, with that, those are my comments.

Madam Speaker: Is the House ready for the question? The question before the House is third reading— [interjection] I am sorry.

The honourable Minister of Agriculture, to close debate.

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I want to assure the honourable members of the House that I understand we have at least upwards to half a dozen presentations to be made for this bill at committee stage, so there will obviously be a lively discussion on the bill. I will listen to the bill. Let me make it patently clear that this bill is designed to create a situation with respect to the servicing and the warranty of farm machinery that is the best possible for the farmers in Manitoba. This bill is not designed for the dealers of Manitoba. These changes are not designed for the manufacturers of the farm machinery, wherever they may be, worldwide. This bill is made to

make a sensible business relationship that farmers have when they are purchasing their farm machinery, which, in this day and age, can be in the hundreds of thousands of dollars and care needs to be taken.

The honourable member for Inkster (Mr. Lamoureux) reminds me of the time that this bill was put into place. I questioned the need for this bill, period. Of the millions of automobiles, and we all buy automobiles, there is not a scintilla of government regulation that tells any automobile dealer that they ought to have warranty. GM says it is good for GM. Ford says it is good for Ford. Chrysler says it is good for Ford. Do you think John Deere or Massey Harris or New Holland are any less intelligent? It is a classic example of government intruding where they need not intrude, quite frankly. Classic, but we have it. Our farmers are used to it. I prefer to modify it to some extent. I will listen, and if upon presentations reasonable suggestions for amendments are made, I will have no difficulty in accepting those amendments. But they will have to be demonstrable to me and to my colleagues that they are in fact in the interests of the farmers. Thank you, Madam Speaker.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 37, The Farm Machinery and Equipment and Consequential Amendments Act.

Is it the will of the House to adopt the motion?

Some Honourable Members: No.

Voice Vote

Madam Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

Ms. Wowchuk: On division, Madam Speaker.

Madam Speaker: On division.

* (1550)

Bill 41—The Life Leases and Consequential Amendments Act

Madam Speaker: To resume adjourned debate on the proposed motion of the honourable Minister of Consumer and Corporate Affairs (Mr. Radcliffe), Bill 41, The Life Leases and Consequential Amendments Act (Loi sur les baux viagers et modifications corrélatives), standing in the name of the honourable member for Flin Flon (Mr. Jennissen).

Is there leave to permit the bill to remain standing?

Some Honourable Members: No.

Madam Speaker: No? Leave has been denied.

Ms. Marianne Cerilli (Radisson): Madam Speaker, I am pleased that I can speak on Bill 41, The Life Leases and Consequential Amendments Act. It is a legislation that is very much needed in the province right now. There has been a year delay in this legislation since the government withdrew it from the last session. In that time period, there has been quite a bit of risk that members of the public, those involved in life-lease condos, have been operating under and living under. It is fortunate that during this time period there have not been any problems, because the new life-lease housing has been very much unregulated.

I was pleased that the Minister of Consumer and Corporate Affairs (Mr. Radcliffe) and his staff agreed to have a meeting with me to discuss the bill. At that time, the minister said that Manitoba is at the cutting edge on legislation regulations around life-lease condominiums, and that this is the first legislation perhaps on the continent. This is because this type of housing has become very popular in Manitoba, and actually Manitoba has been at the forefront in bringing on a number of these.

A number of the condominiums were built actually through the Seniors' RentalStart program. There were 15 to 20 buildings that were started under this program. Unfortunately, this government has discontinued the

Seniors' RentalStart programs, so properties now that are being developed for life-lease condominiums are having to do so otherwise without that kind of support. I think that is also making it a much more risky venture. It is risky for all the partners involved. It is risky for the tenants. It is risky for the service clubs or the corporation that is created to own and operate the life-lease condominium, and I guess in some ways it is risky for the lender or the bank and the trustee.

Because of the very nature of these life-lease condominiums, prospective tenants invest their own money. These are tenants that are usually 55 or over, seniors, and the money that they invest is used for the construction of the condominium. If the condominium is not completed, then that is one way that the prospective tenants can lose their money, and that is one thing that has been a problem. The seniors and people going into this kind of ventures have been at some risk of losing their initial investment. In some cases, it can be up to \$80,000 a shot that is being invested, so it is an incredibly large amount of money for your average Manitoban. This usually occurs because seniors sell their home that they have lived in all their life. They probably owned that outright, and then they have a large amount of money that they can put in to act as the initial down payment in equity going into the construction of these condominiums. In some ways then, the seniors I think would enter into this as a way of expecting that this would protect their money, that their initial investment would be protected and would accrue interest, and they will be able to get it back when they decided to do that, to end their lease.

That is the type of thing that this legislation is designed to do that there is a need to provide the tenants with sufficient information so that they can make informed decisions when they are entertaining the decision to go into a life-lease condominium. We need to ensure that the tenants' funds are going to be protected. There has to be some application of The Residential Tenancies Act to these tenants because indeed they are tenants. That has been one of the confusing things in the past, that tenants are not clear that they do not own the unit, that, indeed, they are tenants. Even though they may put in a substantial entrance fee, they still also pay quite substantial rent. These tend to be very nice places to live with lots of amenities, as well as fairly large square footages,

especially the ones that are being constructed now. So they are paying quite large—in some cases more than \$700, \$800, rent, as well as putting in their initial deposit.

I had mentioned that it is also risky for service clubs because, even under this legislation, the directors of the Kiwanis Club or the Rotary Club or whatever service club is involved is going to still be personally liable for any funds that are involved. If there are problems with foreclosure, there are some provisions in the bill to deal with that. But that is one of the other provisions in the legislation, or one of the other concerns in the legislation.

So I guess, to start off with, that I wanted to say that we are in support of the legislation because we think that it is so essential, that we have some coverage, and we fill this regulatory gap that exists right now. But I do have some concerns about the bill. I think that there are some problems that this bill does address to some extent, but I think that there still are some questions outstanding.

One of the problems in the past has been that some life leases only give the tenants back their money when they want to break their lease, if they let their apartment to a new tenant. The only way that this bill deals with that is by the disclosure provisions. So now the tenants have to be told up front that this is the way that that life-lease condominium deals with the refunds, from the refund on their entrance fee. I am concerned about that because, in the discussion document, I should say that there was a yearlong or so discussion and consultation process on this bill, and the discussion document has a number of other recommendations of what should be included in the disclosure.

The minister has chosen to only put two of those into the bill, and all the other disclosure requirements are going to be in regulations, regulations which we of course have not seen yet. I just question that. I think there were recommendations through the discussion document that more should be included in the provisions for disclosure that are actually in the legislation. The only things that the minister has included are the estimated entrance fees that will be payable in respect to each of the units as well as the projected completion date, and then, they have said,

any additional prescribed information which I think could be a lot more specific.

I think also one of the things that seniors must be protected from and must understand is a lot of the other requirements under the legislation. I think that would also be another good amendment to be included in the information for disclosure that the owner of the life-lease condominium is obligated to disclose to seniors the other provisions under the act with respect to their notice provisions, the provisions related to the time periods, particularly, for them to get their money out if they decide to change their mind. I think that we cannot expect seniors going into this would read the legislation.

They may, because this is just a tenancy and it is not where they are actually purchasing a unit—I do not know if they would be necessarily using a lawyer or not, so I think that there should be some other provisions in the legislation to ensure that the tenants are going to have the pertinent information from the legislation disclosed to them.

I can see that the minister is taking some notes and is listening carefully. I appreciate that, because I think that he will recall this government's foray into the area of life-lease condominiums. That was the problem that they had with the Rotary Pines fiasco. This supposed scandal-free government had quite a scandal on its hands a number of years ago. Granted, that was prior to when the member for River Heights, the Consumer and Corporate Affairs minister was elected.

Rotary Pines was one of the proposed life-lease condominiums that this government got its hands dirty with. They were applying under the Seniors' RentalStart program for funds. The Minister for Consumer and Corporate Affairs at the time tried to bump certain developments up the line and was caught with the proverbial hand in the cookie jar, so to speak, and a number of the prospective tenants ended up pulling out their money.

Then, when it also became clear that this development was proposed in the flight path of the Winnipeg International Airport, more prospective tenants pulled out their money and in the end the Rotary Pines was cut down. It was cut down in the path of the Winnipeg

airport. It was never built and it is an example of what can happen. I think in that case there were no tenants or prospective tenants that lost their initial investment but, as I mentioned earlier, that is the risk.

The provisions in this legislation still allow for the government to approve these life-lease condominiums, so I think that there is still some concern that, again, there could be some political connections or political favouritism shown, as there was in the case of the Rotary Pines where, I believe, the political staff with the government, someone was related to the chair of the corporation that was sponsoring the Rotary Pines. That proceeded to become another problem for the government.

* (1600)

Point of Order

Hon. Linda McIntosh (Minister of Education and Training): Would the member be good enough to clarify who was related to the chair of what?

Madam Speaker: On a point of order?

Mrs. McIntosh: It is a question for clarification, if the member would be good enough to reveal in her remarks who was related to the chair of some board. She has made an allegation but used no names, implying a conflict of interest. I think she is obliged to put the names on the record.

Madam Speaker: The honourable member for Thompson, on the same point of order.

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, we have a tradition in this House that has fallen into disuse whereby members can ask the speaking member if they would yield to a question. That has not been used very frequently in recent years. But we have no tradition whereby members can stand up, presumably on a point of order because the minister said it was not a point of order, and then ask a question or put a statement on the record.

I would suggest that the minister was out of order and if we are to ask for questions or put comments in debate, the appropriate thing would be to follow that

practice, which has fallen into some disuse or for the minister to speak. She is more than welcome after the member for Radisson finishes speaking to stand up and speak in debate.

Madam Speaker: The honourable Minister of Education and Training does, indeed, not have a point of order, and the honourable member for Thompson is correct. It is fully within the parameter of the rules and practice of this House for a member to stand and ask if another member would take a question, and that member has the right to accede to that wish or respond to the question.

* * *

Mrs. McIntosh: I apologize for not following the correct form. I would like to ask the member if she is willing to entertain a question on her speech.

Madam Speaker: Is the honourable member for Radisson (Ms. Cerilli) willing to have the minister pose a question of her?

Ms. Cerilli: Madam Speaker, I think what I would like to do is just continue with my speech. If the minister wants to ask the question related to what she said earlier, I think she can read Hansard going back to what year was it, 1992, I think, where they asked months of questions—[interjection]

Madam Speaker: Order, please. The honourable member for Radisson does not feel the question is in order.

The honourable member for Radisson, to continue debate.

Ms. Cerilli: Madam Speaker—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Radisson was recognized to continue debate.

Ms. Cerilli: Madam Speaker, I was talking about some of the problems that the government has had related to the whole area of life-lease condominiums. I cannot go

on without also mentioning last session and Bill 60 which is where they created more problems for themselves in the area of life-lease condominiums when they brought in the bill that would grandfather certain life-lease condominiums under The Elderly and Infirm Persons' Act to be exempt from the school tax portion of property taxes.

Seniors are starting to complain to the government about the unfairness of this. I know the Minister of Consumer and Corporate Affairs (Mr. Radcliffe) as well as the Minister of Housing (Mr. Reimer) have met with the tenants of condominiums on St. Anne's Road who are concerned that there is now a double standard or two standards for condominiums and for seniors, and it is not based on income or a sense of fairness. It is fairly arbitrary. They believe that this has set up a situation where some Manitobans who are fairly well to do are enjoying property tax-free living, I guess you could say, and in some cases other seniors who are earning or living on much less income are having to pay their property taxes and their school tax portion of that.

We warned the government last year during the debate on Bill 60 that this was going to happen, that there were a lot of concerns.

An Honourable Member: Did they listen?

Ms. Cerilli: No, the member for Thompson (Mr. Ashton) can be assured that they did not listen. They went ahead with their legislation, without consultation, I might add. I do not understand why that whole issue that was dealt with under Bill 60 was not part of the discussion document that the government has used to develop this bill, Bill 41, on condominiums and life leases, but they chose to go ahead and to quickly bring in Bill 60 last year.

Now all of those condominiums are going to be subject to these regulations. That is good, but the problem is that this government has set up a two-tiered, if you would, system for condominiums. I think that they now have to answer to the public and to all of those seniors who are asking to meet with them, who are sending them petitions.

An Honourable Member: That is being fixed.

Ms. Cerilli: The minister says that is being fixed. Now, I know that they said one thing, it seems, to the owners and the proprietors and the tenants living in The Elderly and Infirm Persons' Act units. They have told them one thing, and then when they meet with the tenants from St. Anne's Road, they say that they are going to fix the problem, and maybe those grandfathered condos are not going to be grandfathered for as long. [interjection] The portioning issue is a different issue, Mr. Minister, and I think that that is not going to address their concerns. That is a different issue.

So I do not want to take too much more time on this. We are going to go to committee with it. I hope that there has been time for members of the public who either reside or are involved in other ways in life-lease condominiums to make presentations. I have talked to a few members of the public who are interested, sent out a few bills to them. Hopefully, they are going to be able to make presentations on the bill.

But we do have some other issues that we are concerned about that I just wanted to mention. One of the things is the requirement or the ability to have additional funds or money in the refund fund. It still seems like the refund fund is going to rely on the initial payments, and I have some concerns, still, that there will be sufficient funds there to repay tenants when they want to end their lease.

One of the other areas that we were concerned about is in the penalties. When we met with the minister, the minister seemed to think that these were very harsh penalties. We thought that the provisions for the corporation or the corporate entity that is the owner of the condominium having to pay \$50,000 to \$60,000 and an individual having to pay fairly close to that, \$30,000, that that was fairly close, that the individuals were paying close to what the corporation would pay for violations under the act. That is one of the things that was a concern.

One of the other things that we discussed was the provisions for the owner of the life-lease condominium. If the tenant was wanting to end their application and lease, they have 30 days to basically find the tenant a unit—this is in the case of the complex is not completed—and even on the 29th day of that period, if

the life-lease condominium corporation makes available a unit to the tenant on that 29th day, then the tenant does not have the opportunity to withdraw their funds. They are obligated to take that unit, even if it is not the one that they were initially applying for, and we have some concerns about that.

One of the other issues that we were concerned about is the lack of clarity in setting the prelease payment amounts, that there was no formula. The minister clarified that as going to be about \$1,000, and it is going to be in the regulation. I was also pleased to see that the tenants will receive the interest accrued on any of their initial payments.

* (1610)

Some of these time periods that I was just referring to—for example, the landlords can wait 60 days after the cancellation becomes effective before returning the initial entrance fee to the tenants. I think that those are the kinds of provisions in the legislation that tenants should be informed of, and the minister is nodding in agreement to that.

So I think with those few comments, I will conclude and just say that we are pleased to see that this legislation is going to go through this session. I will look forward to the committee and continued discussions with the minister and any members of the public at the committee stage and will hope to get this passed at the end of this session. Thanks, Madam Speaker.

Mr. Doug Martindale (Burrows): Madam Speaker, it is a pleasure to rise and speak on Bill 41, The Life Leases and Consequential Amendments Act. This is a very popular form of housing for seniors, especially higher-income seniors, and the kind of housing that I have had a little bit of involvement with; first of all, Fred Douglas Place in downtown Winnipeg.

I remember some years ago before I was elected, the board came to the Winnipeg Presbytery of the United Church applying for a low-interest loan from the United Church of Canada. I argued against giving them that loan on the basis that that loan fund in the United Church of Canada was primarily for low-income and nonprofit housing programs or projects, but the people

who could afford to live at Fred Douglas Place were anything but low income, given that in life-lease projects the entrance fee is anywhere from \$25,000 to \$80,000, and then people usually pay hundreds of dollars a month in management fees. I do not know what the entrance fees are at Fred Douglas Place, but I know that they are substantial. They are probably in keeping with other similar buildings in this kind of market.

I guess other people agreed with me because they did not get a low-interest loan from the United Church of Canada, but it got built anyway, which is rather interesting, because this program of life-lease projects that was supported by government, I believe called Seniors' RentalStart, was introduced by an NDP government in 1986.

Mr. Kevin Lamoureux (Inkster): Lloyd Axworthy first talked about it.

Mr. Martindale: I am told that Lloyd Axworthy first talked about it. I think the member for Inkster (Mr. Lamoureux) is going to have to make a speech on this bill.

I had time to dig up some information about Rotary Pines, and one of the letters to the editor that I found talks about the kind of government subsidy that went into these programs. For example, Rotary Pines was going to get a grant of \$357,000 plus a low-interest loan of \$4.4 million. The interesting thing is that even though the government phased out the Seniors' RentalStart program, basically ended the Seniors' RentalStart program, I think if you were to look at the applications that were still before the government at that time, almost all of them got built.

Now I have not had a chance to look up which ones did not get funded by government and go through newspaper clippings or phone those communities, but my guess is that probably the vast majority of them got built, which I think is very interesting in itself. It suggests that they were a good idea. It also suggests that financially, individuals were able to put up enough money to make them financially viable and that the sponsoring organizations, in many cases nonprofit organizations, legions, churches, et cetera, were able to make a go of them without government subsidy.

Perhaps there is a lesson for us there on both sides of the House that some things are able to work without government subsidy. I know I was visiting at Brock University one year, and I was told that they had built student residences without government subsidy. So I phoned one of the people in the administration of Brock University as to how they were able to do it. I was told that the reason was twofold: one was that they owned their own land, and the other was that interest rates were low. So they just went to a financial institution and borrowed several million dollars and built a student residence, and they were able to pay the mortgage payments based on their rental income.

I certainly remember Rotary Pines, which was the name of a proposed seniors' residence. It was really a story about jumping the cue or a story about fast-tracking, because the Minister of Housing at the time told his staff to approve three projects, in spite of the fact that there were 22 that had applied for government funding. That caused the Minister of Housing at the time a great deal of grief, because there was widespread community opposition to the location of Rotary Pines. I think that was the main objection. One was that it was on the Assiniboine River. Some people thought that there should be river-front walks on the Assiniboine River wherever there was land available. The main objection was that it was under the flight path of Winnipeg International Airport. I remember that we brought up our objections day after day in Question Period, and eventually we asked for the Minister of Housing to resign. Of course, his Premier stood behind him and he stayed in cabinet until some years later he was let go, to put it politely, by the Premier.

First of all, the need for this legislation, certainly, there is a need to protect people who buy into a life-lease building. I was told one of the reasons for this consumer-protection legislation, if you like, is that if a building had a large number of people pull out all at the same time, say, five people either died or moved in a relatively short period of time, some of these organizations may not have actually had the money in the bank to refund all five of those life-lease payments. I am not sure I understand why, except that I think it is because a lot of the money that people invest, the \$25,000 to \$80,000, goes to build the building, and so the money is not really available. It is not in the bank. It is equity. It is in bricks and mortar, so, presumably,

the legislation takes care of that by requiring that a certain percentage of funds or a certain dollar amount is available to refund to people when they move out.

Now, I am not an expert on this bill because it is a rather technical bill, and it is a long one. It is 60 pages long, and so I trust that our critic has put our concerns forward about this bill. But it is a step in the right direction because it does protect people that buy into life-lease buildings. There was consultation between Manitoba Housing, Consumer and Corporate Affairs and those involved in life-lease projects, and a discussion paper was put out in September 1997 by Consumer and Corporate Affairs which identified three main issues. They were the need to supply tenants with sufficient information to make informed decisions, and, second, the need to ensure the protection of tenants' funds, and the third, the application of The Residential Tenancies Act to life-lease housing.

The bill itself covers many of these items. The legislation clarifies the process by which initial prelease payments are given and requires landlords to provide certain information to tenants at an early stage. It provides for some regulation of reserve and refund funds, and it requires the appointment of a trustee to hold and refund entrance fees. It also sets penalties for breaking the act and acquiring life-lease tenancies under false pretences and where necessary amends The Real Property Act and The Residential Tenancies Act.

* (1620)

Now, one of our concerns which was mentioned by our Housing critic has to do with the issue of grandfathered life-lease residences which are exempt from school tax requirements outlined in The Elderly and Infirm Persons' Housing Act. Now, I have not gone back and read that act or the relevant clauses, but I would think that the reason those people were exempted, and the minister can certainly correct me here if I am wrong, is that it was originally intended to assist low-income people living in elderly and infirm housing, because that is who it was built for. It was for low-income seniors.

Then, all of a sudden, we have these life-lease projects that are really for high-income seniors, people who cannot only put down large down payments but who can afford monthly management fees in the range

of hundreds of dollars a month. So the government got itself into a bit of a predicament here, and I do not think they are out of it yet. I did find a story from the Free Press from March 16, 1996, or I should say the very helpful library staff, Legislative Library staff found an article, and it is titled Taxman Eyes Seniors Residences, and it talks about this loophole. As far as I know, the government has not closed this loophole whereby very high-income seniors are benefiting from not having to pay education taxes.

So, with those few comments, we are prepared to let this bill go to committee, and, hopefully, there will be some people presenting on this, I presume supporting this kind of consumer protection legislation. If people have suggestions for improvements, I hope that the minister will consider those suggestions. Especially if we are in agreement, I hope he is willing to amend the act and make this bill an even better one.

Thank you, Madam Speaker.

Mr. Lamoureux: It is interesting that Bill 41 would be following Bill 37 today. In essence, it has a different approach, and that is it is being a little bit more friendly, let us say—and I say that with a little bit of modesty there—than the previous bill towards the consumer.

Madam Speaker, this particular legislation, the only criticism I think that could be soundly levelled at government is why it would have taken so long to bring it into being. [interjection] The minister says to make it good. Well, it took him a long time to come up with what I think is a bill that is very positive and something that is, in fact, long overdue.

The member for Burrows (Mr. Martindale) made reference to the shelter allowance programs, and I had indicated from my seat that actually it was Mr. Axworthy who, in his tenure over here, had sponsored a resolution. I believe it was talking about the importance of shelter allowance programs, and then we did see the shelter allowance programs come into place.

Well, Madam Speaker, I say that because I do believe we call life leases for seniors, if you like, I do believe that there is, especially as time progresses, the need to expand the whole way in which we hand out, or I

should not say hand out, the way in which we ensure that there are lease type of programs. I would think that we might even be able to broaden that whole arrangement to include others that could benefit by lease programs.

Having said that, we recognize that the legislation forces more of a question of accountability to prospective residents to protect their funds, which is absolutely critical. It is surprising the degree to which individuals have been somewhat vulnerable over the years. It makes reference that once you have a certain amount of money invested that the residents do have certain entitlements for information. Again, that is something that is quite positive. I think that the demand for the life-lease concept has been high. I believe ultimately that it will continue to grow, because it is another alternative to housing. We are providing housing for seniors, and it is a viable alternative that makes a lot of sense. Usually, when that happens, you get more people involved as they find out about it.

I was interested in the comments of the member for Burrows (Mr. Martindale). I was not aware of the loophole that allows some to exclude paying school tax, when you would have seniors across the province living in independent housing or condominiums where they are expected to pay school tax. So I am not familiar with the details, but I do think that given what the member for Burrows has said on that particular point, there is some merit for the minister to look into that and possibly report back or to indicate the rationale being used for that sort of an exemption under the life lease.

With those few words, as I say, the bill is long overdue, and it is good to see it go to committee.

Madam Speaker: The honourable Minister of Consumer and Corporate Affairs, to close debate.

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Madam Speaker, I would like to thank the honourable member for Burrows (Mr. Martindale) and the honourable member for Inkster (Mr. Lamoureux) and the honourable member for Radisson (Ms. Cerilli) for their comments on this bill.

I think that the honourable member for Radisson has really captured the essence and the heart of this matter, and I think it was summarized well by the honourable

member for Burrows where they have said that the issue of disclosure, of security of funds and the application of The Residential Tenancies Act are the three mainstays of this act.

It is an act that is a long time in coming and I take the responsibility for that, because I can tell this Chamber that last year this bill was working its way up to being presented to this stage. I personally had the opportunity to review it and I found the structure and the wording confusing, and it was not satisfactory. It did not meet my threshold test, and so therefore I was not prepared to submit it to—[interjection] Yes, the member for St. Johns (Mr. Mackintosh) says a high threshold test. Well, I do not know. I am much more humble than that.

Nonetheless, it was not something that I was proud of or prepared to present to the public, whereas this bill is. It reads clearly, sequentially, and the issues and concepts are clearly set out in this. Madam Speaker, there was significant consultation set out. I think the honourable member for Radisson (Ms. Cerilli) does make a point in that there will be a number of issues that will be covered off in regulation, that is, to give added flexibility to the issue, the whole concept of this bill.

I do want to put on the record that members of the public should not be lulled into a sense of false security on this because they are putting up large amounts of money for the right to occupy residential tenancy, and they will be the cestui que trust to a second mortgage on the property, but there is no fee simple or leasehold title that vests in such an occupant. So we have gone to some considerable ends to make disclosure so that people truly understand this. I think that I am going to urge my department to uptake some of the remarks of the member for Radisson when she states that she thinks that brochures or some sort of publication should be circulated at the outset so people really know what they are getting into.

The whole concept of this bill is that we are not trying to do in-your-face legislation. We are trying to set the environment for this so that these projects will be successful and people will inform themselves. We have set the parameters for it, and we believe it will be very satisfactory legislation.

So I look forward to proceeding to committee on this matter. I have made notes of the comments of the honourable member's opposite, and I look forward to a successful completion of this matter. Thank you, Madam Speaker.

* (1630)

Madam Speaker: Is the House ready for the question? The question before the House is second reading, Bill 41, The Life Leases and Consequential Amendments Act.

Is it the will of the House to adopt the motion? Agreed?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

Bill 19—The Public Trustee Amendment and Consequential Amendments Act

Madam Speaker: To resume second reading, adjourned debate on Bill 19, on the proposed motion of the honourable Minister of Justice (Mr. Toews), (The Public Trustee Amendment and Consequential Amendments Act; Loi modifiant la Loi sur le curateur public et modifications corrélatives), standing in the name of the honourable member for Selkirk (Mr. Dewar).

Is there leave to permit the bill to remain standing? No? Leave has been denied.

Mr. Gord Mackintosh (St. Johns): Madam Speaker, I know colleagues of mine have spoken to this bill and expressed their concern about the conversion of the Public Trustee's office from a line department to a special operating agency and, as well, have raised issues and circumstances that have been brought to the attention of those members that cause concern as to what are the current objectives and future direction for the Public Trustee.

This bill is a very simple one. It simply changes or deletes the sections from The Public Trustee Act and The Mental Health Act which require expenses for the Public Trustee's office to be paid out of the

Consolidated Fund and revenues to be paid into the Consolidated Fund.

It is interesting, Madam Speaker, that the Public Trustee's office was converted to a special operating agency in April of 1996, yet here it is now over two years later that the government brings in the legislation that was actually required in order to properly establish the operating agency. I say shame, and I do not think that speaks very highly of the government's competence in making change.

Now, the purpose of the Public Trustee is set out in the legislation. It is a purpose of long standing and of great importance, particularly to vulnerable Manitobans. The purpose and role is described as including to act in the capacity as the official guardian in the province, to protect the finances of those incapable of handling their own finances. For example, that would be the very young or the mentally incompetent or the deceased. Finally, it has a responsibility to represent the estate of individuals where there is no legal representative.

Now, Madam Speaker, we do not support this bill, and we do not support the conversion to a special operating agency of the Public Trustee. The reason is because of the purposes and roles of the Public Trustee as set out in the act. We have concern that there is a new objective, a new purpose and a new role for the Public Trustee's office as a special operating agency and that new purpose is to profit. It is to profit, therefore, at the expense of the most vulnerable Manitobans.

The very purpose of the office of trustee is to protect the most vulnerable Manitobans. How can that purpose be mixed with one of profiteering? Well, Madam Speaker, we do not have all of the trends now known to us about how the Public Trustee's office has changed in terms of its revenues. The story has not all been told, but it is starting to be told.

Now, I want to say as a caveat that it is very important that we recognize there is a role for special operating agencies, and we have supported the establishment of special operating agencies in certain ventures. For example, in areas of Government Services or whether it be motor vehicle fleets, for

example, and there are many other areas where an operating agency is well suited to the job and, in fact, can improve performance and service, but to take a special operating agency principle and apply it to an agency whose purpose is to protect the most vulnerable is contradictory and not worthy of support. The Public Trustee is a very important agency for those in need, and by shifting to a special operating agency, early indications are that those in need are going to be wrongly denied assets and their interests will not be the main interest of the trustee's office.

Now we note that in the last 12 years, the Public Trustee has had revenues greater than expenditures in all but one year. It has been, if you will, a profit-generating agency or an agency where there have been excess revenues. The government must have seen that and thought, well, here we can squeeze some more money out of vulnerable persons. What will these profits be used for is another question we have, Madam Speaker. Will it be to reduce the fees of clients or will it be to increase the government's slush funds? People that have to rely on the Public Trustee are captive to the Public Trustee's office for services. So it is important that those services be provided in a very fair, equitable basis with the overall interest being the well-being, the interests of the incapacitated and the vulnerable.

Now I note one Manitoban who has come forward, bravely so, and has submitted a letter to the Winnipeg Free Press, which was published in whole or in part, expressing a concern and wrote this letter which I want to read into the record. Of course, the letter is directed personally to the Premier, it appears, and it is from Karen Sapinski, and it says: "To Gary Filmon, Why is your government allowed to make money from people in ways that no private individual or organization is allowed to engage in? For example, by operating gambling casinos and the Public Trustee's Office for profit. Don't tell us the reason is because government operates like a charity, because the people of Manitoba see little evidence of this. Beds are closed in hospitals, eye examinations and some medications are no longer covered, and your government institutes directives that take away from what little the poor have. It seems you even skew statistics to fool us into believing your government has reduced unemployment when, in fact, unemployment is probably much higher than you claim"—and she references the member for

Crescentwood's (Mr. Sale) contributions and analysis and insights in this regard.

The letter goes on to say: "Your government's enactment of laws that say the government can legally operate in ways that are illegal for anyone else, is wrong. Illegal is illegal, and the money you reap certainly isn't going to help people in any charitable way because at around the same time you opened your flashy casinos, the province reduced social assistance benefits by approximately 10 per cent to those who were not fortunate enough to be working and earning a living. This reduction, when no cost-of-living increases to off-set rising costs for food, accommodations, or the basic necessities of life had been given for years. Have provincial employees received raises or cost-of-living increases over the last 10 years? If so, are they more worthy? Did your government save a LOT of money by reducing the already inadequate benefit amounts people on welfare had to live on? What did you use that money for if you wouldn't use it to help PEOPLE. You took from the poor to do what?

"Gary Filmon, I can give you a personal example of how your government abuses its power for the sake of money. The Public Trustee is allowed to charge (gouge) more than twice the amount that for-profit companies are legally allowed to charge to manage investment portfolios. Investors Group charges a maximum of 15 per cent of the interest earned on a client's account, although they calculate it on a sliding scale in a different manner. They are bound by laws that prevent them from charging too much. My son will be 18 in a few weeks and is to receive a settlement which has been held by the Public Trustee for a couple of years. In the release my son is supposed to sign, the Public Trustee is charging 40 % (including GST charges) of the interest earned on his money while they have been in control of it. How can a government-backed trustee, who is responsible for protecting those who are under age or unable to handle their money, charge more than twice what a for-profit investment company charges for the same services? If I had known earlier what I know now, I would have applied to the court to take responsibility for the investment of this money and let Investors look after it.

"A recent letter from the Public Trustee to my son uses their pamphlet to justify what they charge. This

pamphlet is extremely misrepresentational and does not categorize the types of accounts and related charges well enough for the lay person to understand. No one should have to be a lawyer to figure out what charges apply and on what they apply. It is of course all legal mumbo-jumbo, but still a rip-off for my son.

“Can you explain publicly, Gary Filmon, why the Public Trustee is allowed to charge (gouge) so much more than for-profit companies, from those whom they are supposed to be protecting? It is made very expensive to take the issue to court and so your Public Trustee continues to rip off the people she is in office to protect. The cost of taking it to court come close to cancelling out the benefit of doing so. That is not right or fair.”

She goes on to conclude: “Gary Filmon, the people know a lot more about everything than they used to. We are becoming much wiser and you cannot hide the abuses of government power from us for much longer. A great deal will eventually be exposed for public censure.”

* (1640)

I wanted to read that letter, Madam Speaker, because those are the words of a Manitoban who has been frustrated and burdened by her perceptions of the Public Trustee's office. You can see not only the disappointment but anger in her letter. We have to have confidence in institutions like the Public Trustee's office. The letter I have just read into the record indicates that confidence is certainly at risk, and, certainly for Ms. Sapinski, is now not there.

We have heard anecdotes of how the Public Trustee's office is increasing their fees in quite an extraordinary way. We understand they are charging for phone calls. They are charging for every paper that is photocopied. They are charging for clerks at rates of up to \$90 an hour. Madam Speaker, if the Public Trustee's office is to continue in this way, we fear that the very fundamental role and objectives of that office are going to be compromised.

So for those reasons we are prepared to have this bill go forward. We recognize that the special operating agency has already been established. It is certainly a

move that must be re-evaluated, and we cannot, in light of this concern, support this bill. Thank you.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, very briefly, we understand the need for this particular bill, because it will better reflect the reality of the situation with respect to the Public Trustee's office, but I thought I would take this opportunity just to get on the record officially with respect to the whole concept of special operating agencies.

Governments of different levels have found a new form of governing, if you like, and there is a great deal of benefit derived, there is no doubt about that, out of special operating agencies. This government has made it somewhat of an art of looking and finding where we can develop and then move in that direction and develop.

What my concern has been with the special operating agencies is that more and more we lose some control over accountability of these special operating agencies. What I would believe is necessary is that we need to come up with some sort of a very formal structure that allows elected officials to hold special operating agencies accountable for their actions.

The member for St. Johns (Mr. Mackintosh), Madam Speaker, said it well when he is talking about concerns. He read a letter with respect to the Public Trustee office. Well, because we as government collectively, if you like, because it is not just the Province of Manitoba moving towards these so-called “special operating agencies,” it is becoming more arm's length to government.

I think that we cannot wash our hands of responsibilities as elected officials. These are services that are, in fact, being provided through a mechanism that is established through government. There is a responsibility for us to ensure a higher sense of accountability.

I have over the years been somewhat informally critical of the way in which we operate inside the Chamber with respect to other things, whether it is a Crown corporation or annual reports. For the number of days in which we actually sit inside this Chamber, I think that the public could be better served if in fact we

had more structured standing committees that dealt with on a set basis, not ad hoc at the call of the government House leader in consultation sometimes with opposition.

There needs to be more of a setting aside of time that obligates members of this Chamber to come before a committee to ask questions or not to ask questions but to do what it is that they feel is in the best interest, but at least to allow that vehicle of communication, that vehicle of accountability to take place.

What I would suggest to you is that a standing committee is, in fact, an appropriate mechanism for us as legislators to have special operating agencies come before committees so that we can address concerns that we are aware of, concerns that constituents bring to our attention. I believe it will allow for future growth in areas of special operating agencies that maybe were a little bit reluctant in moving towards because of the loss of accountability that has been happening as a direct result.

So I think that if we move in that direction of the formalization, if you like, of accountability through these organizations that it will make transition easier, it will open new doors for other potential SOAs, and, most importantly, Madam Speaker, there will be a higher sense of accountability and an excellent vehicle in which in a very formal way MLAs of all political parties or all members of this Chamber are able to better represent their constituents by allowing at least that opportunity in a formal way for accountability on something which can be a very productive thing, and that is to move towards special operating agencies.

Madam Speaker: The honourable Minister of Justice, to close debate.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I do not believe there are any other people wanting to speak at this time. I certainly listened with attention to both the member for St. Johns (Mr. Mackintosh) and the member for Inkster (Mr. Lamoureux). Their comments, I think, need to be noted, and indeed if there are issues there that need to be addressed, those are issues that will be addressed.

The whole idea of SOAs has been raised here. I do not know if this is the appropriate time to debate that kind of an issue, but I think the comments made in that respect are important and need to be noted. This act itself, in many respects, is simply in order to establish consistency with existing legislation. These amendments will repeal Section 15 of The Public Trustee Act which requires that all revenues earned by the Public Trustee be paid to the Consolidated Fund and all operating expenses be paid from the Consolidated Fund. Subsection 86(3) of The Mental Health Act which requires that all fees received by the Public Trustee not paid out in expenses in connection with an estate form a part of the Consolidated Fund.

When the Public Trustee's office became a special operating agency on April 1, 1996, the method of accounting for operating expenses and revenue was amended to conform with The Special Operating Agency Financing Authority Act, and that act does not require that revenues be paid to the Consolidated Fund. These then are amendments which are required as a result of The Public Trustee Act and The Mental Health Act being in conflict with The Special Operating Agency Financing Authority Act. I would note that the issue has been commented on by the Provincial Auditor in his audit of the Public Trustee's operating statements.

With those few comments, then, Madam Speaker, I would conclude my remarks.

Madam Speaker: Is the House ready for the question? The question before the House is second reading Bill 19, The Public Trustee Amendment and Consequential Amendments Act.

Is it the will of the House to adopt the motion?

Some Honourable Members: No.

Voice Vote

Madam Speaker: All those in favour of adopting the motion, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

An Honourable Member: On division.

Madam Speaker: On division.

* (1650)

Bill 44—The Statute Law Amendment Act, 1998

Madam Speaker: On the proposed motion of the honourable Minister of Justice (Mr. Toews), The Statute Law Amendment Act, 1998 (Loi de 1998 modifiant diverses dispositions législatives), standing in the name of the honourable member for Flin Flon (Mr. Jennissen).

Is there leave to permit the bill to remain standing?

An Honourable Member: No.

Madam Speaker: No? Leave has been denied.

Mr. Gord Mackintosh (St. Johns): Madam Speaker, after listening to the member for Inkster (Mr. Lamoureux), perhaps in the next opportunity when he says he is putting on record not just his position but the position of others, is he speaking on behalf of the Liberal Party of Manitoba? I am just not sure just what his position is there, but it might be helpful.

Point of Order

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I can assure the member, much like when you rise to stand, you stand as an NDP MLA. You are elected, I trust you have an NDP membership. I stand as a Liberal MLA. I have a Liberal Party membership and do consult with other Liberals prior to speaking on bills as much as possible, anyway, thank you. But I appreciate it.

Madam Speaker: The honourable member for Inkster clarified the point, but it is not a point of order.

* * *

Mr. Mackintosh: It is funny how you can get business done here sometimes, but that was an important thing because there was a lot of confusion, I think, on the part of not just members opposite but Manitobans on that point.

I just wanted to thank, first of all, the minister for the explanatory notes that he provided here. I know that is a longstanding tradition and certainly assists us in deciding on what our position should be on this kind of legislation. It is interesting. It was, I think, a session or two ago that we actually voted against The Statute Law Amendment Act, a very rare occurrence. And what was the reason for that, Madam Speaker? This legislation, historically, has been used for a very important purpose, and that is to correct errors in drafting, other little oversights that were missed by all members of this House and people who drafted the legislation. But we had noticed over the last number of years that sneaking into this kind of legislation were actually substantive changes to legislation. Indeed, the last substantive change, and the one we voted against, affected disproportionately—well, more than that, it affected very poor people in Manitoba and their rights or their ability to access justice.

We have looked at this legislation here. There are some relatively substantive matters in this bill. However, they, by and large, are included in order to make the law consistent with a well-established practice that has been proven to be a fair practice, but we are prepared, therefore, to see this bill pass into committee.

Madam Speaker: The honourable Minister of Justice, to close debate.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, Generally speaking, as the member indicates, this bill corrects minor typographical, renumbering and other editing errors in the English and French versions of the acts. These matters have been identified by Legislative Counsel office in the course of the year.

If there are, in fact, issues that are not properly there, perhaps the committee would be the best place to discuss those. But I would ask that the House support the bill in the present form to go to committee.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 44, The Statute Law Amendment Act.

Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed. Agreed and so ordered.

Bill 36—The City of Winnipeg Amendment and Consequential Amendments Act

Madam Speaker: To resume adjourned debate on Bill 36 (The City of Winnipeg Amendment and Consequential Amendments Act; Loi modifiant la Loi sur la Ville de Winnipeg et modifications corrélatives), on the proposed motion of the honourable Minister of Urban Affairs and Housing (Mr. Reimer), 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: Leave.

Madam Speaker: Leave. Leave has been granted.

Mr. Daryl Reid (Transcona): Madam Speaker, I am pleased to rise to add my comments to Bill 36, The City of Winnipeg Amendment and Consequential Amendments Act. I had a chance to read through the bill and to have some discussions with members of my caucus, who, I know, have given a great deal of time to the identification of issues relating to The City of Winnipeg Amendment Act.

Now, I know the member for Springfield (Mr. Findlay) perhaps does not have a vested interest in this piece of legislation, but as a member representing Transcona, which is a part of Winnipeg as a larger community, we do have a vested interest in what happens to the city of Winnipeg and by way of this piece of legislation and its impact on the city and its particular structures, the elected body for the city of Winnipeg, the City Council.

This bill will make some significant changes to the way the City of Winnipeg Council conducts its

business, and in fact infers or gives greater powers to the mayor and to members of council of the mayor's choice who will sit on EPC as a result of the mayor giving those individuals that ability or appointing them to that particular committee.

Madam Speaker, I look back first to last fall, I believe it was, when the first draft of the Cuff report came forward dealing with The City of Winnipeg Act, and the Cuff report, of course, had proposed a significant change in the structure of City Council and its reporting mechanisms and powers as a result of that particular report. Then within three weeks of the first draft being made public, the City Council had voted on the Cuff report and the recommendations were then passed on to the province, and I believe are now appearing by way of Bill 36 that we are debating here today.

I only look, Madam Speaker, to some of the comments that were made by people who are obviously more knowledgeable with respect to this legislation and how the City of Winnipeg functions as a council than to some of the comments that were made by others, some of our more learned colleagues within the city here.

If you look at Councillor Lubosch, who made comments with respect to the recommendations that came about as a result of the Cuff report, Councillor Lubosch at that time indicated that there was nothing in those recommendations that would give him confidence that Winnipeg is going to improve the services to the citizens of our city. Those were comments by Councillor Lubosch. I would think that Councillor Lubosch, having been one of the sitting councillors now for several years, would have some significant experience as a result of his role as a councillor.

Then, when we look at the comments that were made by others, I believe it was Professor Thomas talking about the Cuff report, that it was not the result of a careful analysis or a reflection of mature judgement, I believe was the quotation that was used by Professor Thomas. One would, I think, take from that particular comment by Professor Thomas that not all of the issues were dealt with by the Cuff report and that the recommendations were somewhat lacking in how it would concentrate powers of the mayor and certain members of council that the mayor is choosing and also take away some of the powers of the communities to

have some control or some direction or input into the decision-making process at the City of Winnipeg.

There were also further comments made with respect to the Cuff report dealing with the obscene haste with which that Cuff report was dealt, being presented to City Council and then passed on to the council by the council floor to the province to deal with by way of legislation here.

* (1700)

Madam Speaker: Order, please. The hour being 5 p.m.—

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I believe there is leave not to see the clock to allow the member to complete his speech, and I believe we have one more speaker on this bill and then we can proceed with private members' hour.

Madam Speaker: Is there leave for the Speaker not to see the clock and permit the honourable member for Transcona plus one additional opposition member to speak to this bill before commencing private members' hour? [agreed]

Mr. Reid: Thank you, Madam Speaker.

Madam Speaker: I will add the minute on.

Mr. Reid: On Bill 36—

Madam Speaker: Yes, I will add the minute.

Order, please. I am just assuring the honourable member for Transcona that I will add almost one minute to the time allotted for the interruption.

Mr. Reid: Thank you, Madam Speaker, for that assurance. I was hoping to be brief in my comments here today to give my other colleagues the opportunity to comment. So I will try and summarize as much as possible my thoughts or condense my thoughts into more specific items.

Madam Speaker, in dealing with Bill 36, the amendment to The City of Winnipeg Act, more learned colleagues, as I have indicated, have made statements

concerning the Cuff report and also the haste with which the City Council has passed that report through council and on to the province for further dealing.

In addition to Professor Thomas, there was an individual from the University of Winnipeg Institute of Urban Studies who I believe indicated that council was ramming this decision through and that this was done obviously in great haste and that there was not a great deal of thought that was given to the process or to the way that the public was excluded from any involvement in the decision making at the City Council level.

I can only refer back to a letter that was sent from the resident advisory group to the minister responsible for the administration of The City of Winnipeg Act, the Minister of Urban Affairs (Mr. Reimer). The letter, of which I will table copies here today, comes from Mr. John Kubi, who is the chair of the East Kildonan-Transcona Residents' Advisory Group. In this letter, and I would like to read some comments from Mr. Kubi, who is a resident of northeast Winnipeg and has, I am sure, the best interests of the residents of that area in his mind when he makes these comments to the Minister of Urban Affairs.

Mr. Kubi goes on to indicate that the minister had indicated that concerns would be taken into consideration in the legislative process, but the minister, Mr. Kubi indicates in his letter, seems to have missed the very important point or concern that Mr. Kubi had raised in earlier correspondence with the minister dealing with the public consultation process. That is the issue that I believe Professor Thomas and others have commented publicly on on Bill 36, and that is the haste with which City Council passed that report, which is the very issue that Mr. Kubi is referencing in his letter to the minister.

Mr. Kubi goes on to indicate: firstly, council did not hold a consultation process. "Secondly, the City of Winnipeg Act has not been put to public review for approximately ten years. Thirdly, Council's proposed amendments, if approved . . . , would have a negative impact on basic democratic processes by concentrating more power in the office of the Mayor and the Executive Committee." These are the words that come directly from the letter of Mr. Kubi, the chair of the Residents' Advisory Group.

Mr. Kubi goes on to indicate that there is some discrepancy in government's role or plan dealing with this Bill 36 in that it will concentrate power into the hands of the mayor and the EPC, whoever those people will be after the coming municipal elections this fall. Mr. Kubi indicates that this seems contrary to the plan that was just recently released by the TransPlan 2010 people, the Moving Towards Solutions report that came out not that long ago, wherein that particular report referenced that there should be greater local community group or neighbourhood association involvement, in other words, the resident advisory groups, to assume responsibility for local or community issues. I mean, that was one of the recommendations from TransPlan 2010.

It also goes on to give an example of another jurisdiction with respect to Calgary Community Associations, where Calgary itself as a city, Madam Speaker, encourages individuals or small groups of residents through their community associations to identify and address concerns. So there are other jurisdictions in western Canada that do have community participation, something which I do not see guaranteed by way of this particular legislation itself. Bill 36, in fact, takes away some of those powers.

The elements of Bill 36—and I like to compare it because my first-hand experience is dealing with the legislative process of the Manitoba Legislative Assembly and comparing that more directly with the role and the way in which City Council operates. I do not see in the process that we have taking place here where we are going to have what we would consider to be, under the minister's proposal for Bill 36, a representative democracy as a result of the bill and the consequences that will happen as a result of that bill.

If you put all the parts of this legislation together, the changes that the minister is proposing here, it will, I think, undermine and can have the effect of undermining citizen participation through the democratic processes in our city. By way of Bill 36, there is going to be an enhanced leadership role—the minister's words, I believe—saying that the mayor is going to have greater powers to be the leader of the city.

I have never seen a process, Madam Speaker, in all of my years, whether as a member of the Legislative

Assembly or elected to other bodies, where a person of those particular committees or structures would have two votes, but what the minister is proposing by way of his legislation in Bill 36 here is that the mayor will have two votes. The mayor will vote as a member of City Council on issues that come before council, and then in the event of a tie, the mayor will have a second vote to break that tie. I have never seen in any of my experience—[interjection] Yes, I guess that is the role that the government wants the future mayor to take. It will be interesting—

An Honourable Member: Glen will appreciate that.

Mr. Reid: Yes, I am sure that Councillor Murray, who is now a candidate seeking office for mayor, would be interested in this concept. I am not sure when the minister drafted this bill if he had envisioned at that time that Councillor Murray would be the front runner as a mayoral candidate in our city here, knowing that the government may not be supportive of Councillor Murray's aspirations in this regard.

But giving the mayor as a member of council the opportunity to have two votes seems to be undemocratic by any test or any standard you want to use. It seems to be something that is totally foreign to our process of democracy, not only in this province but across this country.

In addition to that, the mayor will have the power to appoint the executive planning committee, the EPC members, and will be able to choose—the EPC, I believe, will have the powers then. No doubt the mayor will have some say in this process of being able to choose the chair of the committees, members of the standing committees and, in fact, all other committees that are part of the City of Winnipeg structure. Under this particular legislation as well, the mayor will have the ability to suspend the chief administrative officer, of course. That person is the replacement for the board of commissioners for the City of Winnipeg which was recently done away with by mayor and council, and that the chief administrative officer has now assumed the responsibilities of the board of commissioners.

Now I do not know why you would ever want to suspend a chief administrative officer. Usually when you have people in capacities or in roles of that stature,

or with that much ability and power put into the hands of an individual, if they are found to be in breach of their responsibilities or duties, it is usually a decision that would be made by council to replace that individual. Why would you want to give the mayor the ability to suspend that individual for up to three days? I do not understand the logic behind that. Perhaps when we move into committee, the minister can explain to members of the committee and the public, who will no doubt be there, his intentions with respect to giving the mayor those specific powers.

But on Bill 36 greater powers will be put into the hands of the EPC, as we have read in this particular piece of legislation, concentrated into the hands of the executive branch of the City of Winnipeg, if we can call it that.

Now, in the legislative process that we have in this Chamber, we have a different structure than what the minister, I believe, is proposing for the City of Winnipeg. In this process that we have here—and I am sure no doubt in other legislatures across the country—we have checks and balances that are put in place to ensure that there is some accountability to the public which ultimately elects us to represent them in this particular Chamber.

Now, in the City of Winnipeg process that the minister is proposing here, I do not see where you are going to have those checks and balances put in place, because you are proposing putting into the hands of the mayor the power to have or not have the resident advisory groups, or some other community advisory body. It had been legislated or mandated before that you would have to have those particular groups providing some advice or counselling for the community committees, which would be councillors for those general areas of the city. Those councillors would take back those recommendations, hopefully, to the main floor of the council chamber.

* (1710)

I do not see, and I have not seen, any public comments coming from the Minister of Urban Affairs (Mr. Reimer) or from council to say that the intent of those bodies or those departments would be that there would be a requirement to have some community

involvement in the democratic process, trying to bring the decision making as close to the people as possible and giving the public the opportunity to participate in that process.

By the elimination of the community committees by way of changes that you are making in this legislation, by changes to or elimination of the resident advisory groups, you are taking away the ability of our communities to participate in the democratic process at the most fundamental level. I can only think back to issues that have come up in my own community recently where residents in the community had some apprehensions, we will call it, about a particular developer wanting to build a certain structure that would house a certain type of restaurant facility. The community was then able to, through their roles at the community committees, impress upon the councillor—
[interjection]

Well, if there is no zoning requirement, and if the land is zoned commercial already, there is not going to be a zoning requirement to put something up, if I understand the process correctly, if the land has that zoning application already in place. So there will be no zoning requirement that would be necessary in such a situation. The land, I believe in question in this particular case, which I am describing here, was already zoned as a commercial piece of land, but was surrounded by a residential community. That zoning had taken place a number of years ago, had not been altered during that period of years and had not been developed to this point in time. When the developer came along and wanted to develop with that particular type of restaurant, the residents were able to, at the grassroots level, make some representation through the resident advisory groups and through the community committee councils and impress upon the councillor and the councillors that were part of that group that that was not the wish for that surrounding community.

That development was ultimately stopped. Of course, it went to appeal and there were Board of Revision appeal hearings, of which I had the opportunity to represent the community interests at that, and that decision was upheld by the appeal, the review office appeal process. So that particular development did not take place.

By the elimination of the community committees and the resident advisory groups, I believe you are taking away that fundamental power of the residents themselves to control their own destiny, and by concentrating that power into the hands of the mayor and the EPC and taking away that power, you are reducing the democratic process to an executive top-down process, which I do not think furthers the democracy that we have in our province here or in our city of Winnipeg. I think the minister, when he goes in that direction, by not mandating that there be some type of body, and leaves it solely to the discretion of the City of Winnipeg, who may or may not decide to have such groups, that we are taking a great risk here at eliminating citizen participation in the process.

There is no doubt, Madam Speaker, and this is one of the concerns, and any one of the members representing Winnipeg constituencies here, I would think, should have the concern that their particular councillor, who would be elected to represent their community, could be in a position where they would be excluded from participating in any of the standing committees. Now under the current City of Winnipeg Act, it is my understanding that the mayor must appoint every member of council to at least one standing committee and they must be able to participate in that process, in other words, contributing to the process or the democracy at City Hall, the City of Winnipeg Council.

Under the legislation that is proposed here, there is no requirement for the mayor to have every member of council participating in any of those standing committees. Therefore, you run the risk of putting councillors in a position where they will not be involved in the day-to-day decisions of running the City of Winnipeg. I think that puts us at a disadvantage for our councillors, whether it be in the Speaker's constituency or whether it be in the Minister of Urban Affairs' (Mr. Reimer) constituency or mine. If the mayor comes in and does not wish to have our councillor as a part of those standing committees, from my understanding of the bill, there is no requirement to have that occur.

Under the current legislation, there is. Our councillor would have to be part of one of those committees and, therefore, can have some input into those processes, but there is no requirement by the changes from what I see

under Bill 36. If I am wrong in that, perhaps the minister can correct me, and I hope to be in committee to listen to those comments that the minister will make and, of course, no doubt, listen to the public input as well.

The other part of the bill that I see that can create some problems for us—and I know there may be times, Madam Speaker, where members of the Legislative Assembly or where there is ability for certain government bodies to go in camera, and it may be times where you would want to deal with personnel matters that perhaps would be best dealt with in a way that provided some sense of dignity or respect to the handling of certain matters or issues. In those cases, I can understand where you would want to have certain in-camera sessions take place, but in this particular bill, if I understand it correctly, it will allow the mayor and his or her cabinet to go in camera into many particular situations that would deal not only with personnel matters, but perhaps could deal with land or legal matters. I am not sure that the citizens of Winnipeg are best served by having such matters as issues dealing with land, land-based decisions or legal decisions going in camera. I am not sure that is in the best interests of the people of my community.

I am sure they would want to know what decisions are being made and would want to have their elected representatives debating this in some public forum and not going behind closed doors for another secret round of discussions and no doubt some decision making. I mean we all heard and saw what happened with respect to the constitutional changes when secret meetings were held and how the public of Canada took great offence to these decisions being made behind closed doors in secret. I would not want to see that particular process being handled, for example, for land or legal matters.

There are other issues dealing with the checks and balances in this Legislature. We have the ability to ask questions. If it should happen that a councillor is excluded from standing committees or some of the committees, Madam Speaker, is there going to be a Question Period that would allow those individuals the ability to ask questions about the processes that are taking place, if they cannot participate in those committees, or represent the wishes or the needs of the community for which they are elected?

There are changes in this bill with respect to extension to four years from the current three years. That is a change that is taking place, I believe, not only for the city of Winnipeg but for other municipalities in the province. Now, on the surface, four years, perhaps, is not an unreasonable period of time, but when you combine this with the other powers that are being concentrated into the hands of the mayor and the Executive Policy Committee of the City Council, I am not sure, from my understanding, that there is any other jurisdiction in Canada that is going to have the powers that this government and the Minister of Urban Affairs (Mr. Reimer) are proposing for the City of Winnipeg by way of Bill 36. Yet we are giving those people the ability to have those powers for four years. I am not sure that is in the best interests of the people. I am not saying that I am opposed to the item of extension from three years to four years, but when you couple that with the other changes that the minister is proposing in this bill, it may be something that would give the public less opportunity to have some say or at least cast a vote on election day on the decisions that have been made by those people in those positions of power.

Madam Speaker, there are several other issues I can no doubt reference with respect to Bill 36. There are other members who would like to no doubt have the opportunity to speak on this particular bill. But I think with those few comments I have indicated that there are problems with this particular bill and it will give the mayor inordinate power that I believe is not held by mayors in other jurisdictions in Canada. By way of that mayor concentrating power, or power into the hands of that mayor, whoever that person might be, and ultimately down through the EPC and then to the selection of speaker and deputy speaker and into the standing committee chair positions and appointments where there are obviously salaries, additional salaries that are attached, the mayor will wield a significant amount of power over what is currently held.

* (1720)

I know that the Chamber of Commerce for the City of Winnipeg has said that they support the Cuff report, and they are quite open in that when they sent us correspondence back in October of last year. Madam Speaker, they do not reference anywhere in their report, that I can see, in their comments here, where they would want to have a public consultation process. I am

not sure why the Winnipeg Chamber of Commerce would have excluded that particular item, perhaps they believe in a top-down or top-driven system or reduction in the democratic processes. I would have to wait and hope that they would come forward in their presentation to provide some explanation to members of the committee and to members of the public who may be in attendance when we are talking about and listening to public presentations on Bill 36.

So, with those few words on Bill 36, at this point I do not see anything in this bill that would lead me to conclude that I should be supporting the legislation at this time, but I am prepared to listen to the members of the public who will no doubt come forward and add their comments to the others that are made here in this Chamber. Thank you.

Madam Speaker: As previously agreed, this matter will remain standing in the name of the honourable member for Selkirk (Mr. Dewar).

An Honourable Member: Five o'clock.

Madam Speaker: Five o'clock. Is it the will of the House to call it five o'clock? [agreed]

PRIVATE MEMBERS' BUSINESS

Madam Speaker: The hour being 5 p.m., time for Private Members' Business.

DEBATE ON SECOND READINGS— PRIVATE BILLS

Bill 301—An Act to Amend an Act to Incorporate the Dauphin General Hospital Foundation

Madam Speaker: Debate on second readings, private bills, the proposed motion of the honourable member for Swan River (Ms. Wowchuk), Bill 301, An Act to Amend an Act to Incorporate the Dauphin General Hospital Foundation (Loi modifiant la Loi constituant la Fondation de l'Hôpital général de Dauphin), standing in the name of the honourable member for Gimli (Mr. Helwer).

Is there leave to permit the bill to remain standing? Stand. [agreed]

Second reading, private bills, Bill 303, The Brandon Area Foundation Incorporation Amendment Act.

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 201—The Crime Victims' Bill of Rights and Consequential Amendments Act

Madam Speaker: Debate on second readings, public bills, Bill 201, The Crime Victims' Bill of Rights and Consequential Amendments Act (Loi sur la déclaration des droits des victimes d'actes criminels et modifications corrélatives), standing in the name of the honourable member for St. Norbert (Mr. Laurendeau).

Stand. [agreed]

Second reading, public bills, Bill 203, The Legislative Assembly Amendment Act (2); Loi no 2 modifiant la Loi sur l'Assemblée législative.

PROPOSED RESOLUTIONS

Res. 40—Passenger Rail Transportation

Mr. Gerard Jennissen (Flin Flon): I move, seconded by the member for Selkirk (Mr. Dewar), that

“WHEREAS passenger rail service is the most environmentally friendly form of transportation; and

“WHEREAS in many rural communities, particularly in Northern Manitoba, rail transportation is the only practical means of transporting passengers, food, and goods; and

“WHEREAS despite the severe cuts to VIA Rail by both the former Conservative Government and the current Liberal Government, thousands of Manitobans continue to depend upon VIA Rail; and

“WHEREAS VIA Rail has repeatedly ignored the pleas of tourists, businesses and communities to make a commitment to improve service on the Bayline and Sherridon line; and

“WHEREAS as a result, the communities of Churchill, Thicket Portage, Pikitownei, Lynn Lake, and

Pukatawagan amongst others have had to put up with second rate service and tourism has suffered; and

“WHEREAS VIA Rail, with the permission of the federal government, has repeatedly cut back on maintenance; and

“WHEREAS the accident at Biggar, Saskatchewan in 1997 once again pointed out the need to keep a high standard of maintenance, but VIA was allowed to make further cuts to maintenance at the Winnipeg and Vancouver centres in October of 1997; and

“WHEREAS the federal government brought in the Canada Transportation Act which gave railways the right to abandon rail lines at will with no allowable appeals; and

“WHEREAS as a result of that Act, thousands of kilometers of rail lines have been abandoned including the Cowan, Inwood and Steep Rock lines in Manitoba; and

“WHEREAS even the extremely popular Prairie Dog Central lost its line as a result of these cuts and was unable to operate in 1997; and

“WHEREAS despite public outcry the Federal Government has shown no interest in making passenger rail service a priority in this country; and

“WHEREAS by making a commitment to national passenger rail transportation the Federal Government would create countless jobs across the country, boost tourism and allow Canadians to have a better understanding of their country.

“THEREFORE BE IT RESOLVED THAT the Legislative Assembly of Manitoba go on record asking the Federal Government to make rail passenger transportation a priority, and to review the current level of service to see where schedules could be altered and increased; and

“BE IT FURTHER RESOLVED THAT this Assembly request VIA Rail to improve service on the Bayline and Sherridon line including using more mixed trains carrying goods such as fresh fish on ice and other products and restore maintenance staff cut in 1997; and

“BE IT FURTHER RESOLVED THAT this Assembly request the Federal Government to allow VIA Rail Canada and other passenger train carriers to operate mail, parcel, and express service; and

“BE IT FURTHER RESOLVED THAT this Assembly request that the provincial Minister of Industry, Trade and Tourism consider highlighting passenger rail transportation in future advertising campaigns promoting Manitoba.”

Motion presented.

Mr. Jennissen: I rise today to put forward this resolution which highlights the sorry state of rail passenger transportation in this country generally, and in northern Manitoba particularly. I do so in the almost vain hope that the federal government might learn from Europe, from Japan and other parts of Asia that rail passenger transportation can be given a high priority.

Instead of walking away from rail passenger transportation, the federal government should be seeking and encouraging creative and flexible ways to increase such transportation. Passenger rail service is one of the most environmentally friendly forms of transportation. In light of the Kyoto Protocol adopted on December 10, 1997, Canada is committed to reducing substantially the emission of six greenhouse gases, particularly CO₂.

To meet that target, fossil fuel gas emissions by the year 2010 would have to be 6 percent lower than the 1990 level. It is extremely doubtful that Canada will be anywhere near the target set out in the Kyoto Protocol.

As the Sustainable Transportation Monitor points out in its March 1998 edition, there are only two ways to reduce vehicle emission. One is to improve transport technology, that is vehicles, fuels or infrastructure, and the other is a reduction or change in transport activity. The first way is very costly, and the second way has not been seriously explored.

Better public transportation and specifically passenger rail transportation would be a positive step in the right direction. It amazes me how much passenger rail transportation has been downsized and downgraded in Canada over the last several decades, whereas in

other parts of the world it has increased. In India and China, passenger train service is booming. Japan has extremely fast bullet trains. France also has extremely fast trains. Most major European airports are linked directly to passenger rail service. Trains leave on time every 10 or 15 minutes. In 1991 in the former Soviet Union, over 2.7 billion passengers used the passenger rail service. That was 50 percent of all passenger traffic, but in North America, specifically the United States, less than 1 percent of all passenger traffic is carried by trains. That is a disturbing trend because passenger rail service in North America is teetering on the edge of extinction. That is regrettable because passenger rail service is still very important to large regions of this country.

In northern Manitoba, the communities of Pukatawagan, Thicket Portage, Pikwitonei, Ilford and Churchill still rely heavily upon rail passenger service. None of those communities have an all-weather road linking the community to the rest of the provincial road system. Rail passenger service also affects many other northern communities, The Pas, Cormorant, Wanless, Cranberry Portage, Sherridon, Lynn Lake, Wabowden, Thompson and Gillam. That is why VIA Rail is so important to northern Manitoba and why many northerners are upset with the existing VIA Rail service. Quite simply, Madam Speaker, VIA Rail is not performing the tasks that Canadians, Manitobans, northerners, want it to perform.

Lack of funding does not in itself explain the failure of VIA Rail to effectively market itself to Canadians and foreign tourists. I am at a loss to explain the lethargy and paralysis that beset VIA Rail at the highest levels. Yes, we do write letters to the president of VIA, and we do get polite replies, but the system keeps deteriorating. The situation is one of missed opportunity and failure to do basic promotion.

A majority of Manitobans are vaguely aware at best that passenger rail service still exists in the province. Certainly, VIA does nothing to encourage people to take trains in this province and this despite the spectacular scenery along many of our rail lines including the Sherridon and the Bay line and despite the well-known positive attractions of Churchill. The infrequent service and odd times that trains arrive and depart from many communities combine to make trains unattractive to many people.

VIA has shown little inclination to improve service in this province. Anyone wanting to book a seat or get travel information must call a New Brunswick call centre. The representatives there have a passing knowledge at best of this province. At one point in 1996, when there was another of the many derailments on the Sherridon line, callers were told by VIA Rail representatives in New Brunswick that service had been scrapped permanently.

* (1730)

One always gets the feeling that VIA is merely waiting for an excuse to cease offering passenger rail service to northern Manitoba permanently. Certainly, I have never been able to figure out why we have to phone VIA in New Brunswick about the status of a passenger train in northern Manitoba. If I want to catch a VIA passenger train in Cranberry Portage heading south to The Pas or northeast to Pukatawagan or Lynn Lake, I can do so only twice a week. The train is usually late, sometimes many hours. When you phone New Brunswick, they will tell you, for example, that the train is somewhere northeast of you between Cranberry Portage and Sherridon and that it should be arriving in Cranberry soon. That usually means waiting between one to 12 hours.

I know that there are many go-slow orders on the northern lines, but track maintenance is improving ever since OmniTRAX purchased the bay and the Sherridon lines. But the political will to improve and expand passenger service is lacking. The federal Liberal government, despite its promise while in opposition, has cut funding even further than the Mulroney government. After all, it was the federal Liberal government that ended protection and financial support for branch lines. The day after the federal Liberal government proclaimed the new Canada Transportation Act on July 1, 1996, CN announced it was scrapping the Sherridon line. The new act allows railways the right to scrap any branch line regardless of consequence with zero public input or debate.

While northerners fought hard to save their rail lines in 1996, VIA Rail was conspicuously silent. In fact, much of Ottawa was curiously silent that summer. I remember phoning the Transport minister and many other government M.P.s to voice my concern, along with that of many others, about the horribly negative

consequences to the northern Manitoba economy if the Sherridon line or possibly even the Bay line were to be scrapped. But nobody seemed to be listening and I got that sinking feeling that in Ottawa, on the government side, nobody was really minding the store. There was no engineer behind the throttle, Madam Speaker. Here we were trying to save a railroad that belonged to the people of Canada and in Ottawa the ones responsible were out of the picture. They certainly were not in the forefront to save our railway lines or improve railway service or show support for laid off railway workers.

Madam Speaker, more than a year ago a Pukatawagan passenger was killed when he fell off the train while attempting to go from one of the passenger cars to the caboose, which has the only food service available on the train. The distance from The Pas to Pukatawagan is roughly 200 kilometres, and a train trip is supposed to last seven hours. However, the journey routinely takes 12 or more hours. VIA has been using passenger cars that are of pre-World War I vintage. They were in such poor condition, one of them was actually taken to the city dump last December precisely at the time of increased passenger flow between The Pas and Pukatawagan. That is typical of VIA timing.

Even though the band had requested an extra car for the Christmas trip from The Pas to Pukatawagan, VIA failed to do anything and thus left the more than two dozen passengers stranded in The Pas. A request by the Fort Rouge maintenance yard to modernize the passenger cars on the Sherridon line was refused by VIA officials.

Some wags in the North have suggested that the decrepit passenger cars from the World War I era are at least products of the early 20th Century. Apparently cars used during the 1940s in northern Manitoba still had signs that read: please, no shooting at buffalo from the train. That is according to Joan Edwards, a well-known northern historian who writes for northern newspapers, and that is a factual account.

It is obvious that VIA Rail has no real interest in improving service to remote areas. It is no more committed to northern Manitoba than CN was.

Many others have voiced their concern about substandard passenger rail service. The Thompson Citizen, on May 13, 1998, quotes Mayor Bill Comaskey

of Thompson. Mayor Comaskey made a presentation to the Standing Committee on National Transportation on behalf of the Federation of Canadian Municipalities.

Allow me to quote a few excerpts. Quote: We have been faced with growing unreliability and reduced quality of service for the past decade. Although there is a regular timetable for trains in northern Manitoba, VIA is seldom able to keep it. Trains can be as late as one to 12 hours and on occasion are completely cancelled. This has left local merchants, residents, tourists and travel agents upset and frustrated.

He further states, quote: Another problem is a loss of local VIA agents along the northern line, meaning that communities have to rely on services of agents four provinces away. These agents seldom have any knowledge of northern Manitoba and have little interest in finding out where a train might be or when it might be arriving.

As well, Mayor Comaskey stated that VIA refuses to rent out an entire car to a large group. Often VIA cancels reservations when there are still seats available. Sometimes people are asked to ride in the baggage car.

The article in the Thompson Citizen further states that M.P. Bev Desjarlais proved to be a very valuable ally for Mayor Comaskey at that meeting. Further, Mr. Comaskey called on Liberal M.P.s such as Lloyd Axworthy and Reg Alcock to take up the cause of rail transportation. Finally, Mr. Comaskey said, quote: Liberal M.P.s will have to put their obsession for privatization on the back burner for now.

Obviously, VIA Rail needs to tighten up its scheduling. It must be flexible; it must listen to requests to work with tour operators to facilitate charters and have more runs and also provide a dome car. There is a tourist demand, but VIA is not catering to it. Yes, the Mulroney government and the current Liberal government have, by their cuts, undermined VIA. The cuts to maintenance staff and service are particularly disturbing. The Toronto maintenance shop has basically been gutted, as have the operations in the Maritimes.

The tragic accident near Biggar, Saskatchewan, last September was a clear signal to VIA that there were

major problems with the system. The details of the deliberate decisions to ignore warning signals that equipment needed repair should have resulted in improved safety and maintenance procedures. Instead, less than a month later, VIA cut staff at both the Fort Rouge and Vancouver Yards. The Transportation Safety Board investigation into the Biggar crash will not even be completed until this fall.

Passenger rail transportation needs to be modernized and upgraded. It is an environmentally sound form of transportation. It is regrettable that the federal government has given the lowest possible priority to passenger rail transportation. It indicates a serious lack of vision. Canada and Manitoba are blessed with many scenic and exciting passenger rail lines. These lines have enormous tourist potential. Both the federal government and VIA must get serious about being more accountable about showing leadership, about improving service.

We have let passenger rail service languish far too long. Courage, flexibility and political will is needed now, otherwise, rail passenger service will barely limp into the next century. That would be a most inglorious ending for the historically formative and dominant role that railroads played in developing and maintaining this great country that is Canada. Thank you, Madam Speaker.

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I listened intently to the member opposite on this resolution. It is a fairly long resolution with a lot of WHEREASes in them. As I read the WHEREASes and listened to the member opposite, it is pretty hard to dispute the facts that he put on the record and the comments that he put on the record that came from other people in terms of the exceptionally poor service that VIA offers. It has been frustrating, I think, to all Manitobans that use rail service or want to use rail service for transportation that VIA takes the position that they have taken over the years.

The member opposite mentions the Kyoto commitment that Canada made and the Canadian Transportation Act in terms of changes that the federal government allowed, both of which definitely will negatively impact the ability to meet objectives that we

think are important. With regard to the Kyoto agreement that Canada agreed to—and I touched on this the other day in Estimates—we are supposed to, by the years 2010-2012, reduce emissions by some 6 percent from 1990. If nothing changes, the emissions in Canada will be plus 19 percent, I believe they are, from '90 over the 20-year period to 2010. Instead of plus 19, we have got to be minus six. My arithmetic says that is a 25 percent change.

* (1740)

Anything I have seen or read or been made aware of is that rail transportation has less emissions per tonne of freight hauled or per 1,000 passengers hauled than buses or trucks, yet the federal government, in terms of decisions they make, whether it is under the CTA or whatever, however, they facilitate more abandonment of rail right across the country for all users and they put more passengers, more freight on the roads, which is totally contrary to what they agreed to in Kyoto. It questions the intelligence of the decision they made there.

The member opposite refers to the actions of the Liberal government. I can remember—I believe the year was 1995—appearing before a study that the federal government had commissioned. I believe the M.P.s that led the rail transportation review were M.P.s Duhamel and Harper. A lot of submissions were made, and it was all around the general concept that rail transportation for passengers in the North was critical because it was the only ground means of transportation to a number of communities up the Bay line. Lots of people made presentations, made recommendations all around, improving service, better quality maintenance of the rail line, a broader use of those rail cars in terms of not only for passengers, but mixed trains, promote tourism, move fish, move packages, all kinds of initiatives that could improve the viability of VIA Rail and prove the viability of that rail line in the North. I cannot think of a single thing that was done by the Liberal government after that report was presented by Duhamel and Harper, and everything continues the same today as it did prior to that review.

We all know that CN never very aggressively marketed the rail line to the North, whether for freight movements or for passenger use. When the process of CN's decision after the CTA act was passed by the

federal government, we certainly met with CN and said, you know, why do you want to abandon the line to the North? There are opportunities commercially for freight movement in and out of northern Manitoba. There are opportunities on the passenger side. There are big opportunities on the tourism side. They had no interest whatsoever, and they basically wanted to roll the line up.

As a provincial government, we took the position that was very counterproductive, particularly from the standpoint of passengers accessing the northern communities. As a result, I believe, of our discussion with CN, they offered the two lines, the Sherridon and the Bay line, as a short-line package deal. OmniTRAX showed up as a successful bidder in the tendering process. I think I heard the member opposite say that service on the line, maintenance on the line, has improved. Clearly, we have somebody with a vested interest now to make that line function and operate. If it can operate commercially in freight movements, that means the line is there for passenger use.

VIA Rail is still the weak link in the process. They have shown no desire to improve service, and the member opposite mentioned a wait of one to 12 hours. You cannot put up with that. That is very unreliable service. I fail to understand why somebody would deliver that poor service, because anywhere else in the country they would lose business big time. Just the fact that it is a captive audience up there is not good enough for doing that sort of poor service.

The member mentions the amount of rail trackage that is proposed to be abandoned across western Canada. Again, the Liberal government has been inactive, paranoid about making decisions. We met just a little over a week ago with the federal minister, and we—Manitoba, Saskatchewan, Alberta and B.C.—all asked the federal government to cease and desist in terms of abandoning further lines until the Estey Review was in, until we saw what real lines would be part of the network for grain movement in the future. Certainly, the northern rail line going North will be part and parcel of a strategic plan in the future for grain movement, if nothing else.

All these actions by the federal government are to have less and less rail in western Canada; certainly they

have done it in eastern Canada. The member opposite mentions Europe as progressive and aggressive marketing and development of rail transportation, but in Canada it has never achieved that same level. I think, to a certain degree, the psyche of Canadians is that they are not committed to rail transportation. The fact that they get very poor service, have historically had very poor service, unreliable service leads to that kind of psyche. People just say, well, we will find another way to get there.

But I question how Canada—and we raised this with the federal minister a little over a week ago—is going to meet the Kyoto commitment when they are progressively removing the amount of rail activity in Canada. We are a nation that depends on transportation. We are spread out across 5,000 kilometres. It is incredible. I cannot imagine that five years down the road, suddenly, they will make a decision that we are going to reduce the number of passenger cars by 50 percent in certain regions of the country to achieve emission reductions. That would be very difficult for people to adjust to if there was not some other form of transportation, and the amount of rail reduction, they are just continuing to allow it to happen.

We see great opportunities for tourism in the North. I hear about people who have come from Europe to live in northern Canada, because they love the scenery, the tourism opportunities up there. Lots of Canadians in the southern parts of our provinces are not aware of the opportunities up there; tourism is not marketed. I mean, there is an opportunity for an entrepreneur, in conjunction with the railroad, in conjunction with VIA, to market that region of the province, not only northern Manitoba, but on up into the Northwest Territories, and the future portion called Nunavut.

The federal government is on a track. They have not really announced that track, but the track is less rail, less support for rail. The only bright light, as I have mentioned already, in terms of northern Manitoba is that OmniTRAX is there with a vested interest to try to make something work. I hope that they are successful in the package of commercial activity and rail transportation, that the package will work for them.

I have heard there have been groups interested in taking over the VIA activity of rail passenger

transportation in Canada. I notice discussions like that have occurred, but nobody has ever showed up prepared to take over VIA and operate it more commercially viably.

Madam Speaker, I do not know of anybody in the 10 provinces across this country that speaks against passenger rail transportation, but yet progressive federal governments have chosen, for whatever reasons, not to listen to provincial points of view. That goes not only for rail transportation. It goes to grain transportation. It goes to our ideas on terms of trying to promote a commercially competitive western Canada in terms of the North American economy.

So there are many things in this resolution that are factually correct. Whether we could ever change the federal government's point of view remains to be seen. We must continue to do it. We must continue to work with the people who are service providers and try to explain to them the opportunities they are missing by not providing a good, high-quality level of service, a dependable level of service that the rail customers of Manitoba and western Canada see as desirable.

So, with those few words, I was pleased with the opportunity to be able to speak to this resolution. Unfortunately, as the years go by, we do not see any improvement in terms of commitment to restoring a level of service that would improve the economic opportunities in northern Manitoba, whether it is passenger service, whether it is tourism, whether it is mining, or whether it is commercial movement of goods. We have to fight hard in this province to keep that activity, maximize the opportunity, but the federal government so far is not with us. CN certainly was not with us, but I think the new partner in the railway in terms of OmniTRAX is probably more with us than any partner has been in the past.

Mr. Steve Ashton (Thompson): I want to put—

House Business

Hon. James McCrae (Government House Leader): If I may, Madam Speaker, I apologize for interrupting my colleague the honourable member for Thompson (Mr. Ashton), but just for clarification, the bills passed this afternoon were Bills 22, 24, 37, 41, 19, and 44.

Those would be the bills being referred to the Law Amendments committee for public presentations and examination by the members of the committee Thursday morning, June 11, at ten o'clock.

* * *

Mr. Ashton: I have a few brief comments to put on the record. Not that I could not talk at length on this issue, but I do hope that there will be consideration of passing this resolution, because I think it is important to send a message from the Legislature of Manitoba that we value passenger rail traffic and that it is still important to the north of our province.

* (1750)

I say right from the outset, because this is one question I always get asked when I speak on rail travel: do I take the trains? The answer is, yes, I do take the trains. I represent Thicket Portage, Pikwitonei, and Ilford, three communities that are not accessible by road, other than during winter road season, so I have to, in order to serve my constituents, go by train or by chartered aircraft. Once in a while I have to take a chartered aircraft. I make a point of travelling in the same way that people in that community do, because I think if you are going to represent people, you have to know what they go through in terms of accessing, whether it is medical services or groceries.

You also have to see the true ability we have, I think, if we can work on improving our rail service, to be a major tourist destination. I have been on that rail line and I have seen the international travellers. It depends on the time of year. If you go up just around now, a little bit earlier, you get the bird watchers. You go up in the summer, you get the beluga whale watchers. You go up in October, you get the polar bear watchers. You get people from all over the world. You will get people who will fly in from New York. They will fly to Minneapolis and they will go from there. They will hook up on our rail system. You can travel pretty well anywhere in the world, and if you turn on a television and look at a documentary channel, which I have done, guess what you will see? You will see Churchill and you will see the Bay line. That is probably the most famous tourist asset that we have in this province.

I say to people all the time—and this is no offence to any other community—if you want to tell people where you are from, if you are from Manitoba, do not tell them you are from Winnipeg or from Thompson or Brandon or wherever you are from. Tell them you are from the province that has the polar bears. They will understand that. You define it by Churchill. It is world famous.

I was on the train a while ago with the member for Wellington (Ms. Barrett) who took the time to go to Thicket Portage. Guess what? There was a camera crew from Good Morning America filming about the Bay line. Has it not dawned on some of the people what my colleague the member for Flin Flon (Mr. Jennissen) talked about, that we have a tremendous potential here if we really put the kind of investment that is necessary in to keeping that up? I agree with the minister, too, that I certainly am very open in terms of what OmniTRAX has been doing from their side, because the reality is this is one of our greatest assets.

Now, I can give you the other side as well. If we do not have rail service, what are you going to do to Churchill? What are you going to do to Thicket Portage, Ilford and Pikwitonei? In those communities, it would cost you probably in the range of half a billion dollars to put road access in. I do not know what the latest estimates for Churchill are, but I can guarantee you, it will be \$250 million, minimum, let alone the bridges and other structures. So I point again to the fact that it is an essential service.

Now, I have also spoken out in the past on the fact that we have seen time and time again that when anybody has any innovative approach to rail service, usually there are vested interests that kill it off. The rail bus, in the 1980s. I was part of the government that supported that process. We were very strong advocates of that. As a local MLA, I pushed for it. I actually travelled on the rail bus, and I give credit to the Norman RDC at the time and the number of people who were very heavily involved with that.

But, you know, we ended up in a situation where they had to use a 1950s bus as one prototype, and they had to use a bus that was imported from Britain. I do not think that bus was designed for minus 30 degree weather. The end result, Madam Speaker, is we ended

up with the whole project killed. That would have provided tremendous opportunity in northern Manitoba to have supplemental travel. It would have certainly helped deal with the needs of people in the Bay line communities. It would have improved service. I think it could have done a great deal to access tourism because, you know, one thing about the rail—and I would recommend this to people, by the way. If you ever get the chance, if you want to come up and you want quick and easy access to a remote lake, I will tell you how you can get it. You do not have to take a chartered aircraft. I can tell you a couple of places where you can go in by train. They will drop you off. They will even drop you off, by the way, with your canoe. You can spend the weekend there or just the day waiting for the train to come back the other way. You can go fishing and you will be in an area that no one has access to by road.

There are a couple of locations just between Thompson and Thicket Portage where I know a number of people who go there, and I can tell you—[interjection] Well, listen, I can say this on behalf of the people in Thicket Portage, by the way, that they would be more than glad to host people. Thicket Portage, by the way, also has the ability to have trains going in and out on the same day. It is very unique because the way the schedule works, you can actually go in, and a train will go the other way. It even has a restaurant now. A lot of people are not aware of this, but I really credit the efforts of people in Thicket Portage, particularly the couple who have opened up this restaurant.

People are not aware of this. These are some of the greatest secrets, and I can tell you one thing. People, I would say, in Europe have a better sense of this than in Winnipeg. I do not think too many people in Winnipeg would think of going to northern Manitoba for tourist purposes. They should. They should, and I know the member for Lac du Bonnet (Mr. Praznik) knows that from his experience in southern Manitoba.

You know, we are a world-class tourist destination, but we try and do it with second-class equipment and third-rate service, not from the people, by the way, because the employees have been very good on VIA Rail, but from VIA and CN over the years. I am hopeful with OmniTRAX, and, by the way, there have been some very productive meetings that have taken

place with OmniTRAX between northern officials. I have written to them myself, raised a number of issues with them, both service-wise and in terms of other issues, prices.

There are still some concerns. Freight is a concern, the cost of freight in that area, but I think there is a real effort to make it work, and, you know, the vested interests have been lined up against the Port of Churchill and the Bay line for years. I just say that I hope with OmniTRAX we have a chance to build. [interjection] Well, the aluminum cars, there are some positive things, and as the minister points out, is it not amazing, the vested interests that say you cannot do this, you cannot do that.

You get a company in and you get people who are committed to making it work, and guess what, it happens. I can say without a doubt that the end result of what can happen in this particular case is when you have northern communities, when you have the province, when you have the federal government, I think, and all the players involved making a real commitment, watch out for the Bay line, watch out for Churchill and all the Bay line communities.

I say to this provincial government, if you want to promote tourism in this province, do not forget about northern Manitoba. I can tell you there has been some improvements. I picked up a tourism document, and there was actually a big picture of Pishew Falls, the most accessible waterfall. It is excellent. For the longest time, the map of Manitoba kind of ends on the road network. There is a lot more out there in Manitoba that is not accessible by road. Now, we would like some more roads, by the way, too. I think I mentioned that on other occasions.

But just remember, when we hand out maps to people, the maps, I believe, should be like the map that has been produced over the years by Norman RDC, that even if you do not have a road, you are still on the map. I can tell you, if you want to get the message across to people about our tourism potential, how about a map that goes all the way up to the 60th Parallel, all right? I say that seriously. We have a map now, and we do splice in Churchill afterward, but you can be accessible by rail and you are still part of this province, and you can do a lot for this province in terms of tourism.

A few suggestions—that is one the government could follow up on, but I think the message we should send, if not today—we may not have time today—but in the upcoming weeks or months, as long as we sit here, I think by passing a resolution of this kind coming from the Legislature, we send a clear message that the whole province is committed to rail service and particularly the Bay line and the Port of Churchill.

You know what, I think if you ask people—and I have seen some criticism of the Port of Churchill over the years from a few people, but, by and large, people in this province support Churchill. They support the rail service. We have to make sure that that message gets through to the people who have been fighting against decent service to the Bay line and the Port of Churchill for many years.

Thank you, Madam Speaker.

Hon. David Newman (Minister of Northern Affairs): Madam Speaker, I want to add my voice of support to

the positions outlined by my colleague the Minister of Highways and Transportation (Mr. Findlay). As the Minister responsible for Northern Affairs and Native Affairs and Mining, in particular, an efficient and effective rail network in the North is essential for the effective development of the North and for servicing the northern people, and not only servicing the northern people, there for their convenience and safety.

So no one will work harder than the Minister of Highways and Transportation and myself and colleagues on this side of the House in trying to persuade the federal government—

Madam Speaker: Order, please. When this matter is again before the House, the honourable Minister of Northern and Native Affairs will have 14 minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow.

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