



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

37 Elizabeth II

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature**

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNESSE, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	LIBERAL
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, November 9, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. John Angus (St. Norbert): Mr. Speaker, I beg to present the petition of Perry Kent, R. O'Hara, K. Weiss and more than 1,200 others calling upon the Government to consider measures designed to produce a more equitable system of property tax assessment by deleting the Residential 3 Classification and transferring those properties to the Residential 1 Classification.

Mr. Clerk, William Remnant: To the Legislature of the Province of Manitoba:

Schedule A of Regulation 140/87 of The Municipal Assessment Act creates a special classification for owner/occupied Condominiums and Cooperative Housing Units, identified as Residential 3.

And the City of Winnipeg mill rate formula, as a result of the special classification, creates a higher mill rate for Condominiums and Cooperative Housing Units than for Single Family Homes, thereby forcing this group to pay an unfair and higher property tax.

Therefore, we call upon the Government of Manitoba to consider undertaking measures designed to produce a more equitable system of property assessment by:

- (a) Amending Regulation 140/87, enacted pursuant to Section 32.(1) of The Municipal Assessment Act, by deleting the Residential 3 Classification; and
- (b) Transferring these owner/occupied Condominiums and Cooperative Housing Units for the purpose of assessment to Residential 1 Classification, with the intent of ensuring municipal taxes applied to owner/occupied Condominiums and Cooperative Housing Units be the same as that applied to Single Family Houses.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have, from the Parklands Campus, Assiniboine Community College, 20 Business Administration students under the direction of Mr. Norm Magnusson. This school is located in the constituency of the Honourable Member for Dauphin (Mr. Plohman).

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

ORAL QUESTION PERIOD

Dewar Report Tabling Request

Mrs. Sharon Carstairs (Leader of the Opposition): With promises of openness and accountability of Government and trust in Government, this Government was sworn into office six months ago today. I can think of no public office where public confidence and trust is more important than in the office of the Attorney-General. Those responsible for the administration of justice have a duty to ensure that this trust and confidence is never shaken, and when it is, that it be restored as quickly as possible.

Mr. Speaker, the ticket fixing affair earlier this year had a profound effect on public confidence in our system of justice. This confidence has yet to be restored and will only be restored when the full story is known. Will the First Minister (Mr. Filmon) tell this House today when he will demand that the Dewar Report be tabled?

Hon. James McCrae (Attorney-General): I can take the Honourable Leader's question as a representation and as her own demand to me.

It is not a matter for me to demand of anyone. It is a matter for me to make that report public. So now perhaps the Honourable Leader of the Opposition (Mrs. Carstairs) understands the process with the answer I have just given.

I agree with the Honourable Leader of the Opposition when she talks about trust and openness and confidence, and moving as quickly as possible is exactly what I am doing. The Honourable Leader of the Opposition is parroting a number of my own words. That is exactly what this Government has been trying to achieve in the past six months.

I think a very significant part of moving in that direction was the proclamation of The Freedom of Information Act, which is one example, and I can tell the Leader of the Opposition about a number of other initiatives taken by my department since May 9 as well, which achieves the same result.

I can assure the Honourable Leader of the Opposition that I am moving as quickly as possible.

Mrs. Carstairs: The reason the First Minister (Mr. Filmon) was asked the question was because he is not moving fast enough.

* (1335)

Openness in Government Report Releases

Mrs. Sharon Carstairs (Leader of the Opposition): The second question is to the First Minister (Mr. Filmon).

The lengthy delays in releasing reports accomplish little except uncertainty. Why do his Ministers have to sit on reports for weeks, if not months, before releasing reports? How does this respond to his promise in the election campaign of openness in Government?

Hon. Gary Filmon (Premier): As usual, the Leader of the Opposition (Mrs. Carstairs) just spews away with negative feelings and thoughts about everything possible again.

The reality is that when reports are prepared that involve serious Government decisions, Government has to take the time to be able to respond to those decisions as in the case of, for instance, the Kopstein Report. It took six months or more to prepare the report. It took a number of months to put it in writing and put it in the form of recommendations. It took some time, I will admit—several weeks—for that report to be reviewed in terms of a response by Government so that when the report was put on the table, rather than just simply opening up questions and concerns, the Government was in a position to respond with a course of action so that the issues raised in the report could be addressed by Government policy.

I know that if we were to put that report on the table as soon as we got it, without having any opportunity to review it and come up with Government response and action, she would spend the next week asking, what are you going to do about this, what are you going to do about this, what are you going to do about this, what are you going to do about that?

When we tabled the Kopstein Report, we had a Government policy response to more than half the recommendations and indeed a course of action to be followed by the Board of Directors of MPIC so that the other areas were being considered for immediate response as well.

We are doing the same thing with the Dewar Report. We will have not only the recommendations and the information from Mr. Dewar, but we will have a responsive Government with action.

Dewar Report Tabling Request

Mrs. Sharon Carstairs (Leader of the Opposition): With a supplementary question to the First Minister of the province (Mr. Filmon). Ever since Ticketgate broke in the papers, individuals in this community have lived under a cloud of suspicion and that cloud will only be lifted when the full knowledge of this case is provided to them. When will he table this document in this House so that those individuals can be afforded some justice in this society?

Hon. Gary Filmon (Premier): That is precisely why this Government appointed former Chief Justice Dewar to do that review, so that we would not have that remaining cloud of suspicion as to whether or not justice had indeed been done and being seen to be done, whether or not there had been political interference, whether or not there had been inappropriate action on behalf of either the police or the Department of the

Attorney-General or any others. Those are all of the reasons we put on the table that said we need to have this kind of review from somebody whose credibility cannot be challenged, and we chose former Chief Justice Dewar as that individual.

People from throughout the community and every area, those who were charged, those who were under a cloud of suspicion, those who have to deal with the legal system, said we made the right choice. Now we want to carry that through to its right conclusion and ensure that the actions flowing out of Chief Justice Dewar's Review are the right actions, and we do not want to do something wrong and ruin the whole process by taking precipitous action. It will be tabled when we are ready to give, as well, the Government's response to it, and that will be shortly.

* (1340)

Pay Equity Cost to Universities

Mrs. Sharon Carstairs (Leader of the Opposition): With a new question to the First Minister (Mr. Filmon). We were delighted to learn that the University of Manitoba has, as of October 30, fulfilled its obligations under The Pay Equity Act. The Minister of Labour (Mr. Connery) and the Minister of Education (Mr. Derkach) no doubt have copies of this agreement between the university and the employee groups.

Concern, however, has been expressed that unless provincial funding is made available, the operating revenues of the university will be required to initiate and to in fact cost out this particular program despite the fact that our universities are still under considerable financial strain.

My question to the First Minister is, if the Minister supports pay equity, and we believe he does because he has said so in the House, why has funding not yet been made available to the university for implementation of its pay equity program?

Hon. Gary Filmon (Premier): Mr. Speaker, not only do I support pay equity, not only does my Government support pay equity, but we are on the record as having voted for the particular Bill that implemented pay equity in the public sector of Manitoba. There is absolutely no question about that.

Having said that, we obviously have to deal with all of the various Crown corporations and outside agencies, at the universities, school boards and others, for whom pay equity will represent an additional cost. We had to go through the process that took us, for instance, through the negotiation period which ended in some cases, as she has pointed out, just about nine, ten days ago. That process was required so that we could then know what the costs of the first phase of implementation would be to the universities.

Having had that phase take place, we now have to deal with the university in terms of how it is going to respond to those additional costs, and that is a responsibility of Government, a responsibility that we

take seriously, that my Minister of Education (Mr. Derkach) and this Government will deal with in a fair and reasonable manner with the universities and all of those external agencies who have to respond to pay equity.

University Funding Pay Equity Implementation

Mrs. Sharon Carstairs (Leader of the Opposition): With a supplementary to the First Minister (Mr. Filmon). The cost of pay equity at the University of Manitoba alone is going to cost in its phased-in first period some \$4.1 million. Is the Government prepared to give an additional \$4.1 million to the University of Manitoba in order to implement its pay equity agreement?

Hon. Gary Filmon (Premier): We are committed to the implementation of pay equity. We are committed to the support of our universities in Manitoba. We said so during the election campaign. We have demonstrated that support by virtue of our first Budget in the amount of money that we gave to them, a commitment to ensure that where there was need at the university, and we had to supply additional funding to prevent the Faculty of Dentistry, for instance, from being threatened by loss of its accreditation. In many other areas, we have been in close consultation.

The Minister of Education (Mr. Derkach) and I have met with the presidents of the universities. We have established, I believe, a positive working relationship with them. We have given them our assurance that where there are problems to be dealt with, new challenges facing them, such as facing the cost of pay equity, we will deal with them in a fair and reasonable manner with the underlying objective of ensuring that our universities are properly funded so that post-secondary education to our students in Manitoba is well-presented.

Universities Quality of Education

Mrs. Sharon Carstairs (Leader of the Opposition): With a supplementary question to the First Minister (Mr. Filmon). Can the Minister explain how the universities are going to maintain quality when they receive from this Government grants of less than the rate of inflation and are now expected, via Government legislation and through their own agreement with their employees, to implement a pay equity program which is going to cost them additional monies? How does this Minister anticipate that they are going to implement this program without substantially reducing the quality of education at the university?

Hon. Gary Filmon (Premier): Clearly, Mr. Speaker, we will have to deal with the issue of providing funding to meet the challenges of pay equity for the universities. It was not until they were able to negotiate their collective agreements to include the additional funding necessary for pay equity that we had an idea of the order of magnitude of what the support will require.

Clearly, we have not even been faced with that until within the last nine or ten days. Having received that

information, it then goes through the Department of Education for consideration by Treasury Board and Cabinet and we will indeed give it its due consideration and undoubtedly we will be giving some additional funding that will be necessary to maintain the levels of support and, indeed, the quality of education at the University of Manitoba. It is a straightforward process. It is one that Government faces each and every day when situations like this come forward.

* (1345)

Federal Funding Manitoba Projects

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, my question is to the Minister of Industry, Trade and Tourism (Mr. Ernst). Today and last evening, we again witnessed the spectacle of the present Prime Minister of the country bragging to the people and boasting to the people of Quebec about his great interference in providing the CF-18 contract to the people of Quebec over the merit and price of Manitoba. Today, we also were able to observe a present Tory Member of Parliament, Mr. Kilgour, stating very clearly that the present Prime Minister of this country gives all the favours and preference to his old friend, Robert Bourassa, rather than providing fair treatment to other regions, particularly the west.

My question to the Minister of Industry, Trade and Tourism (Mr. Ernst), given that Quebec has been funded for Domtar and Manfor has not gotten an announcement, given the fact that Hudson Bay Mining and Smelting is still waiting for an announcement from the federal Government and the St. Lawrence clean-up is taking place, given the fact the aluminum smelter has already been agreed to be funded in Quebec and no answer in Manitoba, my question to the Minister of Industry, Trade and Tourism is when are we going to get the announcements from the federal Government in terms of Manitoba projects that allegedly have been communicated to the federal Government for their consideration?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, the Premier appointed myself and two other Ministers as a negotiating team to sit down with the three federal Ministers to deal with a number of those issues. We have been dealing with those issues and, quite frankly, if the answers were put on the table today, we would be accused of vote buying. We would be accused of some kind of election play. There is an ongoing process of negotiation, we have our officials working together, and in due course we will have those answers.

Mr. Doer: Mr. Speaker, this negotiating committee of Ministers is a total failure in terms of the Province of Manitoba.

Negotiating Process

Mr. Gary Doer (Leader of the Second Opposition): Mr. Kilgour, a member of the Tory caucus, goes on to

state that the Prime Minister's announcement on the CF-18 was totally made on the basis of political election timing. Now I do not know whether the Minister of Industry, Trade and Tourism (Mr. Ernst) has noticed or not, but there is an election going on now.

My question to the Minister is: why will he not obtain a negotiated settlement to those three important projects and other important projects in Manitoba, considering the Prime Minister's priority of election timing when he makes these regional announcements?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, the negotiating process is ongoing, as I have indicated in my first answer. When we are in a position to advise Members of the House and members of the public as to the extent of the questions before that committee, we will do so.

Mr. Doer: Mr. Speaker, we said three weeks ago that the boat is leaving the harbour and this Government is not on it.

Fairness

Mr. Gary Doer (Leader of the Second Opposition): Our share of the federal election promises, the billions of dollars of boondoggle promises from the Prime Minister, is over \$540 million.

Could the Minister, today, please announce, where is the taxpayers' share of the federal Tory announcements that have been made primarily in the Province of Quebec, where they will be made up in terms of fairness and decent treatment in terms of Manitobans in terms of projects that are worthy of consideration in this province?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, the question of very important projects for Manitoba are on the table. They are things that we are negotiating. They are HBM&S, they are Manfor, they are sewer and water and other projects for southern Manitoba, and a number of other very important projects that are vital to the Province of Manitoba. I am not going to go out and make any announcements, unlike the former administration who made announcements about projects that were not funded and had no basis in fact.

* (1350)

Federal Contracts Awarding Inequities

Mr. Gary Doer (Leader of the Second Opposition): My final question to the Minister of Industry, Trade and Tourism (Mr. Ernst)—and I am surprised he would only mention sewer and water for southern Manitoba, but I hope there is not a political placement of those projects in terms of the Parklands, the Interlake and Eastern Manitoba as well—but my question to the Minister is: Kilgour again confirms what we have been stating in this House for months, that the West gets 11 percent of the procurement contracts for 30 percent of the

population. What agreement has this Government obtained from their new friends in Ottawa, this kind of Government that they just have to pick up the phone to get fair treatment? What kind of agreement has this Minister obtained for Manitoba, besides rhetoric, that will redress some of these inequities in terms of procurement policies in this country?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, the first thing that we will do, and I neglected to mention earlier, the sewer and water projects for northern Manitoba are under the Northern Development Agreement, which is also part of the projects and so on that we are discussing with the federal Government.

But the former Government approached it a little differently. What they did was bash the federal Government over the head and got nowhere—got no agreement, got no discussion with the federal Government at all. As a matter of fact, what they did is turned off the Government of Manitoba when the NDP were in power, rather than listen, discuss and negotiate agreements that were important to Manitoba.

Rural Development Policy

Mr. Laurie Evans (Fort Garry): As was indicated earlier, we are experiencing—and I am not going to use the word "celebrating"—the six-month anniversary of this Government, but at this time it is always intriguing to go back to the Throne Speech, Mr. Speaker, and just see what progress has been made. In the Throne Speech, the statement was made, and I quote: "My Government will also be pursuing comprehensive rural development policies, such as the creation of off-farm income opportunities through diversification, to ensure long-term stability in rural Manitoba."

My question is to the Minister of Agriculture (Mr. Findlay). Can the Minister indicate to the House what comprehensive rural development policies have been initiated to date to ensure long-term stability in rural Manitoba?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, diversification into new opportunities in the agricultural sector and a secondary processing that can go together with those new opportunities is a long-term project. It takes discussion with a number of different officials inside this country and outside this country and stimulating an environment in which they can operate their businesses here. We have a number of discussions ongoing. We have a Cabinet committee that is in place to spearhead those discussions.

I can assure the Member that we are in consultation with a number of officials inside and outside the country, attempting to put together diversification opportunities that will reverse the trend of population moving from the country into the city, and try to get a stabilization of the rural economy and the rural population.

Rural Economic Development Committee Membership List

Mr. Laurie Evans (Fort Garry): I infer from the Minister's answer that the Rural Economic Development Committee of Cabinet has been struck, and if it has, I would appreciate the list of the membership on that committee. Can the Minister tell us when they met and what type of initiatives have been undertaken to date?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Yes, the Rural Development Committee of Cabinet has been struck. The Members, if my memory serves me correctly, are the Minister of Natural Resources (Mr. Penner), the Minister of Agriculture (Mr. Findlay), the Minister of Community Services and Economic Security (Mrs. Oleson), and I believe the Minister of Municipal Affairs (Mr. Cummings), and the Premier (Mr. Filmon) and myself. We have met; we have embarked upon a strategy. I am meeting with all of the rural development corporations over the next two to three weeks, as well as other business and community leaders in the various areas of Manitoba. The first of those meetings, Mr. Speaker, will take place this evening.

Mr. Laurie Evans: Obviously, it was a very appropriate time to ask the question.

* (1355)

Farm Women Employment Assistance

Mr. Laurie Evans (Fort Garry): As a final supplementary, I would like to ask the Minister of Agriculture (Mr. Findlay) if any specific initiatives have been taken to assist farm women who were seeking off-farm employment to assist in the survival of their farms.

Hon. Glen Findlay (Minister of Agriculture): We consider farm women to be in an equal category with farm men, and any initiative that is in place for men is also in place for women. Naturally, they are an important element of our society and I can assure him that in one area, in child care development, there has been a committee put in place in my department to look at supplying child care and the special needs that producers need. I hope that some programs can come together to help farm women in that respect.

There are a number of other initiatives in place and the farm women's meeting yesterday, today and tomorrow, in the City of Winnipeg, will be instrumental in hearing their ideas on what needs to be done in rural Manitoba.

Cancer Treatment New Equipment

Mr. Gulzar Cheema (Kildonan): I have a question for the Minister of Health (Mr. Orchard). A tragic story of Mr. Harvey Towe, an 82-year-old man who has given 45 years of his professional life as a dentist to rural

as well as urban Manitoba. He is suffering from lung cancer and his condition is deteriorating everyday. He needs radiation therapy now, not in four to six weeks' time. This is a human story which must be addressed and dealt with immediately. His treatment will prolong his life and also the quality of his life. My question is what steps has this Minister taken to ensure that radiation machines are in operation now, not in four to six months as the Minister indicated four weeks ago?

Hon. Donald Orchard (Minister of Health): No one likes to see the kind of circumstances that occur from time to time in terms of waiting time for radiotherapy treatment in the Province of Manitoba, and that situation is a serious one from time to time. For instance, as little as 10 days ago the waiting time for radiotherapy treatment was upwards of six weeks. That was the advice given when people were diagnosed as needing radiotherapy treatment.

I am pleased to indicate to my honourable friend, however, that as of 11 a.m. this morning, the waiting list for radiotherapy treatment has improved substantially in that there are 6 patients waiting less than three weeks, 11 patients waiting less than two weeks and 9 patients waiting less than one week. So the situation is in constant flux and has improved, temporarily albeit, but certainly improved significantly so that the level of service offering is increased considerably from some weeks ago.

I wish to indicate to my honourable friend that on this side of the House we shared the concern about radiotherapy treatment equipment some three years ago. As I indicated in an answer to my honourable friend on the 17th of last month, at the urging of my colleague, the Minister of Community Services (Mrs. Oleson), my colleague, the Minister of Culture (Mrs. Mitchelson), and myself, the previous administration, through discussions with the Cancer Treatment Foundation, did order replacement equipment. I wish to give my honourable friend the current scheduling of replacement of that equipment so that my honourable friend knows that everything is being done to speed the installation of this equipment.

The equipment was ordered in the 1986-87 Estimates. In January '87 the approval for purchase of equipment was given. In January of this year, plans were finalized for the construction of a facility to house the new equipment.

Now my honourable friend has made some comment that I have done very little since being Minister to assure this and, Mr. Speaker, I beg your indulgence because I think Manitobans need this information so that they are not potentially frightened by some of the statements made by people without knowledge in the paper.

* (1400)

Waiting Period

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, the waiting period was yesterday six weeks. How come it is not two weeks or one week?

My question is: will the Minister tell Mr. Harvey Towe's family what they can do to have their father treated

immediately and not to continue to be No. 45 on the waiting list as of today?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I cannot answer my honourable friend's question, but perchance he might wish to contact the executive director of the Manitoba Cancer Treatment Foundation who, at one o'clock today, gave me those figures that I put into the record. If my honourable friend would check his information, he would get the same information that I have now given him.

In terms of installation of the new equipment, in June of this year, one month after assuming office, we sent to tender the new construction required. In July tenders were received. Those tenders were going to be awarded to the lowest bidder with the one single problem that the lowest bidder withdrew his bid because he had forgotten to bid the cost of lead shielding. Therefore, negotiations were under way for some time with the second lowest bidder to negotiate a better price with that contractor, which was achieved and the contract was awarded September 28, 1988, and construction is now under way.

The machine will arrive in March of next year and I cannot speed up the delivery of that machine. It is on schedule as has been planned since January of 1987. Everything has been done by this Government to assure the speedy installation of that machine contrary to statements by my honourable friend.

Out-of-Province Costs

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, some of these patients are being forced to go out of Manitoba and some of them are requiring their family member accompanying them. This is causing not only financial stress, it is causing the relocation of the families. Could the Minister please explain to the members of the families who are suffering from this disease what kind of plans he has to ensure that they are not hurt financially as well as their jobs are not hurt?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, my honourable friend might be pleased to know that Mr. Curbishley, who it was indicated to sometime last week that it would be up to six weeks before he would receive treatment, has been contacted and can receive treatment early next week because of changes in the waiting list that I have indicated to my honourable friend in my first answer. Mr. Curbishley still may exercise his option to receive that treatment in Ottawa if he so desires, but he has been offered treatment early next week.

In circumstances where an individual has to go out of province for treatment, the treatment and travel costs are paid for the individual. Unfortunately, we do not pay for accommodation costs for radiotherapy treatment or any other process of treatment for individuals going out of province. My honourable friend might want to make that suggestion in Estimates if he thinks that is a policy direction that we should explore.

Canadian Wildlife Federation Rafferty-Alameda Project

Mr. Harry Harapiak (The Pas): Mr. Speaker, my question is to the Minister of Natural Resources (Mr. Penner). Last week, the Canadian Wildlife Federation announced a lawsuit against the federal Environment Minister, Mr. Tom McMillan, for issuing a licence for the Rafferty-Alameda Dam without meeting the environmental assessment requirements.

Will this Government put the interests of Manitobans first before the interests of Saskatchewan's Premier Grant Devine, his Deputy Premier Eric Berntson, and support the Canadian Wildlife Federation in their efforts to stop the construction of the Rafferty-Alameda Dam?

Hon. Jack Penner (Minister of Natural Resources): Mr. Speaker, we certainly will look after the interests of Manitobans first. We have met on numerous occasions with various people from Manitoba and Saskatchewan to discuss the Souris-Rafferty project, as I have indicated in the House, and tabled a technical report a couple of weeks ago, which I would suspect, if the Honourable Member opposite would want to read it, would indicate to him that we have done a substantial amount of work to ensure that Manitoba's interests will be protected.

I would also like to indicate to you, Mr. Speaker, that the monitoring of water quality in our province has gone on for some 20 years, 23 years to be exact. Monitoring of water quality in North Dakota has gone on much longer, nearing 50 years. Other provinces are not nearly as far advanced as we are. We are, however, trying to ensure that the interest of Manitobans will be maintained on an ongoing basis and, therefore, we have asked and are very close to an agreement that will put in place a monitoring board that will, on a daily basis, be able to ensure that the quality of that water along the Souris River is maintained.

Rafferty-Alameda Project Environmental Impact Study

Mr. Harry Harapiak (The Pas): This Minister tries to assure Manitobans that all is well in North Dakota and Saskatchewan when it comes to dealing with the Rafferty-Alameda Dam, but we know it is not. I have in my possession letters from the Souris River Development Authority and also from the Saskatchewan Power Corporation to the U.S. Corp of Engineers, which denies people their access to the information—

Mr. Speaker: Order, please. Order. Does the Honourable Member have a question?

Mr. Harapiak: Will this Minister assure Manitobans that all the information that is necessary by calling an environmental impact study on this project so we can get all the information that is necessary so we can proceed with that project?

Hon. Jack Penner (Minister of Natural Resources): As I indicated, if the Honourable Member would care

to read the technical report, he would find that most of the information that he is seeking is in fact part of the report.

I want to indicate to the Honourable Member that we, the Honourable Minister of Northern Affairs (Mr. Downey) and myself, yesterday were invited to Souris to meet with all the municipalities in and along the Souris River. We were told to proceed and not to oppose the Rafferty-Alameda Dam Project. They in fact are looking forward to the construction and the finalization of the equipment, or the dams, the sooner the better, and they are in fact looking forward to better flows of water down the Souris River and they think they will be better served because of it.

Some Honourable Members: Hear, hear!

Garrison Diversion Project Government's Position

Mr. Harry Harapiak (The Pas): An editorial that was published in the Minot Daily News stated that the water shortage along the Souris River, which the Minister refers to, will not be met until it is supplemented by the Garrison Diversion as was mentioned by the Member for Dauphin (Mr. Plohman) yesterday.

Will this Minister stop looking after the interests of Saskatchewan and North Dakota and will he communicate to the Garrison Diversion people that this province is opposed to it, and will he support the Member for Lakeside (Mr. Enns) and call for a group to go down and show a proposition to that project?

Hon. Jack Penner (Minister of Natural Resources): I find this line of questioning somewhat hilarious, because it is really turning out to be somewhat of a joke. These people that are now trying to accuse me of trying to encourage the Americans to flow water out of the Garrison into Minot, to supply Minot with a supply of water, are actually the same people who agreed to flow water out of the Garrison into the Cheyenne River down the Red River and into our lake system.

Now I am not sure what this line of questioning is leading to, but I would suspect, Mr. Speaker, that they would have also at that time negotiated that the waters would be treated in such a manner that the biota that we have been afraid of would either have been killed or removed. I understand that that is part of the agreement that our honourable friends, when they were in Government, agreed to and that is what they are afraid of. They are afraid now that Minot is going to want to take part and use that same water that they have assured Fargo that they can use.

* (1410)

Seniors Directorate Priorities

Mr. William Chornopyski (Burrows): Mr. Speaker, my question is for the Minister responsible for Seniors (Mr. Neufeld). The Minister responsible for Seniors told this House that he views his role as one of advocacy. In

the Directorate Estimates tabled in this House, this Minister does not even mention advocacy. We were promised a White Paper on Elderly Abuse—no mention of the White Paper.

My question is: will the Minister tell this House, what are the priorities of the Seniors Directorate, and will he table these priorities?

Hon. Harold Neufeld (Minister responsible for Seniors): The purpose of the Seniors Directorate was to help the seniors of Manitoba get an open door to Government. That is being done.

Nothing happens overnight. When you start from nothing, it takes time to develop any kind of a program. When you start from nothing, the program evolves. It does not come into place automatically, all of a sudden. We are working on an agenda; we are right on target on our agenda; and we will be bringing the agenda into a working condition. I am sure that when we get that far, the Opposition will be pleased.

Seniors Program Departmental Coordination

Mr. William Chornopyski (Burrows): A supplementary to the same Honourable Minister, Mr. Speaker. The Minister has tabled in the Estimates that the main responsibility of his directorate will be to coordinate fragmented reporting functions for programs in the Department of Health. The Minister of Health (Mr. Orchard) admitted in this House that he was not aware of these decisions made by the Minister for Seniors (Mr. Neufeld).

My question, Mr. Speaker, is why did the Minister for Seniors not consult his colleague, the Minister of Health, and why did the Minister for Seniors unilaterally make a decision which severely impacts on the Department of Health?

Hon. Harold Neufeld (Minister responsible for Seniors): Within the last two or three months, the Member and his colleagues have repeatedly asked me to get involved in the Department of Health, to get involved in the Department of Community Services, to get involved with the Department of Agriculture, and the Manitoba Telephone System. Now when I mention something which may have been ill-advised, he questions it. Mr. Speaker, all the Ministers of this Government are indeed interested in the welfare of the seniors of this province. They are working together to preparing a program.

Elderly Abuse White Paper Release

Mr. William Chornopyski (Burrows): A final supplementary to the same Honourable Minister. We have waited long enough for the answers from this Minister. When can Manitobans expect the White Paper on Elderly Abuse to be started and when will it be completed?

Hon. Harold Neufeld (Minister responsible for Seniors): Mr. Speaker, in the past, I may have been

a little hasty in giving a deadline. In my anxiety to get things done, I did give this House a deadline. My inexperience as a Member of the Cabinet may have been one of the causes of that. I will not tell the Member for Burrows (Mr. Chornopyski) today when the White Paper will be finished. I will not tell the Member for Burrows today whether or not it will indeed be a White Paper or whether it will be a Green Paper. We are working on it and—

Mr. Speaker: Order, please. Order. The time for Oral Question Period has expired.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Mr. Speaker, would you be so kind as to call Bill No. 37 and the remaining Bills in the order in which they are listed on the Order Paper.

DEBATE ON SECOND READING

BILL NO. 37—THE CROWN CORPORATIONS PUBLIC REVIEW AND ACCOUNTABILITY AND CONSEQUENTIAL AMENDMENTS ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act; Loi sur l'examen public des activités des corporations de la Couronne, l'obligation redditionnelle de celles-ci et certaines modifications corrélatives, standing in the name of the Honourable Member for Osborne (Mr. Alcock), the Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Recognizing that this will stay in the name of the Member for Osborne (Mr. Alcock)—

Mr. Speaker: Is there agreement to leave it standing in the name of the Honourable Member for Osborne? (Agreed)

Mr. Storie: I listened with a great deal of interest to the Minister of Finance's (Mr. Manness) comments when he introduced this particular piece of legislation and I had to chuckle. I had to smile a little bit with respect to two issues, which I will expand upon in the course of my remarks, but I wanted to mention two of them at the outset so that I might have the opportunity a little bit later to expand upon them.

The first one was his acknowledgment that The Crown Accountability Act, the previous Act introduced by the previous Government, had many good aspects.

Mr. Speaker: Order, please. Order. As I have requested before, Honourable Members, there is ample room out in the hallways if one wants to have a private conversation. The Honourable Member for Flin Flon is attempting to make his remarks.

Mr. Storie: Thank you, Mr. Speaker. It was certainly magnanimous of him to make those acknowledgments

and it confirmed what we believed when we introduced that piece of legislation, that in fact it did deal with some of the perceived shortcomings, certainly, of the relationship between the Crowns of this province and the public.

I want to say at the outset that I believe that our Crown corporations have served Manitoba well. I said that at the time. I have said it on many occasions since, that despite the shortcomings, despite the fact that from time to time, because of the extremely careful public scrutiny of Crown corporations, their mistakes become enlarged in the public's eyes. I recall being on an open line show shortly after the MTX scandal, in which quite wrongly, quite in error, quite unfortunately, Manitoba Telephone System, its subsidiary, lost some \$27 million.

There is no way to defend that kind of a loss. The fact of the matter is however, that kind of loss is a result of human fallibility, nothing more, nothing less. We can point the finger at management, at the junior levels, we can point the finger at management at senior levels, we can point the finger at the Board of Directors, at Government, at Ministers. We can point the finger all along the way, but the fact of the matter is that a \$27 million loss in the scope of corporations the size of MTS are not unusual.

The caller on this particular show was chastising the Government for losing taxpayers' money, for costing the taxpayers money by virtue of mistakes that were made, regardless of how those mistakes were made, regardless of how well-intentioned the initiative is, and I point out that it was the Member for Pembina, the current Minister of Health (Mr. Orchard), who conceived of the MTX operations. We have letters and have tabled letters to show that. The fact of the matter is that notwithstanding the best efforts of many, many good people, incidentally whose career paths have been altered in many cases to their detriment by this event, the fact of the matter is that mistakes were made.

* (1420)

Somehow there is the perception though that mistakes that are made by average citizens or mistakes that are made by private corporations do not cost us money. Mr. Speaker, I pointed out to this caller that is absolute nonsense. The difference between Crown corporations and private corporations is that private corporation losses, private corporation mistakes are not the subject of the same kind of careful scrutiny that Crown corporations are and should be. I want to emphasize that point. I am not arguing in any of this that Crown corporations do not deserve to be scrutinized with extreme care. I am not saying for a minute that Crown corporations should not be examined carefully by the public.

My point is that private corporations lose money likewise. I need only point out two examples in Manitoba. One of them is Inco, which has been a very successful Manitoba company, a good Manitoba company, but they have made investment decisions which have cost Canadian taxpayers millions and tens of millions and hundreds of millions of dollars. That is

the fact of the matter, and if you believe for one minute that when a private corporation invests money and writes off that investment that it does not cost Canadian taxpayers money, you are living in a dream world. So let us not confuse the issue. The fact is that when private corporations lose money their mistakes cost the taxpayers money either directly or the taxpayers indirectly by virtue of the fact that they increase their prices for their commodities or whatever to accommodate those losses.

The second example is banks. The pinnacle of financial institutions, the people that you, we, individual entrepreneurs, individual businessmen, trust to be perfect, trust to be error free or as close to it as possible when it comes to investment decisions, have erred and their errors are costing each one of us, each person who has a bank account extra charges in service fees that are being levied by banks now, increased some 300 percent in the last three or four years. They are costing the taxpayers money because they are now starting to write off loans that they have made that have not in the final analysis proven to be good investments.

I am anxious to see this Bill proceed. I am anxious to see it proceed with amendments because there are some flaws in this Bill. I wanted to say and to put on the record the fact that this Bill comes before the House and it will receive some support from Members on this side, unlike the predecessor which did not receive any support from the Minister of Finance (Mr. Manness). He comes back with 90 percent of the same Bill and it is a wonderful piece of legislation.

I did want to put on the record, Mr. Speaker, the fact that this kind of scrutiny, while it is necessary, should not obscure the fact that Crown corporations even when from time to time they lose money, are any more poorly managed or incompetently managed than private enterprise. The fact of the matter is that Crown corporations tend to be very conservative. By and large, the investments of our Crown corporations, the Crown corporations that have been created by Governments, and Governments of all stripes, have been fairly conservative in their approach to the business enterprise. Whether it is Manitoba Telephone System, Manitoba Hydro or Manitoba Data Services, they have been conservative.

Yes, they have made mistakes. Yes, they have made mistakes that have cost taxpayers money. They did so when the Tory Government was in from 1977 to 1981. They did so when we were in Government. They have done so since their inception. From time to time decisions have been made which in retrospect have turned out to be in error, but let us not for that.

One of my major concerns of the last year and a half was because of the perception that only Crown corporations made mistakes, they were taking a beating in public opinion. The move, in the words that have been developed by Members opposite while they were in Opposition, "to restore the confidence in our Crown corporations" is an important exercise.

But I want to say that the confidence in our Crown corporations was undermined, by and large, by false

innuendo, by accusations which were only based on half-truths, by accusations about mismanagement and corruption which, in the final analysis, did not turn out to be accurate, by the continued misuse of information by Members opposite, by others in the public about the nature of Crown debt, the nature of Crown losses. Mr. Speaker, all of that did nothing to instill confidence in Crown corporations, and none of it certainly did anything to give the public a better understanding of the role of Crown corporations, the nature of their scrutiny in the legislative process, or the fact that they make mistakes like other business enterprises, like other enterprises. They are managed by human beings. To the extent that they attempt a task, they are liable to make mistakes.

(The Acting Speaker, Mr. Neil Gaudry, in the Chair.)

But I do not believe for a minute that they are any more liable or less liable to make mistakes than most other enterprises. Certainly, the difference in the public's eye is that, when Inco loses money and it costs its shareholders money and it costs the taxpayers money, there is no intense scrutiny of how that decision came about, who was in error, who was responsible. There is not the same kind of exercise to identify a scapegoat as we have in the quite political process of the review of Crown corporations.

Now, Mr. Acting Speaker, the Bill that we have before us proposes to make Crowns more accountable. That, in itself, is a laudable goal. I am somewhat surprised, and I am sure that the Minister of Finance (Mr. Manness) has grasped the irony of this situation where he is now introducing a Bill which was introduced by the previous Government, a Bill which he attacked as inadequate and inappropriate and, for a number of other reasons, deemed it not appropriate to support, and now is back with a Bill which in fact, in my view and in the view of many, is in itself inadequate. It is inadequate because—and this is another paradox—he has removed one of the provisions that provided for the kind of grass-roots public involvement that was—I was going to say the basis for the outcry in Manitoba, but certainly the basis of the outcry in this Legislature.

So what he has done is say that six months ago or eight months ago now, when we were in Opposition, there was a crying need for public review. There was a crying need for the grass-roots involvement in reviewing both the procedures involved in MPIC and Manitoba Telephone System and Manitoba Hydro, and there was a crying need for public accountability, for a rate setting process and all of those other things which from time to time become contentious issues in the development of Crown corporation policy. I thought that there was a reasonable need for the kind of legislation that we introduced, and I believe that Members in this House now concur that is necessary.

But the irony is that the Minister of Finance (Mr. Manness) has removed that portion of the Bill which would have allowed for that thorough extensive review by the public of Manitoba. It is even more ironic, as was pointed out in the standing committee that reviewed the Manitoba Telephone System, that the Telephone System senior management have already begun their process of public review under the existing Crown Accountability Act.

From testimony that we heard in committee, it became apparent, and even the Minister responsible for the Manitoba Telephone System (Mr. Findlay) acknowledged that those meetings had been successful, that the public in fact were interested enough to come out to those meetings to pose questions, to look for answers from the senior management of Manitoba Telephone System. The Minister has chosen, for his own reasons, to remove that process.

The Minister, in defending the Bill that I am speaking on this afternoon, suggested that there was no need for the legislation to mandate public meetings. He said that he felt that it would be possible for the corporation to do it if it wanted to. Good intentions are one thing. The Crown corporations, of course, have always had the right to hold such public meetings. To my knowledge, they have been done infrequently, if at all.

* (1430)

So the voluntary aspect of holding public meetings has not swayed Crown corporations to go to the public and have their concerns addressed directly. So legislation was deemed to be an appropriate means of requiring it. In doing so, we recognized that there may be differing levels of attendance at all of these meetings, depending on the issues that were before that particular Crown corporation.

Certainly, any time there is a rate setting application before the PUB, any time there are serious financial difficulties in the corporations, any time there is any fluctuation in their financial performance, one would think that the average Manitoban would want to take advantage of the opportunity to go before some kind of public meeting and address the administrators and the Minister of that particular Crown corporation. It seems to me that it is only reasonable to have that kind of a process. Certainly, we could be faulted for not having introduced a Crown Accountability Act making those kinds of stipulations earlier, but there is no excuse, in my opinion and I believe in the opinion of many Members, to bring forward legislation which purports to provide the public with an opportunity to address concerns when it does not do that.

One of my colleagues mentioned the fact that the ability of people to come before the Public Utilities Board to make presentations is going to be a limiting factor. The Public Utilities Board has not historically been involved in regional meetings, has not been at the call, if you will, of communities to present information in their particular communities.

Mr. Acting Speaker, the whole issue of public access and the way it is dealt with in this Bill is going to come back to haunt this Minister and this Government, because the public believed what was being said to them at the time of the MPIC debacle. They believed that this Government actually believed what it was saying when it said the public had a right to be heard. Of course, we have seen in committee as we reviewed the MPIC Annual Report that a lot of the allegations, the hysteria that was developed by Members opposite, was not appropriate.

In fact, we saw the chairman of MPIC, the Manitoba Public Insurance Corporation Board, acknowledge that

the 18 percent rate increase was required, that it was not out of line with the requirements of the corporation. We have seen Judge Kopstein indicate that the 18 percent increase was a reasonable requirement at that time, and all of the other accusations that were made about the rate setting process were also repudiated by the judge's report, and I think a whole host of allegations that were made at the time about the ailments of MPIC were put to rest. That is as it should be.

But certainly during that process, while the public were aroused and concerned about a situation which they genuinely deserved to be concerned about, they were also led to believe that somehow they were now going to get (a) a rate setting process that was understandable, that was in accordance with what was promised, and that was a review and setting by the Public Utilities Board. We have seen the Minister and the First Minister (Mr. Filmon) squabble in public about whether that was actually going to happen for 1989. They wanted that to happen and finally the Government was pushed to concede, and of course, we are going to have the Public Utilities Board establishing a rate setting for 1989. On that score, I think the public has been reasonably well satisfied. The initial concerns that they had are being addressed.

On the second point, they are not going to be satisfied. I know that Members on this side have already indicated and I know my Leader has indicated that we are not satisfied, that the public approach needs to be followed through. It is proven to be effective and I know the Member for Concordia (Mr. Doer), our Leader, has been a part of that public meeting process and found it very effective and very useful. From all reports, the people who attended those meetings found it a useful process. The current Minister responsible for the Manitoba Telephone System (Mr. Findlay) told us in committee that it was a good process, that it was well-attended.

Why we would now say we do not need it when it was promised, when the public expect it, is beyond me. There will be a price to pay if we cannot convince the Government collectively this side that this Bill is not satisfactory in all respects. Despite the fact that there are many things that have remained the same, there are some glaring errors. It is somewhat surprising that the Minister of Finance (Mr. Manness) would take six or eight months to review this and come forward with a Bill which, while similar in many respects, has really gutted probably the most important part of the legislation and that is the question of truly public accountability.

Mr. Acting Speaker, we will be listening to comments from Members on the Government side to explain their action. It is going to be interesting to see how they vote on a Bill that only eight months ago to a person they repudiated. The Minister of Finance (Mr. Manness) is saying this is not the same Bill. We will go through it with a highlighter, and certainly in principle this Bill is almost unchanged and, where it is changed, it is made a weaker Bill and it is made a Bill that is not even consistent with what was promised by the Members opposite. So it is going to be interesting to

see the rationalizations from Members opposite about why this is superior when I think Manitobans are going to disagree heartily. I appreciated the opportunity. Thank you, Mr. Acting Speaker. I am sure other people want to speak to this Bill.

Mr. Gary Doer (Leader of the Second Opposition): Mr. Acting Speaker, I am pleased to rise and speak on Bill 37, an Act, if I am not incorrect, of public review and accountability on the Crown corporations.

I enjoyed the speeches I heard last year on I believe it was July of '87. I remember Members opposite speaking on the Bill. I do not believe the Member for River Heights (Mrs. Carstairs) spoke on it, but I do note that she voted against it. I noted with some curiosity that a lot of the major components contained within the original Bill are contained within this Bill. There are about three major changes in the Bill between the one that we presented in this House and indeed the one that is presented for the attention of this Assembly today.

Governments have had to grapple with the issue of dealing with Crown corporations. Crown corporations were established years ago to serve the public interest as part of our Canadian mixed economy. They were set up to be different than Government departments, different in terms of their operation than the pure Government departments, but also to be accountable to the ultimate shareholders through the Minister responsible in this Legislature and indeed in other Legislatures and Parliament in Canada.

What we have had develop over the years is increased expectations of accountability on behalf of the public for direct spending in Government departments. Into the early Seventies, we had absolutely atrocious sets of accountability in many jurisdictions in Canada, including indeed Manitoba. I recall reading the Spivak Task Force that clearly pointed out that the whole area of Crown accountability in the late Seventies, as identified by Sidney Spivak, and the whole area of ministerial responsibility, the commercial and social and economic effects of Crown corporations, had totally outstripped the methods that Governments used to deal with those Crown corporations.

* (1440)

I acknowledge that Governments have had to grapple with that situation. Any Member of this Chamber who says that there should be total hands off of a Crown corporation is way back in the early Forties. I mean, I hear statements and I want to make it clear because I have said these statements in the hall about the Liberal position on Crown corporations. I cannot understand how they get away with this position. I hear them say on Monday morning that they are opposed to any interference of the Government in Crown corporations, and then Monday afternoon I hear them asking Ministers opposite to do something about the CNR in terms of its staffing decisions. Should they have economic direction from the Government and the shareholders in power or should they not? I believe they should.

I believe CNR is a Crown corporation that has an economic goal, that has a transportation goal and has

social goals in terms of the jobs, and I do want Ministers of the Crown to be held accountable if they cut back the jobs in Manitoba or Edmonton or in other communities in this province. So there has to be a recognition that ministerial accountability and Government responsibility is part and parcel of Crown corporations in Canada. If you are accountable, Mr. Acting Speaker, for decisions that Crowns make, you must have some authority.

I look at the issue of telephones, the Liberals talk about telephones. They promised a billion dollars in terms of telephone calling in the province, and then they preached to all of us about ministerial involvement and political interference. I mean this is 1932 or 1928. It is absolute—how they get away with it is beyond me. How they can talk about Crown corporation interference in the morning and then ask questions in the afternoon on the CNR is beyond me. Again, they are not very serious on the merit of Crown corporations, because I think the position of the Liberals is absolutely dishonest and naive.

We have the situation of the Canadian Post Office, and Liberals and NDP Members are running all over joining Rural Dignity for good reason. I applaud that, but how can you talk in the afternoon on not being involved on Crown corporations because it is ministerial or Government involvement? How absolutely hypocritical! Of course, running the Crown corporation of the Post Office requires ministerial leadership. Of course, it requires Government leadership. Closing post offices down affects every community in Canada, and I say it requires Government leadership. If you call that political interference, that is an abdication of our elected responsibilities.

Mr. Acting Speaker, you cannot talk about having rural diversification and then on the other hand talk about closing down McKenzie Seeds. The Liberal Party wants to close down McKenzie Seeds. Seventy percent of the people working in that corporation which is making a surplus are women in non-traditional female jobs. You cannot get up in the morning and ask questions about Crown corporations and ministerial interference and talk in the afternoon about rural diversification, and then put the boots to an important Crown corporation in Brandon in the evening. It just does not fit together.

(Mr. Speaker in the Chair.)

The biggest example of this, and I wish I had a chance to jump into it in our antiseptic debate, but we talked about interference in Crown corporations again throughout this provincial election and then we heard lectures from the Liberals about the Air Canada Base.

Now which way is it going to be, Mr. Speaker? Is it going to be that we have political direction on behalf of the shareholders or is it not? I say that politicians are the temporary shareholders of Crown corporations. I say we should make promises and commitments on Crown corporations, and I say that we have to have the leadership to accomplish those and we should be held accountable when we do not. That is not political interference. That is simply a reality of dealing with the social, economic and very real priorities of Crown

corporations because they are not, in the strictest sense of the word, or were they ever intended to be very, very narrow commercial operations. It was never intended that CN would close down important jobs in western Canada, and when they started to close down those jobs in western Canada, I say I want the Minister to interfere. I do want the Government to interfere. I want the Government to interfere and stop it.

Some Honourable Members: Oh, oh!

Mr. Doer: I want the Government to interfere and keep the jobs in Winnipeg and keep the jobs in western Canada, so on every issue, whether it is the post office—

Mr. Speaker: Order. Order, please. The Honourable Minister of Industry, Trade and Tourism, on a point of order.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): On a point of order. I am having difficulty in hearing the Honourable Member for Concordia (Mr. Doer) and I ask you to draw the Members of the House to order.

Mr. Speaker: That was precisely why I was up. The Honourable Minister has a great remark. I see Honourable Members on both sides carrying on these private conversations, and I would sincerely hope that we give the courtesy to the Honourable Member for Concordia to finish his remarks.

Mr. Doer: Mr. Speaker, I would like the debate on this Bill on Crown corporations to be very consistent and I really believe you cannot make promises on the Post Office, the Telephone System, Hydro, CNR, Air Canada. You cannot make those kinds of commitments without admitting that it requires ministerial leadership and Government leadership, and that indeed is a reality, and I find the position—I say this in all honesty because I have said it in the hallway before—to be a totally inconsistent position of the Liberal Party.

That reality was identified first in Saskatchewan but, secondly, in the federal Government. The federal Government in the Seventies was in disastrous shape with the former Government, and a person who I have had a lot of respect for, the former Minister responsible for the Treasury Board and the Member for Thunder Bay, and he was a Liberal, Robert Andras, had to come to grips with the situation that some of the Crown corporations were in such bad shape under the federal jurisdiction. Eldorado Nuclear and Canadair and other Crown corporations were in such bad shape that their assets did not even add up to their liabilities. They were technically in a negative, bankrupt situation, so Mr. Andras, in his wisdom, began the process of Crown reform in the federal Government.

It took a lot of time but the federal Government came out with a policy on Crown reform. Now did they say there should be less political interference? Did they say there should be no political interference? Did Mr. Andras, a person I am sure all Members of this House respect, recommend to the former Government that there be absolutely less involvement from the public figures and the people accountable? No.

Do you know that he recommended? That the Ministers of the Treasury Board under a new Crown Act in Canada, the Ministers who are elected to protect the Canadian public in terms of financial management of the Government of Canada, have their role expanded, and their role would be expanded to have all major capitalization projects, borrowing projects, consumer price projects, anything to do with cutbacks in programs to the regions and the social criteria would go to the federal Treasury Board. Here we have a situation where the Liberals in their wisdom identified the fact that these Crowns had become billion dollar operations and required the same kind of review that indeed had been developed for Government departments because there was a double standard of Government accountability.

In the Crowns there was no accountability, just an annual report and in the Crown corporations, which had major financial and social implications, there was no accountability. That is what the federal Trudeau Government did on their Crown corporation reform. It is one way of going, having Crowns come before Treasury Board of Cabinet.

We followed another way which also had Cabinet Ministers involved. We proposed that the Cabinet, under a holding company model that was used in the Province of Saskatchewan by our forefather, Mr. Tommy Douglas, that was developed and had worked quite well in the Province of Saskatchewan in our opinion, be used as the method for getting some systematic approach to Crown corporations auditing their capitalization, their borrowing requirements, their consumer issues, and we proposed that in the Bill that was passed in this House last year. It was proclaimed in September, Mr. Speaker.

* (1450)

You can see, with many of the Crowns, the effect of that takes place, obviously, a year or a year and a half later with their annual reports. The Telephone System announced a \$12 million surplus for this year with no rate increase in the '88 year, I should point out. We know that Hydro is going to have a significant negative effect with the drought and probably Tory mismanagement. We will have to wait and see. Of course, the Public Insurance Corporation overshot itself. It is probably going to make \$20 million much to the chagrin of Members on this side when we were told, well, we got financial information from the corporation and the recommendation was made to balance the books. Unfortunately, it is going to make \$20 million. We would obviously like that 10 percent cushion in the rates but, of course, the Liberals said no rate increase was necessary last year. An inflation increase was necessary last year, and then they said that afternoon there should be no political interference in the rate setting process after they said they would lower the rates to inflation. It is good politics, but it is bad and inconsistent management of very important resources in our economy.

We follow the route of the holding company model. We hired a few staff to work with that model. I would think that the Minister responsible for Crowns (Mr. Manness) would admit that the staff we did hire were

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very competent. Mr. Graham Lane was put into the Public Insurance Corporation and did an excellent job in the short time he was there. He was moved on to Workers Compensation. The present CEO of the Crown corporation is a person who I know is very competent and I sure the Minister knows that as well.—(Interjection)—Well, the Minister wants to take his usual cheap shots from his seat. I guess he is getting worried about the Reform Party. I was out in rural Manitoba the last two days, and I will tell you, they feel the hot breath on their neck of the Reform Party of Manitoba. They are getting a little antsy. But I want to get back to the Bill.

The Government has replaced that with a Government appointed council. It is a cosmetic change, Mr. Speaker. It is a cosmetic change because the people appointed will be appointed by the Tory Order-in-Council or the present Government of the Day. They had to make some change because they could not come in with the same Bill as what they had voted against. They came in with the proposal; they say this will save money. I will look at the annual report of 1988 and I will review that with the year-end results of 1989. But more than that, I will also take into account the amount of money this Government blows in outside auditing companies to do the job which a few financial experts could do inside the holding company.

We hired a person who came from the federal Auditor-General's Department, a very competent person, a person who was identified by Judge Kopstein to be of great assistance to the review committee, again, another competent person in the very small staff of The Crown Corporations Act. We know that we have saved ourselves a lot of money because Crowns and the Government, every time they did not know what was going on in Crowns, they would do like the Minister of Finance (Mr. Manness), they would ring their bell and ask the auditing companies to come down to their office. They would hand out all of these lucrative contracts, just shovel the taxpayers' money out to these auditing companies. I think they audited out nine entities last month. I am going to look at the tally of both sides of the sheet, the public sheet dealing with the Crown corporation expenses and that little sheet that the Minister of Finance has been using to get his advice.

I know you can save money by using inside experts and professional auditing staff in a small staff of a Crown corporation company to provide Cabinet with really the same thing that is provided in Treasury Board. Right now, every Government has a Treasury Board. Yes, it is made up of Government Ministers and proposals from departments go to Treasury Board. That is not political interference; that is just a sober second look and analysis of the numbers that sometimes come to the Cabinet Table in a very proactive and promotional way, probably the same proposal that came to the Minister of Telephones in 1981 to go into Saudi Arabia, the Member for Pembina (Mr. Orchard).

He had no other analysis of it. Certainly, he knew where that skeleton was when we came into office because it was a big, big skeleton by the time it had eaten some sand and spent too much money on behalf of the taxpayers of this province.

On that example there was no second review. In fact, the old Conservative Board of Directors—and I read

the minutes—approved that adventure into Saudi Arabia without any other advice except the old management system for the Telephone System. As I say, the Minister from his seat chose a very—I am surprised because the Minister of Finance, and the Minister responsible for Crown corporations (Mr. Manness), usually does his homework. He says from his seat, we set up the Department of Crown Investments. It was set up in 1982-83. The decision to go into Saudi Arabia was made with Mr. Bullman as chairman of the board, with Mr. Orchard as the Minister responsible for the Telephone System. It was made in 1981, so I would ask the Minister to check his facts. I do not believe—

We could talk politics all we want. The key part of this issue is Governments in multibillion dollar corporations need a second look at major capitalizations and major ventures. Whether it is the Treasury Board system that has been set up by Bob Andras in the federal system or whether it was the Crown Ministers that were set up in the province of Saskatchewan, established and maintained by Grant Devine or whether it is this council that has been set up as a cosmetic exercise, I believe that Governments do need a look at programs coming from Crowns similar to what they get in Government departments.

I believe that most Governments are coming to that conclusion and if they have not done so, they will do so at their own peril because things will blow by them and they will regret it after years have gone by when things turn out to be negative, because it will be the Government that is held accountable, not the administrators.

Many of the provisions that have been placed in this Bill, the new financial methods of the ability to review these proposals have been looked at by the Auditor and I would ask the Members of this House to look at the Auditor's words. He said, we have only had a brief opportunity to look at the new methods of auditing and accounting in the Crown corporations, but he says they are a much more positive step forward than the old Crown investment system and the former system of doing nothing.

I will look at the specific sections on auditing and the ability to audit. They look very similar to the old Act and the old sections on conflict of interest look like they are almost the same in the new Act. The old areas, the responsibility of the Board of Directors look like they are almost the same. The sections dealing with labour management, sections the Member for Pembina (Mr. Orchard) criticized verbally in this House—(Interjection)—Read Hansard. I am just going back by memory.

I believe the Member for Roblin-Russell (Mr. Derkach) was a little bit pointed in his criticism on the Labour Management Committee. I was surprised because I took that suggestion from Duff Roblin, who of course is the father of the unfunded liability in pensions, but is also a person who established joint councils in this province. I think they are very positive ideas to let the Ministers know directly what is going on in those Crown corporations. We borrowed that idea, but some of the dinosaurs in the former Opposition Party criticized it.

I am glad the Minister of Finance (Mr. Manness) has maintained that in this Bill.

Another major advancement that we made in the former Crown Accountability Bill was to require all Crown corporations to come before the Legislature of this province in terms of the Crown corporations. We believed that the Spivak Task Force should have been acted upon. Spivak, in his task force, recommended that all Crowns come before the Legislature. The former Lyon administration did not enact it and neither did we, in all honesty.

An Honourable Member: Do you have all the honesty of the N.D. Party?

Mr. Doer: I am proud of the honesty of the NDP compared to the Member for Pembina (Mr. Orchard).

An Honourable Member: Well, I am not proud of the honesty of the NDP.

Mr. Doer: We are proud of the fact that five major church groups in Canada support our position on the trade agreement as opposed to the Prime Minister of this country. I know which side I am going to believe in terms of the honesty in this country. I will believe the five church groups any day over the present Prime Minister.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order.

* (1500)

Mr. Doer: Mr. Speaker, I do not like the Member for Pembina (Mr. Orchard) to do the imitation of the Minister of Labour (Mr. Connery). It is not fair in this Chamber.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, moving right along on the substance of the Bill, I applaud the Government in bringing in the rate proposal to the Public Utilities Board. I think it is a good idea. I think Judge Kopstein had some excellent administrative and managerial reasons why it would not work. It was reasons that we were confronted with always in Government and we said there has to be a better way to raise rates. In fact, I can assure you that even when the rates are zero, people are upset when they get their public insurance bills in February of the year. I think it is not a great time for all of it. If you hand out a Bill at a zero percent rate increase you are going to be in a lot of trouble. Try the other alternative that we went through in the spring of 1988, when we tried to balance the books. I think there are a couple of dangers in that though.

We will support the rate setting process of the PUB but we will be reading very carefully the criteria for the rate setting process. We are very concerned that the Government has not provided any direction, but we are going to look at the insurance agents' ratings recommendation of the report too. The criteria for the PUB I think we are going to look at very carefully. I

have no problem with a phased in solution to the unfunded liability problem with pensions for the three corporations that are mentioned, the Telephone System, Hydro and the Public Insurance Corporation.

Mr. Speaker, we took care of the Telephone System. It is now on a 22- year track to repay, which we repaid \$80 million. I can assure you it is not something the public will appreciate. There is not a vote in repaying \$80 million. It is the legacy, as I say, of a former Tory Government ironically in 1962, the assumption always in a former Tory Government that they would continue to grow in Government and there would be no problem taking the pension payments out through the growth of Government. That assumption is no longer valid, has not been valid for a number of years. It is a tough one to deal with.

I know the Minister of Finance (Mr. Manness) has given us one answer for the direct Government public service by saying he is going to wait for the Minister of Finance's report, something he criticized the former Minister of Finance for doing. I know he does not want to put \$100 million in his budget this year or next year because there is not a vote in it. Yet it is something that if you delay it, the more you delay it the more the problem is in dealing with it.

I think there should be a clear Government intent on the phasing in ability, especially for Hydro which has about a \$200 million unfunded liability. When you look at the rhetoric of the Conservatives on reserves, on operating costs and now pensions in this Act, I say to you it will be a massive rate increase unless they get some direction politically or centrally in terms of those three major issues that the chair of MEA is identifying, the Minister is identifying in this Bill, and the Minister responsible for Hydro (Mr. Neufeld) is identifying in this House. They are on three different paths in terms of the Premier, in terms of a rate increase, and I say the four of them better get their act together and spell out very clearly where they are going and what are the rate implications as they provide direction to the PUB with this Act.

The other area, Mr. Speaker, that we want to look at is the whole area of the social criteria that are necessary in a PUB consideration. There is no question that, for example, handicapped vehicles will be impacted if a straight actuarial calculation was used. There is also no question that farm trucks have been artificially depressed in terms of their actuarial experience through the rate setting process of the Public Insurance Corporation.

When the grain prices were depressed there was a subjective decision made on subjective social criteria to maintain a depressed rate for farm vehicles because of the actual situation that they were encountering. Therefore, people in other jurisdictions had to pay slightly more. There will have to be some criteria looked at with the drought taking place in the spring of this year, 1989. I personally do not want to see farm trucks go up on an actuarial basis when they are going to be clobbered with the drought. I believe the criteria under the Public Utilities Board should be flexible enough to have some social considerations on our economic situation in Manitoba and we will be looking very

carefully to see whether the PUB has those social criteria available to us.

Generally, we support the three Crowns going to the PUB. As a former Minister responsible for the Liquor Commission who had to say no twice in three months on beer price increases and other liquor increases, and as a person with some interest in that subject, I would have loved to have seen something on the liquor price increases as well, but I understand the fluctuating situation in that market.

Mr. Speaker, it will be interesting to note whether we can gain any experience in a regulatory way on gas price increases in the private sector as well under the new experience under the PUB here. I notice in Tory Nova Scotia, one way they prevent gouging of gas prices, a fact that was identified in the Costas Nicolaou Report, was using the regulatory body for the base price and letting the retail price be competitive in terms of having criteria for the retail price, the oil head price, the transportation costs, the other factors involved, and then allow the competition to take place beyond that point. But there would be no possibility of a cartel, particularly when the price of a barrel of oil is going down do we see Manitoba consumers get gouged the most. Perhaps we can learn something on the PUB experience for these Crowns for another look at the private sector in terms of the retail sale of gas.

There are a number of minor areas we will be looking at, but there is one major area in this Bill that we totally disagree with the Government. That is the area of public hearings for Crown corporations. Mr. Speaker, the Minister has given the Crowns the ability to have multiyear rate setting. The former Bill had the ability to have public meetings for our Crown corporations on a yearly basis. There are some similarities with a public hearing on rate setting and some dissimilarities with a public accountability session.

Rate setting hearings, as everyone knows in this House, are available to all the public, and many consumers and others join in their interventions of those Public Utilities Board hearings. We all know that it is a quasi-judicial body. It usually features major briefs prepared by lawyers or very, very expert people with a considerable amount of scrutiny and cross-examination from the lawyer of the Crown corporation, and the lawyer of the PUB and the lawyer of X, Y and Z intervener. It is not the kind of forum that necessarily encourages one just to talk about your basic telephone, your basic Autopac treatment, your basic Hydro treatment and the basic right of having things listed in your liquor store. That is why, Mr. Speaker, we had a good debate in our caucus.

I can be, again, forthright in this House about the ability to have those public hearings in a Bill. There is no question they present, on the one hand, greater challenge from a political-damage control perspective, because the people that come out usually have something to say about their Crown corporation, and usually that means there is going to be a news reporter there and there is going to be a newspaper story, and then there are going to be questions in the House or questions to the Minister. We all know that governments try to minimize negative stories and maximize positive

stories, and that is a reality of public life. We all admit that.

But, Mr. Speaker, these are big, large monopoly situations. They provide lots of jobs in Manitoba and that is positive. They provide lots of assets to this province, billions of dollars, \$4 billion. That is very positive. They provide very low consumer rates, the lowest in North America in many of their components. That is very, very positive. The one area that is really weak is you cannot walk across the street if you do not like your service. You cannot go across the street from Manitoba Telephone for 90 percent of their endeavours. We have opened up competition in cellular and other business communication devices but you cannot go across the street for a lot of your basic services if you are not satisfied.

Now even the private sector allows a shareholder to go to a shareholders' meeting and challenge the chairperson, the board and the CEO and ask questions. I believe that every Manitoban is a shareholder in their Crown corporation. I believe strongly that every Manitoban once a year, as close as possible to their community, should be able to come out as a shareholder to a public hearing that would produce information on the Crown corporation and would allow people to speak out on the Crown corporations.

* (15:10)

Mr. Speaker, not only would that have the benefit of being a right for shareholders in Manitoba, the public of Manitoba, but it also provides another very positive component. If a middle-level supervisor is only being evaluated on very strict and narrow financial criteria in keeping costs down in their region of the province, say the Parklands region, say the regional managers are only being evaluated on very strict cost-control criteria, often—not often but sometimes—the citizen, the person who is receiving service from that Crown corporation may not get a benefit of the doubt that would happen in the private sector because they are in a competitive situation.

Mr. Speaker, I believe that if members of the middle-management system of those Crowns, who are excellent people, but knew that their managers would be looking at them for promotion purposes, not only on the basis of narrow cost containment which is usually the criteria now for promotion, but also on the basis of the atmosphere of services and the attitude toward the people in terms of services, we would open up those windows a bit. We would make those Crowns a little bit healthier in terms of dealing with the ultimate shareholder, and that is the people of Manitoba.

Mr. Speaker—how much time do I have?

Mr. Speaker: Ten minutes.

Mr. Doer: Okay. Mr. Speaker, we intend on amending this Bill at committee stage. We said it in the hallway and we will say it again: we intend on amending the Bill at committee stage on dealing with the public hearings. I would encourage the Government to look at that amendment. We certainly accepted the

amendment the Government made, which is a good amendment, on the knives-in-bars legislation.

The Minister has given a few responses in this House and I respect the fact that he is looking at this situation, but he is reluctant to go along with that idea and I know he will get a lot of resistance from the Crown corporations themselves because they do not like this proposal. I know that every one of them sent me memos dealing with the draft Bill and said they did not think it was a good idea. Mr. Speaker, I would ask the Minister to look at this.

Look at the fact that the PUB may set rates for three years. That is a long time to go before a public session. Look at the fact that the PUB has the majority of their hearings in the City of Winnipeg in a very formal setting with a great number of legalistic and technical interventions made on behalf of the people presenting interventions, with cross-examinations and counter cross-examinations. Look at the fact that an informal service committee can be held across the province as a right—and that is why it needs to be in the legislation—in five or six or seven communities in the province.

I think when I was Minister of the Telephone System, there were about 12 communities planned. I attended 22 sessions of public hearings as a Minister with the Minister responsible, at that time, for Municipal Affairs, dealing with the Manitoba Telephone System and rural telephone services.

Do you know why, Mr. Speaker? We were in an absolute disastrous situation. The former Government and our Government had totally neglected rural services. Both Governments had neglected rural services, and they had done so because the Government said it was up to the Telephone System, and the Telephone System said it was up to the PUB. The PUB said it was up to the Government, and the people were sitting there not getting their elimination of multiparty lines. They were not getting an elimination of the calling areas in the province. They were not getting more direct calling in the commuter shed of Manitoba. It was just a perpetuating exercise for 11 different Ministers, and some of them are in this House today. Eleven different Ministers all talked a great game, but we were all restricted because we were not supposed to interfere with the Crown corporation; we were not supposed to interfere with the PUB; we were not supposed to interfere with the Board of Directors.

I think it required those public hearings to get everybody on line, and I applaud the Minister for bringing in the proposal that we developed, not the rate increase that we had developed, but I applaud the Minister for bringing in the proposal that we had developed. Some Members in this room presented excellent interventions at the hearings we had. They were very informal. Anybody who wanted to get up and speak on their telephone could; anybody who had any complaint on their telephone could raise those issues; anybody who had good ideas could present them. We did not need lawyers; we did not need cross-examiners; we did not need all these technocratic, almost quasi-judicial bodies to get good feedback. I believe that is the right of every citizen with these major Crown corporations.

We will support some parts of this Bill. We will amend the important component that this Government has neglected. We applaud the fact that they have kept a number of major areas in here, even though they will protest that they do not. We will watch them in terms of their spending with outside auditing firms.

This Minister of Finance (Mr. Manness) should be nominated for "Man of the Year" by the auditing companies of this province, the million-dollar auditing man, at least, and we should put a little meter outside of his office every time he awards another contract as it keeps going through the roof. I hope they give him the award this year, Mr. Speaker, because I think it is very, very deserved.

I am glad that all Crowns will be going before the legislative committee. I do not know why we have only had three Crowns to date after 14 or 15 weeks in the Session. I do not know why the Government has not brought these Crown corporations forward in a much more timely way. I do not believe any of us want to prolong this Session unnecessarily.—(Interjection)—Well, Mr. Speaker, the facts speak for themselves. The Government's major legislation has come in late and the Crown corporations have come in late, and there is a limit on the time for spending Estimates. So let us deal with the facts, not the rhetoric.

In conclusion, we will fight for the right of the public of Manitoba to have their hearings on a yearly basis. We will propose an amendment. We hope that all Parties will support that amendment with the multirate setting of the PUB and the legalistic manner of the PUB that will not take the place of the public hearings. Look at the good hearings we have already had with the Telephone System, with the public of Manitoba. Look at the right of a citizen to speak as a shareholder in their monopoly. I think it is a right we can all enjoy. Let us not get caught up by the bureaucratic advice the opposite way. Let us open our windows for Crown corporations. Let us open the windows for the people of Manitoba, and I will be proposing that at committee stage. Thank you.

COMMITTEE CHANGES

Mr. Edward Helwer (Gimli): I move, seconded by the Member for Lac du Bonnet (Mr. Praznik), that the composition of the Standing Committee on Public Utilities be amended as follows: Pankratz for Findlay; and Ducharme for Burrell.

Mr. Kevin Lamoureux (Inkster): I, too, have a committee change. I move, seconded by the Honourable Member for Fort Rouge (Mr. Carr), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Honourable Member for St. Norbert (Mr. Angus) for the Honourable Member for Selkirk (Mrs. Charles).

BILL NO. 37—THE CROWN CORPORATIONS PUBLIC REVIEW AND ACCOUNTABILITY AND CONSEQUENTIAL AMENDMENTS ACT (Cont'd)

Mr. Steve Ashton (Thompson): I have some comments on this Bill. I think in every Session there are a number

of Bills that show some of the major philosophical differences in approach to public issues between the various Parties. I think this debate is going to show clearly some of the philosophical differences between the three Parties in this Legislature on a particular important area, that being in the area of our Crown corporations.

I think it is appropriate for the debate both on this Bill and on the general philosophy towards Crown corporations, particularly appropriate that we are debating them today because it was only just over six months ago that we had a provincial election in this province. I believe it has been six months now since the present Government has been in office, and there can be no doubt I think in anybody's mind that one of the key issues in the provincial election was the area of Crown corporations, whether it be in terms of Autopac and Autopac rates which was probably the major concern to many Manitobans, but also whether it was in regard to other Crown corporations generally. I do not really feel I have to go into the details. I think that anyone who was involved in the election knew very well that was one of the major issues of concern to people in this province.

I think it is an area—in fact, I know it is an area that the New Democratic Party has been looking at quite closely. I know it was an area that we were considering even before the election, and I say that quite straightforwardly because I think that if there was one message that the New Democratic Party received in the previous election, it was the fact that the people of the province had some serious concerns about the Crown corporations in general and a couple of specific decisions that had been made by the Crown corporations and either directly or indirectly by the previous provincial Government.

I say that because I will be the first one to say that there were a number of significant mistakes that were made particularly, I feel, in regard to Autopac and Autopac rates. I said this at the time and I will say it again and I think that the last six months have proven me out that the increases that took place this past year were far too high in one year, and I think that was a significant mistake that the Government made. It was a mistake as far as the people of the province were concerned, and I think that was one of the contributing factors to the defeat of the New Democratic Party in the April election. There is no doubt in my mind.

* (1520)

I say that, however, in also saying what was done was quite appropriate in an accounting sense, an actuarial sense. I am saying that in the sense that what took place, and it has been well-documented, was an increase in costs in a number of areas that Autopac identified. I say that because it gets to the root of many of the decisions we are dealing with in terms of Crown corporations. On the one hand, the actuarial recommendations, the accounting recommendations of the Crown corporation and on the other hand what I would call the public mandate of the corporation. I feel what happened in this case was the two were out of whack.

I believe the previous Government will be shown to have made decisions which at the time were seen to be totally appropriate in an accounting sense in terms of the financial viability of the Crown corporation. They clearly were not in keeping with the concerns of the people of Manitoba. That is a dilemma that you find with Crown corporations generally. It is not just with Autopac. It is with Hydro. There are going to be some very difficult decisions ahead, I know, for this Government in regard to Hydro rates. I will address some of those in the future. It is the same thing with MTS. It is the same thing with any Crown corporation. There is often a marked difference between what can seem at the time to be good for the Crown corporation and what is seen as being appropriate by the people of Manitoba. I want to deal with that.

I mentioned one example, Autopac, but I have seen other examples where decisions were often made in terms of a real sense of the financial viability of the Crown corporation being at stake. I want to pose this actually in terms of a warning for any Government. I think it is important to look in just the short period of time we are dealing with here for example with Autopac, and I can also point to examples with Hydro. I have direct knowledge of some of the things that were happening in Hydro as a member of the board of Manitoba Hydro. What I have noticed is this, and that is that no matter whether you are talking about actuarial recommendations, financial forecasting, etc., and often cases, what may appear to be the one and only scenario proves not to have been the case in reality.

In the case of Autopac, the increases that took place, in my mind in retrospect, were too high even in terms of the financial situation facing the company. That is because, no matter what you are dealing with, whether you be an actuarial mathematician, whether you be an accountant, whether you be an economist, you are dealing with the assumptions that you make at the time. The assumptions are key to your final recommendations. In this case, the assumptions on which Autopac, MPIC, recommended rate increases were proven to be partially accurate, and in many cases to be inaccurate. I point to that as a warning. I know, as an economist myself, the first thing I always ask when someone is making a recommendation is what you are basing that recommendation on? What are the assumptions?

I have seen similar situations that have occurred in terms of the general finances of the province. When I look at some of the projections that were made by the Department of Finance only a year or a year and a half ago, I think it can be documented that the assumptions they based the projections on, projections that had a ramification in terms of previous provincial Budgets and probably another one of the key areas that cost the NDP the election in April, the area of taxation, many of those assumptions have also proven to be inaccurate, significantly inaccurate. I think, once again, that Governments have to be very careful, very skeptical of the kind of results they receive.

Now I want to take this one step further. I talked about isolated incidents. I want to talk to how it relates, in this specific case, toward how Governments deal

with the Crown corporations. This Bill, I think if you could sum it up, is attempting in some way, shape or form, as did the Bill brought in previously by the NDP, to deal with Crown accountability. It has a different philosophy than the philosophy that was brought in in the NDP Bill. I think it is a philosophy that is not in keeping with the concerns of the people of Manitoba and I want to outline in my comments today I really feel that this Bill has to be amended. I will be arguing, along with my colleagues in committee, for amendments to make sure that this Bill does bring in at least some level of accountability.

I think if we look at this Bill and the approach of the Conservative Government over the last six months, I think we can see, fortunately perhaps for us in the Opposition and unfortunately I think for the Conservatives in the political sense, that the Conservative Party has failed to understand what happened over the last number of months, what happened previously. I think they fail totally to understand what mandate, if you can call them being in Government in this precarious position a mandate they received from the people of Manitoba—in fact, I would argue when it comes to Crown corporations, what they have done is they have moved further in the direction that people were against in April of this year, further in the direction that I feel the New Democratic Party was already moving away from because of the clear message we were receiving from the people of Manitoba.

I want to give a couple of examples. I have mentioned it in regard to Autopac rates. I do not think there was any doubt in the minds of my constituents as to what they thought the Conservative Party stood for in terms of Autopac. They thought the Conservative Party stood for some kind of decrease in Autopac rates. I think that was clear at the door. People were saying that. I think they expected some greater accountability in regard to Autopac rates and I think they expected some significantly new measures on the part of this Government in regard to Autopac.

What has happened in those six months that this Conservative Government has been office? What has happened is, there have been no decreases in Autopac rates, none whatsoever. Many of the concerns have not yet been addressed in regard to Autopac. They may be addressed as a result of the Kopstein Report, but it was the New Democratic Party that appointed the Kopstein Report, not the Conservative Party.

What we have seen is on the one other area that was supposedly clear in regard to the position of the Conservative Party, that of Public Utilities Board hearings, for setting rates for Autopac. We have seen a series of flip-flops. Hopefully they finally arrived at the position that all three Parties that I thought supported, which is that the Public Utilities Board will set rates, but it has taken considerable pressure from the Opposition to get them to even live up to that one election commitment that was, I think, fairly clear in terms of their statements. It was clear in terms of the understanding of people in this province.

I talked to people these last few weeks since the hearings on Autopac in the Public Utilities commission,

and I can tell you there is a great deal of cynicism about the Conservative Party because six months ago they were the great populace. They were saying Autopac has gone up too much, rates have gone up too high.

Now when they are in Government they are acting like nothing more than accountants—and no offence to the accounting profession—but I think in this particular case they come in with a fixation that is based strictly on accounting, on actuarial tables, etc. They are not dealing with the real concerns of the people of Manitoba.

As I said, if it was a mistake that the NDP made, I feel it was in listening too closely to the Crown corporations, specifically in regard to Autopac rates. I feel that our previous administration should have said no to some of the proposals on the understanding that it would have resulted in financial pressure for Autopac, it definitely would have, but a lot of people, I think, felt this way. They felt that the Autopac rates were placing a burden on them as individuals and the real question was whether you placed the burden on Autopac, whether you delayed the length of time over which Autopac would recover its reserves and reach a point of financial stability, or whether you put the whole burden on themselves.

I think they had a very legitimate point. I think that what should have happened should have been a phasing in of any increases that were necessary, but it should not have happened in our year, as took place. It certainly should not have happened in the magnitude that it took place.

As I said, we made the mistake of listening too closely to the accountants. Now this Conservative Government, I think, is throwing its cards in totally with this rather narrow-minded accounting approach to its Crown corporations. I feel that will be a serious mistake they face.

I point to another area which I am very concerned about. That is in regard to Manitoba Hydro. I think this tipped off their actual real agenda and it was once again an area where there was quite a different impression at the door in terms of the attitude of people in the province toward these kinds of issues. It was in regard to Hydro rates.

Now, I remember when the last increase took place, basically an inflation increase on the part of the provincial Government at the time, the NDP Government, and I remember what the position of the Conservative Party was. Now, was it to say that rates had gone up too much? No, it was to say that rates had not increased enough. The Premier (Mr. Filmon) himself argued that Manitoba Hydro should have taken, and he used the word, the more "responsible" approach of raising Manitoba Hydro rates to a higher level than was being indicated by the NDP Government.

Now that is not what the Conservative candidate in my constituency was telling people and it is not what Conservative candidates in other constituencies were telling people. Perhaps the Member for Lakeside (Mr. Enns) did, I believe. He is a man of integrity and would give the straight goods to his constituency, but I found

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that Conservative candidates were suggesting that somehow the NDP had raised Hydro rates unnecessarily and implying that the Conservatives would somehow have lower rate increases and would end up with a lower rate of hydro for people. I know certainly that was the case in my constituency.

That was their real agenda then. I feel they changed it for reasons of political opportunity in regard to Autopac, but I do not believe the fundamental position of the Conservative Party has changed. They take, I feel, a rather narrow accounting oriented—they tend to call it a businesslike—approach which would result, I think, in the same types, probably higher increases in Autopac if they had been in Government six months or a year ago. It would have resulted in higher increases in regard to Manitoba Hydro. That was stated specifically by the Premier (Mr. Filmon).

* (1530)

I think over the next year or two and three years we are going to see higher increases in those and other areas because of this type of approach once again. I do not think that should come as any surprise. That really is the true agenda of the Conservative Party to run Crown corporations according to what they perceive businesses as operating as. I think in this case that would be something the Conservative Members themselves would agree to. That is their basic philosophy as a Party. That is where I think we are seeing in this Bill how, rather than moving towards greater accountability, in actual fact what we are seeing on the part of this Government is a move toward greater financial control which will actually lead, I feel, to higher rates in many cases. That is in fact their true agenda. So that is the Conservative Party.

I want to deal for a few minutes with the position or positions of the Liberal Party in this issue because I must admit that I have difficulty in discerning a consistent position. I do hope that on this Bill the Liberal Party will take the time to outline exactly what its political position is in regard to this Bill and Crown corporations generally. We have seen on the one hand, as the Leader of the New Democratic Party (Mr. Doer) pointed out, that the Liberals have talked about eliminating political interference on boards in regard to Crown corporations generally. They have made a big fuss over the fact that MLAs are appointed to the boards of our Crown corporations as if this was somehow at the root of all the problems that took place in regard to Autopac, all the concerns that people had, as if this was somehow going to solve those problems.

I have sat on a Crown corporation, Mr. Speaker, and I know what I was put on that board to do, and that was to look out for the interests of the people of Manitoba. I am sure that you will find the same would be the sense of the Conservative Members who are currently on those boards. In their own way they obviously have a different perspective. They feel that they are there representing who, in one sense are the shareholders, equivalent to the shareholders in this case, the people of Manitoba. Who better to represent those interests than someone who is a Member of the Legislature elected by the people of Manitoba? Why

should not that individual be on that board? I really feel that the Liberals are missing the entire point in terms of why the people are on the board.

Even further than that, let us look at what would have happened in the case of Autopac. Let us look at what would have happened in terms of Autopac rates which was the major concern, if we had moved toward the Liberal position, the supposed non-political interference. What would have happened is that the rate increases would have been higher than they actually were. They would have been higher because what took place, as many people remember in the last few months before the change in Government, was in fact the original increases in regard to Autopac were actually higher than the amount subsequently recommended and put in place by the Minister responsible for MPIC (Mr. Cummings) who responded, at least in some ways, to the concerns of Manitobans.

(Mr. Deputy Speaker, Mark Minenko, in the Chair.)

If we had the Liberal position at that time we would have had higher Autopac increases. I find that ironic because I know for a fact in many of the constituencies where the Liberals were campaigning they were suggesting to people that they would be lowering Autopac rates, and lowering them fairly significantly. I know that was definitely the impression of the Liberal position that many people in my constituency had, many people in the north end. I know Conservative Members may have found that to be the same case in their own ridings, that the Liberal position was somehow suggesting to people there would be lower rates. In fact, one of the key planks of their platform, if it was put in place, I would argue that the rates would have been higher.

In terms of other areas of public policy, in terms of the Liberal position, I am not quite sure once again exactly what their entire agenda is. I do believe that they have been fairly consistent at least in terms of the Public Utilities Board having the right to set rates. I know they did not raise this initially in the committee hearing but certainly did subsequently in the House. I think that is appropriate. As I said, I think all three Parties have agreed to that.

I noted the Kopstein Report—and I think the balance is well explained by Judge Kopstein, and that is that there is a cost to Public Utilities Board hearings, both in terms of the Public Utilities Board itself and the time, energy and effort that is put into preparation of documents and materials, and actually being at the hearing by the Crown corporations themselves. There will be a cost to the ratepayers of having Public Utilities Board hearings. I think that is why previous Governments had shied away from that approach, because of the cost factor. I think what Judge Kopstein has said and I think what all three Parties hopefully have adopted as a position is that cost is small relative to the amount of accountability that you do get from having Crown corporations set their rates before the Public Utilities Board. So I certainly am pleased that finally the Liberal Party and ourselves have been able to force the Conservatives to live up to their campaign promise in this particular area.

But once again I think there is something missing in the Liberal position because despite the fact they talk

about no political interference, as was pointed out by the Leader of the New Democratic Party, when there is an issue of concern, they immediately throw that away and start arguing that the previous Government, the current Government, should be doing things in terms of Crown corporations, should be directing Crown corporations to do certain things, opposing certain moves or proposing certain moves. So there is a built-in inconsistency with the Liberal position: on the one hand, suggesting that there should be less political interference; and on the other hand, indicating on other occasions that the Government should be involved in directing the affairs of Crown corporations.

I hope the Liberals will come to grips with their varying nuances on this issue and explain to us in the Legislature how there is any level of consistency there. I suspect that it is probably due to what I see happening in regard to other issues and that is perhaps some Liberals support the one position and some support the other. They may be individually consistent. They may have some individual intellectual integrity. I do not question that, Mr. Deputy Speaker, but I have seen that on other issues. We have seen it developing in terms of labour issues, we have seen it on pay equity where individual Liberals are taking fundamentally different positions. I do not envy the leadership of the Liberal Party in attempting to meld those positions together because in some cases not only are they fundamentally different, they are often diametrically opposed in terms of the impact they would have on the people of Manitoba.

I just pointed out in this case as to how, in regard to Autopac, the Liberal position on political interference supposedly would have led to higher Autopac rates. Yet, during the election and prior to the election, their concern was having lower Autopac rates. They have to deal with that very basic inconsistency.

I want to get back to a concern I mentioned earlier and I want to deal with it in some detail. It is a concern I think that is fundamental to this issue. It is something that the New Democratic Party, I think, has come to the realization it is absolutely fundamental in terms of dealing with Crown corporations, and that is in terms of real public accountability not just through the quasi-judicial body of the Public Utilities Board but through having public meetings throughout the province, accountability sessions by the Crown corporations themselves, about having opportunities for people, individuals, the guy on the street, the little guy, whatever you want to reference it as, for that person to be able to say that he or she, as a citizen of this province and indirectly as a shareholder of one of those Crown corporations, should have a say in the way that Crown corporation deals in terms of local service issues, in terms of more general issues with regard to rates and service across the province.

* (1540)

I say that because I think if there is one criticism, legitimate criticism, of the New Democratic Party Government from 1981 to 1988 in regard to Crown corporations, very legitimate criticism, was the fact that we did try to operate it too much like the business is, in the sense of not having these accountability sessions,

for example, that we did not get involved as much as we probably should in terms of the setting of Autopac rates and other areas. I think that we probably made the same mistakes that the Saskatchewan Government, the previous NDP Government in Saskatchewan, made. They developed the family of Crown corporations that were the envy of this country and yet when it came to the 1982 election, people felt that those Crown corporations had become powerful entities onto themselves so they were not serving the needs of the people of that province and that led I think fundamentally to the defeat of that Government.

I really feel that was what was one of our fundamental problems here in Manitoba. It is ironic because the principle of public ownership has been a fundamental principle, whether it be of the CCF and its forerunners, or the New Democratic Party. It has been fundamental to our whole vision for society; it has been fundamental in this province. It is ironic I know to many people that probably one of the key factors in our defeat was what happened with Autopac, because it was the New Democratic Party that fought for Autopac, fought a tremendous battle for Autopac, in the late 1960s and early 1970s. I would say that Autopac was one of the main reasons why the New Democratic Party won successive elections between 1969, with the exception of 1977, of course, and until the most recent election in 1988. It was because Autopac was seen as one of the fundamental examples of a New Democratic Party. Principle that was put in place, that had worked, that was saving the people of Manitoba significant amounts of money; it was providing a public service in this province.

It is ironic if you look at it, but that was one of the reasons that led to the defeat of the NDP. I would argue that it was because of the fact that we did not have sufficient accountability, both in terms of political accountability from the boards themselves to the Government and also sufficient accountability from the Crown corporations themselves to the people, because I think it has to work in both directions. I believe that Crown corporations should be answerable to this Legislature and to the Government of the Day because we do represent the people of Manitoba. At the same time, I feel that the Crown corporations should also be directly answerable to the people.

I believe fundamentally in a grass-roots approach in the sense that we, as representatives in this House, do not have the sole say in terms of what the people of Manitoba are concerned about. I think Manitobans can often best talk for themselves in terms of what their concerns are and will be in the upcoming period of years. I think that is what happened in the case of the Crown corporations. I believe, ironically, for a Party that was committed to public enterprise, we lost sight of what it really is all about. I believe the role as a Party, our role as a Party has been, in terms of public ownership, to encourage greater public ownership so that people have greater control over their own lives, not so that it is taken away, but so they can have greater control over their own lives. That was what the CCF proposed during the Depression of the 1930s. They saw public ownership and cooperative ownership working hand in hand as providing a counterbalance

to private ownership, particularly the corporate ownership concentrated as it is in other areas of Canada and the United States.

That was the fundamental underlying principle, and so those public utilities were established, those Crown corporations were established, Mr. Deputy Speaker, either directly by the CCF—later the NDP—or by other Parties often in response to pressure from the NDP. But in the 1980s we, as the New Democratic Party, lost sight of the underlying reason why it was there. The underlying reason was to provide a service to the people of Manitoba at the lowest possible rates and to listen to the people of Manitoba, to give them that greater control. That is why I said, I really feel that fundamentally we made an error, a significant mistake, in regard to Autopac. I think that was something that we admitted very clearly, quite clearly, to the people of Manitoba that a mistake was made. The mistake was in not listening closely enough to the grass roots, the people of Manitoba who were saying that, yes, we can understand costs are going up, but they should not be going up that much in one year. That is the lesson of what happened from 1981 to 1988 that I take having been in Government and having seen it directly.

It is a lesson that I have learned from talking to people, both in between the elections, because I talk to people in my constituency not just at election time. It is a lesson I also learned during the election, people were clear about it. It is also interestingly enough a lesson that I am learning now, because in going around during the federal election, as I have done in my own constituency, and in areas in Winnipeg in support of NDP candidates, the interesting thing is the anger over Autopac is gone, and what has happened is it has been replaced by a cynicism toward the current Government. I have talked to people who have said that they were really upset with Autopac, and what they cannot understand why, six months later, that the Conservatives, who made such a big deal about it, have not done anything to reduce rates or to listen to what people were saying six months ago. I am picking that up, Mr. Deputy Speaker, from people who are not just New Democrats but supported other Parties in the past election. In fact, I know some people feel, in essence, that they were in many ways cheated by what happened. They thought that the change of Government would lead to a change in regard to Autopac and it has not. I really feel that is an error that this Government has made.

I think the introduction of this Bill indicates that it is going to repeat history all over again at sometime in the future. In fact, it is repeating now in terms of the mistakes that were made. I would argue, and it is probably logical in some sense, but the significant defeat that we suffered in the NDP has forced us, forced those perhaps who were not listening before and were not looking at it, to reanalyze our position and ask what went wrong. We are trying to learn from history what happened six months ago and what happened a year ago. I think what is happening is that the Conservative Party, and I would say to a certain extent, the Liberal Party, from some of their statements, have not learned from history and they are destined I think to repeat the same mistakes in the future.

Because I can tell you, Mr. Deputy Speaker, if the Conservative Party proceeds to dramatically increase hydro rates, as they have suggested they will do, I will be watching very carefully to see why they are doing that, on what assumptions it is based, because I have had some experience in seeing how, once again as I said before, whether it be in terms of Autopac or the Department of Finance or directly on the Board of the Manitoba Hydro, how the projections often made are based on assumptions. They are based on certain goals that people have for the corporation, which may not be in keeping with the goals of the public of Manitoba.

I remember a case in Manitoba Hydro where there was a clear direction from the board that expenditures should be cut, that there was room to keep the same level of service but to cut into the administrative and operating expenditures and provide better service to the people of Manitoba. What happened was there was, for a number of reasons, an increase in the amount of revenue available after that point in time. It took the board once again to direct the Manitoba Hydro administrative staff to ensure that they did not go and spend this money in terms of recouping the cuts that took place, because that was what, in effect, was happening. The board of Manitoba Hydro had to tell the administration of Manitoba Hydro not to spend this new-found money because our feeling was that if Manitoba Hydro could be run more efficiently, because it had to be run more efficiently prior to this revenue increase, that it could be operated in the same manner after the revenue increase as well, the same level of efficiency, and that would provide greater financial stability to the Crown corporation and in the long run affect the amount of rates that the ratepayer will be paying. So as I said, I have seen it both having been in Government, I saw it on the Manitoba Hydro Board and my warning really to the provincial Government of today and provincial Governments into the future is to always ask the tough questions about what is happening.

That once again was a mistake I feel that was made in a number of areas by both the Conservatives and the New Democratic Party in a number of key areas. I take the example of MTX. Questions should have been asked. I believe that the Conservatives when they got in—and they were the forefathers of the involvement in Saudi Arabia—they did actually move into Saudi Arabia. They should have been asking tougher questions than were asked and so should the board at the time, under the New Democratic Party, it should have been asking tougher questions as well. I would argue that you need the Government strongly in touch with the board, you need Government membership on the board to make sure those tough questions are asked, because I have found that there is an interesting phenomena that takes place when people are appointed to boards and commissions. People come in with a certain perspective, but after a while they often end up adopting a position that really supports whatever is recommended by the administrative staff.

I have seen that in boards that I have been involved with and I have seen that happen in other boards as well and that is, I think, what happened with MTX. The fundamental mistake was made at the board level by

the board not asking the tough questions that should have been asked. I feel that by having the political involvement there is also greater accountability on people because in a straight personal sense, in terms of the board itself, the board may judge itself according to how it lives up to the administrative staff's criteria in terms of financial stability and viability.

* (1550)

I think that is what boards often do. They often adopt the outlook of the board's financial managers and accountants, but the board is not accountable directly to the people of Manitoba. It is not elected by the people of Manitoba, with the exception of the one MLA on the board who is elected, and I really feel what happens if you do not have sufficient political accountability is that you end up with boards operating in what they perceive as is in the best interests of the board of the Crown corporation and not necessarily in the best interests of the people of Manitoba. I am not saying that is unique strictly to the boards. I feel that has happened with politicians as well.

I believe that took place in our Government, that in the case of Autopac we made the decision to increase rates as a Government by far more than they should have been increased because it was honestly felt that was in the best interests of Autopac. I believe the Public Utilities hearings have confirmed that fact. It was in the best interests, certainly as it appeared at the time. I feel that was a mistake that we made as a Government, that instead of asking strictly what was in the best interests of Autopac, or Hydro, or MTS, that we should have been asking, what is in the best interests of the people of Manitoba?

I feel it is a lesson we all have to learn. It certainly is a lesson I know the New Democratic Party is learning. I will say I believe that one of the key aspects to the renewal of the New Democratic Party, because it is something that I know the existing Members of Legislature or members of the NDP and the Party itself is looking at, is there is going to have to be a reanalysis of that.

I believe that what happened in April, and this is ironic when you consider it historically, was that the Party of Autopac, the Party that gave the people of this province Autopac, which has provided lower rates and service to the people of Manitoba, was a Party that was defeated because of Autopac and the actions that took place with regard to the rates. That is an irony.—(Interjection)— Well, the Minister of Finance (Mr. Manness) says, one of many reasons. There are also many reasons why the Conservative Party failed to receive a clear mandate in this province and we can discuss those at a time of his choosing. But in regard to what happened with Autopac, I feel what happened in the final analysis—and this is the way people phrased it to me an the door—people were saying to me, you are a Party that has traditionally stood for the people, for working people, for the little guy, and in this case, you listened more to Autopac than you did in this particular case. The Conservative Members can call all they want, but the last six months all they have been doing is listening to the administration of Autopac. In

fact, they have been listening more closely than we ever did as a Party, which is something that will come back to haunt them, but that was the message that people sent to us.

I can tell you, in this federal election, I have talked to people who have said they wanted to register a clear protest, who are now returning to support the NDP but their message was do not ever make that mistake again. Do not ever assume that people will support you based on what happened previously. It would depend on Autopac, not on the principle. If it was not for the New Democratic Party, there would be no Autopac. What happened was, people were concerned about the last three and four and five months before the election and the increases that took place. I think that is what happened to the New Democratic Party in terms of losing our identity with people as being that Party in this past election. I feel we are going to regain it. I feel we are already well on the way to regaining that identity, and I have perceived that.

I have talked to people in this federal election who said they are coming back to the New Democratic Party, lifelong New Democrats who voted against the NDP in April of this year who have told me that they protested against what took place with Autopac and other issues and that they are returning to the New Democratic Party. I can identify, in every constituency that I have campaigned in, people have told me that. So I believe that process of political renewal is well under way.

But the message to the New Democratic Party and to other Parties has to be that you do not ever assume that people will see you as being on their side. You have to demonstrate it day in and day out. In this case, in the case of Autopac, the danger that is taking place is when MLAs, instead of being on the side of the people of Manitoba, have been on the side of the corporation itself.

I think the message the New Democratic Party has been sending these past not just six months, because I believe that the Member for Concordia (Mr. Doer) was very clear in his leadership campaign in terms of saying very clearly that we had learned from the mistake and we were sending the message to the people of Manitoba that we had to get back to being a Party that was on their side. I think that is the message we are sending the people of Manitoba today. We are on their side when it comes to this area, the whole area of Crown corporations. That is why we are going to be introducing amendments in committee to enact that, while it is not objectionable in its form in the entirety, leaves out some key provisions that would have made our Crown corporations more accountable to the people of Manitoba, provisions that would have learned from the experience of the last number of years. Yet this Government has gone and canned the whole idea.

There was a meeting, I know, in Thompson recently, for example, with MTS, a public meeting. There was a meeting in Cross Lake, there were meetings in a number of northern communities very well-attended. There were many areas that have been well-attended and there has been very good feedback. People have appreciated the opportunity to say what they want in the way of service, what they want their Crown

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corporation to be doing. They have appreciated the opportunity to talk directly to the board of that particular Crown corporation and, yes, to get information on what the plans of that Crown corporation are.

So why, Mr. Deputy Speaker, is this Government, after all the political lessons that are available to it from the last number of years, not keeping that as a key provision of this Bill? What are they afraid of? Why will they not let the people of Manitoba have the statutory right to have public hearings in regard to the Crown corporations that they own? They are the shareholders of Manitoba Hydro. They are the shareholders of MTS, of Manitoba Public Insurance Corporation. Why is this Government denying them that opportunity?

I suspect it is because the Crown corporations have said no, it is an inconvenience for us, it is a cost factor. We really do not think it is appropriate. We would urge you not to bring that in. What has this Conservative Government done, the Party that six months ago was supposedly going to speak for the people on Crown corporations? They have said on this clear choice, when they could have listened to the people or they could have listened to the Crown corporations themselves, they have listened to the Crown corporations.

I do not know how many times people say that people that do not learn from history are condemned to repeat it. I mean, it is a famous saying. This is what is taking place in Manitoba at the present time. I will predict it will come back to haunt this Government because they will pay a double jeopardy in this particular case for what they are doing. They are the Party that attempted to suggest to the people of Manitoba that the people of Manitoba would get a better deal in regard to Crown corporations under a Conservative Government. In the only six months that they have been in office, we have seen that is not true. They are not getting lower Autopac rates. In fact, they are going to get increased Autopac rates over the next number of years. That has been indicated by the Minister.

In regard to Manitoba Hydro, there are going to be increased rates. They have said that. In fact, I believe the intent of the Premier (Mr. Filmon) to increase the hydro rates, which he outlined before they took Government, will be put in place. I think what we are going to see in the next year and two years is that if people were angry at the New Democratic Party, they are going to be doubly angry at the Conservative Party because the Conservative Party took advantage, for reasons of political opportunity, of the very legitimate concerns of the people of this province and they have done absolutely nothing to follow up on those concerns.

They turn a deaf ear to the people of Manitoba and they will be reminded of that on this Bill. They will be reminded of that in the hearings on the various Crown corporations. They are going to be reminded of that, I know, in my own constituency because when I go back whenever the next election is, and I am ready for an election at any time, I will go back to my constituency and remind the people of my area what the Conservative candidate was talking about in 1988 and what this Conservative Government has done in those areas. What will happen will be in area after area, instead of improving things for the average person, it will be worse,

and that is going to be a continuing political issue in this province for years to come.

COMMITTEE CHANGES

Mr. Bill Uruski (Interlake): Mr. Deputy Speaker, I move, seconded by the Member for Elmwood (Mr. Maloway), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Member for Churchill (Mr. Cowan) for the Member for Interlake (Mr. Uruski); the Member for Dauphin (Mr. Plohman) for the Member for Brandon East (Mr. Leonard Evans).

* (1600)

BILL NO. 37—THE CROWN CORPORATIONS PUBLIC REVIEW AND ACCOUNTABILITY AND CONSEQUENTIAL AMENDMENTS ACT (Cont'd)

Mr. Bill Uruski (Interlake): Mr. Deputy Speaker, I am very pleased to participate in this debate this afternoon on Bill No. 37, The Crown Corporations Public Review and Accountability and Consequential Amendments Act.

It must a Department of Finance wording on drafting the words in or legalese in drafting this piece of legislation. It is very, very interesting to see the Conservative Party bringing in this piece of legislation, Mr. Deputy Speaker, after having in fact spoken against it when it was brought in over a year ago. We had the Leader of the Liberal Party (Mrs. Carstairs) voted against the piece of legislation, and here we now have the Conservatives saying we now need more accountability but we are going to have accountability with a Conservative flavour.

Accountability by the Conservatives is to have all kinds of accountability to us but not to the public shareholders of this province. That is essentially what this Bill is saying. What we are saying is that we are going to have the accountability to us and we will decide what the public shall know and what is good for the public. That is essentially the amendments to this Bill. Pretty well almost every other aspect of this Bill is very similar to the previous Bill, other than having where we set up the Crown Investments Corporation and we had the Board of Directors of the shareholders under that corporation, now it is the Lieutenant-Governor-in-Council. It is a matter of semantics. That is all it really is.

The Minister of Finance (Mr. Manness) can try to slide and slip all he wants to try and deflect his responsibility in this whole area, where he does not have Ministers on the corporation. It is funny. During the last Session and the election campaign, there were all kinds of pledges that we were going to have public accountability of these corporations. They were going to go to the Public Utilities Board. They were going to have public meetings right across the province, both from the Conservatives and from the Liberals, and no political interference. That is what we abhor. This political interference has caused all these problems in the Crown corporations.

Well, Mr. Deputy Speaker, I participated in some of the debates on Crown corporations.— (Interjection)— I want to indicate to my honourable friend, and I will deal with the Crown corporations one by one as I go through my remarks, but I participated in some of the debates on the question of public accountability and political interference during the election campaign. It is interesting that one of the Members, the Member for Selkirk (Mrs. Charles), in fact participated in the debate. She was not an MLA at the time. Maybe she felt my remarks at the time were somewhat condescending in terms of the role of an MLA, and we were talking about the interference into Autopac and calling on behalf of constituents on a radio program.

I said, as far as I was concerned, as an elected representative, I will represent my constituents as well as all the people of this province. If there is a concern about any particular aspect of a Crown corporation, I believe it is not only the right of an elected representative but their duty to ask questions and to inquire about why a claim has not been paid, why there has been a delay in a claim, in other aspects, why the Telephone System is not responding, why Hydro staff may be doing one thing or another.

But for Liberal Members that was too much. That was political interference. At least, that is the impression I received from the Member for Selkirk. I hope I was wrong and, when she speaks on this Bill, she will correct me if I have misinterpreted her remarks but I am sure that, since she has become an MLA, I venture to say that she has probably had some inquiries on behalf of constituents. If she has not, Mr. Deputy Speaker, that may say something for how her constituents view her in terms of her relationships to them.

But I would imagine that she has. I would imagine that she would have had inquiries and, as a good MLA, she would have responded. She would have gone to the Minister or to the corporation, to the public relations department, and said, hey, what is going on here and can I have a report so that I can see whether this claim from my perspective has been handled well or not. That is not—and I say this with all the conviction that I can— interference in the operations of any agency, whether it be a Government department, whether it be a Crown agency.

When we came to the hearings here just yesterday on the Telephone System, I found it highly amusing. Here we had the Minister of Telephones (Mr. Findlay) coming and saying the meetings that we are now having publicly are going well and we think we are going to have some more meetings. We are going to have some more meetings. Well, Mr. Deputy Speaker, I said to the Minister, well that is good. So why does he not then support to make sure that there be mandatory public accountability sessions?

Now let us see why the Conservatives are removing that provision now that they are Government, because that is essentially the only provision that they are removing out of the Act. They do not want to get caught in an MTX or an MPIC difficulty that if there is a public difficulty and a public outcry, how can we go out and talk to the public about some difficulty that may be a political issue. So we can then hide and say, the Act

does not force us, does not tell us that we have to go out and discuss these matters frankly and openly with the public. We can now sit back in our trenches and wait it out and hope that people will forget.

Mr. Deputy Speaker, people will not forget and they will not forget that the Conservatives, rather than being open and honest with the people of this province, they are in fact retrenching by this Bill. They are really retrenching on this piece of legislation because, quite frankly, I think—and here is where I disagree with Judge Kopstein on the one recommendation saying that there really is no need to go out and hold public hearings on MPIC because of the negative circumstances that people find themselves in when they are involved in an accident. If anything, the corporation can do a public service in those public accountability sessions and deal with some of the, I would say, misconceptions in people's minds about what the insurance program is, how it operates. It really would work as a public education process for the people of this province if all the Crown agencies went out and discussed the various aspects of their responsibility with citizens of this province.

It is very clear. The Telephone System went out and is holding hearings. They held, as was reported to members of the committee, I believe, five meetings around the province in the last several months. They were, in fact, criticized by the new Liberal critic for communications, the Member for Springfield (Mr. Roch). I find that highly odd that here is a Member who voted against The Accountability Act in the last Session as a Conservative and now is promoting more public meetings on behalf of the Liberal Party and greater accountability. He did not want accountability last year, but this year he wants accountability. I wish the Liberals would make up their mind on these issues. They really cannot have it both ways.

So today one of my friends is saying to do this; tomorrow, one of my friends is saying do this, and I am with my friends. That happens to be the Liberal position in the whole area of public accountability. When we talked about Autopac rates in the election campaign, the Liberals said the rates are too high. We have got to do something about it. Mr. Deputy Speaker, that is interference.

* (1610)

In the 1986 election, the Leader of the Conservative Party said, rates are too high in this province. If I am elected, I will cut rates by 10 percent. I will give back \$20 million of those reserves. That is political interference. But he has every right to make that - (Interjection)- That is what I said, the reserves are too high. He was going to give back—my apology. The Minister of Finance (Mr. Manness) said that I said that the rates were too high. Well, in effect the rates were too high. If you are going to reduce your reserves by \$20 million, that tells you that your rates are too high.

Hon. Clayton Manness (Minister of Finance): Not necessarily.

Mr. Uruski: The Minister of Finance says not necessarily. How do you achieve the reserves this high

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if you do not make the deduction that somewhere down the line your rates were too high? You had to charge more to get those reserves. If you are going to give those reserves away and make a reduction—and now they are probably saying, gee, we are probably glad that we were not elected in '86, because can you imagine the kind of mess with the claims the way they went in the insurance corporation when in fact the claims count went up where it went. They are probably saying, oh, I am glad we did not have to meet that commitment that we wanted to put to the people of this province.

They left the impression, and it is kind of interesting because I have to say that I became the lightning rod, at least in my area, for discontent against the Government over Autopac. Many people, in fact my majority win was the lowest in my political history. When I was first elected, I won by 400 votes. This time, I won by less than 400 votes, the only time in my political history. But I want to tell you, Mr. Deputy Speaker, I have done a fair bit of canvassing with people in my constituency over the last number of months. When they heard the announcements here in the Legislature saying that Autopac rates are going to rise, are likely to rise, I want to tell you, they grabbed themselves by the head. They said, those—and I will not use the word. They told us that they were going to do something about those rates. Now they are saying those rates are not even high enough and we blamed you for it. I have to stand back and smile and say, you are right. You did not believe me last spring of what occurred, but you now have the living proof that the Conservatives are confirming that the rate structure was inadequate at the time and they had to raise the rates—absolutely.

I have no difficulty in indicating to Members, I was the chairman of the board and the rates were raised and I take full responsibility for that. I did, and we as a Government—(Interjection)- Mr. Deputy Speaker, the Member for Fort Rouge (Mr. Carr) talks about estimates being out. Look at all the annual reports of the Insurance Bureau of Canada and how their cost estimates have been out for the last number of years. The very same scenario that has occurred across the country and has occurred here in Manitoba has occurred across the country. Did those executives and those boards of directors resign or were they fired by their shareholders? No, they raised rates, to the Member for Fort Rouge, 20 percent a year two years running, and they are into the third round of rate increases of above 10 percent. So that phenomenon in the insurance industry is common right across not only Canada but right across North America.

This piece of legislation really will take away the accountability that was in the previous piece of legislation. Why will you not allow the executives and the boards of directors of these corporations to go out and tell them that they have to go out and they have to prepare for the public. They cannot sit in those offices, whether it be on Taylor Avenue, whether it be at Eaton Square, whether it be on Empress Street. They better get out and talk to the public and let this Legislature tell them that they have to do that.

It will not happen, I can rest assured, just the same as the whole issue in Manitoba Telephones with MTX.

It was a cute conversion of the Member for Pembina (Mr. Orchard) who was the former Minister who got led into this deal, had it all prepared.—(Interjection)- We ended up signing the deal within 30 days of forming office. Does the Minister of Finance (Mr. Manness) really expect anyone to believe that somehow someone within the first 30 days of a new Government went over to Saudi Arabia and negotiated that deal? The reason the Minister of Finance agrees with what I am saying but he says the money was not lost in the first 30. Of course, it was not, and that is one of the major reasons why this Government brought in The Crown Accountability Act, to have a second sober look at the operations of all the Crowns.

Being in public office for the last 20 years and having a number of boards responsible to me, I want to tell you that as good as all the citizens of Manitoba are—and I say that from whatever political stripe they may come, whether you are Conservative, Liberal, New Democrat—what inevitably occurs is the executive of whatever corporation it is basically build a very close relationship with the Board of Directors, and then it becomes a very difficult process for that Board of Directors to put, if necessary, the heavy hand that has to occur from time to time to control management.

That is, in effect, what occurs. The Board of Directors innocently gets drawn in and comes into a very close relationship with the executives, and then the responsibilities of the two become very blurred, and that is where a second sober look, a review in the general sense, not in the minute sense, of every penny or every dollar or every policy that corporation sets has to be brought into place.

I have sat on a number of boards as an MLA—member of the Water Commission as an MLA—no, that is the only board as an MLA that I sat. I sat as chair of a Crown agency, and I can tell you that as good as citizens as we might appoint from whatever political stripe, we do get taken in by management. That is where there is necessity on behalf of citizens, on behalf of the Government who are ultimately responsible that there be a second look. I am sure the Member for La Verendrye (Mr. Pankratz) who now sits on a board, he will see that over a period of time. For the first number of months of a new Government, he will be quite—I guess, he would hold his approach to reviewing in a very firm sense. As the relationship between he and the corporation builds and we become more friendly, we begin to know each other, the trust builds, and as the trust builds your guard goes down. That is inevitable. That is inevitable in whatever operation we come into.

So the Bill is necessary.—(Interjection)- Pardon me? The Bill is necessary, but it is necessary with one major amendment that the Conservatives should rethink, they should seriously rethink, and say that we are going to make sure that every Crown agency goes and reports to the people of this province. Whether there are five at a meeting or 500 is immaterial because there will still be an accountability session with the public. Regardless whether there are issues of service expansion, problem areas or whatever, that accountability should be there. I think, like the Member

for Lakeside (Mr. Enns) who sits on the Hydro-Electric Board, I believe that he would want to as part of that board go out to the public and explain some of the service work, some of the future plans, some of the ongoing plans, as a member of that Board of Directors there, and he would want to go out to the public.

* (1620)

But to say that they will—we will ask them to do that, knowing how large bureaucracies operate—unless it is mandated that they do it, there will be a reluctance to do so. I urge the Minister of Finance (Mr. Manness) to change his approach. I have no other quarrel with the Act. The other changes are cosmetic, to say the least -(Interjection)- They are. There is no further accountability that will occur as a result of this Act than the previous Act, no further accountability.-(Interjection)- Mr. Deputy Speaker, quarterly reporting and the like, all of that can be accomplished very easily but the one key area is the accountability to the ultimate shareholders, the people of this province, is not within this Act. It is not.

I say to the Conservative Party, please be more consistent in your dealings with the public. You promised an open and honest Government and here you are, you are closing the doors. Why are you closing the doors? What for? I mean, is it so difficult to say in the Act that the Board of Directors shall hold, not that they may hold or that we will direct them, tell them that they have to go. The Member for Lakeside (Mr. Enns) will convey that message very clearly. As a part of the law, he will carry the statute in his back pocket when he goes to the next board meeting of Manitoba Hydro and he will tell them that we got to go, boys. We have to come out to the public and hold these hearings and we should as a matter of course do that.

Whether it is Hydro, whether it is Telephones, whether it is MPIC, they are there. They have accomplished historically a very significant presence in the lives of Manitobans. The Telephone System has a real enviable record of having, I would say, probably some of the best service anywhere in the country, although we may be behind in technology in terms of rural services, but in terms of overall service for the cost, probably one of the most efficient corporations anywhere in the country.

Hydro similarly, a very good record, a very good historical record of service to Manitobans, a long-standing corporation. The Minister of Energy (Mr. Neufeld) should—I am sure he is—be proud of being responsible for that corporation. MPIC, the Deputy Premier (Mr. Cummings) who now is responsible for that corporation, although he abhorred a Minister sitting on the Board of Directors, I venture to say that the phone between he and the new Chair is probably off the hook a lot more often than ever, because he will want to have a very close handle on the operations of that corporation and be assured of some of the administrative changes that are necessary, and the reason we set up the Kopstein Commission was to really bring up that corporation into the 20th Century to make sure that when we brought in the corporation we were far-sighted.

I have to admit that as a Government, we should have pioneered and there were many other aspects of service improvements that we should have pioneered. We did not. The whole question of time payments, and I hope that the Deputy Premier (Mr. Cummings) does have the corporation making those changes, because if they do not, he will have to answer not only to this Legislature but to the people. That should be done. There are a whole host of changes that have to occur in that corporation to bring it into the 20th Century. That was our desire, to make sure that corporation does perform with the most up-to-date innovations in insurance, not only insurance protection but service to the people of this province.

I guess part of the reason that in looking back we got into difficulty, one of the issues is the whole question of accident surcharges and deductibles. Had we, and it is nice to look back, moved the deductibles upward on the collision coverage over a number of years close to where we were, the incidence of claims, I venture to say, would have not been as high. Coupled with that, the accident surcharges, the incidence of claims would not have been as high as what we had experienced. The onus on the claimants would have been higher because it was clear that the deductible of \$200, which had been the same since 1971, became a maintenance policy.

Many motorists would smash a headlight and ding their fender or a headlight -(Interjection)- Precisely. Some of the headlights now with the chrome and all is a couple of hundred dollars on most mid-size and upper-sized vehicles. So what would be considered normally as a very minor claim, the motorist went through the Claims Centre and established a claim because his bill would be more than \$200.00. It cost the corporation approximately \$100 to open a file to run the claim through the Claims Centre.

So there are innovations that have to be made, and I will be the first to admit that we did not keep up with the kind of innovations that were required to keep that corporation there. I think, Mr. Deputy Speaker, the question of accountability would have triggered some of the public's frustrations a lot sooner had that corporation been mandated to go out to the public and meet with the public, even in the case of MPIC, because those issues would have been raised, whether it be by claimants or by people within the industry, very clearly and much more directly to the executives and to the members of the Board of Directors.

I think that the move that we made over a year ago in bringing in the Act certainly was a step in the right direction, but I urge the Conservative Government to really change their strategy and make sure that all the Crowns in terms of those that are in this legislation to go out and are required to go out and be accountable to the ultimate shareholders and that is the people of this province. Thank you.

Mr. Deputy Speaker: I believe that leave was given to the Honourable Member for Osborne (Mr. Alcock) to allow the Bill to stand in his name.

* (1630)

Wednesday, November 9, 1988

**DEBATE ON THIRD READING—
AMENDED BILL**

**BILL NO. 10—THE COURT
OF QUEEN'S BENCH ACT**

Mr. Deputy Speaker: Debate on third reading, Bill No. 10, The Court of Queen's Bench Act, standing in the name of the Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Mr. Deputy Speaker, I am pleased to be able to add my comments at third reading to this amended Bill. I want to say as well that I have some specific comments on some of the clauses of this Bill that I would like to put on the record. I do not intend to take up too much time, but I think it is important that we look at what we have done after the amendment process.

I know that in introducing this Bill, once again, the Attorney-General (Mr. McCrae) made it quite clear that this legislation was in process prior to the election of the current Government. Once again, the Attorney-General, as is appropriate, acknowledged that this piece of legislation had been commissioned by the previous Government, that the Law Reform Commission, that a committee of judges that was responsible for establishing rules which govern the proceedings of the Court of Queen's Bench, had in fact requested from the Attorney-General permission to review the Acts and to review the rules which govern the proceedings of that court.

I think this is a tribute to the previous Attorney-General. Obviously, this revision of the Act is in itself long overdue. I think the Attorney-General, in making his comments, noted the fact that the Act had not been amended for some time and that the rules which govern the proceedings of the court had not actually been revised since the 1930s. That is quite astounding, given the substantial changes which have been occurring in court practices and the approaches that had been taken in recent years to speed up court processes.

Mr. Deputy Speaker, the Attorney-General identified, as one of the objectives of this piece of legislation, improvement in the justice process to speed up the hearings before the Court of Queen's Bench and the desire to reduce the backlog at the Court of Queen's Bench. Obviously, that is something that we all heartily endorse.

The previous Government and the previous Attorney-General, which established the committee which reviewed The Court of Queen's Bench Act, and the rules were actually put in place back in March and their review of the matters pertaining to the Court of Queen's Bench culminated in the Act that we have before us today.

I know that a number of other people have spoken, including the Member for St. James (Mr. Edwards). I think that many of the things that he has said with respect to this Bill are appropriate.

I want to deal with just two of the major principles that we have addressed in this piece. One of the areas where amendment, I think, was required and rightly so

as it would have effected in a negative way one particular group, I will talk about that later.

First of all, I guess one of the more important points of change in this legislation has to do with the ability of judges to dismiss frivolous cases. I found the wording in the Bill quite interesting because it does not call them frivolous, it calls them vexatious proceeding.

An Honourable Member: Vexatious.

Mr. Storie: Vexatious. Obviously, this issue has to be dealt with in every quasi-judicial court proceeding, because from time to time, for personal reasons, for other reasons, people bring proceedings to court which have, for all intents and purposes, no legitimate reason for being before the court. They use time; they use the court's time; they use the valuable time of our courts for proceedings which will have no, in the final analysis, substantive impact on any of the Parties to that action.

Unfortunately, until this amendment, there was no legitimate way for a court to deny, to hear a proceeding or for a way, once a proceeding was heard, to ensure that it was not reintroduced to the court and reintroduced to the court and reintroduced to the court, something which uses court time, but also, and perhaps more unfortunately, is a serious expense to the defendant in those cases. While laying a charge, making an accusation is a relatively simple process, the process of defending against accusations and certainly defending against improper accusations is more difficult.

This Act proposes to allow judges to limit the availability of court time to people who have the intention of introducing what we are calling in this Bill, vexatious proceedings. We know that is necessary but obviously in a free and democratic society and having some respect for a court system, which is supposed to give access to ordinary people for justice, we have to be careful that we are not creating a situation where, in the dismissing of vexatious proceedings, we are creating a situation where justice is not obtained and cannot be obtained. I think that is another interesting aspect of this Bill and something that Members here may endorse. That is the process that we have allowed for reintroducing the matter into court.

For those who have not studied the Bill, the process now requires leave so that where once a matter has been dismissed by a Queen's Court Bench judge, the only way for that matter to be reintroduced to the court is if the applicant has leave of the court to reintroduce it. That does two things, it seems to me, that are appropriate. No. 1, it protects the court's time as is the right and perhaps the obligation of the Attorney-General's Department, and it still allows, in effect, for an appeal proceeding. It allows for a rethinking, a sober second look at a particular proceeding. I am sure that all of us can think of instances where we were confronted with explanations for actions or explanations for events where, on first blush, we were disinclined to believe. We found it somewhat straining our credulity to support a particular action or a particular event. But on second thought or having more information made available to us, we concluded that there was some justification for the action or for the event.

What we are doing here is allowing ourselves, our courts the flexibility to say, yes, we have erred, yes, circumstances have changed, and I think that is an appropriate thing. I guess the difficulty here is the difficulty of leaving any individual in control, in effect, of whether a person has access to justice. I do not think that there is anything wrong with the limits that we have placed on the ability of an individual to come before court as this legislation stands. I think that it is what might be termed an appropriate limit. We notice that the Charter of Rights and Freedoms, which has been the cause of so much litigation, and will be the cause of so much litigation over the next decade, has that clause within it, that at some times there is an appropriate limit that we can place as a society on the rights of the individual or on the rights of a group.

Reasonable limits, it seems to me, have been applied here. I think that those who drafted this legislation, those who were responsible for introducing these amendments to The Court of Queen's Bench Act should be commended, because it seems to me that what they have done is achieved a pretty delicate balance between the obligation of the Attorney-General's Department and the courts to use their time wisely, and the rights of the individual not only to appear before the courts to make their case but to reintroduce those cases should they fail or should they be dismissed, as is now possible through the legislation.

The legislation that we have before us goes a little bit further than that and requires that before an application can be heard, and perhaps it is an interesting turn of events, that the Attorney-General is now imposed in this circumstance so directly. The Attorney-General is required to give notice to the Attorney-General, and the Attorney-General is allowed an opportunity or has the opportunity now to be heard on the application. So here we have the introduction of the Attorney-General into the process.

* (1640)

If there is any questionable element to this piece of legislation, it is Section 74.(4) which allows that there is no appeal to the process once an order is given. Section 74.(2) allows a judge: Where he is satisfied that a proceeding to be instituted or continued is not an abuse of the process, and that there are reasonable grounds for the proceeding, the court may order, grant leave to proceed or rescind the order made under another subsection of the Act. There is no appeal from that.

I guess the saving grace is that the Attorney-General does have a right to be heard on the matter. I guess, depending on the circumstances, depending on the Attorney-General, that may be a satisfactory guarantee of a hearing. The Attorney-General is smiling from his seat and I know I have every faith in the Attorney-General's fairness, his open-mindedness to matters brought before him and I can feel quite confident that should this particular section become applicable in the near future after we pass this legislation, that the Attorney-General will ensure that every individual, regardless of the nature of the action before the court, will make sure that individual is entitled to due process.

We all believe I think quite fervently that an appeal process that works is part of due process. While we now have granted judges the ability to rule actions out of order, in effect we have put in place an appeal process which involves the Attorney-General and involves just cause for reintroduction of those matters.

(The Acting Speaker, Mr. Harold Gilleshammer, in the Chair.)

So that is good. I think it is a useful amendment, a timely amendment and it will be interesting to watch the Court of Queen's Bench actions in the future to see whether in fact people take advantage of this, whether the new appeals process, in effect, works to the advantage of individuals. Hopefully it will work both ways. It will save individuals who are in trouble and caught in a bind, who have been misunderstood perhaps, and maybe it will also save some court time.

This particular legislation introduces another major change into the Act, and that is the introduction of a new Rules Committee. Up until this time, I believe the rules which govern the proceedings of the court were developed by judges themselves. Although I think history has sort of amended that process, the fact of the matter is that the legislation had not kept up with the times and this is another clear example where legislation really is designed to accommodate current practice because I think everyone recognizes that the practices in courts have changed since 1930 and one of the reasons practices have changed is because more than just the judicial component of the justice system have been involved in the process, more than just judges have been involved in the process.

What this does, in effect, is legitimize what has been occurring for a number of years, and what we have here, under Section 16, is the establishment of a committee, in very clear and precise terms, which includes both the chief justice or his designate, a total of five judges appointed by the chief justice; two persons appointed by the Attorney-General, and three lawyers appointed by the Law Society of Manitoba. So what we have is the establishment of a very succinct group responsible for developing rules that are going to apply to the Court of Queen's Bench.

I think there is a lot of merit in this. As I say, it conforms to current practice and I think it is more appropriate because it allows for the involvement, if you will, of others in the justice system. The numerous rules which are developed previously by this committee of judges are quite important. There are a lot of rules which the average person, someone not familiar with the court process—and I include myself in that—was not aware of. When I looked down, for those of you who have the Bill in front of you, at the list of rule-making powers on pages 42 and 43 of the Bill, I think you will be astounded at the importance of some of these matters. They include, obviously, the commencement and conduct of the proceedings; they include binding orders, the representation; the representation of parties; pleadings are included and, interestingly enough, if you continue on with the list, one that is, "(r) offers to settle" on page 43.

So the rules that are being established previously by these judges affected a whole array of circumstances

that you face in court, but which are not settled by matters of the Legislature; which are not settled by any understandings of the process, and the obligations in that process, of the average person. Three judges, or I believe it was three judges at that time, established the rules and proceedings—I am just trying to confirm that, I did read it. However, what is important here is that we have added to the process the establishment of these rules, new insight, and I think that is appropriate.

I wanted to focus for a minute, particularly on the offers to settle, because these have become more and more important in court practice over the last decade. And it became more important because the Attorney-General's Department, Crown prosecutors, those involved in the prosecuting side in the courts do not want to take up time and, therefore, offers to settle are becoming a matter of course. Likewise, defendants, those rightly or wrongly accused, know that it takes time to deal with—I was going to say actions, but deal with charges against them, whether civil or otherwise. The fact is that this new process for establishing rules on how offers to settle are going to be managed, it is important, it seems to me, to have someone besides judges involved because they are being used more frequently, and that is probably a good thing. That in itself may allow for an improvement of the backlog position that most of our courts, and the Court of Queen's Bench is no exception, are having. They are having problems in that regard and if we have rules that are fair and understandable and represent the wishes of not only judges but others involved in the system then I think they will be fair and understandable for all concerned.

There are two areas I guess I would like to comment on, and recognizing that we are at third reading stage and that the amendments that are going to be before us have already been reviewed, the only areas where I think we need to exercise some caution and that we may want to keep an eye on in the future are in the areas of the others that we have appointed to this committee. We leave to the Attorney-General's imagination, to his discretion, the appointment of two people to this Rules Committee and then we leave to the Law Society of Manitoba an additional three. You do some quick numbers, you will see that judges still have a majority on the committee. They are in effect in control.

(Mr. Deputy Speaker in the Chair.)

* (1650)

There is a chief justice and five others and only five people appointed from the outside. I do not know whether it is the Attorney-General's intention to appoint lawyers as these other three. I suppose it leaves open the possibility. It does not specifically prohibit the Attorney-General from appointing lawyers, but I would hope, given that the Law Society of Manitoba can appoint three lawyers, that the appointments of the Attorney-General are not lawyers.

If there had been an inclination, I guess, on Members of the Chamber to specify that those appointments not

be lawyers, I think it would have been a good thing. My only hope is that we do not pass this legislation, that it does not receive final approval and Royal Assent and not come before the Chamber for another 59 years for revision. I think that we will, if there is any area we want to watch closely, it is in the appointments to this Rules Committee and we will want to see whether in fact we have some lay people, some people not so directly tied to the legal system involved in establishing the rules.

I think in other cases where we have appointed lay people to other professional bodies, to other quasi-judicial bodies, we have found that the approach that lay people bring to these bodies is quite often refreshing, innovative and helpful. Certainly, I believe that if the Attorney-General goes ahead and appoints people from outside the legal community to the committee, I think the same thing will happen in terms of establishing these rules which the Court of Queen's Bench acts upon. So it is one of those areas where I think we are going to have to watch. I am not suggesting for a minute that this undermines the credibility of the Bill at all. It is simply a point which we may want to address as Legislators sometime in the future.

The Attorney-General (Mr. McCrae), in his concluding remarks, notes that the new rules and the new Queen's Bench Act are a package. I had only one question and the Attorney-General can perhaps indicate from his seat whether the amendments that were requested by the Psychological Association of Manitoba with respect to the definition of health care provider has been addressed or was addressed in amendment stage.—(Interjection)—The Attorney-General indicates from his seat that it was in fact and —(Interjection)—I had assumed that because the Bill was amended that in fact that concern had been addressed. I am pleased to see the Attorney-General indicates that it was adopted by the committee.

(Mr. Speaker in the Chair.)

In that case, I would only add that this legislation is one of at least a dozen Bills that I have seen in my seven years in this Chamber, all of which have addressed, I think, legitimate concerns about the judicial process. I commend the Attorney-General for bringing it forward. I commend the committee that was established in 1987 to review this matter and for the work that they have done. I think they have improved the Court of Queen's Bench. I think, by the addition of these people to the Rules Committee, we are going to improve the procedures and the rules governing the actions in the Court of Queen's Bench.

I am pleased to be associated with this Bill and its amendments, and I am also pleased that I have had an opportunity to put on the record my concerns about a couple of things for the future because I, like most people, I think, want to see amendments brought forward in a timely fashion. If we need amendments to this legislation, I hope it does not take another 59 years to get it before this Legislature. Thank you very much, Mr. Speaker.

Mr. Speaker: The question before the House—the Honourable Member for Interlake.

Mr. Bill Uruski (Interlake): I beg to move, seconded by the Member for Elmwood (Mr. Maloway), that debate be adjourned.

MOTION presented and carried.

THIRD READING—AMENDED BILL

BILL NO. 22—THE LIQUOR CONTROL AMENDMENT ACT

Mr. Jay Cowan (Churchill) presented, by leave, Bill No. 22, The Liquor Control Amendment Act; Loi modifiant la Loi sur la réglementation des alcools, for third reading.

MOTION presented.

Mr. Kevin Lamoureux (Inkster): Can I just get some clarification on what was just requested? I did not quite catch the end.

Mr. Speaker: I believe it was moved by the Honourable Member for Churchill (Mr. Cowan), seconded by the Honourable Member for Interlake (Mr. Uruski), that Bill No. 22 be now read a third time, and the Honourable Member asked for leave. Does the Honourable Member have leave? (Agreed)

Mr. Lamoureux: I move, seconded by the Honourable Member for Niakwa (Mr. Herold Driedger), that debate on this Bill be adjourned.

MOTION presented and carried.

THIRD READINGS

BILL NO. 18—AN ACT TO AMEND AN ACT TO INCORPORATE THE MANITOBA MOTOR LEAGUE

Hon. James McCrae (Attorney-General) presented, by leave, Bill No. 18, An Act to amend an Act to incorporate the Manitoba Motor League, for third reading.

MOTION presented.

Mr. McCrae: This Bill has passed through committee, has been considered there, and has passed the committee stage unamended. I would commend it to Honourable Members for their support.

Mr. Bill Uruski (Interlake): I move, seconded by the Honourable Member for Churchill (Mr. Cowan), that debate be adjourned.

MOTION presented and carried.

* (1700)

BILL NO. 24—AN ACT TO INCORPORATE THE DAUPHIN GENERAL HOSPITAL FOUNDATION

Mr. Jay Cowan (Churchill) presented, by leave, Bill No. 24, An Act to Incorporate The Dauphin General Hospital Foundation; Loi constituant la Fondation de l'Hôpital général de Daupin, for third reading.

MOTION presented.

Mrs. Gwen Charles (Selkirk): I move, seconded by the Member for St. James (Mr. Edwards), that debate be adjourned.

MOTION presented and carried.

Hon. James McCrae (Government House Leader): Shall we call it five o'clock?

Mr. Speaker: Is it the will of the House to call it five o'clock? The hour being 5 p.m., time for Private Members' Business.

**PRIVATE MEMBERS' BUSINESS
PROPOSED RESOLUTION
RES. NO. 23—RENEGOTIATION OF AGREEMENT WITH CSIS**

Mr. Speaker: On the proposed resolution of the Honourable Member for St. James (Mr. Edwards), Resolution No. 23, Renegotiation of Agreement with CSIS.

Mr. Paul Edwards (St. James): This resolution is entitled in the Order Paper—

An Honourable Member: Read it first.

Mr. Edwards: That is what I am going to do. I am giving the title first.

Renegotiation of the CSIS Agreement.

WHEREAS the privacy rights of Manitobans and Canadians are of the utmost importance; and WHEREAS on June 15, 1988, the Province of Manitoba entered into an agreement (the "Agreement") with the Canadian Security Intelligence Service (CSIS), whereby the Province of Manitoba—

Mr. Speaker: It has been moved by the Honourable Member for St. James, seconded by the Honourable Member for—

Mr. Edwards: Sorry, I neglected that. Start again? (Agreed)

WHEREAS the privacy rights of Manitobans and Canadians are of the utmost importance; and WHEREAS on June 15, 1988, the Province of Manitoba entered into an agreement (the "Agreement") with the Canadian Security Intelligence Service (CSIS) whereby the Province of Manitoba agreed to provide information and assistance to CSIS; and

WHEREAS the Province of Manitoba did not secure, under the terms of the Agreement, adequate protection of the privacy rights of Manitobans; and

WHEREAS the Agreement provides *inter alia*, that certain provincial departments and branches of these departments will not have to gain the approval of the Deputy Attorney-General prior to releasing information to CSIS, including the Departments of Health, Labour, Education and Culture, Heritage and Recreation; and

WHEREAS the Attorney-General's Department of the Province of Manitoba has indicated that the Solicitor General of Canada must authorize any intrusive investigations in subversive cases, yet the Agreement does not similarly require the authorization of the Attorney-General of Manitoba; and

WHEREAS paragraph 7 of the Agreement provides for amendment of the Agreement by mutual written arrangements between the parties; and

WHEREAS paragraph 8 of the Agreement provides that the Agreement may be terminated by either party upon the giving of six months' written notice of its intention to terminate.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba recommend to the Government that it enter into negotiations with CSIS for the purpose of amending the Agreement in order to provide for the adequate protection of the privacy of Manitobans; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba recommend to the Government that it forthwith give notice of its intention to terminate the Agreement in the event that these negotiations fail.

MOTION presented.

Mr. Edwards: Mr. Speaker, it was with great regret that I had to bring in this resolution. Members of my Party and I had brought our doubts about this agreement to the attention of the Attorney-General (Mr. McCrae) on numerous occasions prior to the actual submitting of this resolution for the consideration of the House and, in particular, the Attorney-General.

We looked at this agreement very carefully and we read it in light of other agreements signed in this country, and I note for the Attorney-General, as I am sure the Attorney-General is aware, that CSIS negotiated these agreements independently with each province in this country. In particular, I compared it to the agreement signed with the Province of Alberta recently, and have found the Manitoba agreement severely lacking in protection for the privacy rights of Manitobans, and severely lacking in, I think and it is the view of the Opposition, foresight for what this might entail with respect to CSIS applications for information.

CSIS has not had an illustrious past in its brief history. It has had cases where many members of our society

have called it to task for abuse of its rights. I do not mean to say that there is not a need for CSIS. I only mean to suggest that the powers of CSIS must be monitored carefully. It is a civilian security service and it was made a civilian security service precisely for that reason, for increased accountability. We, as Manitobans and as Manitoba legislators, must keep in mind our role as being accountable to the public for their privacy rights, and must always keep that in mind and, in particular, when dealing with agencies such as CSIS.

I believe that the Attorney-General (Mr. McCrae) entered this agreement hastily and his signature to this agreement was ill-thought-out. In particular, this agreement allows CSIS to make application to any number of departments in the Manitoba Government and obtain information after the application has gone through the review of a designated official. Certain of the departments in the Manitoba Government can have the information go directly from that official to the agency without going through the Attorney-General's Department, and certain of those departments have to go through the Deputy Attorney-General in order to have the information released.

Interestingly, the departments that can bypass the Deputy Attorney-General's Department are, in my view anyway, possibly the ones that are open to the greatest level of abuse and infringement on Manitobans privacy rights: Education, Health, Culture, Heritage and Recreation, Labour, Industry, Trade and Technology, the Civil Service Commission, and indeed the Attorney-General's Department itself does not have to go directly to the Deputy Attorney-General—strange, but true.

When we compared this with the agreement which has raised the concerns of legislators in Alberta over its thoroughness, we find that the Manitoba agreement is much more far-reaching than the Alberta agreement. The Manitoba agreement allows access to all of Manitoba's departments, albeit there is a two-tiered system. But all of Manitoba's Government departments are open to applications from CSIS whereas, in Alberta, only certain departments are, and those departments do not include some of the most vulnerable departments which are put on, as it were, the fast track under the Manitoba agreement.

Mr. Speaker, as I say, we recognize on this side of the House the need for CSIS, but we also recognize that the zealotry of intelligence services in the Western World has wreaked havoc on many lives and has done much damage. We, in Canada, have had that kind of experience in our past, not as bad as other countries but we certainly have had it. We must be careful always, I think, to remember that what makes us a country with civil liberties is the protection of liberties in the face of the quick reaction of Governments to crises and to various things which come up which threaten that nation.

I think we all look back on the various times in our history as Canadians when we have panicked. We panicked when the Second World War started to include the Japanese and we interned the Japanese. We panicked in the October crisis. We have panicked many times in this country. I think that one thing that we want to make sure of is that these things do not happen again. We want to learn from our mistakes.

The entering into an agreement with CSIS that allows leeway that is beyond the political accountability of the Legislature is a mistake. Let us face it, when those decisions are made by politicians and it is later found out that it was an overreaction, that it was a panic, then the politicians should be called to account. They have been. Recently we have seen the settling of the claims of the Japanese Canadians. Politicians have been called to account for their decisions. We want in an agreement with CSIS, in any agreement with CSIS, political accountability. I do not mind that CSIS has the ability to apply for any information in this province. What I do mind is that the Attorney-General (Mr. McCrae) and the Attorney-General himself, not just his Deputy, is not going to be directly involved in these applications.

What we have is a specific statement in the agreement that in fact the Solicitor-General is going to be the one who is consulted in subversive cases where intrusive information is going to be released, not necessarily our own Attorney-General. The Solicitor-General in Ottawa is the one who is going to have the discretion in those very intrusive cases. It is incredible to me that our Attorney-General has not protected his own ability to be involved in those decisions in those worst-case scenarios where the intrusive information is absolutely needed. The Attorney-General of our province is not going to be involved, not of necessity. He may be. His Deputy may tell him and his Deputy may be involved because it may be one of those departments that has to go through the Deputy, but there is certainly no guarantee that his Deputy will be involved much less him. To me, Mr. Speaker, that is a dereliction of the duties of the Attorney-General in protecting the privacy rights of Manitobans.

* (1710)

This resolution seeks to spur the Attorney-General to reconsider this agreement and to put in some new terms to protect those rights, not necessarily to scrap the agreement. The first suggestion in this resolution is to amend, not to outright scrap, because we do recognize the concerns of CSIS and the internal security concerns of this country.

It was raised in the House in response to questions posed by this side of the House that The Freedom of Information Act may provide some security for Manitobans in respect of any abuses which might occur under this agreement. In fact, I suppose that the section the Attorney-General's Department was relying on was Section 41 of The Freedom of Information Act, which provides that records shall not be disclosed which give personal details of the educational, medical, criminal, employment, or family history of a third party.

However, that section is specifically overridden in Section 64 of The Freedom of Information Act which states: "Nothing in this Act or the regulations, including the exemption in Section 48, shall be interpreted to restrict or extinguish (b) any right or privilege whether created by any other Act of the Legislature, a regulation thereunder or otherwise whereby any person, including a public officer, acting in the course of scope of duty is authorized to gain access to any record or any group

or class of records in the custody or under the control of a department." Clearly, this agreement, in that it was signed and was made the law of Manitoba by Order-in-Council, is an Act of the Legislature. Surely, it is "or otherwise." This is an extremely broad section. There is a specific override there for the protection gained by third parties under Section 41.

Therefore, the Attorney-General (Mr. McCrae) comes into this House citing The Freedom of Information Act as protection. He clearly has not read or does not understand The Freedom of Information Act. It was my suggestion at the time that this was raised in the House that he seek the advice of Members of his department who were familiar with the Act in that regard. I trust that he has done that, and I trust that will be further evidence of the need to renegotiate this agreement.

Mr. Speaker, paragraph 8 of this agreement gives the parties the right to scrap the deal with six months' notice. That, in our view, is specific protection which is put in most of these agreements with provinces to allow a Government to rethink and get out of an agreement if they realize that something has occurred or that there have been abuses or that there are potential abuses that they did not foresee.

I ask the Attorney-General (Mr. McCrae) to realize that this was perhaps hastily signed, ill-thought-out, and to attempt to renegotiate the agreement simply to put in the added protections. But if they are not there, then tell CSIS that we are interested in protecting the privacy rights of our citizens. That is our obligation and our duty, and we will do what we have to do to protect them.

That may include scrapping the deal if no amendments are agreeable. I sincerely doubt that CSIS would not be amenable to amendments, in particular seeing as they have signed these agreements with each province on an individual basis. In fact, the Alberta agreement, we know, is stronger than our agreement. I am sure they would be willing to accept amendments, and I ask the Attorney-General, for the sake of the privacy rights of Manitobans, to consider seriously this resolution, and go to the Solicitor-General and attempt to renegotiate this deal. If he is not agreeable, then do his duty as the Attorney-General and invoke the six-month termination clause.

Hon. James McCrae (Attorney-General): Mr. Speaker, I very much welcome this opportunity to speak to the resolution on the agreement that this Government negotiated with the Canadian Security Intelligence Service, as it will provide an opportunity to clarify the situation and allay the fears that have unfortunately been aroused in some Manitobans, based I submit on a complete misapprehension of the agreement and the role of CSIS itself.

Before calling upon the Government to renegotiate the agreement, I believe all Honourable Members should consider carefully the reasons for the creation of the service, the safeguards built into the operation of the service, and finally the operation of the agreement between the province and CSIS. There was a time when the Liberal Party, at least federally, took seriously its

obligations to balance the civil rights of Canadians with the need to preserve the security of the country. That has changed in Manitoba today.

Many Honourable Members, I am sure, remember vividly the October crisis of 1970 when, after years of sporadic bombings in Montreal, the tactics of those who sought to destroy Canada by force changed to a direct assault upon our institutions. A prominent Quebec Cabinet Minister, the late Honourable Pierre Laporte, and a British diplomat, James Cross, were kidnapped within days of each other and Mr. Laporte, as perhaps even the Honourable Member for St. James (Mr. Edwards) might recall, was subsequently murdered.

There has been a great deal of academic debate since October 1970 as to whether the Right Honourable Pierre Elliott Trudeau as he then was, the political hero of the Leader of the Opposition (Mrs. Carstairs), overreacted to the threat posed by the FLQ. Mr. Trudeau, whatever his faults might have been, did have an understanding of the role of the police in a free and democratic society. Unlike the Leader of the Opposition in Manitoba and her colleagues, Mr. Trudeau knew, for example, the difference between an off-duty policeman and a plain-clothes policeman. He recognized that there were times when Government had to defy the extreme civil libertarians—bleeding hearts, I believe Mr. Trudeau called them—and take action to defend the people of Canada as they peacefully pursued their interests.

I am not one of those who is prepared to second guess Mr. Trudeau's decision to suspend civil liberties and to use the military to ensure order. I merely wish to remind Honourable Members that less than 20 years ago terrorists were setting off bombs in Montreal and then deliberately murdered a Quebec Cabinet Minister.

There were some excesses in the reaction of the RCMP to the separatist threat. Perhaps some Members of the Opposition have forgotten how the Government of Canada, a Liberal Government, reacted to these excesses. The McDonald Commission of Inquiry was established in July 1977, and it held hearings across the country before submitting a report to the Government in October 1979. No one can accuse the Parliament of Canada of acting precipitously in the matter because it was not until 1984, again under a Liberal Government, that the Canadian Security Intelligence Service Act was passed and proclaimed in force on July 16, 1984, a full seven years after the inquiry was established. The Leader of the Opposition (Mrs. Carstairs) suggests that one month is too long to spend considering such an important report as the Dewar review.

* (1720)

Mr. Speaker, the legislation established by Parliament provides many protections for the Canadian public:

(1) The service collects information only to the extent that it is strictly necessary, on reasonable grounds, could be suspected of constituting threats to the security of Canada.

(2) The service is required to establish, to the satisfaction to a judge that there is a threat to the security of Canada before it can obtain any kind of warrant.

(3) The legislation provides for an Inspector-General whose function is to act as a watchdog for the Government. The director of the service, once a year, reports on the activities of the service to the Minister and the Inspector-General is required to consider that report and advise whether anything done by the service is unauthorized by the Act or is an unreasonable or unnecessary exercise of any of the powers granted to the service.

(4) The Act also provides for a Security Intelligence Review Committee, which consists of a chairman and not less than two and not more than four other members, appointed after consultation with the Leader of the Opposition and the Leader in the House of Commons, of each Party having at least 12 Members in that House.

As most Honourable Members are aware, I assume the former NDP Minister of Finance in this Province, Saul Cherniack, is a member of that committee.

The committee is charged generally with reviewing the performance by the service of its duties and functions and it reviews the reports of the director and the certificates of the Inspector-General. As well, it investigates any complaints made to the committee. Every citizen has a right to complain to the review committee if after a complaint to the director the person has not received a response in a reasonable time, or is dissatisfied with the response.

Mr. Speaker, this is the legislation prepared by the Liberal Government under Pierre Elliott Trudeau and adopted by the House of Commons in 1984. It is absolutely ridiculous for anyone to suggest, as was suggested by the editorial writer of the Winnipeg Free Press, that CSIS can browse through provincial Government files.

CSIS must have, I repeat, Sir, a reasonable basis to believe that there is a threat to the security of Canada and that means espionage or sabotage; foreign-influenced activities that are clandestine or deceptive or involve a threat to any person; the use of acts of serious violence against persons or property for the purpose of achieving a political objective; and activities directed toward the destruction or overthrow by violence of the constitutionally established system of Government in Canada.

Mr. Speaker, if memories are growing short in this House as to why the Parliament of Canada established CSIS, surely memories have not grown so short that we have forgotten June 23, 1985, the day when terrorists blew out of the sky an Air India jumbo jet massacring hundreds of innocent men, women and children.

Hon. Donald Orchard (Minister of Health): I think he has forgotten already.

Mr. McCrae: I do not know why the Honourable Member is smiling about this, Mr. Speaker. I consider this serious business. I really do not know.

Thousands of their relatives and friends still mourn their deaths. At the time this cowardly act occurred, CSIS was widely criticized—I remind the Honourable Member for St. James (Mr. Edwards)—for not having

performed its role properly, and all right-thinking Canadians expressed horror at what had happened.

Mr. Speaker, in response to that need for cooperation among all Governments and police forces to ensure as much as humanly possible that no Air India bombing will occur again, the Government of Manitoba entered into an agreement under Section 12 of the Canadian Security Intelligence Service Act. That agreement provides for cooperation between the two Governments, but it is made by Section 2 of the agreement, subject to all applicable laws, and that includes The Freedom of Information Act, as well as, and I quote, Sir, "To such terms and conditions as may, in the opinion of the Party asked to provide the same, be required or imposed by that Party."

Mr. Speaker, on November 25, 1987, that is under the former NDP administration, there was a joint presentation by the Deputy Attorney-General and the Director-General, Prairie Region Canadian Security Intelligence Service, to those officials who would be called upon to provide information under the Memorandum of Understanding. The last item in the presentation by Mr. Elton was entitled "Nature of Information to be Requested—Personal Locator." Mr. Speaker, because of the confusion caused by Opposition scaremongering in this matter, I felt it was necessary to re-emphasize the restrictions on the provision of information.

So, on September 1, I wrote to all Ministers and Deputy Ministers, and I will quote from that memorandum: "Where CSIS is making an inquiry under Section 12 of the Act pursuant to the Memorandum of Understanding, the only information that is to be provided by the department is locator information, that is information regarding the name, address and telephone number. All requests for any other information by CSIS must be referred to the Department of Attorney-General and authorization of any further information may only be provided in writing by the Attorney-General or the Deputy Attorney-General."

Because of the need to balance the right of privacy of Manitobans with the need to protect all Canadians from such terrorist acts as the blowing up of airplanes with the loss of hundreds of lives. The Government believes that the department charged with the administration of justice in this province is the appropriate authority for making decisions regarding the release of any information beyond locator information.

The restriction on the provision of information could not be clearer. As Attorney-General, I believe that the Government of Manitoba should cooperate with CSIS in its legitimate efforts to fulfill its mandate. I will not wash my hands of my responsibilities as the Honourable Member for St. James (Mr. Edwards) and the Honourable Leader of the Opposition (Mrs. Carstairs) would ask me to do. If CSIS has a legitimate need for information and can satisfy me or in my absence my Deputy of that need, I will authorize the provision of information.

As yet, there have not been any requests for information by CSIS under the agreement. I do not

know what kind of requests may come, but I would ask Honourable Members to consider the following hypothetical situation:

What would they do if CSIS were to establish that they had a reasonable case that a resident of Manitoba was involved in terrorist activities, for example, planning to blow up another airplane; that they had evidence connecting this person with a terrorist organization, but the person, while resembling pictures of the known terrorist in CSIS files, did not look quite the same, and CSIS inquired whether that person had had plastic surgery performed in Manitoba? I say that I would authorize that information being provided.

The Honourable Member for St. James (Mr. Edwards) says I would not even know. So if the Honourable Member for St. James were in the same position, he would not authorize any information being shared with CSIS and he would allow the unthinkable to happen. I suggest that is irresponsible. The Honourable Member is not ready to assume any kind of responsibility.

I say I would authorize that information being provided. If the Opposition believes that it would not provide that information, that it views this as an unreasonable request and would be prepared to risk the lives of potentially thousands of Canadians in those circumstances, I say let them say so.

The Honourable Member for St. James (Mr. Edwards) seems to have done that from his seat. I will not take that position. I will exercise the rightful responsibilities that I have in these circumstances to do what I can to protect Canadians from terrorists, from espionage, from sabotage. Now that is the simple matter we are dealing with in this debate.

Is anyone going to have the courage to stand up and be counted and to do the right thing when the right thing needs to be done. Or are we all going to be like the Member for St. James and live in an Alice-in-Wonderland existence which allows nothing real to happen and allows Governments not to act when they absolutely must.

That is what the Honourable Member for St. James (Mr. Edwards) seems to be suggesting and I say is suggesting through his comments, through his demeanour in this House. This is a very serious matter, Mr. Speaker. The Honourable Member for St. James is having a little fun with it and I suggest this is not a funny matter. This is a serious matter regarding the safety and the security of our country and somebody in this country has to be responsible. The Honourable Member for St. James does not have to be responsible and that is clear. His behaviour tells us that he is not responsible.

Unfortunately we live in a dangerous world. The Honourable Member for St. James (Mr. Edwards) should wake up and smell the coffee on this kind of issue. The police and the security service have a difficult enough task without people like the Honourable Member for St. James making political hay out of issues like this. I believe firmly that with the safeguards in

place in The CSIS Act and in the Memorandum of Understanding between CSIS and the province, that the people of Manitoba can rest assured that a proper balance has been struck between their right to privacy and their right to be protected by their Government from the likes of terrorists.

If the Honourable Member for St. James (Mr. Edwards) does not want to see anyone assume that kind of responsibility, let him say so in no uncertain terms. The resolution put forward by the Honourable Member for St. James reveals a complete ignorance of the legislation concerning CSIS and the misreading of the Memorandum of Understanding that is so total as to suggest that he is utterly unfit to be the Justice critic for his Party in this House. Certainly, the Government will not reopen the agreement.

* (1730)

Mr. Bill Uruski (Interlake): I would like to participate for a few moments on this resolution which has been presented to the House. I was listening with interest to the comments of the Attorney-General (Mr. McCrae), and I believe that the Attorney-General in some of his examples, while clearly they are legitimate examples that can describe—and I agree with him in terms of the descriptions that he has given—however, I think there are certainly some legitimate concerns that have been raised and should be raised with respect to at least what I would have thought the Attorney-General would have brought to this House is an explanation of the procedures that they have in place now.

In looking at the departments from a cursory viewpoint that are obligated or at least departments that are scheduled in the agreement to provide information, I can equally make the opposite case as to the possible intrusions which may occur.

Mr. McCrae: You did not listen to what I had to say.

Mr. Uruski: Well, Mr. Speaker, the Attorney-General says, "I did not listen to what he has to say." The first department that is in the schedule is the Department of Agriculture. Are we now going to go around—and I will put the reverse case to the Attorney-General. He made this most serious case. I will put the jocular case. Are we now going to go around and look around every haystack in the Province of Manitoba of every cattle farmer that he may be hiding people who are dangerous to Canadian peace and security? Are all the farmers of the Province of Manitoba to be suspected under CSIS in terms of being dangerous subversives? I am placing now the other side of the argument. I can understand the need for legitimate investigation in terms of security risks, being an ex-policeman myself and having had some experience in the area of security.

But I think what I would have liked to see from the Attorney-General (Mr. McCrae) today was an explanation of the procedures that there is the care and the diligence taken by he and his officials that a carte blanche opening of records is not there.

Clearly, one has to raise the question what kind of information—and maybe some Members on the

Government side will come back—does the Department of Agriculture keep that would be of major interest to the spy agency of this country? I question that. I see the Minister of Agriculture (Mr. Findlay) shaking his head in the affirmative. He likely does not know. I do not know. I mean is it grants to communities in terms of agricultural boards, fair boards? Is it in the semen distribution centre? Do we provide information on the type of semen that is held from studs and bulls in this province that may be a security risk to the health of our animals? What kind of information could we possibly have in the Department of Agriculture that could be a security risk?

I venture to say that—I mean I think there must be an exclusion of some departments. Maybe it would have been better for the Attorney-General (Mr. McCrae) to have—maybe it would have been worse to have a blanket agreement but to spell out the terms in which information will be granted. Clearly, of the list here, would we, for example, ask the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson) that she has to open her files on cultural groups in this province? You would not ask that, but her department is in here. Her department is listed, I am sure. Or the Minister of Industry, Trade and Tourism (Mr. Ernst) in his dealings with companies, I can understand from the commercial aspects that in terms of laundering of money and the like that there may be involvements, but that is involved in the Criminal Code. I mean all that one has to do is get a warrant and your officials, I am sure, would cooperate fully in providing the information on those companies.

I think the Attorney-General (Mr. McCrae) really, rather than berating some of the statements made by the Liberal Member, could have been more open and more understanding of the process. He raised some of the examples like the apprehended insurrection in Quebec. I think most every thinking Canadian today, reflecting on that decision, would consider that decision a use and an abuse of excess power by the Government of Canada. There were enough powers in the hands of the Government of Canada in order to deal with that issue but they did not have to call in the army and proclaim the War Measures Act.

There were Members of my Party, former national Leader Tommy Douglas, and Members of our caucus who spoke against that move and who were berated publicly by many Canadians for saying—in fact, a colleague of mine, the former Member for Thompson, Joe Borowski, made public statements. "Hang those bastards," are the words he used. Those are the words that were used and I quote the Honourable Member of the day. Those are the words he used. So the emotions in that period of time were very severe.

In this country, I believe that from a security point of view the Attorney-General should have the right to provide confidential information.

Mr. McCrae: Your Attorney-General was about to sign it . . .

Mr. Uruski: Mr. Speaker, the Attorney-General (Mr. McCrae) from his seat says that our Attorney-General

was about to sign it. I want to indicate that matter was under consideration by our Government. It is true it was under consideration, but it was not signed because there were reservations and questions raised about the process.

Mr. McCrae: You did not have the guts to sign it.

Mr. Uruski: Mr. Speaker, the Attorney-General goes from his seat and says you did not have the guts. It is not a matter of guts.

An Honourable Member: Yes, it was.

Mr. Uruski: No, Mr. Speaker. The Attorney-General (Mr. McCrae) misses the fundamental point of protecting the rights and freedoms of Canadian citizens. If it is for a criminal matter, the police forces and the Attorney-General's Department have the full powers to provide under warrant all the records that are there. There is no difficulty there. It is for potential, and the question is potential, and that is where the delicate decision and consideration has to be made in determining as to what kind of information can and shall be released.

Mr. McCrae: My predecessor lacked courage.

Mr. Uruski: Mr. Speaker, I find the comments of the Attorney-General (Mr. McCrae) from his seat saying that the former Attorney-General lacked courage. Using that kind of language only shows the weakness of the present Attorney-General. That is what it shows. It does not show his courage and his understanding of the issue.

I believe that the Government of the Day should rethink the agreement, should look at—but still provide the information—the kind of safeguards that have been suggested and look at that agreement carefully, because I just had the Minister of Agriculture (Mr. Findlay) a few moments ago, when I spoke about his department, agree with me that he could not even fathom what kind of information is contained in his department that CSIS might involve, but yet their department is in there. Or the Manitoba Telephone System, for example, what kind of information could the Telephone System have that cannot be obtained by a warrant, what kind of information that cannot be, or Manitoba Hydro?

* (1740)

I can understand in terms of the Motor Vehicle Branch that there may be information that can now be obtained by police forces because there is an agreement now that all the registrations are on computer. They are tied to, if I am not mistaken, a national record keeping system, and that is fine. That information is there and CSIS, along with the RCMP, will cooperate because most of the members there of course are former members of the RCMP.

Mr. Speaker, I am kind of dismayed at the Attorney-General (Mr. McCrae) for taking the hard line that he has taken on this resolution, that it is calling on him to look at greater security and greater protection of individual rights in this province. Clearly, no one is

suggesting that if a case can be made to him and his officials that a security risk exists, that information should be provided. No one is saying that, but it should not—

Mr. McCrae: Paul is.

Mr. Uruski: No—the Attorney-General points to the Liberal Member—not always do I agree with Liberal Members in this House, but I do not believe that the Member for St. James (Mr. Edwards) has suggested that at all in his remarks, that it be a total closing of the door. All that is requested is the spelling out of the process in which information will be given.

Mr. Darren Praznik (Lac du Bonnet): Mr. Speaker, I appreciate the opportunity to add my thoughts and comments on this particular resolution, one that I think is indeed very important to the people of Manitoba. I must say I very much enjoyed the comments of our colleague, the Member for the Interlake constituency (Mr. Uruski).

In reviewing this particular resolution, I note that the first WHEREAS, if I may quote it for the record, "WHEREAS the privacy rights of Manitobans and Canadians are of the utmost importance." I do not quite accept that premise which the Honourable Member for St. James (Mr. Edwards) uses in moving this particular resolution.

I think if you were to ask Canadians, are your rights and privacy important, overwhelmingly, they would say, yes. If you were to ask them as well whether their right to have security from acts of terrorism, from acts of aggression, if that was also not an important right, I would think they would overwhelmingly say that, yes, that is an important right. I think if you were to ask Canadians and Manitobans if they would be prepared to sacrifice a little bit of their right to privacy in order to secure a right to be protected from terrorist activities, they would most overwhelmingly agree to that small sacrifice.

Part of the premise on which this resolution is based I think is not well-founded, if one were to ask Manitobans all of the questions that need be asked.

I am also concerned in the assumptions on which this resolution is based, where the Member for St. James (Mr. Edwards) implies that only the Attorney-General, the Solicitor-General of Canada can authorize these intrusive investigations and there is no authorization from the Attorney-General of Manitoba.

It is very, very clear from this agreement—I do not know how much clearer one can make it—that the limitations placed on this agreement are such, and I would quote from Clause 2 as the Attorney-General (Mr. McCrae) has done: "That the provision of any information or assistance referred to in this memorandum are subject to all applicable laws and to such terms and conditions as made in the opinion of the party asked to provide the same be required or imposed by that party."

In other words, Mr. Speaker, the Province of Manitoba retains fully the right to impose on any request for

information whatever types of requirements or restrictions or denials that it chooses to place. I think that gives to the Province of Manitoba the responsibility to ensure that the reasonable rights of Manitobans to privacy are fulfilled. The Attorney-General has made very clear to this House the circumstances, the guidelines under which information is to be released, but the only automatic provision of information under the guidelines established by the Attorney-General are for locator information, to find out where a person is or where they have been, to track them quickly or easily. For those who have had any experience in national security issues, even from afar, one realizes that the ability to locate and track individuals in times of pending crisis or acts of terrorism is paramount to preventing that act from happening.

So I do not think any reasonable person, Mr. Speaker, would say that that type of information should be denied to the CSIS organization, or should not be made available quickly. As to any other type of information, particularly the example that our Honourable Attorney-General set out, information about plastic surgery, that would require that the request go to the Attorney-General, or in his absence, the Deputy Attorney-General. I see no problem with that. I do not think any reasonable Manitoban would have a problem with that because again what we are dealing with are situations where there are acts of espionage or terrorism that have to be dealt with and have to be dealt with quickly. There are situations where the lives of Canadians and Manitobans could be at risk, and the obtaining of that information is of paramount importance to preventing the loss of life. I cannot think of a better way to design this particular agreement or of these requirements that would fulfill the balance of securing the right to privacy of Manitobans, while at the same time ensuring that the information that is needed to deal with acts of terrorism or espionage or threats to our national security also have the priority that they require.

We in Manitoba sometimes forget. I think all of us are guilty of this on both sides of the House, forget that we live in a very complex, and indeed very small world. The acts of terrorists often seem to be very, very distant, that espionage, that sabotage, that all of those intrigues that we see in the movies and films we think are very distant, but our world in the last 10 or 20 years has become much smaller than it used to be.

Just last week we see this computer virus shut down thousands of computers across the United States, put at risk national security of that particular country. Some would argue it has had an effect on the Liberal computer, but I think I would disagree with that because that problem in their computer has been there since April, not since last week.

We see just how that one particular act of a very knowledgeable individual put at risk part of the—could have potentially put at risk part of the national security of the United States and indeed our continent. What effect could it have had if that problem had spread onto computers that contained health records, that contained taxation records, banking records, etc.? It could have been disastrous. But I would gather that the Member for St. James (Mr. Edwards), if he was in

the position of deciding whether or not to release information, would probably take so long to do it, if he would release anything at all, that could carry—but the rights of people to have their banking records protected and their health records protected from that kind of intrusion, well, that is not important. That is what I am hearing from the Member for St. James, that that is not important.

* (1750)

I cannot understand the objections that have been raised to this agreement. The only reason that would suggest that these be made is to create, intentionally or otherwise—I would not say intentionally—but the result is they create a fear among Manitobans that all of their records are going to be opened up to the CSIS Intelligence Agency. Of course we hear suggestions that we exclude departments. We hear suggestions that we put on other safeguards. But let us not forget that in the business of intelligence, of gathering intelligence in the business of fighting crime, of protecting national security, that we are in a very complex and sophisticated world and things change very rapidly. I think that if we were to place those kinds of restrictions, for no good reason—the Member for Interlake (Mr. Uruski) talked about what information the Department of Agriculture would have.

It sounds kind of funny. Perhaps there is none. Perhaps tomorrow there could be some. Perhaps there is locator information that department has. Now I hear the Member for Assiniboia (Mr. Mandrake) yelling perhaps, perhaps, perhaps. But if his wife, if his family, if his relatives were on the Air India flight I think his opinion would be a little different. I think if any Members across the way were in a situation where relatives, family or constituents were killed or injured in acts of terrorism that their concern might be a little bit different.

It is very easy in the safety of this Chamber, in the safety of this city, to say, no, these are problems that are out there, that they are intrusions into the privacy of our citizens. But that is but a small price to pay as set out here for the security, for the assistance and security that one provides. Every day at our airports, particularly our international airports on the coast, we do not read about it in the news, but there are many cases of material that goes on planes. I do not know how many Members opposite have travelled throughout Europe. Look at the security systems that are in place in Europe because of potential and very real threats of terrorism.

Mr. Speaker, I think that this particular resolution is there, fulfills no purpose, none whatsoever because the Member and his WHEREASes states very clearly that we should require some authorization from the Attorney-General (Mr. McCrae). That authorization is there. It is there in this agreement. The agreement provides that the party providing the information can place any terms and conditions on it, one would assume denial, and that the Attorney-General has made very clear that the only information to be provided without his specific authority or that of the Deputy Attorney-General is locator information. So I gather the Member for Assiniboia (Mr. Mandrake), the Member for St. James

(Mr. Carr), the Members opposite are saying that, no, we should not even provide that, and anything else requires the authority of the Attorney-General.

Now maybe the Members opposite think that when a request comes forward the Attorney-General (Mr. McCrae) should table it in this House and we can debate it for a few weeks. Maybe that is a better way to handle it. I think not. I have seen the Members opposite fail to put forward an alternative that provides the speed that is required in these particular times when information is needed, that will work and provide any better protection for Manitobans. When I say protection—my time is drawing to a close here.

But let us not forget, and I would like to close on this thought. Let us not forget again, it is very easy to stand up in this House and say I am standing for the rights of individuals, that I want to protect to an absolute "T" the rights of privacy to the people in this province. But who on that side of the House is standing up to stand for the rights of all Manitobans and Canadians to be protected from acts of terrorism? Who is standing up and saying that?

Mr. Jerry Storie (Flin Flon): When does this happen?

Mr. Praznik: The Member for Flin Flon says, "When does this happen?" I know he does not particularly search out a lot of information, but I am sure he remembers Air India. I am sure he remembers that. If the Member for Flin Flon (Mr. Storie) or the Member for Assiniboia (Mr. Mandrake) would look at the world in which they live, that world is closing in and terrorism is something that is spreading around our globe. This is part of the tools to fight it. If they are saying to their constituents and to the people of Manitoba that they do not want to assist in that type of protection, I think it is a sad day for their constituents and for the people of this province.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, as I said the other day, it is probably far easier to deliver this speech than it would be to sit and receive it.

I rise to speak in opposition to the resolution brought forward by the Member for St. James (Mr. Edwards) and to support the activities of my Government's Attorney-General's action, the Cabinet action in passing this agreement which, in fact, I think is one which shows a clear cooperation between the Province of Manitoba and the Government of Canada when it comes to the kind of information and the security which is well guarded by the Province of Manitoba and by the Government of Canada.

Let me just take a look at the specifics of the resolution because I think it is important to repeat them. "WHEREAS the privacy rights of Manitobans and Canadians are of the utmost importance." Mr. Speaker, I have heard Question Period after Question Period where the Attorney-General (Mr. McCrae) has gotten up and given those full assurances in this Assembly,

where the only opposition to what he has done and the Government has done comes from the Member for St. James (Mr. Edwards) or the Leader of the Liberal Party (Mrs. Carstairs).

Why are they doing it? What is their motive? Is it because they are concerned about the privacy of those individuals or is it because—and I am not imputing motives, I am asking it as a question—or is it because they think there is some kind of recognition for them as a Liberal Party? Why have they not brought forward more evidence supporting their case? I would call this a very weak resolution. Who has he got for backing on this resolution? Who brought forward a resolution to the Member or to the Liberal Party? Who has petitioned him in great numbers to bring forward this resolution, or is he doing it simply because he feels he will get recognition as an individual of the Legislative Assembly on this particular matter?

"WHEREAS on June 15, 1988, the Province of Manitoba entered into an agreement with the Canadian Security Intelligence Service, whereby the Province of Manitoba agreed to provide information and assistance to CSIS."

Mr. Edwards: A point of order, Mr. Speaker.

Mr. Speaker: The Member for St. James, on a point of order.

Mr. Edwards: I am wondering if the Minister would entertain a question?

Mr. Downey: As I told the Members the other day, Question Period after Question Period goes by and I do not get any questions from the Member for St. James. I would more than welcome a question at that appropriate time and would hope that he would find the opportunity to do so at that particular time and at the end of my comments.

Mr. Speaker: Order, please. When this matter is again before the House, the Honourable Minister will have 12 minutes remaining.

* (1800)

INTRODUCTION OF GUESTS

Mr. Speaker: Before adjourning, I would like to draw Honourable Members' attention to the gallery to my left, where we have with us, this evening, 25 Girl Guides from the 82B Company. These visitors are under the direction of Mrs. Linda Holliday. This company is located in the constituency of the Honourable Member for St. Norbert (Mr. Angus).

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

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