

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 14, 1979

Time: 10:00 a.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Before we proceed, I should like to draw to the attention of the honourable members the students that we have in the gallery today. We have 25 students of Grade 5 standing from the Alexander Elementary School under the direction of Mrs. Beavis. This school is in the constituency of the Honourable Member for Brandon West, the Minister responsible for Manitoba Telephone System.

We have 23 students from the West Lynn Heights School, under the direction of Mr. Chand. This school is in the constituency of the Honourable Member for Churchill.

And we have 20 students of Grades 2 and 3 standing from Riverview School under the direction of Mr. Darvill. This school is in the constituency of the Honourable Attorney-General.

On behalf of all the honourable members, we welcome you here this morning.

Presenting Petitions . . . Reading and Receiving Petitions.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. DOUG GOURLAY:** Mr. Speaker, I beg to present the second report of the Standing Committee on Private Bills.

**MR. CLERK:** Your Committee heard representations with respect to the Bills referred, as follows:

Bill No. 10 — An Act to amend An Act to incorporate Les Reverends Peres Oblats in the Province of Manitoba. Mr. B. J. Rodrigue — Marcoux, Betournay and Guay.

Bill No. 31 — An Act to amend An Act to incorporate the Investors Group. Mr. B. C. Bjarnason — The Investors Group, Mr. W. T. Wright — Pitblado and Hoskin.

Bill No. 33 — An Act to amend An Act to incorporate Bel Acres Golf and Country Club. Mr. R. B. Goodwin — Filmore and Riley.

Bill No. 40 — An Act to Grant Additional Powers to Rossmere Golf and Country Club Limited. Mr. R. H. Wilson — Rossmere Golf and Country Club.

Bill No. 41 — An Act to amend An Act to Incorporate United Health Services Corporation. Mr. Barry Bergh — United Health Services Corporation.

Your Committee has considered Bills:

No. 10 — An Act to amend An Act to incorporate Les Reverends Peres Oblats in the Province of Manitoba.

No. 31 — An Act to amend An Act to incorporate The Investors Group.

No. 33 — An Act to amend An Act to incorporate Bel Acres Golf and Country Club.

No. 40 — An Act to Grant Additional Powers to Rossmere Golf and Country Club Limited.

No. 41 — An Act to amend An Act to Incorporate United Health Services Corporation.

And has agreed to report the same without amendment.

All of which is respectfully submitted.

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. GOURLAY:** Mr. Speaker, I move, seconded by the Honourable Member for Roblin, that the Report of the Committee be received.

**MOTION presented.**

**MR. SPEAKER:** he Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Yes, Mr. Speaker, it's not debatable, but I wish to raise a point of order. This is the Report Stage and I understood that there would be available to members of the committee some information from the Department of Finance with regard to the effect of moving a head office out of Manitoba. And I wonder whether it could be understood that that information will be available and we would be able to introduce an amendment to the Act, if it is such that it's considered necessary to have an amendment.

Or, perhaps I'm unnecessarily apprehensive. Is there time, yet, to make an amendment, if necessary? I'm sorry, Mr. Speaker. The Clerk advised me that there is still time to make that amendment. I merely wish to make sure that it's not foreclosed.

**QUESTION put, MOTION carried.**

**MR. SPEAKER:** The Honourable Member for Roblin.

**MR. J. WALLY McKENZIE:** Mr. Speaker, I beg to present the first report of the Standing Committee on Industrial Relations.

**MR. CLERK:** Your Committee met on Wednesday, June 13, 1979, and heard public representations with respect to Bill No. 35 — An Act to amend The Workers Compensation Act,

Mr. William Bordush, Injured Workers Association of Manitoba, Inc.

Mr. Art Coulter, Manitoba Federation of Labour.

Your Committee has considered:

Bill No. 35 — An Act to amend The Workers Compensation Act.

And agreed to report the same with certain amendments.

**MR. SPEAKER:** The Honourable Member for Roblin.

**MR. McKENZIE:** Mr. Speaker, I move, seconded by the Honourable Member for Swan River, that the report of the Committee be received.

**MOTION presented and carried.**

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, I wish to table the Seventh Annual Report of the Manitoba Police Commission for 1978.

**MR. SPEAKER:** The Honourable Minister of Tourism.

**HON. NORMA L. PRICE (Assiniboia):** Mr. Speaker, I'd like to table the Annual Report of the Manitoba Film Classification Board for Year Ending March 31st, 1979.

**MR. SPEAKER:** Notices of Motion.

### INTRODUCTION OF BILLS

**HON. DONALD W. CRAIK (Riel)** introduced Bill No. 70, An Act to amend The Legislative Assembly Act. (Recommended by His Honour the Lieutenant-Governor)

**MOTION presented and carried.**

### ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, to the Attorney-General, I wonder if the Attorney-General could advise that after all this delay, whether he has in fact by now received the Keith Knox Report dealing with the administration of the Department of the Attorney-General.

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** No, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Thank you, Mr. Speaker. I was going to address a question to the Minister of Labour but in his absence, perhaps it is also appropriate to address it to the Minister of Municipal and Urban Affairs. It's with respect to a recent report that the City of Winnipeg had approached the provincial government of Manitoba for assisting in providing jobs for people, able-bodied people on welfare, who were doing useful community projects such as repairing senior citizens homes. My question is, Mr. Speaker, is it correct that the City of Winnipeg approached the province for funding assistance to keep these people usefully employed, otherwise being put on the welfare rolls?

**MR. SPEAKER:** The Honourable Minister of Urban Affairs.

**MR. MERCIER:** Mr. Speaker, I'll take that question as notice for the Minister of Labour. The request came to me and was referred to the Minister of Labour and I think he is the one who should answer the question posed by the Member for Brandon East.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** Yes, thank you, Mr. Speaker. I address a question to the Minister responsible for Tourist Facilities in Northern Manitoba. Can the Minister indicate if there has been any progress on his government's part in providing new campsites in the area of Lynn Lake, Leaf Rapids, in northern Manitoba, for tourists travelling through that area this summer?

**MR. SPEAKER:** The Honourable Minister of Tourism.

**MRS. PRICE:** I'll have to take the question as notice, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. WILLIAM JENKINS:** Thank you, Mr. Speaker. In the absence of the Minister of Labour, I would address my question to the Acting Minister. I wonder if the Acting Minister could inform the House the state of progress of the negotiations between the Manitoba Government and the Manitoba Government Employees' Association at the present time.

**MR. SPEAKER:** The Honourable Minister of Tourism.

**MRS. PRICE:** In the absence of the Minister of Labour, Mr. Speaker, I'll take the question as notice.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. WILSON PARASIUK:** Yes, thank you, Mr. Speaker. My question is directed to the Minister responsible for Parks. I wonder if the Minister could indicate to us if the Green Paper on park development policy has been completed, and if it will be tabled before the Session ends.

**MR. SPEAKER:** The Honourable Minister of Mines, Resources and the Environment.

**HON. BRIAN RANSOM (Souris-Killarney):** No, it will not, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. PARASIUK:** Yes, a supplementary to the Minister. Can he confirm that the Green Paper was printed by the Queen's Printer, and that it was withdrawn by the department for editing purposes, and that is why it's not available right now for members of the Legislature?

**MR. RANSOM:** No, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. PARASIUK:** I would like to ask the Minister if the Green Paper prepared by his staff as a technical document has indeed been completed?

**MR. RANSOM:** No, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. EVANS:** I'd like to address a question to the Minister of Economic Development, Mr. Speaker, and ask the Honourable Minister whether he can confirm that there's a sharp increase in the moving and cartage industry in the Province of Manitoba.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I hope there's an increase in every industry in Manitoba, but I can't confirm that.

**MR. EVANS:** Well, has the Honourable Minister any information on the report that moving companies have increased their business by about 30 percent in moving people out of the Province of Manitoba to other places in Canada?

**MR. JOHNSTON:** Mr. Speaker, the percentage coming in is very close to the percentage going out that the member talks about. But the moving industry, if it's not busy at the present time, in the spring when people are traditionally changing their residences in cities, country and across Canada, I would be very very surprised. But the Member for Brandon East, as usual, is not close to the situation, and he doesn't really get down to what's really happening.

**MR. EVANS:** Mr. Speaker, inasmuch as the companies have reported a very sharp increase — I think it's about a 30 percent increase at this period of time in 1979 as coared with last year, I was just wondering whether the Minister had a new departmental policy to assist the cartage and moving companies to expand their business? And I'm wondering if the province has any particular policy in this respect, to help moving and cartage companies expand their business — unfortunately moving people out of this province.

**MR. JOHNSTON:** Mr. Speaker, we do not have any program at the present time in the Province of Manitoba to expand the cartage business, or the moving business. They don't come under the jurisdiction of the programs that we have at the present time; they're not a manufacturing industry.

Mr. Speaker, the member is playing games with figures. He knows very well, at this time of the year, that that business is usually increased.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** A supplementary to the Minister. Can the Minister indeed confirm that this is the one area, the one area of success, that his department, under his stewardship, has been able to provide to the Manitoba business community, an unparalleled increase in the moving business — moving from Manitoba out into other provinces?

**MR. JOHNSTON:** Mr. Speaker, the Honourable Leader of the Opposition doesn't listen, as usual. I told him last week that Manitoba is about third across Canada as far as percentages of people moving in and out of the province are concerned. The percentages are available; I made a commitment that I would see that he gets them and he will get them.

**MR. PAWLEY:** Well a further supplementary. Can the Minister then indicate if we are about the same as other provinces, where the steady increase in out-migration from Manitoba is going — if there's out-migration from all of the other provinces in a proportionate rate to that for Manitoba?

**MR. JOHNSTON:** Well, we, as a government, Mr. Speaker, don't believe in building a fence around anything. If people want to make some moves, it's entirely up to them. But I guess the previous government would say that you can't, or cannot.

**A MEMBER:** Freedom of choice.

**MR. SPEAKER:** The Honourable Member for Roblin.

**MR. McKENZIE:** Mr. Speaker, I wonder if the Minister of Health has seen this May issue of the CUPE Communicator, with its very misleading propaganda, dishonest statements regarding Medicare and the health care in our province.

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** I've seen it, Mr. Speaker, and I have responded to it, pointing out to the editors of the Communicator that the article to which the honourable member refers is completely at variance with the facts, reflects —(Interjection)— Not according to me, Mr. Speaker. Completely at variance with the facts, reflects the distortions that were injected by the New Democratic Party and the Liberal Party into the Medicare issue during the federal campaign, obscures the issue that there's much more involved in health services than medical fees and hospital budgets, and is misleading in total.

**MR. SPEAKER:** The Honourable Member for Roblin with a supplementary.

**MR. McKENZIE:** Mr. Speaker, I wonder if the Minister of Health . can advise me if this person, Clive Durham, who says to send me all the documents regarding cuts in services, be they reductions in hours, menu changes, changes in laundry service, etc. — is this person, Durham, a Civil Servant, and does he work in the Department of Health and Social Services?

**MR. SHERMAN:** That I don't know, Mr. Speaker. I can find out for the honourable member.

**MR. McKENZIE:** Mr. Speaker, I wonder, would it be in order for me to ask for a public enquiry into CUPE's variance of the facts, and their attempts to —(Interjections)— Mr. Speaker, I'm pleased that the honourable members opposite —(Interjections)— Mr. Speaker, I wonder if, in fact, these types of scare tactics to the people that are sick, and the senior citizens in this province, shouldn't be checked out. I don't have any particular variance of taking advantage of people who are in good health, but taking advantage of people who are ill, and our senior citizens, I think should be checked out.

**MR. SHERMAN:** Mr. Speaker, the public enquiry will come, I'm sure, through the elected representatives of the people in a federal-provincial conference that will no doubt take place very soon under the aegis of the new federal government at which the entire medicare issue and health insurance issue will be examined. That has been indicated by the new federal Minister, the national Minister of Health and Welfare, the Honourable David Crombie.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, a question to the Minister. Further to the Member for Roblin's demand for a public inquiry to promote a witch-hunt as to the statements by some public servants somewhere within the Canadian Union of Public Employees, is the Minister prepared to have a public inquiry into the deterioration and the cut in services that have taken place in health care under his stewardship, whether it be insofar as the aged are concerned in this province whether it's ; whether it the services in our hospitals and our personal care homes; be in home care; whether it be in the deterioration of service in the mental institutions of this province? We want to know if the Minister is prepared to have a public inquiry there, not into the statements by some civil servant within the department.

**MR. SHERMAN:** The public inquiry, Mr. Speaker, is being conducted daily by the people of this province. Their attitude will be reflected democratically in the normal manner, through the normal democratic electoral process of this province. If the Honourable Leader of the Opposition has no faith in the democratic system in this province, that's his problem. As far as his illusions and his representations and implications are concerned, Mr. Speaker, I dismiss them as summarily now, as I have done in recent months, because the basis for them is non-existent. We are in contact with the health care system and those who participate in that system in this province on a daily basis; we know what the situation is. The people of Manitoba can be assured, Mr. Speaker, that the quality of health care in this province has not diminished one iota and will not be permitted

to diminish one iota.

**MR. PAWLEY:** A supplementary to the Minister of Health. If in fact, a public inquiry is such that he wishes to avoid because it's in opposition to his concepts of democratic process, can he advise as to why the government arranged for a public inquiry into Manitoba Hydro?

**MR. SHERMAN:** No, Mr. Speaker, I suggest that the Honourable Leader of the Opposition, who obviously is having difficulty these months reinforcing his leadership on the other side of this House who ; obviously is stunned somewhat by some recent editorial observations that have been on the leadership on the other side, Mr. Speaker, made I suggest he put that question to the Minister responsible for Hydro. I have told him, I have guaranteed him as Minister of Health and Community Services, that health services in this province will not be allowed to be diminished. I've given him my word on that. I can guarantee that through the reports that come from administrators, boards, professionals and personnel in the field, that thus far, we have delivered on that commitment.

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. JENKINS:** Yes, thank you, Mr. Speaker. Now that the Minister is through making speeches, I wonder if the Minister of Health could inform the House that he has answers to the two questions that he took as notice two or three days ago.

**MR. SHERMAN:** Mr. Speaker, I have no answers of the kind that the Honourable Member for Logan asked of me. I told him I would take them as notice and get back to him as quickly as I could. I don't have an answer that can assure him that we would be prepared to move into this particular area that he has referred to. I'm having it looked at by my officials. Thus far, I would say that we are not making initiatives to become involved in that particular difficulty.

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. JENKINS:** Yes, thank you, Mr. Speaker. I think the Minister misunderstood the question. The question I asked the Minister the other day was whether the Department of Health and Social Development had supported the original bid of the City Council; and the follow-up question was, whether the Department of Health, now that the federal department has turned this request down from the City Council, whether the provincial department would be supporting the appeal that has been recommended by Mr. Henderson, the Commissioner of the City Council, to appeal the decision of the federal people. And neither of the answers that the Minister gave are the answers to the questions that I asked the other day.

**MR. SHERMAN:** Well, Mr. Speaker, I have to go back to the original answer that I gave the Member for Logan, and that is that I would take the question as notice and get back to him as quickly as I could. I repeat, that the implications in his question involve an initiative on the part of the provincial government, that at this point I have suggested to him, we are not prepared to take. But that is not a final, definitive decision; I'm still looking at it in my department.

**MR. JENKINS:** Yes, thank you, Mr. Speaker. Then I gather from the Minister's answer that at this time the government and his department, have not made their minds up whether they're going to support the appeal of the City Council for the hiring of those 65 people on social assistance.

**MR. SHERMAN:** That's correct. We have not made our mind up finally, Mr. Speaker, but we're discussing it with the city.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. PARASIUK:** Mr. Speaker, my question is directed to the Minister of Health. Can he indicate how many people are waiting to get into personal care homes, and in the interim have to stay in these private guest houses, which are of varying quality? Does the Minister have an indication of the number of people staying in private guest houses who want to, and are eligible to get into personal care homes?

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** I might add, Mr. Speaker, I can't give it to the honourable member off the top

of my head, but the inventory of guest homes and residents of guest homes has been completed, and it may be possible to break out that particular figure. I would remind the honourable member that during consideration of my Estimates, we identified the waiting list for personal care homes at the present time at approximately 1,800 persons — something between 1,800 and 1,900 persons. Whether that includes the category in guest homes, as I suspect it would, I can't confirm, but I will try to break that figure out.

**MR. PARASIUK:** Yes, I thank the Minister, and I hope that he would do that in order to keep on top of the health situation, as he indicated to us that he was already.

Could the Minister further indicate whether, in fact, those people who are forced to stay in private guest houses of varying quality while waiting to get into personal care homes for which they are eligible, whether in fact the Minister considers those people to be exercising the freedom of choice that he talked to us about yesterday? Do these people have freedom of choice, or are they being forced to stay in private guest houses, which aren't licensed, which have no regulations, and in many instances are substandard?

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** Well, Mr. Speaker, that's a difficult question to answer, because it can't be answered as a universal. There certainly are some people — many people — who are in guest homes or rooming houses of their own choice. There certainly are others who are directed to accommodation in guest homes, because they are in need of accommodation and perhaps looking for hostel-type care, and ultimately for personal care, and that is the accommodation that is available to them up to this point in time.

The fact remains, Mr. Speaker, that we are in an improved position over the position that a society would always find itself in. There are always people looking for accommodation in personal care homes. We could build a million personal care beds in this province if we were to follow the implications of the honourable member's question to its logical conclusion.

**MR. SPEAKER:** The Honourable Member for Transcona with a final supplementary.

**MR. PARASIUK:** Yes, I'd like the Minister if, in considering the building plans for personal care homes, if he would take into account the needs for people who are eligible and have been successfully paneled to go into personal care homes, the number of which is something like 1,800? And I would ask the Minister if he would proceed to build those 1,800, and not oorry about the million that he's trying to bring up, in order, in order, Mr. Speaker, to dodge the entire issue that this government is not providing adequate care for 1,800 people who need personal care home beds?

**MR. SPEAKER:** Order please. Has the honourable member a question?

**MR. PARASIUK:** Yes, Mr. Speaker, the question is quite clear, and I would ask you tomorrow to take a look at Hansard and determine that, indeed, I've asked the Minister if he would build 1,800 personal care home beds rather than talking about 1 million because 1 million is a completely irrelevant figure, but 1,800 is a figure based on need that we both agree exists.

**MR. SHERMAN:** Mr. Speaker, no one is dodging any issues. The Honourable Member for Transcona knows that eight personal care home projects are under way, received approval in our Capital Program in Health this year, which will add approximately 200 beds to the spectrum. There will be more done next year. We are doing it as practicably and as responsibly as we can. In the meantime, the Home Care Service is demonstrably taking care of many of the perceived requirements in the field to which the honourable member refers.

**MR. SPEAKER:** The Honourable Member for Emerson.

**MR. ALBERT DRIEDGER:** Thank you, Mr. Speaker. I have a question to the Minister of Minss, Resources and the Environment. Mr. Poulin, from Poulin Exterminators made a statement to the media yesterday that the removal of the arsenic from the Village of St. Pierre would not take place starting this Friday. Would the Minister consider giving an update on the arsenic problem?

**MR. RANSOM:** Mr. Speaker, my information is that Mr. Cram, the gentleman with whom Poulin has the agreement for removal of the arsenic will be in Winnipeg tonight, I believe, and the removal of the arsenic is supposed to commence, to the best of my information, tomorrow.

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Speaker, I would like to direct a question to the Minister of Urban Affairs. Given that arena expansion is now under way in the Winnipeg arena, are there meetings planned with the new federal government?

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, we have asked for a meeting with the federal authorities, and when we hear back from them, it's hopeful that the Deputy Mayor and myself and possibly the Minister of Urban Affairs will be getting together with the new federal minister to discuss the arena expansion.

**MR. DOERN:** Mr. Speaker, I'd also ask the Minister, given the statement from the Honourable Steve Paproski that Loto Canada funds will not be available for arena expansions, does this mean the end of the federal contribution, or are there new sources of revenue expected?

**MR. BANMAN:** Mr. Speaker, I believe there have been some other statements by the Prime Minister as well saying that they felt that if the arena expansion should go ahead, what would happen is that moneys would be taken out of appropriations other than funds earmarked for amateur sports and cultural opportunities in Canada. So that is a matter that the federal government will have to deal with, if they go with the expansion where they derive the funds; but that was the rationale for that statement, I believe.

**MR. SPEAKER:** The Honourable Member for Elmwood with a final supplementary.

**MR. DOERN:** Is it correct to assume, Mr. Speaker, that the province is vigorously supporting the expansion of the arena, and will match any federal funds?

**MR. BANMAN:** No, Mr. Speaker, that assumption cannot be made at present. Once the three levels of government have been able to sit down and look at the proposed expansion plans, the different expansion plans that the Winnipeg Enterprises and the City of Winnipeg have put forward, at that time a decision will be made as to what direction we will be heading with regards to that project.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Minister of Finance. I wonder whether the Minister of Finance can give the opinion of the Government of Manitoba with respect to the strengthening of the Canadian dollar by virtue of a Conservative government having been elected in Ottawa? Can we look forward, in his view, to the policies that are going to be pursued as one which will strengthen the Canadian dollar?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, I would certainly hope so in the long term. If I read, or hear, or listen to the news information and can believe what I hear being stated through the news media, there is presently some concern that the fluctuations that took place in the Canadian dollar for a period of time prior to the federal election may have been unduly influenced by the activities of the people in charge of the monetary policy in Ottawa. I would certainly hope that the conjectures that are being made are not correct, but if that is the case, it is somewhat difficult at this time to predict exactly whether the Canadian dollar was on a course towards regaining strength, or whether it was something that was caused by temporary action by the Bank of Canada. But in the long term, I would certainly hope that the Canadian dollar would strengthen somewhat.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Well, Mr. Speaker, I'm very pleased to hear the Minister express confidence in the Conservative policies nationally, and I would assume that the long-term that he is referring to would include what would be normally, the period of a parliament; that given four years in government, that one could expect that gradually and steadily there will be an improvement of the Canadian dollar because of the new administration in Ottawa.



**MR. SPEAKER:** Orders of the day. The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, I said I certainly hope that that would take place.

**MR. SPEAKER:** Orders of the day. The Honourable Member for Churchill.

**MR. COWAN:** Thank you, Mr. Speaker. I would ask the Minister responsible for Mines, Resources and the Environmental Management, if any conclusions have been reached in the province since the province's investigation of the radiation contamination at the Whiteshell Nuclear Testing Facility.

**MR. SPEAKER:** The Honourable Minister responsible for the Environment.

**MR. RANSOM:** I can't say, Mr. Speaker, that any final conclusion has been arrived at, but I can say that on the basis of the information that's available to me at this point, that the situation does not appear to be a serious one. The nature of it was described as being a spill, which is perhaps misleading, in that what happened was there was some inflow of surface run-off into a bunker, where the wastes were stored and prior to the water being pumped out, there was testing done to determine whether or not the water was radioactive. The test showed that it was not, and it was pumped out, but not in the entirety because some had frozen. And when that ice subsequently melted, that water was pumped out as well, without further testing. It was then discovered that there was some level of radiation in that radioactivity in that water. And when that was discovered, the testing was done on the ditch into which the water had been pumped, the ditch is within the property of the establishment and is under security at least, and it is not open to the public.

The contaminated soil was removed and placed in the bunker as well, and at this point we are satisfied with the actions that have been taken, but until I have a complete and a thorough report on it, I cannot arrive at a firm, final conclusion.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. COWAN:** Mr. Speaker, can the Minister confirm that the drainage system in the Whiteshell — or this specific drainage system in the Whiteshell, the nuclear testing facility, also eventually empties into the municipal drainage ditch system, and can the Minister also indicate what protections have been taken by the staff at the Whiteshell nuclear testing facility to ensure, that in the event of other occurrences such as this, that that contaminated water would not flow into areas that would be accessible to the public?

**MR. RANSOM:** The levels of radiation in radioactivity in the water flowing into the Winnipeg River, as I understand, were negligible, and were in fact, non-detectable, whereas there is a background of radioactivity in the water of the Winnipeg River itself, which apparently resulted from past testing of nuclear devices in years gone by, so that the water from the drainage ditch was actually at a lower level of activity — radio activity, than that in the river. So, I think from that, one can appreciate the very low levels that we're speaking about. In terms of any future possibilities, we would naturally be concerned that this sort of thing doesn't happen again, but it must be recognized that it was not a failure of equipment; it was not a matter of lack of staffing that resulted in this occurrence. So, it's a question of having the proper procedures in place and that those procedures are followed.

**MR. SPEAKER:** The Honourable Member for Churchill with a final supplementary.

**MR. COWAN:** Yes, thank you, Mr. Speaker. What I'm trying to get at with the Minister, is to allay some of the fears that may arise out of an incident of this nature. Can the Minister confirm that the nuclear testing facility has built a dike system at the end of their drainage system, so that in the future, if an event like this should happen, and I'm not suggesting that it will — but if it should, that water would not flow into areas that would be accessible to the public, and the Minister indicated that there was no failure of equipment in this regard, and I'm not contradicting him, but I would just ask the Minister if it has been explained to him, why water that was tested at one point and found to be non-radioactive, became radioactive unbeknownst to the personnel at the nuclear testing facility, and that that was not because of leakage or a failure of the equipment or material of some other nature.

**MR. RANSOM:** Well, in my first response, Mr. Speaker, I said that I do not have a final and complete report, so there are some of the technical questions — there are some of the obvious questions that arise, which have not been satisfactorily answered. I can confirm what the honourable member says, with respect to a dike being constructed at the end of the ditch. I would believe that that is a temporary situation to deal with this specific occurrence. I can't be positive of that, but that's my understanding. And I can't stress too much, Mr. Speaker, that there is a tendency to over-react to a situation such as this, because the term "radioactivity" does not give any indication of gradation — that radioactivity can range from very minor levels, such as occur under natural circumstances to lethal levels, and so, that just when the term itself is used, it does tend to create concern. But it is my understanding that in this situation, we are dealing with very low levels.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. DON ORCHARD:** Thank you, Mr. Speaker. A question for the Minister of the Environment. Can he confirm that there is any truth to the rumours that Jane Fonda is coming up to investigate the situation at the Whiteshell?

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Speaker. I'd like to address a question to the Minister of Finance, who is responsible for the Manitoba Energy Council, and ask the Minister, whether he will be seeking a meeting with the newly appointed federal Minister of Energy, to see whether it's possible to reverse the zombie-like pursuit of ever higher oil prices for domestic oil coming from old wells, whose cost of production has not increased and thereby, seeking an end to this zombie-like pursuit of higher oil prices, to somehow perhaps, lessen the pressures on inflation in this country?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, I presume that the new federal Minister will, in due course, be calling a meeting of the provincial energy Ministers, and undoubtedly, that question will be one of the main questions. Whether or not — the question of whether it is a zombie-like policy or not, may not be dealt with under that category. Mr. Speaker, I should also point out, to the best of my knowledge, there was agreement established by the former government with the Province of Alberta, that there would be two more \$1 per barrel increases, July and the end of December of the year '79.

**MR. EVANS:** Thank you, Mr. Speaker. I appreciate the influence of the Province of Manitoba. It may be rather limited in the negotiations between Alberta and Canada, but nevertheless, I'd like to know whether the Honourable Minister is satisfied with this continuous steady \$1 per barrel increase that seems to occur every six months, and which is adding to the inflationary pressures on Manitobans. Is the government of Manitoba — is the Minister prepared to attempt to influence the new government, to see if that policy of continual increase in the domestic price of old oil will cease?

**MR. SPEAKER:** Order please, the question is repetitive.

#### ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable House Leader.

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, I'd like to call second reading of bills, and following that, we will be going into Committee of the Whole to deal with some of the bills that have been referred to that Committee. Will you first call on Bill No. 3, Mr. Speaker?

#### SECOND READING — GOVERNMENT BILLS

##### BILL NO. 3 — AN ACT TO AMEND THE PROVINCIAL AUDITOR'S ACT

**MR. CRAIK** presented Bill No. 3, An Act to amend The Provincial Auditor's Act and Certain Other Provisions of the Statutes of Manitoba respecting the Duties of the Provincial Auditor, for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for St. James.

**MR. GEORGE MINAKER:** Mr. Speaker, the Honourable Minister of Finance introduced this bill because it is a bill that deals with the spending of money, and for this reason requires an introduction by the government benches. However, since the Auditor answers to the Legislature, we feel that this is a House bill and for this reason I would like to take the opportunity to explain Bill No. 3 during the second reading.

Bill No. 3 has basically drafted by the Provincial Auditor and if you recall, was included in the March 31st, 1978 Annual Report of the Provincial Auditor. And the drafting of this bill has had several amendments made by the officials of the Finance Department. I might add that the Provincial Auditor has concurred with all of these amendments.

The Act is designed to strengthen the role of the Provincial Auditor in his dealings with government departments and commissions, boards, agencies and all other recipients of public moneys. This Act also acknowledges our commitment to better accountability in the Legislature and in government. There are sections contained in the Act which will provide for inspection audits to ensure that grant recipients have used the moneys for the purposes intended.

In addition, Mr. Speaker, clauses have been placed in the bill to allow the Auditor to perform audits which would ensure the government has received value for its money. This type of auditing is presently being undertaken in Canada and several other provinces. It is intended to ensure that the three "E's" have been observed, that is: Economy, Efficiency, and Effectiveness.

Also the Act has been amended to allow for special audits of any recipient of public moneys by either the Provincial Auditor or if he is unable to do so by an auditor appointed by the member responsible for the administration of The Financial Administration Act. This provides the Legislature with the assurance that if there is any matter which it wishes investigated, that it will not be stopped from doing so.

In order to ensure the Auditor will be able to carry out his job effectively, provisions have been allowed for his appointment for a ten-year term, with the provision for a further ten years.

In addition, Mr. Speaker, amendments have been made to the Act of several agencies to strengthen the audit control over them. These amendments are consistent with those contained in present legislation. With these few opening comments, Mr. Speaker, I would like to refer this bill to Public Accounts Committee for a clause-by-clause review.

**MR. SPEAKER:** The Honourable Member for Kildonan.

**MR. PETER FOX:** Mr. Speaker, I move, seconded by the Honourable Member for Lac du Bonnet that debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. JORGENSEN:** Mr. Speaker, will you call Bills No. 39, No. 59, No. 60, and No. 68?

### **ADJOURNED DEBATES ON SECOND READING**

#### **BILL NO. 39 — THE STATUTE LAW AMENDMENT ACT (1979)**

**MR. SPEAKER:** Bill No. 39, The Statute Law Amendment Act (1979).  
The Honourable Member for Kildonan.

**MR. FOX:** Thank you, Mr. Speaker, I adjourned this bill for the Honourable Member for St. Johns.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. SAUL CHERNIACK:** Mr. Speaker, there is one very minor point I would like to deal with first and that is in relation to the amendments to The Law Society Act when I discovered that at a recent meeting of the Law Society, it was revealed that until that day the Law Society was not aware of proposals to change their Act, and that to me is rather surprising that a professional society is having its Act amended by the government without consultation.

The more important feature, Mr. Speaker, and the main reason that I wanted to speak on this

bill, was the provision which deals with a change — I believe it's The Prosecutions Against The Crown Act — which provide; I'm sorry, it's not prosecutions, it's Proceedings Against The Crown Act, which provide that applications of rules as to discovery in inspection of documents in those cases, the person who shall be examined shall attend to be examined for discovery, shall be an officer of the Crown designated by the Attorney-General.

Mr. Speaker, the Queen's Bench rules, Section 280, Rule 286(1) provides; "In the case of a corporation, any person who is or has been an officer of the corporation may without order, be orally examined before trial touching the matters in question by any party adverse in interest to the corporation". That means, as I understand it, Mr. Speaker, that if a corporation is sued or is suing, the party on the other side of the suit can decide that it wants to examine for discovery — that is, examine to obtain information as to what is known by the other party to the proceedings — and decide which person is to be examined to ascertain the case and the extent of it and the evidence that will be adduced by the opposing party.

Now, that is a rule. Any person who is or has been an officer of the corporation, may without order be orally examined. That is the law as it applies as I understand it. Mr. Speaker, what is proposed under The Statute Law Amendment Act we're dealing with now, is that the Attorney-General shall decide, when the Crown is involved, who shall be examined. The Attorney-General then, can decide not to bother some very high functionary or to hold back the information that is in the personal possession of a party — I mean an employee or a minister or an officer of the Crown — and say, "No, you can examine someone who, theoretically, knows nothing about it" and that to me is a real arrogation of power to the Attorney-General, which obviously doesn't exist and is now being put in. I think it's a really basic and important one and one which I feel should be looked at very carefully.

Mr. Speaker, we're near the end of a session. Experience shows that when you're near the end of the session you are likely to pass b., especially when you're dealing with statute law amendments, one section; but I believe that it is a fundamental change in the proceedings that take place in court were the Crown is involved and I think it is a wrong law to enable the Attorney-General as the solicitor for the Crown, to make a determination in such a way which I believe will frustrate or pose strong problems for the contesting party on the other side who is proceeding against the Crown, to acquire the proper information, and the proper evidence, in advance of the trial.

I cannot state it too strongly, Mr. Speaker, and the only answer is that maybe my more limited experience in court matters and court procedures, may prevent my knowing the ramifications and the answers that may exist.

But, Mr. Speaker, the answers, I think, should be given. And I hope that they will be given so that we will be satisfied, and that the public can be protected in connection with such proceedings. I make the case as strongly as I can.

Mr. Speaker, this bill before us deals not only with changes to The Law Society Act, which I've referred to, but also changes to The Medical Act, which is the licensing body of the medical profession. I wonder, Mr. Speaker, the extent to which a Statute Law Amendment Act, — which covers many statutes — should involve itself in professional licensing legislation dealing here in this case with The Medical Act, where there are changes made in the constitutional aspects of the College of Physicians and Surgeons, which is the licensing authority for the profession.

And also — I think this is relevant — it makes some changes of, in this case a minor nature, as to the authority to license a graduate from Ireland. I believe it is a technical change, but it still purports to change the powers of the College of Physicians relating to recognition of educational qualifications in other jurisdictions.

Mr. Speaker, I am concerned about that because I feel that there has to be a proper overview of the authority of government, and the relationship between government and with the College of Physicians and Surgeons. It's not a new problem, Mr. Speaker. In 1966, I had occasion to bring in a resolution which was brought in on March 25, 1966 in Hansard, Page 1304, where I proposed that the government consider the advisability of establishing a committee to study licensing authorities of this kind, and it was unanimously approved. Rather an unusual thing for a member of the opposition to present a resolution which was unanimously accepted by the court.

After I spoke, Mr. Hillhouse, representing the Liberal Party, said he welcomed the resolution, thought it was an excellent one, and then Keith Alexander, who then represented the constituency of Roblin, and was the Government Whip at the time, said that he hopes that I would not be surprised — that is, the Member for St. Johns won't be surprised — to find a great deal of unanimity with the resolution, because it had a great deal of merit; and then said, "I urge all members to support it." And of course it passed by unanimous vote.

Subsequently, on December 13, 1966, after the election of 1966, I brought in a resolution pointing out that the Legislature in the previous session before the election had established that committee that would deal with this matter, but didn't hold meetings because of the election, and suggested

that a new committee be established.

Mr. Hillhouse spoke again on December 13, 1966, in support, and Mr. Douglas Staines then representing St. James, agreed that it should be supported and urged all members to support it, and it was so supported.

Mr. Speaker, that means that in 1966 on two separate occasions, with two separate Legislatures, it was agreed that the problems dealing with such as we're dealing with in this Act — in The Statutory Regulations Act, which changes The Medical Act — that this kind of problem is a problem that should be studied and indeed, from 1966 until now, there have been various studies by Legislative Committees. Through the New Democratic government period there were studies made, none of them actually coming to a definitive stage but nevertheless dealing with the problem.

And, Mr. Speaker, one of the activities I was involved in, was to do a study for the previous government, which was not concluded until after the election — just after this last election in 1977 — and wherein I had actually gone to the extent of drafting legislation which, if it had been accepted, would have obviated the necessity, I believe, for the amendments that we have before us on The Statute Law Amendment Act, dealing with the Law Society, dealing with the Medical Association as they are.

And the government of the day gave me the assistance of Dr. Marvin Blauer, who was I think an Associate Deputy Minister of Education, a political scientist, who was of great help; and also Miss Thelma Levin, who is both an R.N. and a Bachelor of Nursing, and a teacher of nursing, and just recently graduated as a Bachelor of Law, and she had a great deal of very positive work to do in assisting and actually in developing the proposed legislation and they deserve a great deal of credit for doing it.

Unfortunately, Mr. Speaker, I submitted the report to the present Minister of Health last September . . .

**MR. SPEAKER:** Order. Order please. I believe we're debating The Statute Law Amendment Act, and not a resolution on the Order Paper.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, thank you for your reminder. I really don't have much more to add, but I do point out to you, Mr. Speaker, that there were changes in The Law Society Act proposed, and although one does not normally discuss sections, I would say that in this case, Section 20 of this bill deals with changes in The Law Society Act; and Section 24 deals with various amendments of Section 12, 13, 18 and 29 of The Medical Act, and deals with substantive changes which as I say, could have been prevented. I would have hoped that the report which I gave to the Minister of Health, which was some 200 typewritten pages, would have been made available to the public, and unfortunately wasn't. And when the Minister of Health indicated to me that it was not his intention to publish it and when he said, "You can do what you like with it, " and was kind enough to return to me the one copy, I thought that I would, and I have brought in a — Notice of Resolution — which I will not discuss, Mr. Speaker because the resolution portion of it makes certain proposals which are not before us.

But in that resolution, I did excerpt about 40 percent or so of the total report, as being a relevant part of the matters that I am now discussing under The Statute Law Amendment Act, and which I hope we will yet have an opportunity to deal with and possibly have the government agree to do the overall review, which has been in place in one way or another since 1966. I must say, Mr. Speaker, we now have since 1966, legislation in Quebec, in Ontario, in Alberta, that are all of a nature which take care of the problems dealing with professional associations and their need to serve the public interest, such as is purported to be the case in The Law Society Act and in The Medical Act, that are referred to in this Statute Law Amendment Bill before us, Mr. Speaker, and I do remind you I am speaking to Bill 39, is it, and in relation to the proposed changes there.

But one should recognize that there could have been much done by the Roblin government, the Weir government, the Schreyer government, and today the Lyon government still has not done much more, even though, at the conclusion of the Schreyer government's regime of operation, we did reach the stage where we could do it.

**MR. SPEAKER:** Order please. Again I have to point out to the honourable member that he is debating something that is not part of this bill before the House at the present time. I would ask him to get back to the subject matter of the bill before us.

**MR. CHERNIACK:** Mr. Speaker, I certainly accept your request. I thought I was debating the changes in legislation in The Medical Act, and in The Law Society Act, and suggesting a better way in which to deal with not only those two professional bodies but certainly a way which would take

care of all others. Mr. Speaker, it was not my intention because I know that I cannot debate the resolution of which notice has been given today, and all I did was point out that that resolution carries with it about 40 percent of the report which the Minister of Health has had all the time, and had he been able to process and deal with it, then we wouldn't have had these proposed amendments to The Medical Art that appear in Bill No. 39, The Statute Law Amendments Act, because it could have been dealt with in an umbrella way to deal with all professions.

Having said that, Mr. Speaker, there's not much more to say. When we reach the resolution that is now on the Order Paper, and there are specific proposals there for the government to deal with it we will of course be able to deal more extensively with a broader picture, but nevertheless at this stage I am happy by the coincidence that we do have the notice of motion of that resolution before us at a time when I am able to speak on this bill and be able to point out what I think are advantages that could be done to bring us up to date in Manitoba with Alberta, Ontario, and Quebec and many jurisdictions in the States. Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Winnipeg Centre.

**MR. J. R. (BUD) BOYCE:** Mr. Speaker, there is one principle contained in the bill in one of the sections which is a change from past policy which was established by the Conservative government back in the late '50s and it has to do with the board of governors of the Alcoholism Foundation. There was a requirement by Statute that certain civil servants serve on the board of governors and there have been suggestions over the years that this be changed, and I just wanted to be brief in this regard that I would support the government's position if we should try this amendment at this time.

**QUESTION put, MOTION carried.**

### **BILL NO. 59 — AN ACT TO AMEND THE MANITOBA HYDRO ACT AND THE PUBLIC UTILITIES BOARD ACT**

**MR. SPEAKER:** Bill No. 59, An Act to Amend the Manitoba Hydro Act and The Public Utilities Board Act. The Honourable Member for Kildonan.

**MR. FOX:** Mr. Speaker, I adjourned this bill for the Honourable Member for Transcona.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. PARASIUK:** Mr. Speaker, I rise to speak on this bill because there's been a great deal of debate concerning the role of Hydro and the role of the Public Utilities Board in relation to Hydro, and this matter supposedly has been referred to the Tritschler Inquiry, the bill emanates from some recommendations or interim recommendations of the Tritschler Inquiry.

And the difficulty with the bill, Mr. Speaker, is that I don't really think it is what it's supposed to be, and I think there's a bit of an illusion being created here by the Conservative Party, because if you look closely at the bill, Mr. Speaker, it is an attempt really to emasculate the role of the Public Utilities Board in reviewing Hydro pricing, and I think this makes the bill very defective. And I think it's possible to show the extent to which, although lip service is given to the Public Utilities Board, reviewing prices before they are passed onto Cabinet for final decision, the Public Utilities Board is really being effectively emasculated in carrying out that review properly in the way in which it has been doing so to date, and that is a problem.

Secondly, Mr. Speaker, if you look at what's taken place in the Budget, the bill is irrelevant. Hydro prices, by this government, are frozen for five years. So if they're frozen why go through the game of trying to show the people or indicate to the people that somehow the Public Utilities Board will be reviewing these rate increases. Effectively, despite what this Act says the Public Utilities Board is frozen out of the process for five years even though it may be logical and rational to have the Public Utilities Board review the existing prices, or rate structure of Hydro. And I think that is part of a Conservative shell game regarding Hydro, where if you look behind the specifics that are done in every instance regarding the rate freeze, regarding passing this on to the Public Utilities Board, but retaining the final responsibility with Cabinet, you find that it's meaningless. The rate freeze itself was completely meaningless because Hydro was going to do it anyway, and referring any rates or rate increases specifically to the Public Utilities Board is completely irrelevant for five years, so why bring in this legislation? Why bring in a piece of legislation that in a sense won't be required for five years? Maybe the Conservatives are launching on some new era of long term planning. Maybe this is part of their approach to long term socialistic planning, bringing in bills

that will only have relevance five years from now.

I'm quite amazed and I'd like the Minister to deal with that particular problem. Does the Public Utilities Board have any jurisdiction over Hydro rates over the next five years? Can a group make an appeal to the Public Utilities Board to have the present prices which are frozen for five years, looked at at any time between now and five years from now? And that's the question I think the Minister responsible for Hydro and the Public Utilities Board — the Minister bringing this forward has to answer. Because if people, if the public, if members of the public can't refer or can't ask the Public Utilities Board to look at the present rates, or they can't do it two years from now or three years from now or four years from now, then this Act is a farce, and why go through that process?

It certainly is possible, very possible, that over the next five years we will run into circumstances where we may be exporting a great deal of power to the United States and it would then be logical for a group to come forward and say, given this high export, given the surplus revenue, we think that rates should be lowered in Manitoba, and the government will say well no, we passed this Act that says you can't do that, you can only deal with a rate increase. But prices work two ways supposedly. You know, the members opposite always tell us that there's a market out there; that prices go up and that prices go down. If you can recall, the Minister of Consumer Affairs talks about gasoline prices. He says, "Don't always talk about prices when they're going up. Talk about prices when they're going down."

Well I want to point out to the Minister of Consumer Affairs that there are circumstances which are very possible over the next five years where one could argue that Hydro prices should go down. And this bill precludes the Public Utilities Board looking into that matter. I wonder why, and I think that's a challenge to the government side to come up with an answer to that particular question.

Secondly, Mr. Speaker, this Act is either inadvertently devious or it is deliberately devious because one part of it, Mr. Speaker, prevents the Public Utilities Board from carrying out hearings that it is presently carrying out with respect to the discriminatory rate structure that Hydro presently has.

If you can recall, Mr. Speaker, in October of 1978 the Public Utilities Board undertook, publicly and formally, to look at the Hydro rate structure. They did this after appeal from the Associated Tenants' Action Committee. They had the jurisdiction to do that. They were going to do that, and if you can recall the circumstances at that time, Mr. Speaker, the groups — and it wasn't just the Associated Tenants' Action Committee; there were other groups — they were claiming that the people of Manitoba, the average person of Manitoba, has to pay for Hydro rate increases or has to pay Hydro prices that are quite different from the Hydro prices that are being paid by particular institutions, who have signed long-term contracts with Hydro.

Inco is one example. It is estimated that Inco consumes as much hydro-electric energy as the City of Winnipeg and yet apparently it pays something in the order of one-quarter the average price that the people of Winnipeg, over a year, might pay. The revenue derived from Manitoba Hydro from citizens of Winnipeg is something like four times as much that derived from Inco, even though Inco consumes as much electrical power.

The point then, of course, Mr. Speaker, is is that fair? Is that fair? And the groups that came before the Public Utilities Board were saying they didn't think that was fair; they thought that the individual consumer of hydro-electric power was subsidizing people like Inco and Sherritt-Gordon and other large entities that have signed these long-term contracts and they wanted that explored. They wanted to know all the facts on that and Hydro was very hesitant on providing the facts; they didn't want to let the public know what the rate differentials were between one group of citizenry and another group of citizenry. And yet they are a public utility. They are a utility. One can ask that of private utilities; one should be able to ask that of public utilities because you have to get an idea of the overall rate structure. You have to know specifics of the overall rate structure before you can make decisions regarding price increases for any one particular group consuming hydro. I think that it's very important that the Public Utilities Board be able to proceed with that investigation. They undertook to do it in October. There were some groups doing some preliminary work. I don't know if Hydro has done any work today on that matter. I don't know if the Public Utilities Board has done any work to date on this matter of discriminatory hydro rates. They may have done some work. They were prepared to do that. In fact, they agreed to do that. That was within their jurisdiction at that time. But this Act says, stop, don't do that any more; et's close the books on the entire matter; we don't want the public to know about the discriminatory hydro rate structure that exists right now.

And, Mr. Speaker, it's being done not by direction to the Public Utilities Board but it snuck in in part of an omnibus bill dealing with Manitoba Hydro and the Public Utilities Board. It's done by legislation.

And, Mr. Speaker, I cannot accept the Legislature of Manitoba instructing the Public Utilities Board to cease and desist from something that it, within its jurisdiction, said it had the power to do in October of 1978. I mean, why not think of bringing in a bill saying let's stop the Tritschler Inquiry right now? They don't do that, Mr. Speaker. They're very very selective. They're very selective.

And, Mr. Speaker, the Tritschler Inquiry was established not by legislation but by an act of the government. But the action of the Public Utilities Board in the fall of 1978 was undertaken within the parameters of the legislation that exists for the Province of Manitoba, passed by the Manitoba Legislature. So why are we cutting off what it can do? What does the government have to fear with respect to this whole matter of hydro rate structures? Why are they afraid of finding out whether, indeed, there are some discrepancies? Because, Mr. Speaker, Hydro and this government will be signing further long-term contracts. Some of these contracts come up for renewal and we will know nothing about them, and they will be signed and then two years from now people will say, well, a contract's a contract; let's not look at it; let's not open the books on it.

But, Mr. Speaker, by signing a long-term contract for twenty years quietly like that, you can give away more revenue under the table and quietly than is done by changing royalty legislation, than is done by changing the tax rate marginally for sales tax. And that is always done quietly in the subterranean part of government. And there aren't many vehicles that exist for ensuring that the public has a chance to understand what's happening there and has a chance to make its feelings, its opinions, its analysis known before those decisions are made final.

And we have a very good system right now, and there are parts of this legislation that I can agree with. I am not standing here saying that I don't think the Cabinet should make the final decision. Indeed, I think the Cabinet makes the final decision right now, when it makes decisions on capital authority. It has the power over Hydro to establish the way in which Hydro operates. It can do that through Board appointments; it can do that through Capital Authority; it can ask for presentations from Hydro and the Minister can ask for this material. The Minister can bring it up with the Board if he thinks the prices are unfair.

But I guess what was happening, Mr. Speaker, is that last fall when this confusion arose as to whether the Public Utilities Board — or it was before that — whether the Public Utilities Board had any jurisdiction over Hydro, it was probably the Hydro officials who were quite nervous about exposing their operations and their pricing policy to the general public. And frankly, I think it's important; I think we've waited far too long. I think that the Public Utilities Board was performing a useful function. I don't think it should have the final authority, but I think it should not have its arms tied behind its back when it conducts these types of public analysis, regarding the present rate structure, regarding proposed rate increases.

If Hydro is operating as a public utility, or as a utility, it should go through the same processes that private utilities go through. I believe that the government has a final authority with respect to the way in which Hydro operates. People may argue that the Public Utilities Board might, in fact, do something which would make the operations of Manitoba Hydro financially unviable by forcing or recommending, but in the past forcing a rate increase which wouldn't provide sufficient profit, provide sufficient revenue to pay off the bonds. Well that holds true with private utilities coming before the Public Utilities Board; that holds true with private utilities coming before the Public Utilities Board. So I think that if the Public Utilities Board is a good enough process for the private utilities, it's a good enough process for the public utilities as well, even though I have some question about the extent to which the Public Utilities Board has acted in an aggressive way with respect to utilities of any type.

But the point is, the public has a chance to intervene in the public activities of the Public Utilities Board, when it reviews rate increases. And it was getting the opportunity, Mr. Speaker, to review or intervene publicly when the Public Utilities Board was reviewing the existing Hydro rates structure. And those were good steps; they were happening normally and naturally but this legislation, Mr. Speaker, will take that away. It says yes, Cabinet will make the final decision; Cabinet has by freezing the rates for five years but any type of analysis of the present Hydro rate structure, any analysis of increases five years from now will be limited and any analysis that may, in fact, recommend to Cabinet that Hydro rates be lowered, is specifically prevented by this legislation. So in that sense it's a very bad Act, with some very bad parts to it.

The minister may say, well, you know, we're going to allow the Public Utilities Board to operate, and that's true, this Act does provide for that — five years from now. But The Public Utilities Board Act is suspended, is superseded by provisions of this Act, which effectively limit the role that the Public Utilities Board can play in dealing with Hydro. Right now that role isn't limited. Right now what the Public Utilities Board requires Greater Winnipeg Gas to provide, it can require Manitoba Hydro to provide.

But this Act starts changing the requirements and the provisions of the Public Utilities Board.



Hydro may, the Board may, only certain types of information are required. They don't have to provide information on their overall rate structure. Hydro doesn't have to provide detailed information on its export contracts. Hydro doesn't have to provide its projections on export revenue that may be derived 5 years, 10 years, 13 years.

So what this Act does, it makes the operations of Hydro more secret. It makes them more secret. And I think we've had a problem in Manitoba ever since Hydro came into existence because frankly, I think that Hydro has operated too secretly. I think it's operated secretly when it's dealt with past governments, past governments going back for four or five administrations, continuing right up to the present. I think that's a problem that hasn't been fully addressed. It's a problem that I think exists now, I think it existed with the past administration, it existed with the administration prior to that.

And I think that this Act isn't dealing with that problem. It isn't dealing with the problem that Hydro tends to operate as an entity unto itself. And granted, that's up to Cabinet to establish some mechanisms for dealing with that, but at the same time I think the public of Manitoba generally should have some vehicles for getting involved in the process of operating a public corporation through the vehicle of the Public Utilities Board.

The elections every four or five years to elect a government, Cabinet responsibility in relation to Hydro, in my estimation are not sufficient for adequate public involvement in something that should be very close to them, namely Manitoba Hydro. I don't believe you have sufficient accountability with an election every four or five years. And I think that there are instruments, the Public Utilities Board being one, where that could be done.

There may be disagreement between members on all sides of the House on that, and I'm speaking on this strictly personally, and I think it's very important for us to think clearly as to how we want a public utility to operate. Because I believe in public utilities, but I believe that public utilities have to be accountable to the public because they have implicitly a lot of powers that a private utility or a private company doesn't have. And that's why I think it's important for the public to be closely involved, to be interested and to know that it can get involved. Because when you close the door and you say, we don't want you to look at present Hydro rate structure; we don't want you to look at price increases; we don't want you to look at the possibility of price decreases; then I think the public gets apathetic.

I think the public should realize that they've got a tremendous resource in Hydro electric power. I think they should realize that they've got a tremendous instrument for their betterment in Manitoba Hydro. They should see that Manitoba Hydro is a part of them. They should see it as a very close instrument of theirs, and a way of ensuring that, not ensuring it totally, but progressing in that respect, would be to allow the Public Utilities Board, which allows for a lot of public participation, to be applied.

I think that one of the better things that this Legislature does, is refer bills to Law Amendments Committees or other committees so that the public can come and make presentations. That is an excellent thing. It's one of the most democratic things that exists here. Well, why not allow it for something like Manitoba Hydro. I think this relates to people's perceptions as to the role of the state and the role of the public on an ongoing basis, in participating in the activities of government, in participating in the activities of public instruments. public particip

I believe strongly in. ation; I believe strongly in a strong public; I believe strongly in strong government. But I also believe very strongly that the way in which that strong government will serve the people well, is if the people are involved continuously in decision making processes.

I don't think our elections every four or five years are sufficient for that. I don't think that the debates that take place between us every nine months, or every year for a three-month period in this Legislature, are sufficient. I don't think that the one hearing that we've had this year, or the one Meeting of the Public Utilities Committee, has been sufficient. I think there's a lot of room for improvement in public participation. It is not rhetoric if, in fact, you start feeling that the public will be responsible, that they do have some good decisions to make, that they have provided good analysis in the past, that there may be situations where Hydro rates could be decreased and if we don't feel that the public will be responsible, then we'll close them out. And if we close them out, then that type of force, I think, generates a countervailing force — a suspicion of government, a feeling that while they're a closed body they do what they want — nd we've had instances of Hydro doing what they want with respect to easements, with respect to rights of way and I think that has to be turned around. I think it had to be turned around before, and I think that this government could take on that challenge, but I don't think it wants to. It's created this big illusion by having some type of inquiry, but it doesn't create the opportunity for the public to fully participate. The inquiry that it had it selected its own people that it wanted to come before that group. It was a very selective, to me unjudicious inquiry; with many unjudicious comments made during the hearings, but it didn't allow people to come before that commission and present their concerns

regarding discriminatory rate structures, for example.

The Public Utilities Board process would have allowed that, and still left with Cabinet that final authority. And what's wrong with that? Cabinet, if it wanted to change or depart from the recommendation of the Public Utilities Board, would have had to state its reasons quite specifically, which again would be a public thing. And the public would say, well, although the Public Utilities Board recommended this, Cabinet, because of one, two, three, four, five rational reasons, is coming out with a change. That then again, becomes part of the public debate on Hydro. And I think that although it might create some time delays occasionally, that we want our public instruments to operate in that way. I certainly do.

So that's why personally, I am very disappointed that these types of, I think, pernicious and undemocratic clauses in this particular bill exist, and at amendment stage I will be introducing amendments to take them out. Because I said, I generally agree with the notion that Cabinet is the final decider of Hydro rates, provided there's a full and fair public input through the Public Utilities process which doesn't exist right now, and there are some other aspects of this bill that I agree with.

One of these specifically is that there will be a separation between the positions of the Chairman of the Board of Manitoba Hydro and the General Manager. I think it's very important to distinguish between the policy role that a board plays and that the chairman of the board plays, and the technical role that the general manager and the staff play.

Often that's been unclear in the past; I think it's still unclear, and this is one instance in terms of administration where that is being clarified and that part of the bill I support.

We're not running a private entity here, a one-man operation where the chairman and general manager can be the same person. We're running something a bit differently. I would like to see this as a general rule in Crown corporations, that there be a separation between the functions of chairman and general manager. I think it improves accountability in a way that doesn't seem to exist right now, because I think there is this blurring between technical reports that a chairman and general manager brings forward, and the review of that technical report that the chairman of the board, and the other board members take.

So, Mr. Speaker, I will be voting to put this bill into Law Amendments Committee, but I will be bringing forward amendments to make the bill a real bill to allow the public to have a real input in the process of reviewing what a public utility does. Just as the public now has real inputs through the Public Utilities Board mechanism of reviewing what a private utility does.

And further, Mr. Speaker, I think it's very important. In fact I think it's critical that the Public Utilities Board through a public process reviews the existing rate structure of Hydro, which I believe to be discriminatory in many respects and discriminates against the average Hydro user, the individual Hydro user, the average citizen of Manitoba. I think it's very important that that continue. I think it's important for the government to explain why they want that stopped and swept under the carpet, and I think it's very important that they not say, "Well, Tritschler is doing it because Tritschler is not a public inquiry with full public participation in the way that a Public Utilities Board hearing would be".

So I think it's incumbent on the government to explain its position much more clearly as to why it's taking this step of muzzling public debate on Manitoba Hydro, why it's taking the step of ensuring that only inquiries prescribed and possibly run by Cabinet, by the ones that will review what Hydro does. I think Manitoba Hydro is a public institution and we should have public access in reviewing what it does.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I would like to move, seconded by the Honourable Member for Lac du Bonnet that debate be adjourned, this afternoon.

**MOTION presented and carried.**

### **BILL NO. 60 — THE ENERGY RATE STABILIZATION ACT**

**MR. SPEAKER:** The Honourable Member for Kildonan.

**MR. FOX:** Mr. Speaker, I adjourned this bill for the Honourable Member for Inkster.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, there has been some discussion in the House relative to how the

is going to deal with this bill and vote on this bill. There has, Mr. Speaker, been considerable discussion relative to this item and I hope that I can proceed without repeating a great deal of it. I indicated, Mr. Speaker, and I think it's been substantiated by all of the intervening weeks that in saying in the Budget Speech address that the government of Manitoba is going to freeze Hydro rates for the next five years. They were saying one of two things. The first alternative is that they have a very sound Hydro system and are able to make this announcement without any problem whatsoever to the system. The second alternative is that they are expecting rate increases, and in order to deal with those rate increases they're going to use consolidated revenues to make sure that the user doesn't pay those rate increases but it is paid by the general public. In the first alternative, Mr. Speaker, the government is admitting an embarrassment with regard to its previous criticism of Hydro. In the second alternative they are adopting doctrinaire socialism.

Well, Mr. Speaker, if they were adopting doctrinaire or what they have always identified as doctrinaire socialism, then I am in a very weak position because, despite who does it, I am in favour of it and I was in danger of being taken into the bosom of the Conservative Party, not because I have adopted their philosophy, but because they have adopted mine. But Mr. Speaker, fortuitously and expectedly, the second alternative really isn't there, that it is the first alternative that has come to be recognized as the accepted — what has happened.

The government thought that this was a tremendous political program, that they are going to embarrass the opposition, that the opposition is going to have to vote for this — oh, they've been screaming, Mr. Speaker, "How are you going to vote?" And when the Budget was announced, they said, "You're voting against a freeze in Hydro rates". Mr. Speaker, let me make it quite plain, that the New Democratic Party, opposition, does not object and will not vote against a notion that Hydro rates can be stable for the next five years. That doesn't mean, Mr. Speaker, that we will vote for this bill. Because this bill does nothing with respect to stabilizing Hydro rates for the next five years. Would it surprise members of the Legislative Assembly if I told them that this bill doesn't mention Hydro rates? That there is nothing in the bill which mentions rate stabilization except the title. Look through the bill. Perhaps I have not read every section as carefully as I should, but I have indeed looked, and I could not find a single section of this bill which refers to a Hydro rate or which refers to the stabilization of a Hydro rate.

Do you know what this bill does, Mr. Speaker? This bill says that instead of Hydro gambling on the soundness of the Canadian dollar and making whatever money there is to be made from that, the government of Manitoba will gamble on the soundness of the Canadian dollar and transfer to Hydro the Canadian equivalent of that gambling. Now that's what it does. The Minister of Finance, on the other hand, got up today, Mr. Speaker, in his seat and said that he expects the Canadian dollar to improve because of the Conservative administration in Ottawa. That's what he said. He said he hopes it will, and he is quite confident that over the long run, which is in the period of a Conservative administration, that it will.

Well, Mr. Speaker, if it will, then there has got to be no increase in Hydro rates, even if Hydro kept its foreign borrowing, because every time the Canadian dollar increases the necessity for even considering relieving them of foreign debt is removed. So what the Minister of Finance has said this morning is that the Canadian dollar is going to improve to the extent that it improves Hydro situation — will be even better than what is provided by this bill. And Hydro's existing situation, Mr. Speaker, as confirmed by two Chairmen of Hydro, is that it is unlikely that there is a necessity for any increase in Hydro rates over the next five years.

And I want to make that plain, because the Minister has felt that somehow his existing Chairman had a problem with questions being thrown fast at him. If one will look at the questions that I put to the Chairman, Mr. Speaker, I said in advance, "Mr. Chairman, I want to tell you where I am going so that you will not be confused in the intervening questions". I don't know whether I used that language, but I said, "I want to tell you first where I am going so there will be no mystery about what I am talking to you about, and then I'm going to ask you specific questions". And Mr. Speaker, however one interprets what Dean Wedepohl has said, and he may have some corrections because indeed there are some things which, given on that sheet of paper which was given to us the same afternoon are subject to different interpretation and that's why the questions were asked. But these things are not subject to a different interpretation. Mr. Bateman, former Chairman of Hydro, said, Mr. Speaker, when he reported on March 8th, 1979 and Dean Wedepohl agreed with this, he was specifically asked this question: "Would you agree with the former Chairman of Hydro who said, "If excellent foundations have been laid, I anticipate that by proper management of reserves over the next year and a favourable Canadian dollar, further rate increases may be unnecessary." And I asked Mr. Wedepohl whether he agreed with that, and he said, "That's true". That was true on March 8th, 1979, confirmed by both Hydro Chairmen. I want to indicate, Mr. Speaker, that — the Minister of Finance is quoted as saying that one of the Chairmen quickly said the next day that he was wrong. Mr. Bateman also said the next day that he was wrong. Mr. Bateman

was cross-examined on one day by Mr. Scott, said that he had made certain statements, on the next day he said that, "Under cross-examination I made certain statements which are wrong and I want to correct them today". It was the next day, Mr. Speaker. The very next day after the so-called damaging admissions were made he wanted to correct them, and Mr. Speaker, that can happen. It can happen to anybody, and I want to tell my honourable friend that he should have reassured Dean Wedepohl that under any circumstances it was not perjury.

Does the honourable member know what perjury is? Perjury is knowingly making a false statement under oath with the intent that it will be falsely received. Nobody has ever done that, and Dean Wedepohl should have been told that nobody is suggesting that. One can make a mistaken statement under oath and nobody would suggest that it's perjury. And at worst, Dean Wedepohl was not fully accounting for all of the interpretations. But nobody objects to this interpretation, Mr. Speaker.

And the fact is that, given the best analysis to the figures produced by the government, and given the current situation, Manitoba Hydro need not increase its rates for the next five years with average flows and they will end up with reserves of \$45 million. The Minister acknowledges that. \$45 million in reserves. Now, they won't get \$120 million, but \$45 million is in the neighbourhood of what they have now.

And therefore, Mr. Speaker, I want to make it quite clear, and I'm going to do something, Mr. Speaker, which in my recollection has not been done in this House. I'm not saying it's never been done ever, but not in my recollection during the years that I have been here. I'm going to move what is referred to as, in Beausiesne, as the reasoned amendment, because we are going to make an amendment to this bill, Mr. Speaker, to clearly indicate that we are not opposed to rates being stable, but we are also going to indicate that we do not want to participate in a hoax on the people of the province of Manitoba; that this bill is completely unnecessary; that even if the Minister — Mr. Speaker, even if the Minister wants to take the Canadian dollar gamble as against Hydro, he doesn't need legislation to do that. He could enter into an agreement between the government of Manitoba and Manitoba Hydro, saying that: We will take your bonds. You will take Canadian bonds. We will pay the difference. And you do not need a bill. Even if he wanted to do it. He could send a letter saying that we will do this, provide for it in the Estimates and have a guarantee, which has been done on numerous occasions without having a bill. Why this bill?

Mr. Speaker, the reason for this bill is to try to salvage the political coup that the Minister thought that he was perpetrating when he announced that there would be five years of rate stability in the province of Manitoba and led the people of the province of Manitoba to believe that it required \$31 million from consolidated revenue to do this. And the former Minister of Finance, the Member for St. Johns, showed on Thursday night that at most, under the worst of circumstances it would need about \$7 million this year? Less than \$7 million. I like to be on the outside. —(Interjection)— Well okay. But in the Budget they increased — the Conservatives who hate deficits were so hell-bent on this program that they said that they will increase their deficit from \$91 million to \$120 million in order to show that that's what they are doing for Manitoba Hydro, but the other night they indicated that all that would be necessary this year is in the neighbourhood of \$4 million to \$7 million. And that might not be necessary. And the Minister has admitted it. He said that we might not need one red cent, and the reason that you might not need one red cent, Mr. Speaker, is that the Minister himself got up today in the House, said the Canadian dollar, now that we have a Conservative administration, is going to be very sound and it's going to get back in relation to other dollars what it has lost under the Liberal administration.

**MR. SPEAKER:** The Honourable Minister on a point of order.

**MR. CRAIK:** On a point of privilege, the comment that the member is quoting was with reference to — apart from the foreign exchange losses. It did not include the statement — the question that was asked with regards to the cost to the taxpayer of Manitoba was qualified to the extent that it did not include the foreign exchange losses. Never, Mr. Speaker' did I ever say that I expected the province to net back to a zero position loss on the foreign exchanges.

**MR. GREEN:** Mr. Speaker, there is no point of privilege, no point of order. I never said that the Minister said that he expected this would happen, and when he made his answer he did not qualify that apart from foreign exchange losses. You look at your answer. I asked him why doesn't he subsidize gas, and he said, "This particular thing is related to foreign exchange loss and it might not cost one red cent. It depends on what happens to the foreign dollar." That's what he said. He can look it up. I never charged him with saying that he expected it wouldn't cost a red cent. That is what he has now said. You look at my response to you. I said, Mr. Speaker, that the Minister responded — and everybody remembers it — that it might not cost one red cent. I might not. —

(Interjection) - No, Mr. Speaker, he said that the subsidy might not cost one red cent, because I said to him that you are paying out of Consolidated Revenue to do it for hydro rates; why don't you do it for gas rates? And he said, "We won't do it for gas rates. That would cost money. This might not cost one red cent." That was his answer. And today he answers . . . Mr. Speaker, it's on Hansard; it's on the record. He will be able to look it up and see whether he made that qualification, and he will be able to say that I am wrong.

But, Mr. Speaker, what we are saying and what my honourable friend should be aware of, is that we do not object to freezing hydro rates. As a matter of fact, we object to the government unfreezing transit rates. We froze them for eight years. We did it out of Consolidated Revenue. We said that we subsidized the motor vehicle. We subsidized the rich with highways. We have a right to say that transit rates will also be subsidized, and we are going to freeze them. And we froze them for eight years. They have been unfrozen now for the last two years.

We froze zoo rates. They are going to unfreeze them. We froze, Mr. Speaker, all kinds of rates which are charged to the common people of this province. All of them have been unfrozen by the Conservative government, and, Mr. Speaker, this bill doesn't mention hydro rates. Look at the bill. Under this bill . . . And really it can't; really it can't. Hydro rates don't depend solely on the dollar. If there were three droughts in a row — and I acknowledge this — if there were three droughts in a row this bill would not offer one cent to Manitoba Hydro to bring in the necessary revenue to freeze the rates.

Does the Minister challenge that? There's nothing in this bill to do anything about that. —(Interjection)— Pardon me? Mr. Speaker, but this bill, that he says that we are going to vote against the freeze in hydro rates, Mr. Speaker, this bill is the Energy Rate Stabilization Act. It doesn't mention energy rates and it doesn't mention stabilization. The bill doesn't do anything. So when they talk about us voting against the stabilization of hydro rates, this bill does not do it, nor is there any legislation that does it; nor is there an item in the Capital Estimates, in the Estimates of Supplementary Supply that does it. Because the only thing we've got in the Estimates is this bill. It's called a Statutory Authority and it's paid under this bill. But what if wages go up; what if costs go up; what if other things go up? Nothing in this bill will stabilize the rates, Mr. Speaker.

It is a very unusual bill. It says — and it's not even necessary to do that; it's not even necessary to accomplish its stated objectives. What it does, Mr. Speaker, is it says to the Hydro people, we're going to take your gamble on the Canadian dollar and we're going to make it a government gamble. If the Canadian dollar doesn't recover and you lose money on it, the public of Manitoba will pay that. You will pay Canadian rates.

The fact is, Mr. Speaker, it is possible under this bill — and in this I am subject to correction — that if the Canadian dollar improved and the European loan was retained by Hydro, because of the interest rate they would save money, rather than lose money. And that's what the Dean said on Saturday, but I am not certain of that, Mr. Speaker. I won't profess that. That's what the Minister said initially, and maybe he has made a change in the bill. But if the dollar went up, which the member says it's going to go up — he has got confidence that this Conservative government is going to bring up the dollar — and they were able to pay at the same interest rate as it was borrowed, of Swiss Marks, they might save money the other way, rather than by this bill. This bill may cost Hydro money, but it certainly doesn't stabilize rates.

Well, Mr. Speaker, that I am subject to correction. I know that that was the original intention. Maybe they have now changed it. Maybe they have now given them what I referred to on Saturday, the best of both worlds; that if you would have done better with the Swiss loan, then you will be given that. Well, if they haven't done that, then the possibility, Mr. Speaker — it's all a gamble — this bill should be referred to as the Conservative Two-Way Game, Pay Your Money and Take Your Chances Bill. It has solely to do with wagering, speculating on the dollar, and that's what Dean Wedepohl said. He said, "We are engineers; we don't like to wager." But they have to wager on the rain; they have to wager on the wages; they have to wager on oil; they have to wager on a hundred other things, but they are no longer going to wager on the foreign exchange.

Well, okay, that's legitimate. They want to do that. But let's know that that's what it is. This is not a bill which stabilizes hydro rates one cent, Mr. Speaker, and if we had low water for the next three years, which I will pray not to have, this bill won't do anything about stabilizing hydro rates. The Minister says the Budget will. Well, we all know what was intended in the Budget and we all see what is here is this bill.

Mr. Speaker, we cannot bring ourselves to participate in this hoax. This bill is a redundancy. This bill is an irrelevance. This bill is unnecessary. Stable hydro rates are a desirable thing. We would participate, except that it's not necessary to do it on the basis of what the honourable member is suggesting, but we are not going to be intimidated into voting for something, Mr. Speaker, which makes no sense at all, and which, if it was wanted, would not require a piece of legislation to do

it.

And therefore, Mr. Speaker, I am going to do something which has not been done in this House in the last ten years, to my knowledge. I am going to move what is provided for in Beauchesne as the reasoned amendment, which indicates that we do not now want this bill read, and to give reasons, Mr. Speaker, why it should not be read.

And therefore, Mr. Speaker, I move, seconded by the Honourable the Member for Lac du Bonnet, that the motion be amended by striking out all of the words following the word "that" in the first line thereof and substituting therefor the following: "This bill be not now read for the following reasons:

(a) No sections in the bill mention or stabilize hydro rates.

(b) The government is seeking this legislation not because it is necessary to stabilize hydro rates but because it is attempting to use the Legislature to hide its embarrassment at finding the public Hydro facility to be in sound condition.

(c) The legislation is unnecessary because Hydro spokesmen have indicated that the current position and projections show that hydro rates can be held stable without government action for the next five years and the utility can maintain reserves of \$45 million.

(d) The Legislature does not wish to participate in a hoax on the people of the Province of Manitoba."

**MR. SPEAKER:** I will take the amendment under advisement.

**MR. GREEN:** Mr. Speaker, if you are going to take the amendment under advisement then I would ask you to refer to Beauchesne, Page 226, Article 744 and 745, Reasoned Amendments.

**MR. SPEAKER:** I thank the honourable member for his advice. I will take the matter under advisement and, hopefully, obtain a decision as quickly as possible.

### **BILL NO. 68 — THE STATUTE LAW AMENDMENT ACT (1979)(2)**

**MR. SPEAKER:** The Honourable Member for Kildonan.

**MR. FOX:** Mr. Speaker, I adjourned this bill for the Honourable Member for Churchill.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. COWAN:** Thank you, Mr. Speaker. Notwithstanding any of the other provisions of the bill and not wishing to have the implication that I am giving approval to them, I would like to just single out one provision of the bill. I had hoped that the Attorney-General would have been here so that perhaps he could have addressed some remarks to the questions that I am going to raise in respect to No. 10, which deals with The Payment of Wages Act. I hope that he will have opportunity to peruse the questions in the Hansard and to report back to myself in the House, because I think that there are a series of questions and serious questions that must be addressed by the Attorney-General in this regard.

As you know, the situation, as it stands now, is if a corporation or company or employer should go bankrupt, that the employees would have first lien on the assets of that employer for their wages, up to a recoverable amount or a maximum amount of \$2,000 per employee. And this is, in my opinion, eminently fair; it is the employees who are producing the wealth for that particular company or employer and they should have first lien on any assets for the purpose of recovering wages that are legitimately due to them.

The effect of this amendment would be to say that the employees would be able to file a caveat but that they would no longer automatically have first lien on the assets of the employer, and that anyone who files an instrument and registers it in the Land Titles Office prior to the filing of a caveat by the employees would have priority over the assets and priority over the wage earner's lien. So, if that's the case, it would effectively take away from the wage earners the first lien provisions that they now enjoy under the Act. And that I think, Mr. Speaker, we have to speak against quite bluntly that there are no questions concerned there; that we cannot allow that to happen unnoticed or to go unnoticed, or to happen without some opposition being raised from this side of the House because I think it is a negative step. I think it is a regressive step and I have to speak against it.

If the government is determined to pursue that particular option that they do have, then there are some questions that are raised. And one of them is it's difficult to, on just short notice, fully understand the implications of the amendments but it would seem to me — and I may stand

and I hope I do stand corrected by the Attorney-General when he does reply — but it would seem to me that they have given the only opportunity for that filing of a caveat to the director of the appropriate government body and that they have taken it away, or I'm not even certain that it did exist previously but it my impression that it does not exist now, that they have taken away the right of the employee to file a caveat. I think that in itself is ominous but I also think the fact that they say in their Section 7 subsection (5) that prior to the filing of a Certificate of Judgment under the subsection (4) the director "may" — and that's the key word there — "may, upon receiving a complaint alleging that an employee did not receive wages from his employer", etc., etc., "may" file a caveat.

And I think if they are going to allow the director the only opportunity to file a caveat then it should be "shall" file a caveat, because now what they are doing is they are saying, and I may stand corrected, I have to add that, that I'm not certain that my interpretation is the proper interpretation and one of the reasons why I'm asking the questions, if they have given the director the only power to file a caveat, they have also given him the discretionary power as to whether he or she will or will not file that caveat and that works to the detriment of the workers in this regard.

I would just also like to ask the Minister on the record in Hansard, so he can reply, what it is that brought about the need for change? I'd like to ask him how often this particular section has been used in the past? What sort of dollar value we're talking about? How many employees have taken advantage of it since its inception? If he is bringing it in now because he is fearful that there may be more bankruptcies and that it may become a major problem, because I have not heard of it being a major problem in the past.

So the questions that we have to ask the Minister in regard to it, are, is there a provision either in this or somewhere else in the Act giving the employee the power to proceed where the director does not act on a complaint, and is he prepared to amend it so as to make the director more responsible to the worker and say that the director shall file a complaint rather than may file a complaint on behalf of the workers who are making that complaint?

In closing on this particular section, Mr. Speaker, I would just like to say that I'm concerned that there may be a sleight-of-hand happening here and this is why I want to bring this matter to the House's attention. I'm concerned that the way the amendments are written, they may act to much greater detriment than one would naturally assume upon first reading and I would like the Minister or the Attorney-General to clarify and to allay our fears that it is not intended to do so, at the same time make some explanation as to why he considers this amendment to have been necessary.

**QUESTION put, MOTION carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. JORGENSEN:** Mr. Speaker, I move, seconded by the Minister of Mines and Resources that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report on the bills referred for Third Reading. And, Mr. Speaker' I might just advise my honourable friends that it is our intention to deal with those bills standing in the name of the Minister of Finance first.

**MOTION presented and carried** and the House resolved itself into a Committee of the Whole House, with the Honourable Member for Radisson in the Chair.

### COMMITTEE OF THE WHOLE HOUSE

**MR. CHAIRMAN, Mr. Abe Kovnats:** Committee will come to order. Bill No. 32, An Act to amend The Hospital Capital Financing Authority Act. Clause 1(b)(i)—pass; (ii)—pass; (iii)—pass; (iv)—pass; (b)—pass; 1—pass. Clause 2(b)—pass; 2—pass; Clause 3—pass; Preamble—pass; Title—pass;

Bill No. 61, An Act to amend The Retail Sales Tax Act. Clause 1—pass; 2—pass; 3—pass; 4—pass; 5—pass; 6)ll)—pass; (mm)—pass; 6—pass; 7—pass; Preamble—pass; Title—pass; Bill be reported.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I just want to take a moment to say that our whole debate that we've had in regard to the cost of the exemption of clothing for children, if I may refer to them as oversize children, will be a continuing one. We'll be back next year and we'll be asking questions

about how much it really was because as I understand it there will be certification required and there will be papers presented by the retailers to confirm the exemption which they have given, since the clothing that will be sold will be clothing that's adult clothing sold presumably to under 15 years, and then we will find out from the Minister how much it really cost.

I predict it will be very little unless there's a great deal of slippage. I predict there will be slippage. I don't know how much. I have to say that although I think we got a rather superficial accounting by the Minister on his calculation of a \$1 million dollar loss, which is related to \$20 million dollars of sales for this very small group of children, even the figures that he had according to my very quick calculation would seem to indicate a maximum of \$10 million dollars of sales which would indicate \$500,000 in loss, which I still don't accept, and it will yet be shown that it was wrong.

I really don't believe those figures, I think that they are just thrown at us because there was an initial mistake made. And I suppose it's a matter of pride that one does not say, well we made a miscalculation. So I just repeat I'm not satisfied with the figures given by the Minister, I think the figures I gave were more valid and even over-compensating showed a substantially lower benefit to taxpayers and that's okay, Mr. Chairman. I said then and I will repeat that we wanted to be able to pass this exemption to the people entitled thereto just like the Minister wants to do it, but we were given the assurance that we could not succeed in doing that without a tremendous amount of slippage which we were advised not to take, which we did not take.

I will say, Mr. Chairman, I sincerely believe that this decision as to the exemption of clothing was one that the Minister wanted, that his caucus supported, that I am convinced his administration will consider a headache, didn't want it, doesn't want it, regrets it, and will continue to regret it. We'll see a year from now if we get the proper figures whether or not the Minister will regret it as well. But if he can carry it through I will be pleased, I just don't believe he can.

**MR. CHAIRMAN:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Chairman, the Member for St. Johns of course is perfectly correct that this item isn't even covered in this bill, but it has dominated the discussion that has centered around the Sales Tax changes. With regards to the calculations I have given the member the information upon which the projections were based. As he knows, basically the Minister relies on the statistics that are developed by the department. They have established the figures and I have given him the basis on which the projections were made. He suggests there will be slippage. It would be a very strange tax law if there wasn't slippage. There's slippage in all tax laws. This one may be more prone to it than some others are — we'll see. I don't know that we'll ever know accurately. He says we'll look at it next year. I'll be interested of course too, but at this point in time I'm not quite sure how accurately we will ever know the difference between his figures and the figures that are projected here. I said before when he first raised this matter, I thought he was suggesting that it would cost more and I was worried, Mr. Chairman, and then I discovered after the debate went on for a while that he was really suggesting that the \$1 million was high. So I have to tell you, Mr. Chairman, I was relieved when I found out that he was suggesting it was lower than that figure, and I have no trouble in accepting that.

I hope that the benefit that people have been asking for, for years and years and years, ever since this thing came in, can be achieved without a loss to the treasury, that does not exceed the \$1 million figure, and the lower the better, because certainly the age mechanism is the mechanism that people have been asking for. And it really boils down to the member's concern and he feels a little — you know the cornerstone of his argument is the administrative part of it. Well I think the finance department has 350 staff that administer the tax laws of the province and the finances of the province, this is one of them, Mr. Chairman. All of these tax laws require administration. You know, if we set the policy of government based solely on what we thought was administratively the only thing to do, we would sure have, Mr. Chairman, a very sterile government, I'll tell you. If this Chamber can't make its mind up about what governments ought to do and then consider whether or not there's an administrative barrier, that's fine. But when you put it the other way around that's not the right way to do things in terms of setting government policy.

So it's done. It's done to the benefit of people. I trust that the cost to the treasury is less than a million. I hope it is. I'm not sure we'll ever know exactly. I hope that the so called slippage referred to it, is no greater than it is in other tax laws. We'll wait and see.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, the only point I would want to make is that I referred to the specific sections in this bill as being very minor and indeed they are. I refer to the other as being



more meaningful, I think, but attracting so much slippage that I think it will be very costly in relation to the benefit. I still don't think it will be a million dollars. If it were anywhere near a million dollars then it would be inexcusable and then I would say that the Minister would have to assign a whole hoard of inspectors possibly to stand at every cash register and inspect and cross-examine people on the certificates they have to sign. I'm not even clear how they will attempt to enforce it. My fear is that they won't attempt to enforce it as I believe is happening in B.C. They've shrugged their shoulders, they're not really doing a proper enforcement job, there's a great deal of slippage. And the Minister is right in saying there's always some slippage, but you've got to have a balance, you have to know what you are talking about, and in this case I'm afraid that if it's high, it will be high because of tremendous abuse. If it is low then it's not as meaningful as a million dollars would make it appear. It's not a benefit to taxpayers to that extent unless there is abuse. That's the point I wanted to make and I think it's made and that's it.

**MR. CHAIRMAN:** The honourable members — there is an amendment that I neglected to bring in at this point and I would read it in before Bill be reported. —(Interjection)— I would ask the House leave to revert back to the report stage so that we can bring this amendment in that should have been added.

**MR. GREEN:** Mr. Chairman, can we be told what the Minister wants to do with the amendment. I don't think that there is an attempt to be technical over nothing. What does the Minister intend to do?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. CRAIK:** Mr. Chairman, I'm sorry. I overlooked this. It is to define what used clothing is for the purposes of Clauses 1(cc), (dd) and (ee) — used clothing, used footwear and used furniture means clothing, footwear and furniture that have been owned by a previous consumer.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I don't know of any objection to referring it back to the proper section. I will want more information on the proposed amendment, but I don't see any reason why we shouldn't consent to going back to discuss it. Not pass it, but discuss it.

**MR. CHAIRMAN:** The Honourable Member of Finance.

**MR. CRAIK:** Mr. Chairman, I'm a little bound up in the procedures here. Am I at liberty now to introduce the amendment? In which case then I would make that formal motion that Bill 61 be amended by adding thereto immediately after Section 6 thereof the following section: Subsection 4(1.1) added.

**MR. GREEN:** Mr. Chairman, a point of order. Some of the members point out that somebody else should be amending the Minister's bill.

**MR. JORGENSEN:** Mr. Chairman, I move

THAT Subsection 4 of the Act is further amended by adding thereto, immediately after Subsection 1 thereof the following Subsection:

Meaning of used clothing, etc.

4(1.1) For the purpose of Clauses (1)(cc), (dd), and (ee) "used clothing", "used footwear" and "used furniture" means clothing, footwear and furniture that have been owned by a previous consumer.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. CRAIK:** It arises principally because the "used clothing," it could be rental clothing, a la the Member for Burrows' tuxedo rentals. This rules out the small case where you have — one case it pointed out — that there was a looseness in defining what used clothing was, and this is primarily what this stems from and in examining the Act, the staff felt that it was ill-defined and that secondhand clothing must be clothing that's handed on from one consumer to the next. And I suppose there are very few cases, this being one, where in fact there could be a lack of definition of it, but it has to be clothing that goes from one consumer on to the next.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I'm surprised only to the extent that I would have thought that since there was an exemption for used clothing before, and all that's being done is to raise the amount, that there should have been a definition before, but do I now understand from the Minister that there has been no definition at all and no problem has arisen until the Member for Burrows contributed his comments, and therefore it is because of what he said that it was felt desirable to have this definition? I'm wondering then, Mr. Chairman, why it is limited, that the definition is limited, only to these specific subsections — that is Section 1, subsections (cc), (dd) and (ee)? Why is that necessary? But that's technical and if the Minister doesn't know the answer, I'll accept it. I think the Legislative Council can give an answer.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. CRAIK:** Mr. Chairman, it obviously isn't intended to apply to used automobiles, in which you've got a major change. He's right in the first case. It stems from the anomaly arising as a result — it was there before — the limits are the only thing that were changed, but the anomaly was pointed up by this particular case mentioned by the Member for Burrows.

**MR. CHAIRMAN:** The motion before the House, that the amendment be accepted. All those agreed please say Aye. The Honourable Government House Leader.

**MR. JORGENSON:** Mr. Chairma, I move  
THAT Section 7 of Bill 61 be renumbered as Section 8 thereof.

**MOTION presented and carried.**

**MR. CHAIRMAN:** I refer the members to Section 7, clause 4(1.1)— pass; clause 8—pass; Preamble—pass; Bill as amended—pass. Bill be reported.  
The Honourable Member for St. Vital.

**MR. D. JAMES WALDING:** Mr. Chairman, I came into the committee when we were at this stage before and my colleague from St. Johns was speaking on the matter of clothing for children under the age of 15, and I had raised a specific problem in this regard in the form of a question to the Minister some little time ago, and he said at that time it would be a problem for his staff to come up with some regulation, and I wonder if he can report to the committee now that that particular matter has been taken care of. The Minister will probably recall that I asked him a question, whether he would require children under the age of 15 to sign a declaration when they were purchasing clothing. Does he now have an answer to the question?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. CRAIK:** Mr. Chairman, I'm not completely sure of the exact procedures. I can tell you that there is not an identification card or anything of that nature contemplated, but there will be a request for, if there is doubt, for a declaration indicating that it is for a child under this age. I can indicate the form of it to him; it's in the formative stage. I can only tell him what is not being required and not being contemplated, there is not an identification system and so on being contemplated or a permit or anything of that sort.

There is and will be a request to declare that in fact, if there is doubt, that it is for the child 14 years and under.

**MR. WALDING:** Mr. Chairman, I'm not sure that I made the problem perfectly clear to the Minister. In the past, when the exemption for children's clothes was only up to a certain size, it really didn't make any difference whether it was an adult buying clothing for a child or whether it was the child purchasing the clothing for himself. Now we have the case where clothing purchased for a child up to the age of 14 inclusive, will no be subject to Sales Tax. Now, the Minister has explained to us that there will be a declaration involved where an adult is purchasing clothing or footwear for an oversized child under the age of 15. The question I'm raising with the Minister is what happens when a child under the age of 15 is purchasing the clothing?

**MR. CHAIRMAN:** Order please. The hour being 12:30, Committee rise. Call in the Speaker.  
*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested*

*leave to sit again.*

**IN SESSION**

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Dauphin, report of Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. JORGENSON:** Mr. Speaker, perhaps honourable members would want to know what the order of business will be for this afternoon. I'll be calling Bills 3, 59 and 60. And when we've concluded those we'd be going back into Committee of the Whole to continue consideration of those bills.

**MR. SPEAKER:** The hour being 12:30, the House is accordingly adjourned and stands adjourned until 2:30 in the afternoon.