

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, April 21, 1975

SUPPLY - CONSUMER AFFAIRS

MR. CHAIRMAN: Resolution 36(a) (1)--the Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, there were some remarks made just before we left Supply at 4:30, which I assume members opposite wish me to respond to. I have to say that I am rather enjoying this year's review of the Estimates of the Department of Consumer, Corporate and Internal Services. The economic issues that members are debating, I might say at my invitation when I made my opening remarks, I have found most interesting and I think they will be useful in the discussions that I will have over the next calendar year with people in business and within the government itself. Last year's examination of my Estimates you might recall, the Conservative members might recall anyway, were rather cursory, except for some fair words made by the then Leader of the Liberal Party.

My concern though is that with all the attention you are giving my department this year that next year you may give it less attention even than you did at the last session, and that indeed would be a blow to me. --(Interjection)--Well you don't know where you might end up.

I have very little difficulty justifying the Estimates of the Consumers Bureau of this department. They are \$537,000, and there is some 35 Consumer Services' officers, Landlord and Tenant officers, Landlord and Tenant officers and Support Staff that are working on the various complaints and concerns that Manitoba consumers raise with them. The justification of the Bureau's budget in terms of carrying out its statutory obligations is also something that I feel is easily justified. Both the major acts that the Bureau deal with, the Consumer Protection Act and the Landlord and Tenant Act, are complicated and significant pieces of legislation, and the staff of the Bureau are of course attempting to administer that Act by interpreting it and getting results such as they can under those two statutes for consumers.

I also find it easy to justify the statutory work of the Bureau for this budget sum, because there has been extensive work done on the preparation of a new statute which will I expect, increase protection for consumers in Manitoba. I speak here of the proposed Trade Practices Act which will enable the Consumers Bureau to act more directly on behalf of consumers and to get action for them before the courts. And I look, because of remarks made, particularly by the Member for Fort Rouge, I look for speedy approval of that statute when it is brought in, since members opposite have been asking, it appears, for greater and more decisive action on the part of the staff at the Bureau and myself when acting on behalf of consumers.

Mr. Chairman, the amount of money that is provided for the Consumers' Bureau is of course provided for the carrying out of its statutory obligations primarily. There are other obligations, of course, those dealing with price increases, particularly in this time of inflationary increases in the economy. And to be quite candid with members opposite, this function of reviewing prices is a relatively new departure for the Consumers' Bureau. It is one that I thought needed to be implemented when I first assumed responsibility for the Bureau in December of 1973. In the Estimates' review of that year, I sought approval of staff and moneys for a research and planning section. That section has been since staff came on board last fall, in October the first one came on board, that staff has been collecting basic level data which examines a number of, a variety of issues in the pricing mechanism within the Province of Manitoba. Their primary role at the moment, at my direction, is to compile this data in co-operation with existing departments who may have data that is useful when analyzed from the perspective of a consumer's point of view, and that is now ongoing. When that review and co-ordination of data from other departments is ready, I will then be in a position to recommend to the House that there be, if necessary, an increase in the amount of moneys allocated to research and planning within my department. That function of research and planning I believe has become certainly the most salient function of the Consumers' Bureau in the last year, year and a half, because we are in this period of inflationary crisis.

Mr. Chairman, the Member for Lakeside, before we adjourned at 4:30, seemed to be concerned about the position of the Minister of Consumer Affairs with regard to government intervention in the production of food commodities. I think that the position that any Minister of Consumer Affairs must take is one that answers to common sense. On the one hand, it would seem to me that there is no reason for a Minister of Consumer Affairs to suggest that the supply of farm products should not be maintained by one means for another, whether it's

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(MR. TURNBULL cont'd) supply control or price maintenance or anything else. Because it would indeed be short-sighted for any Minister of Consumer Affairs to advocate that the price at the farm gate, the price to farmers should fall abysmally in a time of large supply, because to suggest that prices fall, to suggest that supply increase enormously would simply mean that in the long run there would be no more farmers to produce the commodities that would be required.

On the other hand, Mr. Chairman, it also seems fairly evident to me that consumers need to be protected in one way or another when prices rise abnormally, and the protection that can be offered to them I would suggest must come in the way of having the Federal Government open the borders to food products that would come in from outside of the country into the market area where they are in short supply. By what I am suggesting it would seem to me that both the consumer and the farmer would be protected in the long run.

Mr. Chairman, I do not believe there were any outstanding questions, other than the general considerations that I have just alluded to. I have some other remarks here, but they can wait for other lines in the Consumer Affairs Department other than the Consumers' Bureau.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, the Minister's been explaining the function of the Consumer Bureau and the efforts which that Bureau takes to protect the consumer from price increases that directly affect the cost of living in our province and directly affect consumers in the province. I wonder if the Minister could explain whether or not his Bureau has any interest in increases in the price of energy in the province. We have recently had an increase of 20 per cent in the cost to the consumer and to the tenants of their electrical energy. What action does the Minister take to ensure that a price increase of this size is necessary, and what protection does he offer to the consumers of electrical energy in the province?

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, here again, I think, you know, one could draw the analogy between the supply of electrical energy in the province and the supply of food over the long run, and clearly it would seem to me that investment in electrical production, electrical generation will be necessary to ensure a supply of power in the future.

Now, to get the money to invest, clearly there needs to be a rate of return on that investment that can be justified. I think it can be justified. If the Member for Brandon West is asking whether or not the Department of Consumer Affairs examines in detail the capital program, the operating budget and the rate structure of the Manitoba Hydro system, then that is not carried out by the Department of Consumer Affairs. I'm sure that the member for Brandon West realizes the scarcity of staff that the Consumer Bureau has for this kind of review function and I frankly do believe that a Crown corporation, a public utility, can provide that rate structure, that price of power that is most beneficial to consumers of power in the long run.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I understand that through the Landlord and Tenant Act the Consumer Bureau does protect the tenants from rent increases by landlords unless they are properly applied for and approved and some notice of 90 days by the landlord is given. So there's a degree of protection offered by the Consumer Bureau for the tenant in respect to his rent. Would it not be reasonable to expect that there would be some sort of protection to the tenant for 20 percent increases, say, in his energy requirements, would it be reasonable to expect that there might be some reasonable notice given by the utility before increases of this size are approved and put into effect?

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, if the Member for Brandon West is asking for specific notice provided in the statutes then of course that is not provided, and will not be provided in the Consumer Protection Act. If he is suggesting that there be some form of general notice, some notice of increase given to consumers, then I would have thought that the functioning of the Public Utilities Committee of the Legislature which over the years that I have been here anyway through the efforts of members opposite and others, has given fair notice of impending rate increases, and I think at times, although I cannot recall specifically, there has been mention, too, of specific percentage increases that might occur over a time. That kind of notice then in general I think has been provided to consumers of electrical power within the province.

MR. CHAIRMAN: The Honourable Member for Brandon West.

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MR. MCGILL: Mr. Chairman, to the Minister. Is it true then that a minimum of 90 days notice is required by a landlord in order to effect an increase of rent?

MR. TURNBULL: That is a statutory provision, Mr. Chairman.

MR. MCGILL: Well, Mr. Chairman, just have a look at the other side of it now for a moment. What about the landlord who is providing rental accommodation which includes the energy and where possibly heat and light and power is all included in his rental. Now on the one hand, the Consumer Bureau is satisfied that it takes 90 days for him to increase the rent to the tenant, but isn't it possible that in two weeks he may be faced with sizeable increase in his energy costs. Now, how does the Consumer Bureau consider this anomaly; where on the one hand, the landlord is faced with a 90-day period in which he cannot make adjustments to his rent, he is providing the energy and he is suddenly faced on two weeks' notice by an increase of 20 percent by Hydro. He's in a very difficult position. I think this government is very anxious to have more and more rental space available in our province. Certainly this would be a deterrent to anyone going into the business of providing suites with power included which is a common way to do it. I'd like the Minister to comment on that.

MR. TURNBULL: This whole area, Mr. Chairman, is one that deserves some specific consideration. Not only because of increases in electrical power but also because of increases in natural gas prices through the province. And while the Member for Brandon West has not been able to provide me with specific advance general notices of increases and consequently I cannot see just exactly what the time sequence is, because he hasn't provided me with that information, I will certainly undertake to see just when landlords might have reasonably expected to see an increase in power rates of all kinds and how far in advance of the actual increase they heard of this information. --(Interjection)--Pardon me?--(Interjection)--Yes, I realize the Member for Swan River says that there has been an indication that electric power rates are going to go up, but the point I've been trying to make is that landlords have had pretty clear indication that power increases were going to occur.

Now what I am seeking from the Member for Brandon West is if he can lay out for me in detail what the time sequence was. If he can do that then I can undertake here to have that particular problem looked at and see, you know, what possible solutions there might be to it by way of giving greater notice to those individuals whose costs may be affected by power increases or natural gas price increases. But of course we're only touching on part of the problem if we're talking about natural gas price increases and electric power price increases, there are other costs that go into the landlord's total maintenance operating picture, and although notice might be provided by one way or another for natural gas price increases and electric power price increases that still will not solve his total problem. But I certainly - you know, in a way, Mr. Chairman, one is almost hesitant to take an idea from the Conservative Party because if I ever do that it seems that the Leader of the Conservative Party gets rather exercised and, you know, in the free and open debate that I hope we're having here, I think we've had, I want to tell the Member for Brandon West that that particular problem will be looked at in some detail.

MR. CHAIRMAN: Resolution 36(a) (1). The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I want just to say a few words on this item. The topic has been pretty extensively covered but my remarks are particularly in view of comments by the Minister here that there seemed to be general consensus in the ranks of the opposition that he should go ahead with a pretty strong mandate for protection of consumer and I assume rental interests, tenant interests for the coming year. I want to say that while in general that is his responsibility and we recognize his role in this and in fact were instrumental in beginning the Consumer Protection Act in the first instance and supported it through the House at the time it went through, that in the area of rental the story isn't all one-sided, and it appears to me from some experience I've had that the cases that are referred to the rentalsman are the bad cases and probably in many cases involve a degree of fault on the part of the landlord, and in many cases also I think there's a case of the tenant sometimes using the instrument of government power to in fact look for rights that may not always be due to him. And I would say on the average that it would appear that the ones that are referred by people that come to their MLA and so on and appear to have usually a very legitimate reason for going to the rentalsman for some sort of aid and some sort of protection in their rights.

However, there are cases, and I know of one in particular in which I had some direct

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(MR. CRAIK cont'd) involvement where a tenant went to the rentalsman with a tale of woe and persuaded the rentalsman that the party in the particular case had a lease that had certain rights and these rights were being abrogated and he got the Rentalsman to the point where he took the side and part of protecting that person, wrote letters to the landlord in this case stating the rights of the tenant and the threats that were on the head of the landlord if he didn't do certain things and act in a certain way and be aware of the parts of the law that weren't necessarily always directly under the authority of the Landlord and Tenant Act but the laws of the province and so on and so forth. Well as it turns out the party in question was in fact using the rentalsman office, had substantially misled the rentalsman into taking the part of the tenant and in fact had, I would think, severely embarrassed the rentalsman and in addition to that, of course, misused a government authority, a legislative authority and regulation authority to attempt to gain a position which was not in any way substantiated. And in talking to the people in the rentalsman office about this case after it was mentioned you know we're overworked, we're overcrowded, the cases we get are always cases which are anti-landlord and pro-tenant and we have to remind ourselves periodically that there's more than one side to an argument.

Now I think that's the whole, the nub of it right there, that the rentalsman office is so loaded with the one side of the case that they I think probably don't see the other side of the coin which is the case where you have a good landlord and a good relationship between landlord and tenant, but unfortunately the whole business of landlord-tenant relationship becomes somewhat shaded by the experience of the rentalsman office in dealing with people who have a grievance against their landlords. And I think to a certain extent probably the Minister eventually has to sort of fall victim to this one side of the story because he doesn't really get the other side in on a continual basis. He gets the other side of the story finally when a crisis evolves or erupts and something of a very drastic action or nature has to be done to establish rights in his mind that have been established because there's been such a long history of grievances. I want to point out this because it seems to me that the debate so far has been one which has been leading up the position of the Liberal Party . . . it reminds me very much of the old Mackenzie King argument, conscription if necessary but not necessarily conscription. The case is being put for rent controls if necessary but not necessarily rent controls. And really, you know, I think that the system we have has been working pretty reasonably and I think rather than interpreting what some of us are saying at least, we're saying try and maintain the system that we have until you have a problem that has reached an unbearable state, if that's the case, which I don't see being the case at this time, but I don't think we should start solving the problem, particularly when you have a system that is working reasonably well, start trying to solve the problem, until you see very distinct signs of it happening. And I don't see on a mass scale very distinct signs of it happening to this date.

I point out that I think that the Minister can't help but see one particular side because that is the side which arises with the problems that the rentalsman faces in an overcrowded office, always getting those people with grievances at this stage. So I say, try and protect the system we have, look at the predicament that other provinces have advanced themselves into, and I refer particularly to the province in Vancouver where rent controls have provided a short-term solution but a long-term problem, and before getting into rent controls try and look pretty thoroughly and make sure you really have a problem on your hands by listening to the other half of the story and not just to the side coming from all the people that have the grievances.

MR. CHAIRMAN: The Honourable Member from Fort Rouge.

MR. AXWORTHY: Mr. Chairman, there was a few matters I wanted to ask the Minister about as we conclude some of the examinations of the Consumer Bureau. I would like, however, just to take a moment to put the, I think, somewhat false concerns of the Member from Riel at rest. He seems to be unable either to listen or to read very carefully when it comes to remarks made by members of this group. He's been guilty of that a few weeks in the past, he's certainly guilty of it again tonight. Because certainly no one from this group has ever suggested or recommended rent controls at this stage, and if the member has trouble hearing I suggest that perhaps his eyesight would still be good enough that he could consult Hansard and examine carefully the statements made by myself, which simply pointed out that first, there is a growing situation in this province that might warrant something more than a total stand pat condition which is what he's advocating; that when people are being faced with rent increases that sometimes amount to \$50 and \$60 a month, that doesn't exactly strike me as something of a normal situation, it does call for serious attention.

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(MR. CRAIK cont'd)

And again if I would refer to the Member from Riel, who, I would rely at least upon one of his faculties, that of seeing, to look at Hansard, he would see that the proposals put forward by this group would be first, that the government look at implementing its own legislation which was a rent review process, which I'm sure the member might be able to distinguish if he thinks about it, from a rent control system. But that secondly, and far more importantly, is the whole requirement of this government to take some action in the field of housing to increase supply, which is the best way of dealing with the rising rent problem. So I would only bring that to his attention simply so that he might sort of keep his record and the record of this House straight as opposed to the distortion that he tried to build into it.--(Interjection)--That's right he can go in the corner and sort of hold his head in shame. If he could find a corner in the rounded offices.

Mr. Chairman, yesterday at the end of the session the Minister of Consumer Affairs engaged in a slight bit of footwork where he attempted to, in an ingenious way, pass off the responsibility in the whole field of unfair business practices and unconscionable transactions by suggesting that in large part much of the responsibility for this resides in the federal arena, and I think it's true if you read the Federal Acts, particularly the Criminal Code Acts and so on that it is only the Federal Government that has the right of criminal prosecutions in matters such as this.

The thing that I find a little bit unclear as to why the Minister would not, in cases where there have been unfair business practices such as the case we've looked at where large oil companies have put really market controls on lessees of stations or situations where large suppliers let's say to corner grocery stores, say confectionary suppliers, will in order for the grocery store to have access to one popular item, let's say a certain form of soft drink, must take onto the shelves a bunch of dogs that he can't sell and pay the price for it, which in fact adds to his cost and adds to general costs, and the Minister I think believes, simply said he had no responsibility in this field, there was nothing he could do.--(Interjection)--Well he seemed to be indicating that at this stage it was basically a federal responsibility and the question I wanted to raise with him was whether the provincial government in fact doesn't have the ability to alter contract law in this province, such as it did in the case of collection agencies where it did in fact provide opportunity for civil redress when there was a transaction, an unfair business transaction and that the civil redress would in fact provide some compensation and return to an aggrieved party who had been injured that way, and I would simply like the Minister to supply us, again what his explanation would be as to why he wouldn't be beginning to move into this area where he could provide protection against unfair business practices, by putting in changes into contract law and company law in the province to protect small businessmen against the fairly heavy clout of large suppliers and producers.

I think the same thing holds true, Mr. Chairman, in the field of guaranties and warranties in the province. We are now into a system of consumer distribution where a large number of small businessmen work through franchises or through agreements, let's say with large car manufacturers or large pizza hut manufacturers or muffler manufacturers, whatever it may be, which supply certain kinds of warranties but the supplier or retail outlet is not responsible for the warranty, it goes back to the manufacturer. And again if you look at many of these warranties or guaranties which are given for the actual use of the product, there is no way the consumer can get any satisfaction simply because by the time they go through all the paraphernalia and fuss of going back to manufacture warranties, he simply receives no protection because there's nothing written into the guarantee that the retailer themselves have to supply some protection.

So the second question would be, whether in fact the government is looking at the whole question of guaranties and warranties in the system to provide basically blanket protection, insisting that there is guaranties written on manufactured products, that there is total protection for the consumer in this case in getting some redress at the point of outlet and that they both share obligation and responsibility.

Mr. Chairman, I have a third point which I would also like to raise with the Minister, because I know that from conversations and from statements he has made in this House, he has at least expressed on occasion his interest in consulting with a wide range of consumer interests in the province and I believe has made a number of efforts to try to find out what

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(MR. AXWORTHY cont'd) different consumer-oriented bodies in the province might feel are their interests in the consumer area. And I wonder why the province has not moved into the establishment of a Consumer Advisory Council in this province.

I know that the former Minister of Consumer Affairs held some discussions earlier on setting up an advisory council. It's a non-income required mechanism, Mr. Chairman - it doesn't cost any money - and I would point to the example which I am sure the Minister of Consumer Affairs could get information from his colleague the Minister of Mines and Resource who very courageously established an Environment Council a couple of years ago, and along the way that Environment Council provided the Minister with innumerable good pieces of advice as to areas which he could investigate in, and that has brought public attention to consumer problems, has supplied some interesting research, has certainly provided a forum for debate and discussion in these areas, and I would suggest that this might be another area where, if we try to broaden the reach of consumer awareness in the province so that there is a fuller discussion of the issues as well as the development of certain policy thrusts, that the Minister would have access to an advisory council which could make these recommendations to him. And I would point out that the experience of the Consumer Council on the federal level has, by and large, been basically pretty positive.

In talking with the former chairman of that council, who is a well-known Manitoban in the area of consumer law, he suggested that over a period of his tenure the Consumer Council had in fact, I think, developed close to 15 specific recommendations for changes in regulation or in legislation or in performance by the Consumer Affairs Department, and of that 15, close to 85 percent or 80 percent of them were in fact eventually implemented by the Minister. And one of the important aspects of a Consumer Council, Mr. Chairman, is that it does give the Minister an alternative source of information and opinion other than his own civil servants, and I think that I have expressed earlier that I have a good deal of respect for the work that the members of the Consumer Department in this province are trying to do, but they themselves also have their vested interests, they have their set positions, they have certain attitudes that developed upon fixed ideas, as we all do, and certainly debate in this House shows that there's a number of fixed positions that don't change very readily. And one of the advantages of the Consumer Council as it worked in Ottawa, as I saw it work in Ottawa when I was involved with the Consumer Affairs Department there, was that it provided an alternative circuit of information which gave the Minister, in a sense, a different route to follow. He wasn't simply captive then to his civil servants or to his advisers, but would in fact have an alternative channel of public opinion and an alternative channel of private recommendation and suggestion.

So I would like to urge upon the Minister the advisability of establishing in the province a Consumer Advisory Council, and he could recruit as he would, but I think that the Environmental Council that was established covered a pretty broad range of interest in the province and recruited people certainly of all political stripe, as was obvious, and as a result could certainly not be considered in any way a partisan body, and I think for that reason alone it was able to gain some degree of leverage in terms of putting forward its point of view. So I would like to ask the Minister if, in fact, he would be prepared to establish a Consumer Advisory Council in the province, basically for his own benefit and for the benefit of the public in general so these issues can have a forum in which they can be discussed.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, I do want to respond to the idea put out by the Member for Fort Rouge with regard to a Consumers Advisory Council. I find that, although I am always willing to accept ideas of members opposite, that every idea cannot be accepted immediately it is posed.

Now, the problem with the Consumers Advisory Council is that just because I get into consultation with various interested groups within the Manitoba community, I would want to have some representation from private citizens from various segments of the community before giving any undertaking at all as to whether or not a Consumer Advisory Council would be considered binding. So that's the first point.

The second is, I have already pointed out to the Member for Fort Rouge that the idea of consumer advocacy sponsored in some way by the government is one that I find great favour with, and while I would like to follow up the idea of consumer advocacy I don't feel that one could do both if they were different. Now if they are the same thing, then I can see perhaps it can be worked out.

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(MR. TURNBULL cont'd)

Finally, with regard to a Consumer Advisory Council, we have been talking about in these Estimates the necessity for maintaining a level of information, accurate information, that would enable the Bureau to act on particular pricing practices that emerge in the marketplace. Now, in my mind, there are three possible courses of action here, all of which are much the same. A Consumer Advisory Council, Consumer Advocacy, and a Research and Planning Group. Now I know that the Member for Fort Rouge believes that advice received from others than civil servants is beneficial to a Minister. I won't disagree with that, but I'm not certain that legislation establishing a Consumers Advisory Council is the way to go to get that kind of advice. Nonetheless, Mr. Chairman, if there are groups in the society here who feel that such a council should be established, my door is always open to them and I would certainly welcome a meeting with people interested in that kind of Council, without of course committing myself in advance as to whether or not it would be implemented by way of legislation.

The Member for Fort Rouge also referred to problems associated with warranties. This is an area, protection for consumers through warranty, that is of great concern to me and the department. I am advised that the legislation now existing in the Consumer Protection Act providing warranty protection is in fact the most advanced legislation in warranties in any provincial jurisdiction. Now, that does not mean that it is perfect, but until such time as there is some specific way of dealing with problems in warranties, I would not want to seek amendments to those sections of the Act dealing with warranties.

Now, the problem here with warranties is this: that the present legislation that we have requires that there be almost an amendment to the Act every time you want to deal with a new warranty practice. That, in my opinion, is a rather cumbersome process and it makes it rather difficult for the department to keep up with changes in types of warranties that may be issued to purchasers of goods. In other words, every time there's a change in a warranty procedure it may require a change in the Act. That kind of process, you know, I just don't think that we can keep up with changes in warranties just as we cannot keep up with changes in business practices through amendments, continual amendments, to the Consumer Protection Act.

The route I would prefer to go here would be through the Trade Practices Act, which I have suggested to members before and which I do hope to introduce this session. That Act would provide for at least protection on warranties insofar as those warranties may be advertised in a somewhat misleading way. Now, the advantage of the Trade Practices legislation is that it gives the administration some flexibility in dealing with changes in business practices, changes in warranties insofar as advertising is concerned, changes in other factors in the marketplace. And far from attempting to engage in fancy footwork, as the Member for Fort Rouge suggested, I did, I thought, on Friday, before 4:30, deal with the concerns of the Member that he raised then and indicate to him that a Trade Practices Act would deal, would clarify the jurisdictional problems that he was alluding to on Friday, would assist the Bureau in dealing with consumer-related problems as they arose, and in general would be a more effective way of providing protection to consumers.

Now I can get into some discussion of the general proposals of the Trade Practices Act, but really, Mr. Chairman, it's not that appropriate in the session of the estimates.

With regard, Mr. Chairman, to the remarks of the Member for Riel, I have to say I am both surprised and pleased that he is seeing rental increases in much the same way as I would see them, and is advocating a middle road, and really, I think that is the position that I find myself in and certainly is the path that I would normally take. My only question to him is, when he advocated the middle road on this matter of rent increases, did he check it with his leader first? Because I thought that the Leader of the Opposition was concerned that there be more dramatic action in this whole field of consumer protection and protection for tenants. Nonetheless and regardless of what the Leader of the Opposition said, I do believe that there is need to study, with care and deliberation, just what the rental pricing picture is in Manitoba, and that is being done, and we are attempting to check out the rental picture in Manitoba before any action is taken. Now, I would normally proceed then by way of very deliberate study of this particular problem.

I should say, too, that although the Member for Riel seems to think that there is a one-sided view presented to the rentalsman, that the rentalsman office does operate of course

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(MR. TURNBULL cont'd) within the ambit of the Landlord and Tenant Act, and that Act, as I indicated the other day, is drawn to maintain a balance between landlords and tenants and I think that the rentalsman's office and the people there do tend to maintain a balance between the two parties, and that although it may appear that the rentalsman's office gets one side of the picture - that is the tenant's view, I think that's what the Member for Riel was saying - in fact the rentalsman office and my office receive a sufficient number of pieces of information from landlords that enables us to keep a pretty fair perspective on this and keep the two parties in balance.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Well, Mr. Chairman, I just have a little bit that I'd like to say in connection with the remarks of the Member for Fort Rouge; he's criticizing the Member for Riel. I never saw a fellow talking out of both sides of his mouth and trying to please everybody so much in all my life. It seems he can please everybody. I think I should say that when you're considering changing the Act and you said earlier that you were going to be considering the rights of the tenants much more so, that part really disturbed me, because I really feel that you have a good Act but in the actual application of that Act, the way it's applied it's more in favour of the tenants. And I think that before any change is made, you should do a lot of thinking about it. One thing that's very clear in my mind is that you don't hear from the landlords like you hear from the tenants, because the tenants move out overnight and they're gone and they can't even be found and if you find them you can't get the money out of them. And all your Landlord and Tenant Act tells them, the landlord, is that you can sue him or fine him or something like that. So they can't do nothing anyway. So you don't hear from them. So if you're going by the amount of complaints that you're getting across your desk you better forget about it, because this Act as it is is really what you could almost call an Act that very much favours the tenant. I certainly can't go along with the Member from Fort Rouge when he's talking about Rent Review Boards and all this, and then the cost of housing, how it is, and the landlord has to receive a return on his investment. It just seems to me that he's trying to please everybody in making a speech to that account. I really hope before you change this Act that you really give some consideration to a lot of the complaints that you don't get.

MR. CHAIRMAN: (Resolution 36 was read and passed.)

Resolution 36 - 2. Resolved that there be granted to Her Majesty a sum not exceeding \$537,000 for Consumer, Corporate and Internal Services.

(Resolution 37 was read and passed.)

Resolved that there be granted to Her Majesty a sum not exceeding \$52,700 for Consumer, Corporate and Internal Services.

Resolution 38(a)--pass? The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I'd like to deal on this resolution with the responsibility of the Public Utilities Board, and deal with what I believe is a very necessary requirement, that Manitoba Hydro have any rate increase approved by the Public Utilities Board. We can, if we want to I guess, under this section, enter into a Hydro debate, and it may be necessary that we do this, but my position now is to deal with the principle rather than the specific of what has happened in the past with respect to Hydro.

I have before me the Telephone Act, and we were aware that before the Committee of the Public Utilities last week, the Chairman of the Manitoba Telephone System basically indicated the position of the board with respect to any rate increase that would be requested of the Public Utility Board for approval before any rate increase would take place. The sections of the Act state, "Rates for telephone service supplied by the Commission shall be approved by the Public Utilities Board under the Public Utilities Board Act. On the application for an increase or decrease in rates, or for any variation of such rates, the Public Utility Board on such application shall, in fixing a rate or rates, take into consideration among other relevant factors," and there are five or six factors; I'm not going to deal with them but they are indicated by statute.

Now the Honourable Minister of Consumer Affairs has talked about the scarcity of staff in dealing with consumer matters. He indicated when there was talk of Hydro rates, that that was something that was adequately handled by the Public Utility Committee, the committee of the Legislature, but the reality is that we are dealing with a system in which a very substantial

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(MR. SPIVAK cont'd) professional and technical knowledge is required to understand the manner and the way in which rate structuring is undertaken - and the fact is that the research staff is not available to the members of the Opposition, or for that matter the members who are backbenchers in the government - to understand whether the proposal by Manitoba Hydro's Board of a rate increase is justified or not. The reason why the Telephone Board cannot raise its rates, as it deems advisable, is because there is a regulatory body, the Public Utility Board, which at least will have the right of examination of the decision that the Telephone Board has made so that they can determine and they can be in a position to protect the public interest that the rate is justified and that what is being proposed is to cover the actual costs of service, the long term, short term capital costs, the actual distribution costs, so that the consumers will in fact be paying what is their actual cost, and that in effect there is a degree of protection as a result of it for the consumers, in this case the people of Manitoba, who are serviced by the public utility. But in the case of Hydro, no such protection exists. We have the unilateral action of a board of directors who increase the rates, based on the in-house technical expertise that is provided to them with no one standing between them in terms of the protection of the consumer.

The Minister of Consumer Affairs is not in a position to protect the consumer even if he felt that that was his obligation because he's admitted he lacks the help, there's a scarcity. Well the problem is that I think that there are very technical people that would be required to really understand it, I think he would acknowledge that; and if he acknowledges that, then where is the technical expertise on the part of the members of the opposition or the members who are the backbenchers to understand it. What we are asked to do is to have blind faith in the board of directors who rely on the best of intentions and on the expert advice of those who work within the System. And I ask you that in terms of government today, should there not be an additional protection for the consumer and should that additional protection not take place in the form of some regulatory board who have the capacity and the obligation to gain the technical insight that must be gained to understand specifically what is taking place with respect to proposed rate increases.

MR. GREEN: Mr. Chairman, will the honourable member yield to a question?

MR. SPIVAK: Yes.

MR. GREEN: I wonder what the honourable member would say if the Utility Board recommended no increase and the utilities showed a deficit of let's say three or four million dollars. What is your position with regard to that happening?

MR. SPIVAK: Mr. Chairman, you know, at this point that's a hypothetical question which the honourable member would like to put, but I wonder what the Minister would suggest if the Utility Board in examination of the Hydro utility would say that the government has in fact committed itself to transactions which are selling power less than cost and therefore the subsidy is going to be taking place by the people of the province and therefore there must be an increase in that price. What would he say to that?

MR. GREEN: I say, Mr. Chairman, and I'll yield the floor so that we won't have any doubt about it, my answer to the question is that that is a review that is made by the legislators who then deal with it and that I would not trust the Utility Board any more than I would trust Maxwell Henderson who I heard on television yesterday and who the Federal Government did right to get rid of.

MR. SPIVAK: I notice the Honourable Member for Fort Rouge was in great appreciation of that statement along with the members of the backbenchers. But there's a fundamental problem here and I don't want to in any way, you know, stray from a very important position. You know who protects the public from the government? The members of the Legislature protect them? Yes. Where is the technical knowledge available? Who obtains that technical knowledge?--(Interjection)--Oh, we have our research. And I suggest to the honourable members today that the Legislature is inadequate to protect the consumer with respect to the kinds of increases that are taking place with respect to Hydro and the other public utility, which is public auto insurance. And I say public utility, not because I believe it is a utility but I heard that argument so much from the members opposite that I say to the members, in the interest of the consumer, recognizing that the Minister of Consumer Affairs is limited because of the scarcity of people who are involved and because in effect he really cannot examine the conduct of his own government and those people who are within its administration,

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(MR. SPIVAK cont'd) that there must be and should be another way in which protection can take place. And I suggest that the kind of protection that the Public Utility offered as a Rate Review Board and as a regulatory board of utilities in the past is the vehicle that should be applied for Hydro.

I attended, along with the Minister of Mines and Natural Resources, the Energy Conference and I listened to the presentation that Manitoba made and that the Premier made, and I have a feeling that the Honourable Minister of Mines and Natural Resources made a contribution to that presentation. And I listened to the argument that energy, that gas and oil should be examined and should be considered a utility. I recall that there was a number of specific measures with respect to the way in which economic rent with respect to utility should be measured and in which pricing should take place, and I asked myself is the Member who is the Minister of Mines and Natural Resources and the Premier suggesting that he, under this principle, would allow on this basis the oil companies through their board of directors to set their rate structure based on the information that they have available to them of what their costs are, what is a fair return, what royalties they have to pay, what additional costs have to be considered in depreciation. When he talks and when they talk in terms of energy as a utility, as gas and oil being considered a utility, they are talking that at one point there will be regulation, that at one point the public's interest will be protected and the various factors that were mentioned by them to be considered would be considered by the regulatory body that would in fact protect the public's interest.

And I must say to the Minister of Mines and Natural Resources because the Premier made that very clear in the presentation that he was talking both about public enterprise and private enterprise when he talked in terms of considering a utility and considering that these were the factors that should be applied.--(Interjection)--No, no, he specifically said, and I remember his words and we'd have to look at the transcript to be able to prove it, that he talked in terms of both a private - whether it was private or public, these were the factors to apply.--(Interjection)--Yes, okay. Mr. Chairman, we will have the opportunity for the Minister to debate and I am sure this debate will continue, but the point that I'm making is the Minister would like to draw a distinction between an agency of government who have the capacity to set their own rate and private industry who also have the capacity to set their own rate, but must be regulated. And I say that that's false, that position that the Minister is taking. Because a board of directors, appointed by the government--(Interjection)--Well, it's a false position in the sense of protecting the public's interest or that in effect there is a degree of protection for the public at a time when we know that Hydro will be increasing 20 percent this year, and an indication of 20 percent next year, we know that there's a ten million dollar deficit in Autopac, this year there will be a ten million dollar deficit, we know that the government reduced the Autopac rates prior to an election. On what basis? Because of a political decision. One has to say, where is the public interest protected? Where is the consumers' interest protected? Where, Mr. Chairman, where do you find the ability for those people who would object to what is being asked of them, those people who feel that they are being taken advantage of, where is their opportunity for protection to take place? Where is their opportunity for protection of their interest?

Now it can be argued that an individual who complains that his price increase is too high, he can go to a member of the Legislature, and the member of the Legislative through three or four meetings of the Legislative Committee can ask questions. But I suggest to you that in the forum that we work in and the procedures that we have and the degree of accountability that takes place, that that protection does not exist. And, Mr. Chairman, I suggest that the principle of having a government agency supplying a service through a Crown corporation regulated by the Public Utility Board has been said in the Manitoba Telephone System Act and that the case can be made by dealing in the past history of Hydro, and I don't want to particularly do that tonight but we can if we have to, but the case can be made for the same principle to be applied to Hydro and for the Public Utility Board to be given the obligation to alter and vary, increase or decrease any Hydro rate that would be requested by the Board; and that rate would not be a political decision but that rate would be based on the factors of cost, on the factors of capital supply that's required, both short term and long term in interest costs on the reserves that are required and will be based on sound accounting principles, and on that basis the public utility boards who would have to have the expertise, and we would hire the expertise, would thus be in a position to protect the

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(MR. SPIVAK cont'd) public's interest in a way that no member in this Legislature can nor can the Minister of Consumer Affairs. And I would suggest, Mr. Speaker, in the words of the government who have now claimed that auto insurance is a public utility, that the same degree of protection for the consumer must be offered and given. And the reason again is because we have already seen demonstrated in the case of Autopac the political maneuvering, the reduction of premiums prior to election, and the abuse of a Crown corporation.

Mr. Chairman, if one was to examine the minutes of the boards of hydro and of the public auto insurance, and recognize the kind of detail that they must undertake, one has to recognize that they will be presented by people who work within their management team, the information upon which their judgment will be made, and it is impossible for them, as it is impossible for us to do other than to accept the statements that have been made as being represented as being correct. And, Mr. Speaker, that is no protection for the consumer. We regulate gas rates in this province through the Public Utility Board; we regulate taxicab fares; we regulate the price of transportation; we regulate the price of milk; we regulate federally the price of air fares and freight rates, and I suggest to you that all the principles which have applied in each of these cases, apply equally as well to Hydro, and what has been demonstrated in the debates of the past with respect to Hydro justifies that course of action, and that is the only way, Mr. Chairman, that the consumer will be protected. And I would hope that the Minister of Consumer Affairs who stands up as a person committed to protecting the consumer, would say that he's prepared to disagree with his Minister of Mines and Natural Resources, by saying that I want to protect the rights of the consumer by seeing to it that a body who can hire the expertise and who can do the detailed examination will be given that right so that there's no question that consumers will be protected.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, the address of the Leader of the Opposition was, I suppose, intended to be a rousing speech designed to have some change in the legislation pertaining to regulation of Hydro rates. What it was, I think, was a discourse on a philosophical difference between the Conservative Party and the party in power. I think that this party has maintained that public corporations are answerable to the public, and in fact the Member for River Heights, the Leader of the Opposition, is intended in this Legislature to criticize the operations of Crown corporations and make them answerable to the public. However, one could look, I suppose, at this proposal that he has put before us.

I suggest, Mr. Chairman, that although it may warrant some attention, it may also be based on a false premise and the premise is simply this. That the Leader of the Opposition assumes that the consumer interest would be protected if the Public Utilities Board examined the rates, and that conclusion has to be drawn from the premise that the rates in fact will be lower than what Hydro will apply for if Hydro goes before the Public Utilities Board. Mr. Chairman, I don't think that there's any guarantee that that necessarily would follow; in fact it's, I think, conceivable, although I haven't looked at it in detail, that the Public Utilities Board might require a rate of return and might require a rate base that is in fact higher than what Hydro might otherwise be operating on. So without a detailed examination of the rates, of course, it's a difficult argument to make on his side that the consumer interest would be protected merely because the Public Utilities Board looked at the proposed rate increase. That should result, but I say to him, it might not necessarily result.

Mr. Chairman, the other point of course is that this examination by the Public Utilities Board is a costly process. Now I don't know how much money would be involved, a million dollars, a million and a half, two million dollars, maybe the Leader of the Opposition would like to hazard a guess. But it certainly isn't done for small amounts of money and if he thinks that that is a saving to the public, if that in fact results in protection to the consumer, then I say again he may be operating on false premises.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I just want to rise on this occasion and making two very brief but in my judgment nonetheless important points in support of the position just taken by my leader, and that is simply this, and they deal one in the past and one in the future, and I'll deal with them in a very few moments.

Certainly, Mr. Chairman, the whole question of the management of this perhaps most important utility that we have in our province affecting virtually every stage of our individual

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(MR. ENNS cont'd) lives and economic life in this province, namely the distribution of energy, of power, has had some very formidable people questioning the route taken by Hydro in the past few years. People that enjoyed a very close and inside look at the whole management of Hydro, at the highest and senior level, and people who sat on the Board of Hydro, I believe a member who sat on the board was the Honourable Minister, the time that he sat on the Board - no, I'm sorry, I don't believe the Minister, I'm thinking of the Honourable Member for Radisson, I think, that sat on the Hydro Board. I don't want to raise all of the past problems of Manitoba Hydro at this particular point, I'm just listing that as one reason, that's the reason in the immediate past of Manitoba Hydro. The other reason being, that was telegraphed to us about the future at the hearings, committee hearings just held a week or two ago, where we've been told by senior personnel, by the Chairman of Manitoba Hydro, that we can expect increases of the size of 20 percent this year, next year, the year thereafter - and that's about where he stopped. But certainly he forecast, you know, dramatic increases in the cost of Hydro, energy to Manitobans for the next three years minimum, ranging in the order of 15 to 20 or 22 percent. This year, I believe, it averages out to 19 percent.

Now, as the Minister concerned about consumer affairs, the Minister concerned about direct cost to consumers, surely he would want to, you know, embrace any measure that would bring a greater amount of scrutiny onto this mounting consumer cost. I don't intend to suggest whether or not the procedure, you know, argue the necessity for Hydro to be placed under this procedure of going through the Utility Board for its rate structures on ideological grounds or on legislative reasons why it should or should not be; I'm saying to you, sir, as the Minister involved in consumer and corporate affairs, that the kind of rate increases that Manitobans are going to be experiencing this year, next month, the kind of rate increases that we are going to be experiencing as forecast by the Chairman of Manitoba Hydro in the next two or three years to come, surely that alone should be sufficient reason for this government, indeed any government, to want to take every opportunity possible so that the public be as fully and as completely informed and satisfied - if one can be satisfied with those kind of rising costs - that they are absolutely necessary and that there are no other alternatives.

Now I combine that forecast of the Chairman of Manitoba Hydro, the forecast for a 20 percent increase for the next three or four years, along with the immediate past of Manitoba Hydro, when there are, as I said, formidable people who have said that Hydro has taken a very expensive way, in fact the most expensive way in the development of power at this critical time in the Province of Manitoba, and it would appear that government's reluctance to open the affairs of Manitoba Hydro to any broader scrutiny merely seems to substantiate that both Manitoba Hydro and this government are reluctant to allow that to happen. And, Mr. Chairman, that only seems to vindicate the positions that were expressed in this Chamber, that were expressed by competent people outside this Chamber, that indeed were expressed and in fact brought forth resignations of senior staff, senior management personnel of Manitoba Hydro, only a few short years ago.

So, Mr. Chairman, I see no reason why the Manitoba Telephone System, whose rate increases are far less dramatic, in fact whose general delivery of service has been in recent years much more stable in terms of rate increases, subjects itself to the Utility Board for this kind of review. Manitoba Hydro, grant you, don't have to, legislatively. There was a period of time when they undertook, indeed welcomed this kind of double checking, if you want, of the necessity of their rates, in the structure of their rate increases, but here we have a Minister whose concern is the consuming public of Manitoba, who refuses to acknowledge that perhaps at this particular time, dealing with Hydro's immediate past and its forecasted future, that it may be just plain good common sense. It may be plain good politics, if you want it that way - I use that term with a small "p" - for Manitoba Hydro to want to do it that way.

However, it would appear from the statements made and the position taken by the Honourable Minister of Mines and Natural Resources and the Minister's response, that this government really is not prepared to lift the lid a little higher and allow the public to have a harder look at it, or the Minister to suggest and to throw back at us that this is going to cost additional moneys and are we doing the consuming public any favour by even suggesting it. Well, you know, sir, coming from a government that has probably initiated more studies and more investigations of one kind or another, that indeed have run into the millions, it seems like a shallow excuse, and when you consider a 20 percent increase of this year's Hydro rates,

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(MR. ENNS cont'd) which I don't know, amount to what? A hundred million dollars in the province? Total? That's this year's increase alone and we're quibbling about taking it in front of the Public Utilities Committee, where perhaps it may cost \$800,000 or \$700,000 or a million dollars to verify the necessity for \$100 million increase to your consumers, Mr. Minister? To your consumers, Mr. Minister? You're not prepared to spend that kind of money to see whether we're selling that power down to the Yankees for less than actually a Manitoban has to pay for it?

There happens to be a lot of people that believe that that's maybe precisely what we're doing. You're not prepared to keep some kind of a continued examination on how the further development, how the massive amounts of capital expenditures are going to be spaced out and taking shape in Northern Manitoba without having somebody, you know, that you appoint. . . . You know, it's not that we appoint or something like that, it's that you appoint them to the Utilities Committee; they're your people, supposedly good people, and I have no reason to believe that they shouldn't be. Manitoba Telephone System subjects their rates to this group, to this body, and I'm suggesting that rather than to give us reasons of the kind that you have given us, that it may cost a few dollars, or that we are the sole arbiters of wisdom and intelligence in this Chamber, and that we can in fact come to full grips with all the technical data involved in clearly establishing what is efficient Hydro policy and what isn't, with the two or three meetings that we have and opportunity that we have at committee to deal with the Manitoba Hydro report, it seems to be a very short-sighted one, one surely that can't satisfy a growing concern among consumers. And that concern, Mr. Minister, will grow as they get this month's Hydro bill, because it's up 20 percent. It gives them little solace to know that it's already been forecast it will be up another 20 percent next year, and 20 percent the year after.

Mr. Chairman, I find it inconceivable that the Minister of Consumer Affairs in this province won't seek out those areas to at least help to bring about the widest possible information to the consuming public on the consumption of energy, that we're facing the kind of costs that have been predicted by the Chairman of Manitoba Hydro. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I want to add to what has been said here by the Leader of the Opposition and the Member for Lakeside on this topic, because it's one that is becoming more important. The role of the Public Utilities Board is much more important than it ever was in the past, particularly with the energy problems that are faced by all of Canada, and Manitoba in particular, because of our cold climate. I sense here that we have on the government side a building argument for the removal entirely of Manitoba Hydro from any influence or jurisdiction of the Public Utilities Board, and it's written into the City of Winnipeg Act that if there is a non-agreement between the Winnipeg Hydro and Manitoba Hydro with regard to rates, then it reverts to the Public Utilities Board for settlement.

Well, Mr. Speaker, as late - that means even as late as two or three years ago when the City of Winnipeg Act was written - that there was a recognition at that time of the importance of the role of the Public Utilities Board, not only in the field of monitoring the private companies' rates, but also of monitoring or playing a role in the establishment of rates for the two Hydros - Winnipeg Hydro and Manitoba Hydro - and I sense in the argument being presented to us by the government, that very likely they would want to see any jurisdiction of Public Utilities Board removed from determining what hydro rates should be. And while the Public Utilities Board may not have a strong influence, nor should they have a strong influence over telling Manitoba Hydro what they should do in the technical field, they certainly have a role to monitor the public companies as well as the private companies.

If you go back into history, Mr. Chairman - let me perhaps use this as an example - way back in the history before most of us were in this House, when the First Minister, the Premier, sat on this side of the House, one of his major causes in this House was to prove to this House that the Greater Winnipeg Gas Company should be a publicly-owned utility. Now I wasn't here to hear it all but I can still remember, even from that far back, which means I was only about twelve years old, that far back he was presenting an argument to this House that the Greater Winnipeg Gas Company should be under the sole jurisdiction of public ownership and that it was nonsense to have a utility that had a monopoly operating in the private sector. And this was a major thrust, and members who were in the House at that time will remember. So naturally, Mr. Chairman, I suppose many people might have expected to find the First Minister, when he

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(MR. CRAIK cont'd) changed sides of the House, and I don't think his interlude in Ottawa probably changed his mind on this topic, but when he changed over to that side of the House we didn't hear any more about the Greater Winnipeg Gas Company and the other gas companies in the Province of Manitoba becoming publicly-owned utilities. They simply came under the control - they didn't come under the control, they were always under the control of the Public Utilities Board. --(Interjection)--Well, the Minister of Corrections says, I wonder why. Well, I'll tell you why I think, Mr. Speaker - and the answer is pretty clear. The rate base that those gas companies operate under is rigidly controlled by the Public Utilities Board. It's rigidly controlled. They're allowed a return on their investment that they put into their utility, and this is monitored very closely by the Public Utilities Board, and look at the performance. Let the evidence speak for itself. What has been the impact of this control by the Public Utilities Board? Well, the cost of gas at the source in Alberta has gone up and up, the cost of transportation through Trans-Canada Pipeline to here has gone up, and the gas price here as a result has gone up. Has it gone up in excess of those base source increases?

Well, Mr. Chairman, having asked the question, I can't answer it specifically, but I'm willing to bet that on the basis, if you look at the increase of the price of natural gas in Manitoba, you'll find that when those two raises at source and transportation to get it here are taken into account, that the increase that has been caused as a result of the operation of that monopoly, of those monopolies in the Province of Manitoba, has been very very small. And I think the government has realized and found out for itself that it could not, from the point of view of economics, take over those gas companies and operate them as efficiently as they're now being run, and provide the consumers of Manitoba the low price that has been sustained relatively over the last 15 years that that's been in operation.

Now the track record of the Public Utilities system, the Public Utilities Board application in Manitoba, has been good. It hasn't got into the troubles, Mr. Chairman, that those utilities owned by the government have gotten into, operating outside of the Utilities Board. The Utilities Board looked at Hydro back about four years ago and said to Manitoba Hydro, "We can tell from the rates base study we see, your projected costs and everything else, that you should be increasing your rates slightly now." Manitoba Hydro said, "Thank you very much for your advice," and they carried on as they were. So last year we got, all of a sudden, a lump increase around 15 percent. This year on two weeks' notice, two weeks' notice, Hydro put out a press release saying, "We intend to increase the rate April 15th." They didn't even tell the people how much they were going to raise the rate. We never found out until they appeared before the Public Utilities Board and then we asked and we found out. Then they tabled it and they said, "It's going to be up 20 percent, 19.2 percent." We asked them what do you think is going to happen next year, and he said it's going to be big again next year. What's going to happen the year after that? We don't think it will be quite as big but it's going to continue.

Well, last year on questioning at the Public Utilities Committee meetings, we asked Hydro through a series of questions what the future rate increases were going to be, and we suddenly . . . We didn't suddenly, we gradually worked it down to a projection of 10 percent per year for the next six years, roughly doubling the price over six years. So, anybody that had a particular interest in establishing in Manitoba or trying to project long term budgets or wanted to listen to that, would have thought, well, okay, 10 percent per year for the next six years. This year they got 20; next year they may well get another 20; the year after that they're going to get some more. I submit, Mr. Chairman, that the Public Utilities Board, since they knew in 1971 on their examination that Hydro should be then gradually increasing to build a logical increase in its rates to finance its operations and its projections, I suspect that if Public Utilities Board applied the same scrutiny to the rate increases that Hydro is asking for as they apply to the operation of the gas companies and so on, they could pretty well tell the people of Manitoba right now what they could expect in the way of rate increases for the next few years.

Now is there anything wrong with having a body that removes itself somewhat from the political arena? And certainly Manitoba Hydro is not that. But the Public Utilities Board has thus far been able to operate with that sort of arm's length advice to the people and the government of Manitoba. I suspect that they could fulfill and perform a valuable role in advising whether they think Manitoba Hydro is justified in their rate increase, not asking them to tell

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(MR. CRAIK cont'd) them where to build a dam and where not to build a dam, but simply looking at their economics of their operation and predicting where they're going to be next year and the year after and advising the people of Manitoba so some long term planning can be done. But we don't have that, we certainly don't have it out of Manitoba Hydro, we have it as indicated, witnessed this year, just a few weeks notice and that's not good enough for an operation that big. I think the Public Utilities Board can provide that, I think they've demonstrated an ability to advise and control the costs of those items which are under their jurisdiction, I think they have performed their service well for the public of Manitoba. I think the government will be making a serious mistake to try and rule the Public Utilities Board entirely out of the jurisdiction of looking at hydro rates. And, Mr. Chairman, I say this not only because these estimates are up at this time, because it's my belief that we'll see evolve a move by the Manitoba Government that legislates the Public Utilities Board entirely out of the jurisdiction of having any influence or any reference by Manitoba Hydro to it for examination. I think that would be a bad move on the part of the government, bad for the people of Manitoba.

MR. CHAIRMAN: Resolution 38--passed; Resolved that there be granted to Her Majesty a sum not exceeding \$471,700 for Consumer, Corporate and Internal Services.

MR. CRAIK: Mr. Chairman, I wonder just before we leave that, could I ask leave to ask the Minister under the Securities Commission, can he tell me the size of the staff of the Securities Commission and the portion of that budget that goes to it?

MR. TURNBULL: On the previous question, if I may, Mr. Chairman, I had made a couple of points earlier.

MR. CHAIRMAN: Order please. The item has been passed. Leave? (Agreed)

MR. TURNBULL: I had made a couple of points, Mr. Chairman, earlier in response to the Leader of the Opposition with regard to regulation of Hydro by Public Utilities Board and I wouldn't want them to be buried in the speeches that the three members opposite have made.

I did mention the cost of such a review, I also pointed out that the premise of the Leader of the Opposition is based, I think, on a false premise, and that is that if the Public Utilities Board did review the hydro rates that this would mean greater protection for the consumer, and consequently I have to conclude that the Leader of the Opposition is assuming that the rate base would be the same and that the rate of return would be the same as it now is. And I don't think that he should operate on the basis of that premise. It could well occur that if Hydro went to the Public Utilities Board, the rate base might be increased and the rate of return on that rate base might be increased and that consequently the rate charged to Manitobans might end up, just might end up higher than what Hydro might otherwise propose. Now we clearly can't debate this without all the facts in front of us, without the armies of accountants and economists and whatnot, engineers, to go over the hydro rates, but I did want to reiterate those two points about the possibility of the rate base being higher and the possibility of the rate of return on that base being higher if the Public Utilities Board did review these rates.

Now with regard to the breakdown of the staff of the Securities Commission. Within the amount voted for the Public Utilities Board and Securities Commission, I am told that the Securities Commission staff consists of two lawyers, two chartered accountants, one investigator and one director. Now the Member for Riel likely knows, but I should tell him again, that all of these people that I just mentioned, all of these positions that I just mentioned, are to some extent involved in work on the Public Utilities Board. I didn't mention earlier when I cited the six professional staff, so to speak, that there are stenographers of course as well as those six, but I think he was interested in the professional people.

MR. CHAIRMAN: Order please. The item has been passed. We're not going to open it up again.

Resolution 39(a)--The Honourable Member for Swan River.

MR. BILTON: I notice in all the items under the Estimates of this Minister, this is the one to me which seems to be unnecessarily entirely out of line. It seems to me that its salaries have increased \$159,000, and Other Expenditures have increased \$138,000. This I can't understand. And I would ask the Minister in all sincerity to explain to this House why this Information Service should increase to this extent? I remember so well, Mr. Chairman, when the present government was in the opposition that they lambasted the government under this Public Information Services when it was only a trifle compared with what it is in these estimates. We're talking about inflation these days, and how he could have convinced the First

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(MR. BILTON cont'd) Minister that he should be spending this kind of money on this propaganda service, it's nothing more than propaganda, is beyond my comprehension.

Throughout Manitoba, we have these newspapers that republish this material, they're all on the mailing list of the Minister and no doubt one of the ideas is to get it down to the little man as to what's going on in the government. I think it's a public disgrace in this day and age that the Minister should call for an increase of almost a quarter of a million dollars on Public Information. We have the Fourth Estate and the First Minister has a news conference every Friday morning which is broadcast over the province, the Ministers could simply call in the Fourth Estate as they do from time to time and give out this information. Why it has to be covered up by individuals in the various departments of the government, to write up their fairy stories week after week, and is nothing but a lot of guck, every bit of it. And I'm amazed that the Minister would allow this sort of thing to go on, and why he should, of all the items under his Estimates, that this one should be outrageously high at this time when we're calling upon the government in so many respects to reduce expenditures.

Mr. Minister, you could reduce this to \$50,000 and still do the job that has to be done as far as this government is concerned. You don't have to be asking for \$449,000 for an information service of this government, and you can't make me believe it that you do need it. You brought in Goldstein here when this government took over and you centralized everything. He was going to cut down, you were going to cut out the advertising agencies. Where's Goldstein today? With all his fancy ideas, you fired him, you fired him. -- (Interjection) -- I know I'm on the wrong vote but I'm getting it in while I've got the chance. Wait till we get to what your advertising campaign is. But, Mr. Minister, here is the place where you could save money, where you could show the interest of the people. I know my honourable friend from Fort Garry has an interest in advertising, and God bless him; but at the same time, Mr. Minister, this is a public disgrace and you should be ashamed to bring this before this House, and explain it right down to the nth degree because I want to know the answers.

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: I am almost ready to conclude that the ex-newspaper editor from Swan River is afraid of a little competition. But I had thought that the vote that we had before us here was for the provision of equipment which would enable regional areas, western areas of the province, particularly Brandon, to have access to information about government programs.

Now, the Member for Swan River would lead us to believe that this vote and the total vote that we're talking about is somehow not useful, it could be reduced, he said, to \$50,000. My understanding is that rural newspapers use the printed Information Services bulletin to a great extent. Now, his paper, his paper or the paper that he used to have may have not used them, I don't know, I don't examine this kind of use of Information Services bulletins that closely. But the fact of the matter is that I have seen the use of the printed material, it seems to be wanted by people in the community and seems to be used. I might also point out to members that here again they seem to be on the verge of contradicting themselves. On the one hand they will say that not enough information about government programs is spread throughout the province. I have heard that complaint from members opposite, and this particular vote and this particular branch of my department is designed to get information to the public, particularly in the rural areas.

Now, the increase in the size of the staff is what? One person. The increase in the vote for salaries which comes to \$21,700 is due to annual increases and salary adjustments and to a new position within the branch. This brings us to the large increase of \$137,000 approximately in Other Expenditures. This particular . . .

MR. BILTON: May I interrupt the Honourable Minister to ask a question?

MR. TURNBULL: Well I never interrupted you . . .

MR. BILTON: Did you say the hiring of one individual?

MR. TURNBULL: Yes. There is two points there. The salary increase is a result of increases in salary and salary adjustments. There's an amount for that and there's an amount for one new technician within the Branch. The increase of \$137,000 is a one shot expenditure and I wanted it in front of the House in current estimates so that we could go over it in detail. It is for the acquisition of new VTR equipment so that the Information Services Branch can provide film clip which is usable by TV stations in this province. It's my understanding that

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(MR. TURNBULL cont'd) when this money was approved the various TV stations did not have equipment that could use film produced . . .

MR. BILTON: Can I ask the Honourable Minister a question?

MR. TURNBULL: In a minute, when I'm finished . . . could not use the film produced by Information Services because of differences in film type, I think primarily. So we have this one shot expenditure here to acquire equipment which in turn will be used to produce film clips, which in turn is usable by the various TV stations in the province. That is the explanation. I appreciate the words of the Member for Swan River but I've presented it here to the House. This is what the Branch is doing. It is carrying on from developments that began as early as 1956 when the Information Services Branch was first established. That Branch has grown in size, obviously, and grew very significantly during that time of office when the Official Opposition opposite was the government, and what you see here really is the acquisition of equipment which will enable some individuals within that Branch to carry out the functions that they were originally employed to do before 1969.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: I thank the Minister for his explanation but I'm far from satisfied, and he knows I'm far from satisfied. He did mention \$138,000 for equipment to develop tapes and so on. Is he going to tell us now that having acquired this setup to the tune in excess of \$100,000, that that is going to eliminate the various information officers in the various departments and is going to eliminate this typewritten material that is sent out in bulk at the cost of about 60 cents every envelope throughout the province every week? Is it going to eliminate that material and are the departments going to use these tapes; and if so, is he suggesting that when we come together again next year that that part of the service will be reduced in cost, the Information Service as it is now, with this added feature of \$100,000?

MR. TURNBULL: Mr. Chairman, I did not suggest that there would be elimination of people or a reduction in the service provided. What I was saying is that the service that is now provided in terms of film clips, to my understanding, and it is a technical explanation which I can give to him if he wishes, the film clips now provided just are not adaptable to the broadcasting equipment that the TV stations have; and what I am proposing here is that there be equipment that will produce film clips that are adaptable to broadcasting equipment in the various broadcasting studios in the province.

Now we can differ on whether or not information should be provided in this way, and I welcome that difference, but I do believe and I'm curious here to hear what the Member for River Heights has to say about this. I would think that the government is compelled to provide as much information to the people of the province as is possible, especially in a day when government services are expanding, the number of government programs is increasing and becoming more complex. There are areas of the province, as the Member for Swan River well knows, that do not now receive adequate modern communication and this kind of equipment I hope will be a step towards providing them with that kind of information.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I would ask the Minister to withdraw that statement that there are parts of rural Manitoba that are not in communication with what's going on in this Legislature or what's going on in this province. And if he's labelling my constituency I ask him to withdraw that because that is not true at all.

MR. TURNBULL: Mr. Chairman, I do not recall saying rural Manitoba at all, so there is nothing for me to withdraw because I didn't say it. What I said was in parts of Manitoba, and I was addressing my remarks to the Member for Swan River. I have been in many many areas of Northern Manitoba and I know that modern communications is just not there, and I think that if, you know, this kind of modern technology can bring information to the citizens of this province, that it is a good thing to do; it's advisable. Now, you know, I know that members opposite will want to argue about this. I know that there are great differences of opinion between who happens to be in power and who happens to be out of power, about the worthwhile-ness of Information Services program. But there it is, and I think that a case can be made for the vote.

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MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, it's not a question as to who's in power or who's out of power, and the Honourable Minister, I give him full credit over the months and the years in supporting the extension of TV into Northern Manitoba. And he knows as well as I do that 85 percent of the Province of Manitoba is now covered by CBC, and shortly an equal amount is going to be CTV. And he knows as well as I do that radio stations are up and down this province that take very good care of the passing on of information to the people in Northern Manitoba as elsewhere.

What concerns me, Mr. Chairman, is that all they're setting up now is a private tape service to the tune in excess of \$100,000 in order that the ministers at their will, and the members if you like, can set up these tapes and distribute them around the province to the advantage of the party which they represent. And I think they are setting up something that's going to be dangerous in the days that lie ahead, regardless of which government is in office. To set up an organization such as this, they're giving the back of their hand to the Fourth Estate, which is still quite capable of recording what goes on in this House and recording what goes on in this Legislature when the House is not sitting, and I think they're just setting something up, a machinery which is going to be beyond their control, to their advantage - no question about it - and I think it's entirely uncalled for and the public are not demanding it under any circumstances at this particular day and age.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I have a couple of questions to the Honourable Minister. Has the Honourable Minister had requests for these tapes from the various television stations around the province, and if so, I'd like to know which television stations requested them and the reasons why? The second question I'd like to ask the Honourable Minister: with all this propaganda that's being poured into the desks in the offices of these weekly newspapers, what revenue do they get from publishing all this information which the Honourable Minister offers them? Like, as an example, what does the Roblin Review get from publishing your information? What does the Grandview Exponent get? Or the Dauphin Herald? Or the Russell Banner? What do these weeklies gain by, in dollars and cents, from publishing this information

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: There's a couple of points here, Mr. Chairman. First of all, I gather that the Member for Roblin is not asking for money spent on advertising per se in the local newspapers, community newspapers throughout the province. He doesn't want that. What he wants to know is whether there is revenue derived from putting the Information Services news bulletins in the paper. Well I'm sure if he leaned forward and asked the Member for Swan River, the Member for Swan River would tell him that when he was editing his newspaper he never paid for any of those bulletins that Information Services sent out, and there is no revenue that is received by the government for News Services Bulletins that newspapers print.

The other point, of course, is that the paper can refuse to print the News Services Bulletin and I suppose the stations can refuse to show a film that is sent to them, but there have been discussions between staff in Information Services Branch and at least the TV station in Brandon as to the compatibility of equipment used to produce film.

Now there was reference made earlier, which I thought perhaps was in jest, by the Member for Swan River with regard to a civil servant who was in the Department of Communications when I became the Minister. Now the man I refer to, of course, is Ken Goldstein, who the Member for Swan River said had been fired. Well, I can assure the Member for Swan River that Mr. Goldstein and I had no differences; that in fact I enjoyed immensely working with him. I found him to be a most informed individual in this whole area of communications and advertising. I found him to be capable of responding very quickly to whatever requests for information and program development were given to him, and indeed, when he parted with the government, I felt a sense of loss for the services that he had previously rendered to the department. He certainly wasn't fired. As a matter of fact, my concern is that in the future he may be able to command such a salary that the Provincial Government of Manitoba may not be able to afford to have his services.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I hesitate to rise again but I feel that I must. On this increase in salaries of \$159,000 the Minister did mention that he was hiring one more person,

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(MR. BILTON cont'd) . . . and he said that a certain amount of money was required for the increase in salaries. I wonder if he'd give us a breakdown of that \$159,000.

MR. TURNBULL: Mr. Chairman, I thought I had straightened out the Member for Swan River once on this. (He says no way.) Well, I will try again. The \$159,000 is broken down between two major items. One is \$21,700 for salary, salary increase, and for one new staff position. Okay? That's \$21,700 of the \$159,000 - odd. Okay? You got it? And the \$137,400 for the equipment, I can give him a breakdown of that. I don't think . . .

MR. BILTON: It's the \$159,000 we're talking about, never mind the equipment. There's \$159,000 increase in salaries. That's what I want.

MR. TURNBULL: Mr. Chairman, that is what I am attempting to indicate to the Member for Swan River, that there is not \$159,000 for salaries. There is \$159,000 increase, and if he goes to vote 5(a) he will see that it goes from \$186,700 to \$208,400, and I think if he adds it up, that comes to \$21,700 for salary increases. Okay? I'm not going to sit down now that I've got the floor to explain this to you, no sir. And the other amount is made up of \$137,400 for the equipment. Now I can read off all the items of equipment. He doesn't want that. Are you sure? The Member for Swan River does not want the detail of that. Okay.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, from time to time during the course of the last two sessions, the Minister has made a point, from time to time when questions have been asked during the Orders of the Day, of referring to the fact that he has a very limited staff, that he has very limited facilities, that he has very limited amounts of money with which to carry on the functions of his department, and I suspect that from time to time he made those pointed remarks more for the benefit of his colleagues than he did to enlighten the Opposition, and we're now beginning to recognize where the priorities lie. It seems obvious that although the Minister may not be able to get increased amounts of money for other purposes, when it comes to providing the people of this province with the government's point of view, there is going to be no diminishing of the amounts of money that are going to be made available for his version of Izvestia, the Government Information Service. The Minister spoke in glowing terms of the services that are being provided to rural newspapers in ensuring that they get the government's point of view. I suppose that if the Minister of Agriculture were to be describing the Information Service he would be saying that the people are getting the facts. But what they are getting in addition to the so-called facts is a lot of editorializing, and one only needs to go through some of the Information Service bulletins that are being released from time to time and one gets the clear impression that what the government Information Service is is nothing more than an extension of a good many of the paid advertisements the government are taking out from time to time. We had a recent example of that when the Minister of Health and Social Development decided that it was necessary to get the facts, as he called them, before the people of this province.

If one were to add up not only the \$449,400 that are included in this item along with the amount of money that is going out in paid advertising, it would amount to a great deal more than the mere half million dollars or close to a half million dollars that are indicated in this particular item. I note that when the government came into power in 1969, on the estimates in 1970, the total amount that was made available for Public Information Services was \$149,000. There has been a pretty substantial increase in that amount of money in order to ensure that the people in the remote areas of this province are getting the information right from the horse's mouth. Not only is it necessary, as far as the government is concerned, not only is it necessary . . .

A MEMBER: It's not coming from the horse's mouth.

MR. JORGENSON: . . . to provide people with that kind of information through the Information Services, but practically all of the staff of the Agriculture Department, as one example, the Extension Service is now dedicated to ensuring that the people understand the government programs. And if that particular program is as successful as this one, then I can only suggest to the Minister that \$449,400 is being thrown down the drain, because the people who are the recipients of this kind of information are a lot wiser and a lot more perceptive than the government seems to think they are with the kind of junk - and I used that word once before and I got into a little bit of trouble doing it - but I'll use it in this case because I think that it's even more appropriate than the previous occasion that I used it.

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MR. SHERMAN: In this case you don't have to drink it.

MR. JORGENSON: Well, because it's a great deal more difficult to swallow than the other reference that I made a few weeks ago. But if the Minister thinks that the people of this province are satisfied, that what they're being provided under this item are the facts, then he'd better think again, because a lot of the people that I speak to when they read those bulletins, wonder a great deal just what kind of a mind devises the so-called information that is supposed to be benefiting the people of this province. And I wonder just to what extent that the government want to continue to build this Information Service and how far that they will be prepared to go to ensure that they will be perpetuated in office forever, because it seems to me that the kind of brainwashing that is being attempted by this Information Service goes far beyond what can be described as normal information coming out on government programs or information that in the past came from the Information Services Bureau. If Government wants to editorialize then I think they have an obligation to use their own money rather than the taxpayers' money to do that kind of editorializing. The rest of us have to do it. If it was a straight matter of providing information, perhaps it could be justified, but it goes far beyond that, and the Minister knows it.

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: Mr. Chairman, there is an implied assumption in what remarks that members opposite have made on this vote. That assumption is that most of the money voted here goes into the Information Services news bulletin, and that is not the case. Although these kinds of breakdowns are very approximate, some 40 percent of the time of staff in this branch is spent in responding to requests of citizens for information, and if the Member in particular for Morris thinks that we have here a vote to provide funds for individuals to sit in an office grinding out news bulletins which we have different opinions about, he is mistaken. As I say a lot of this information, a lot of the work they do is in response to requests for information. This vote of \$449,000 also included the funds for the Citizens' Inquiry Service, which again is a government service that provides information to those citizens who feel they should phone up and get certain information from the government about what is of concern to them, and the Citizens' Inquiry Service in particular, I think, is an admirable example of government trying to cut through its own red tape. Here is a service where people, particularly in the rural areas can phone in direct, with no charge, and get direction and information as to just who exactly they should seek out for specific information.

I should also remind members that the amount of money provided here, the \$137,000 is a one-shot effort and it is not something that will grow and continue in years to come by similar amounts of increase that we've seen in this year's estimates. It's unlike, if I may, Mr. Chairman, the Research and Planning group within the Consumers' Bureau, which is held at a particular level until it gets its basic level of information prepared, and I will examine it and decide whether or not it should be expanded further. But this item here of \$137,000 for equipment will not be an expense recurred next year.

MR. CHAIRMAN: Resolution 39--Passed. Resolved that there be granted to Her Majesty a sum not exceeding \$449,400 for Consumer, Corporate and Internal Services.

Resolution 40(a)--The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, far be it from me to lengthen the debate at this stage of the proceedings or prolong the evening's exercise. But I'm astounded, Mr. Chairman, to find that here is an item on the estimates in which we're spending less money this year than we did last year, and I didn't want to let that achievement go unrecognized. I've been on my feet from time to time having things to say about increases in government spending and I just couldn't sit here, Mr. Chairman, and see the government under the stewardship and the leadership of this dynamic Minister reach out into the community in the area of government spending the way he has done and take hold of the situation the way he has done, grab hold of that runaway budget and reduce it by \$14,000. I think that it's a commendable step forward and I wanted to acknowledge the Minister's efforts in this regard, ask him to keep up the good job and salute him for this achievement and for the record.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: I have a couple of questions to the Honourable Minister on this matter. And the one that comes to my attention on many occasions is the noise from the Hydro lines of people that have car radios. In this province I can recall the day when I could drive around this

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(MR. McKENZIE cont'd) . . . province from almost one corner to the other and you could turn your radio to any station and the noise level wouldn't force you to turn from one. . . and that has become a very serious problem in my constituency and I know it's in some of the others as I drive back and forth it, and the problem continues to increase every year. Now in the old days we used to be able to report it to the DOT's office and they would come out in fact to check it up. But I do raise the matter and hope the Minister will check it out and see if in fact that . . . because there certainly was a day when that was not a problem at all in this province. It's a serious one now. --(Interjection)-- Yes, it's noise on Hydro lines and it's real bad.

Well the other one I want to raise to the Honourable Minister, and this is regarding some of the forms of television that's been exposed, and I've had many letters, I've got one with me tonight of a group of ladies that have communicated with me in the very recent weeks about the --(Interjection)-- Well I will, it's addressed to me and it says: "I'd like to ask you if there's anything can be done about this so-called sex education over television which is corrupting our babies' minds and lives. Surely it's not necessary to go to such extremes, children should be allowed up grow up as children, not be pushed into adult thoughts and actions before they're old enough to handle, understand emotions such as now being taught to them. Is this what we want for our young people. I was always so proud to be a Canadian but now these Canadian movies that are supposed to be extra special because they're all Canadian talent, are not only smearing Canada with the lowest vulgarity but any decent person feels ashamed to be Canadian when there is an example. I washed out my children's mouths with soap for a lot less than the oaths and filth come over TV, it burns me up. A show such as was on the air this afternoon was real disgusting. Is our Canada taking examples from animals, sometimes I think they're better than some people. Dear me, I sure get carried away on this subject. Can you do anything about it? If you can, please try." So I am trying. There is 1, 2, 3, 4, 5, 6 ladies' names on the letter and I'm sure the Honourable Minister has had messages from people that are concerned about some of the programming that we are receiving in this, and maybe the Canadian content does deserve special recognition in this province but I think there are times when the Canadian content, we're being carried away to the extent where it's going. So there are some concerned, especially mothers that are writing to me as a MLA asking if I would raise it in the Minister's Estimates and see if he would . . . --(Interjection)-- Protest?

I have wrote to the CBC and to the Prime Minister and protested on their behalf, and I hope, maybe the Honourable Minister would express his sentiments, or if in fact he's getting others that are writing to his office and expressing similar sentiments to those that have wrote to me.

MR. TURNBULL: Mr. Chairman, I wouldn't blame, if I was the Member for Roblin, sex and violence on TV on Canadian content. I think, without knowing specifically the film, the program that the Member for Roblin has had referred to him, I can't comment exactly of course but please, we have enough trouble in this country maintaining Canadian content in all media without tagging Canadian content with sex and violence which is a product of Hollywood and programs in the United States, more so in my opinion than it is a product of Canadian people working on film, TV programs in this country.

If the Member for Roblin can give me the specific details of the programs involved, or if he could check back with his correspondents and find out what programs are involved here, I will attempt to raise it with the appropriate federal people. But it is a problem that is not easily dealt with and, you know, you're into the area, as he well knows, of opinion as to what is not acceptable and what might be. I frankly find the amount of violence on TV to be just unacceptable completely. Sex I've never seen on TV so I can't comment on it.

MR. McKENZIE: Has nobody else raised this issue to the Minister's office?

MR. TURNBULL: I do believe I have had some letters, Mr. Chairman, but not a great number on this particular issue. I would think that most people if they had complaints about what's broadcast on the stations would write to the station or write to the CRTC rather than to our department.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I have the full intention of prolonging this exercise a little bit longer, mainly because on this particular area of ministerial responsibility, it's often hard for us to find bench marks or measurements by which we can determine the progress that one Minister makes from one year to the next in terms of making commitments, promises,

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(MR. AXWORTHY cont'd) . . . undertakings and then having to measure to what degree those have been lived up to.

I would just like to say that when the Minister assumed his portfolio and as he addressed himself to his Estimates last year, there were a number of fairly bold commitments made on the part of the Minister in terms of this government's activity in the area of telecommunications particularly in the field of cable television. And I can recall the buxom pride with which the Minister displayed his new report, which is perhaps what the Minister . . . it could be what the Member from Roblin was referring to, I'm not too sure. But he presented this House a major document on the whole regulation and use of cable systems in the province and it was heralded as one of the landmark documents in this very growing technological new field of communications, and if we can recall some of the commitments made at that time - there was to establish cable systems into parts of Manitoba which presently don't receive television or forms of telecommunications, cable would be expanded into parts of western Manitoba, northern Manitoba, rural towns - I think we're going to wire Selkirk and do all the rest of it. There was going to be some brave new ventures in the area of some new forms of community programming and educational programming, and perhaps most of all there was going to be a real serious attempt to look at the problem of the use of cablevision and the regulation of it in the province so that its rates of charge and its use within the province would be regulated on a provincial basis as opposed to the CRTC.

I have noticed with some interest that the Minister has been making representations to Ottawa concerning the transfer of some opinions of the jurisdiction to provincial sources. But I would simply like to remind the Minister of the kind of statements he was making at that point, and to also remind him of some of the conditions that do exist where I would estimate now close to 40 to 50 percent of the television watchers in the City of Winnipeg are wired in to a cable system. That the rates of that system are set by the CRTC, that the Manitoba Telephone System derives a revenue, I believe of close to a quarter of a million dollars from the rental of its lines or of its conduits to the cable companies and that that money simply passes into the general treasury of the Manitoba Telephone System for use of, I don't know, advertising of princess telephones or whatever use they want to make of it, and that there really has been absolutely no progress made, to my mind, or certainly visible in the evolution of the cable system in this city to provide a range of educational and social services. And from a province which at one stage, two or three years ago, was at the forefront, it's now lagging in the back water, taking cable systems and applying them to a variety of uses, because it is fairly interesting and innovative kind of technology that could be applied to a number of uses.

I recall reading, Mr. Chairman, just the other day of how several communities and cities in the American states have taken the cable system and now use it as a way of providing information on social service assistance and delivery and thereby saving the city fairly substantial amounts of dollars simply by providing the cable system as a way of putting information into people's hands. It's used by police forces and fire departments; it's used by senior citizens' groups to provide for common educational programs in a kind of electronic meeting of the air kind of thing. The British are doing a lot of work in terms of establishing open air universities and again applying themselves to the use of it. And I simply wonder why, in the meantime, why that quarter of a million dollars, for example, hasn't been applied to a much more effective educational and social use of the cable system or telecommunications itself. We only have to look to several of our sister provinces who have also set up their own educational television systems, not to make sex movies as the Member from Roblin was concerned about, but to provide for a variety of educational programs that are available not to just children in school rooms but available to preschoolers, available to adult education programs, available to older people so that they are also able to derive some access to knowledge and information and ideas and interesting programming. We do virtually none of this in this province, Mr. Chairman, and yet there is a revenue that can be derived from rental, of a pretty substantial amount. And it was my understanding, Mr. Chairman, that last year, the member had made a commitment that there was going to be some effort, working with the cable companies and taking the channels that are available in that cable system and to take them beyond the fairly rudimentary community system that now exists on Channel 9 and developing it into a much higher form. I think particularly, Mr. Chairman, of the opportunity that could

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(MR. AXWORTHY cont'd) be derived from our cable system for the use of local government. This province went to some effort to set up a fairly elaborate community committee resident advisory system, and by every available study that's been done it's failing, failing miserably, failing badly, and one of the reasons it's failing is simply that there is really no information system that the resident advisory groups can use to broadcast information about meetings, about issues the City of Winnipeg itself is going to be discussing.

It would seem to me that here would have been an area where there would have been an interesting coming together of provincial objectives; one, to provide a much more effective information pool for community committees so that people could turn into whatever channel it would be - 9 or 11, whichever one is open - find out what zoning variations are coming up for discussion, get some presentation on these, allow the resident advisers to present pro and con arguments about transportation thoroughfares or expressways or bridges or whatever particular issue would be affecting that area, so that there would be a constant flow of information and also some capacity to have a feedback on it, again using the cable system as a way of broadcasting its return. And it appeared to me that with some very simple effort and with the co-operation of the companies involved and the local government officials, there could have been a very innovative use as far as local government was concerned. So instead we have a situation where the resident advisers ask for some money from the provincial and federal governments to set up an information system; they're told by the federal and provincial governments that they won't get any money because there's no money available; at the same time there sitting idle and non-used is that cable system which with some very simple camera work, and the studios are already set up, could have plugged that network into the use of resident advisory groups and would have greatly promoted the evolution and development of the resident advisory system to being a fairly important neighbourhood democratic forum and one which would have gone a very far way to my mind in assisting the provincial government in trying to see that the unicity concept would work, at least in its objectives of supplying hydro people of involvement of citizens.

So it just simply strikes me, Mr. Chairman, that these kinds of positions were raised with the Minister last year; I felt at that time that there was some interest in the Minister's, in his department, of taking those kinds of options and seeing if they could be initiated, and at least we haven't been informed by the Public Information Service that anything like that has occurred and I'm sure if there had been anything of a similar nature that we certainly would have heard about it. So I would simply like to register strong disappointment with the Minister and his department in allowing that particular opportunity to be missed or to lie fallow with nothing being done about it.

A second question which is somewhat related but I think it's probably timely again to remind the Minister. I'm not sure what his undertaking was, but there have been recent discussion I suppose in the city over the ethics of mass media and the use of mass media in terms of its responsibilities to the public and there was some discussion in this House last year about establishing a press council, a press council that would have been composed of media members, and while it's not a legislative act, a charter could have been set up by this province and the initiative taken by the Minister to bring together representatives of the different media outlets and journalists working for them to see if they would be prepared to establish in a sense a forum or self-governing council that would be able to establish certain codes of ethics and establish certain codes of behaviour and be a forum where if there is any objections by private citizens where they feel that perhaps their individual rights have been abused by the particular activity of someone on a hot line show or in the pages of a newspaper or whatever the form may be, then they would have some place where they could register their complaint or their grievance and feel at least it was going to be heard. Because frankly there is really . . . other than speaking to their members or councillors or whatever it may be.

And it's interesting, Mr. Chairman, that since we had the discussion last year, I have had a number of people in my own constituency and outside it speak to me about something similar, just feeling that the media again, becoming large organizations run by big chains and all the rest of it who oftentimes seem to be motivated either by a commitment to sensationalism or a commitment to making a profit, whatever the reason would be, seemed oftentimes to ignore certain rights of individuals in their treatment of them. I think particularly in this case a lot of the loose comments that are made by people oftentimes in the electronic media.

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(MR. AXWORTHY cont'd)

So these were areas that were raised, registered last year, and it was assumed that there would have been some at least initial steps taken by the Minister to respond to them, and perhaps he'd like to take the opportunity now to tell us if any progress has been made in these two specific areas.

MR. TURNBULL: Mr. Chairman, I do appreciate the Member for Fort Rouge and his interest in this field of telecommunication. It is an area of great interest to me in the portfolio and it seems that he and I are the only ones that share any interest in the subject in the Manitoba Legislature. Regrettably when he lists the number of things that he thought the government was committed to in what has been or has not been achieved, he is not overly well informed. He just doesn't know what he's talking about; he's not familiar with the scene. Which is fine; I don't fault him for it, he cannot know, I hope, what is going on in what are governmental industry talks and discussions and negotiation. But by the same token because he does not know, and cannot be expected to know, I think perhaps that some of his more snide remarks could be limited, somewhat.

When the Member for Fort Rouge talks about the department living up to its obligations as outlined in the rather major paper that I released a year ago called Prospectus on Telecommunication and Broadcasting, he is talking about program directions which have been the subject of discussion with the media in this province and with the Federal Government. The main objective of that paper was to suggest that there be complete ownership of the communications link of cable signal. Now by that what we call . . . the reason I'm searching for words here is that I normally refer to it as full lease of the cable, and full lease means that the Telephone System would in fact lease out all aspects of the communication link from the head end to the home, which is not now the case. And when full lease of cable becomes, if it can become, the policy of MTS, and there are here areas of constitutional difficulty that have to be worked out I think, when that becomes the case then the system and the government will be in a position of providing the kinds of services that he mentioned. There is certainly need for a, and I think it is a key point, for a rational planning of the cable distribution network in an urban setting. And at the moment, I believe, that the cable distribution system tends to be set up for the purpose of distributing TV signals, and that may not be the most economically feasible way of setting up the distribution system for the provision of services other than TV signals. These other services would be two-way communication, would be paid TV perhaps, would be some form of purchasing; the options are almost innumerable. But nothing much can happen unless there is some settlement of the problems that are associated with jurisdiction and technical aspects of cable distribution within the province.

He also referred to cable systems in rural areas as being an undertaking of the Provincial Government. It is. We think that the telephone system is the most efficient way of carrying the signal to local communities and there the signal could be picked up by cable distribution system. What the prospectus paper suggested, as I recall, was that the telephone system by having control of the distribution system would be in a position of providing the major capital infrastructure to local community groups or local community entrepreneurs or anybody else who wanted to get into the cable television business or other functions associated with cable distribution system.

Now, this effort, this program thrust of the department and the Telephone System has been the subject of discussion within the province in the last twelve months or so. First the telephone system and members of the Telecommunications Branch of my department did meet with community newspaper associations in Brandon, I believe, some months ago to discuss the concept of cable distribution and cable TV signals in rural areas. That meeting I hope will engender in what, in my mind, is the most logical provider of television signal in local communities and the newspapers, will engender in the owners of newspapers, rather, the idea that cable signals may be a part of their communication network within the local community. In addition to that, discussion with the Community Newspaper Association and people involved in communication, French communication, there have been talks between the government and its agency, the Telephone System on the one hand and cable companies on the other, about the various problems associated with the future provision of distribution services within the province. These discussions, I hope, will lead eventually to the provision of service to rural areas, provision of service in the most economically viable way.

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MR. AXWORTHY: Can I ask the Honourable Minister a question.

MR. TURNBULL: Yes.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I'd just like to ask the Minister if he can be a little bit more specific and detail any timetable for the development of these kinds of systems so that we have some idea of when it's going to occur and where.

MR. TURNBULL: Well, Mr. Chairman, that is a very detailed question. One of the major broadcasters in the province developed a plan, and the telephone system has developed a plan, for the distribution of cable signals in the province. They will be meeting and they will be discussing each other's plans, and hopefully there will be some meeting of minds on this total problem of provision of service to rural areas. Now, I would not want to get into, with the member, a detailed discussion here about these different plans, although if he wishes I can maybe get together some information for him, although the CRTC might also be able to provide information about what the broadcaster had to say in this area.

The major idea, one of the major ideas contained in the prospectus paper was, of course, the transfer of moneys from cable companies to broadcasters, to conventional broadcasters. The Member for Fort Rouge did not mention this, but recently the CRTC appears to have recognized the fact that cable companies have, or could, transfer some 10 percent of their revenues to other undertakings so that there has been, I think anyway, in part, and very indirectly, a recognition by the CRTC of the fact that many cable companies are in a very good profit position and perhaps can make money available for other purposes. Now the rationale behind that, of course, is that the cable operator does in fact threaten the viability of Canadian broadcasting, and despite what the Member for Roblin had to say about Canadian content and consequently Canadian broadcasting, I do believe that that system, that Canadian broadcasting system, and by that I mean CBC, CTV, and eventually I guess Global, should be protected in their efforts to provide a television signal to Canadians on a national basis.

The idea that the Member for Fort Rouge mentioned with regard to the provision of a public service channel in Canada is one that, as I understand it, the two cable companies stand ready to receive and cable cast in Winnipeg when that signal becomes available. I think I can just leave it there, that's where that particular idea rests at the moment.

Now what he said with regard to public service channels - of course, he related in part to the amount of money that the telephone system, according to him, makes from the rental of the distribution system to the cable companies, and he suggested that that money, a quarter of a million dollars is what he mentioned, should in some way be used, should be channeled into the provision, as I understood him, of a public channel, or some kind of educational TV, or what have you, in the province, or into some sort of information service related to urban politics and urban affairs, urban issues.

Well, there is a problem here, and it is this: that the rating system of the telephone system is not designed really to provide that kind of direct subsidy to operations outside of the ambit of the telephone system. That just is not the way the system is structured, and frankly at the moment I would not want to see the rating system structured in such a way that revenues earned from providing cable distribution services to a cable company would be diverted to a particular use as defined by the Provincial Government. We're not yet at the point where that would be a suitable method of operation. He does know with regard to the provision of information via cable television that the community access channels are provided as I understand by both cable companies, and I would have thought that the information with regard to rezoning, and whatnot, that he suggests be provided via cable, could, and is, or could be provided any-way by these two cable companies.

I would like to say that the Telephone System or the Government of Manitoba would you know, jump into the breach here, would provide the services right down to, you know, carrying a signal from a station, or from a head end right into the home, but, as the member knows, that's prohibited by Federal Order in Council. We cannot get involved in that kind of operation as I understand it. Consequently, I cannot undertake that the Telephone System or the government will itself provide the whole service. What I have done is say that the Telephone System will provide the distribution but will have nothing to do with the signals that are carried.

His final point related to a press council, and I must confess that I didn't understand what he was getting at here. He seemed to be saying that some initiative for a press council should

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(MR. TURNBULL cont'd)be undertaken by the Provincial Government. I had thought that press councils were set up and organized by the media people not by the government, and frankly I don't look with much favour on the idea that the Provincial Government initiates, and do whatever else might be necessary to get a press council operative in the province. I think that the media people are quite capable of running their own council, and that if they feel there is a need for one, I assume that they will organize it. But I will quite happily listen to what more the Member for Fort Rouge or perhaps the Member for Fort Garry, has to say about the idea of a government sponsored, supported press council.

MR. CHAIRMAN: Resolution 40 The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I'd just like to add one more word because of the direction that the debate has taken at this point with respect to press councils, which is not the basic subject I want to comment on but the Minister just made reference to it and I would say that certainly I subscribe to the position that he takes on the question of whether the initiative for a press council should be undertaken by a government or any administrative body of that kind. As a matter of fact the media and the press in this community have of themselves, among themselves, considered on frequent occasions the desirability or, in fact, the necessity of establishing a press council here. There have been press councils in Britain and other parts of the world for some time as you know, Mr. Chairman, and there are some in other parts of Canada, but there has been examination of the desirability and the necessity of that kind of thing among the members of the media here, and the members of the press here in Winnipeg and in Manitoba, and for reasons which can best be described as . . . the conclusion that there is no necessity for this kind of thing in this particular community with the kind of inter-relationship that exists among the members of the media here, that step has never been deemed necessary up to this point. Certainly if it were to come it would be highly desirable that it come from that end and not as a government initiative.

But basically what I wanted to comment on was the suggestions the Minister has just dealt with from the Member from Fort Rouge, having to do with extension of available services in the telecommunication field largely through the medium of cable. I would just like to caution the Member for Fort Rouge and remind the Minister, if he needs any reminding, and remind all of us in this House, that there is a major public broadcasting system in this country which is supported by the taxpayers of this country to the tune of something in excess now of a quarter of a billion dollars a year, and it is responsible to the people of Canada under the mandate under which it was created for providing a communications link across the country, and for engaging as widely and as responsibly as possible in the area of public programming and public service programming.

The taxpayer of Manitoba could well ask whether his taxes that go to support and fund the CBC at the present time are being spent as efficiently and as productively as they could be, or as they should be, before he is asked through his government and through his telephone system to support any further experiments in that area. I don't minimize the desirability of a high and responsible level of public service programming and educational programming, but I think that the first responsibility of this government is to determine what the priorities are at the present time in terms of public expenditure, and I don't think that expansion of, or extension of services in this particular area are a top priority item measured against the canvass of expenditures and costs and public services in other areas that face us at the present time.

I think that first and foremost the government has the responsibility to make sure that proper telecommunications, channels and networks and lines of communication are extended through all areas of the province, rural, remote, northern, so that all Manitobans have access to that medium of entertainment and information. I know there's a good deal that can be done in the area of public service programming that on the surface appears perhaps not to be overly expensive, but that's an illusion, Mr. Chairman. There is no form of broadcasting in the public service area, or any other, that doesn't carry a price tag with it. First of all you've got the hardware that's involved; secondly, you've got the personnel that are involved. The Member for Fort Rouge has asked about programs having to do with civic affairs, zoning programs and the like, and he himself has said in conversation across the floor with the Minister that there hasn't been the money available to do this kind of thing even though perhaps the cable companies have made facilities available. The fact of the matter is that whatever you do in this area it costs money and there is no getting around the financial undertaking that would be

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(MR. SHERMAN cont'd) involved and would be related to it.

First and foremost whatever money there is in this area should go to extending those lines of communication into all corners of the province and when that is done, and then when we can satisfy ourselves that the CBC, which we are supporting to the tune of our share of those quarter billion dollars a year in taxes, is doing the public service and the educational programming that it should be doing; and then when we can satisfy ourselves that the other commitments, and the other priorities, and the other responsibilities, in terms of governing and administering the affairs of the people of Manitoba are attended to, then I think perhaps there might be some room found in a budget for further experimentation in the field referred to.

I appreciate the interest of the Member for Fort Rouge in the subject, and I certainly appreciate the interest of the Minister in the subject, but I think the Minister is probably following a path of responsibility that he's carved out for himself in this area, Mr. Chairman, and that is to put first things first. If there is further educational programming, and further informational programming, and further public service programming, that we need in this community and this province, there is a perfectly good national broadcasting system with a perfectly good regional net in this province that could be doing more of that job with the taxpayers' money, that it's got right now, than perhaps it has been doing up to this point. So I just want to put in that word for members on this side and for the taxpayers who are funding the CBC, and I'm sure the Minister doesn't need any reminding of that.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman. I would just like to ask the Minister further along the lines that we have been pursuing with regards to cablevision. Over the last number of years there has been a lot of talk about cablevision in rural Manitoba, and especially I would refer the Minister to the area within maybe about the 30 mile radius, 30-40 mile radius of Winnipeg. I would like to ask the Minister if there is any progress that his department has made with regard to towns slightly over 1,000 population in rural Manitoba, such as, Ste. Anne and Niverville, and even going out a little further than that to the Town of Steinbach which has about 6,000 people. Is there a certain minimum number of services required with regard to the size of a community that can subscribe for the services, and is the government considering implementing any policies within the near proximity of Metropolitan Winnipeg?

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I would just like to respond in a couple of respects to this problem, and I think first I may say that I would hope that this particular issue is treated with the seriousness it deserves because I think what we tend to do at times in this House is to find ourselves deeply engrossed and spending hours in pretty trivial matters, and all the big issues go by with pretty limited scrutiny, which is perhaps one of the ways that a democratic Chamber works at times, that when we talk about choosing priorities sometimes we miss the forest for the trees. I would in that respect suggest that one of the things we are really on the verge of at this stage is that we have presented to us a fairly brand new technology, and as we all know any technology should be examined from the point of view of who is going to use it and who benefits from it.

The Minister points out that at the present time the cable system has been primarily used for the benefit of commercial entertainment, and I think that's true. At the same time the Member from Fort Garry cautions us about problems of cost and points to the CBC, and I suspect there's some area of discussion in that area.

I would like to suggest to the Minister that if we were able to provide for a more comprehensive look at the options that are available to the cable system we would see that we could save ourselves a lot of money in many kinds of ways, and perhaps one of the things that I didn't explain fully is that the use of cable is not just for public service broadcasting; that has a certain connotation which makes it sound like it's a couple of guys sitting you know around a coffee table discussing great issues of the day. The kind of system I'm referring to is one which would be able to supply a very effective flow of information for a variety of governmental and non-governmental services, which are presently stumbling in the city to provide information to large groups of people at a great cost.

Now let me give the Member for Fort Garry an example from his own riding - and I

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(MR. AXWORTHY cont'd)suspect that he for one probably supports the operation of the dial-a-bus system in the Fort Richmond area. Thedial-a-bus system was set up to establish a more effective means of transportation. That system is subsidized about \$ 2. 00 per call. In other words, the public purse is subsidizing that very heavily. I think people pay a quarter for each call or for each trip, and it costs about \$ 2. 00 or \$ 2. 50 for each trip, which means your tax dollar that you're so concerned about is in fact paying for that. Now what would happen if through the use of cable one was able to provide a two-way communication system? It's estimated you could reduce the cost down to about 50 cents a call, and thereby save the Province of Manitoba substantial amounts of money in the transportation subsidy it's presently operating, as well as the City of Winnipeg, fairly substantial amounts of money in the area of its own property tax system.

Another area where there's a tremendous amount of expenditure is in the attempts and efforts by the Provincial Health Care Services to provide information to senior citizens about the variety of meals on wheels and medical services, and everything else, prescription services. Presently it's a very cumbersome system because there's a very awkward communication. The Gestetner machines are turning out all kinds of puffery and trying to reach people in an effective way. At the same time because we don't reach people in an effective way in the delivery of a health care system, we end up with an awful lot of sick people which end up filling the acute care beds in our hospital because there is no effective way of providing home care for elderly people at the present time. So what happens if you get an information system and you supply it? Well then again you save an awful lot of money, so you have to measure costs against the total cost and benefits of any government program.

That's why I am suggesting, Mr. Chairman, that we really require a much more extensive look at the utility, that such a system would offer for the provision of a wide range of services in this area, and I would suggest - and I wasn't quite clear what the Minister said - I would say that right now the major benefit, and I think we all benefit from the use of commercial entertainment on our cable system, and they pay a certain fee for that right, which is only right. I haven't really understood the Minister's argument why that commercial fee paid by the cable companies for the use of that line on the telephone conduit, which is really found money for the telephone system - it's not something they had planned on getting, it just happened that they had the only tunnels running underneath the city to string the lines, or the only poles to put them on - why that money rather than going into the Telephone System, and if I look at the Telephone System they do a wonderful job but they also waste an awful lot of money in convincing me to buy three telephones of five different colours,- and we went through that in debate on Friday - but the point is they put an awful lot of money into, in toothbrushes - well they even suggest that - but I receive all kinds of ads telling me to walk my fingers to the yellow pages, and do things like that, which is money that they are spending which presumably is money they're deriving from cable companies, which I think could be invested must more effectively in much more productive social and community uses in this city.

I would simply suggest that if it can't be done now, then the Minister find a way for it to be done so that money can be used for other than the kind of frivolous expenditures that we now see the Telephone System . . . which I suppose they say, gee we've got a quarter of a million dollars, let's go take a few more ads about yellow fingers, or whatever it is they're worried about.

I would simply say that I would really regret if this Legislative Chamber, and other people involved in the communications business, simply treated cable system as one more kind of something similar to the old radio-television thing. It is a brand new technology which has pretty amazing opportunities and potentialities, which are now being explored elsewhere, and I'm afraid that the kind of vibrations, if we can use that telecommunications word - I'm getting back to the Minister - is that this department is treating it in a pretty mundane kind of way and they haven't really got into this thing with the kind of exciting potential that it really offers.

MR. TURNBULL: Mr. Chairman, I would have thought that the vibrations that the Member for Fort Rouge got were vibrations that indicated that the Department and the Telephone System were handling the development of cable technology in an exciting way and not, as he says, in a mundane way. The whole point of the paper that was released a year ago was to emphasize the need for a rational, economical development of cable distribution systems in the province, as well as a number of other matters related to broadcasting and media development in the province.

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(MR. TURNBULL cont'd)

Now I don't know what I can do other than refer the Member for Fort Rouge to various statements that I have made before the CRTC and the statements that were made in that prospectus document. There certainly is no desire to handle this new technology in anything but the way which will lead to the greatest benefit to the people of the province, and the point of assuming a full lease, if in fact that can be worked out, is to do just that, to enable two-way communication on cable, to enable the development of public education channels, and all the other services that may be put on that cable.

The question of what the revenue, the current revenue should now be used for is really not relevant to the development of the technology that we're talking about. The Telephone System sees the revenue from the cable operation, as it does the revenue from any other signal that it carries along its cables and wires, and whatnot, or its microwave towers. You know, if he wants to see, if the Member for Fort Rouge wants to see a development of cable television he need not complicate that development with discussion of public utilities rating structures and telephone as apart from telecommunications rating structures. There isn't a great deal of connection between the two.

The Member for La Verendrye, who is still here, mentioned what the problems were in providing cable television signal, I gather, to communities in rural areas. I can give him a very simple, easy to understand answer and that is at the moment the CRTC has just failed to call for licence applications for CATV in the rural areas. That's where it's at. If the CRTC calls for applications, I'm assuming that you know various groups, organizations, businesses, and whatnot, will try to obtain a licence for the provision of that service in the communities that he's talking about. But until the CRTC has a hearing and makes a decision to do that, there isn't a great deal that we can do in this province.

I should have mentioned earlier, and did mean to, that there is at least one other person in this House that is interested in telecommunications and that is the Member for Fort Garry as he indicated in the contribution that he made.

MR. CHAIRMAN: (The remainder of Resolution 40 and Resolution 41 to Section (d)(4) were read and passed)

The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I don't know - possibly I didn't just rise soon enough but I noticed on the Auditor's report that he had made certain recommendations, and I wonder has the Minister done anything about that?

MR. TURNBULL: Mr. Chairman, it's a neat way that the Member for Pembina has in getting an answer for something that we've already approved. But if he is talking about the deficit for Revised Statutes and Consolidation, we are attempting to work out with the Provincial Auditor some means of reconciling what he would like to see and what is practical withing the department. It's I think not a matter of great significance; we have looked at it before and have not thought that it was that important to accommodate the Auditor, but he's raised it again and I have my staff talking to him and I hope that we can work out something that satisfies him without causing any impractical difficulties for the department.

MR. CHAIRMAN: (The remainder of Resolution 41 was read and passed) Resolution 35 (a) --the Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, in concluding this we've had a very wide range of debate for everything down from wages, salaries, profit control, and even down to tooth-brushes and everything else, but I think that there's one thing that the Minister can consider is that he not only, through the different remarks, got his fingers rapped but he could say he got a couple of good kicks in the seat of the pants, and he ought to do a little bit better the next time if he wants to justify his expenses in this department.

MR. TURNBULL: Mr. Chairman, I must say that I asked members of the opposition to join with me in a discussion of the major problem of today, which at the moment anyway is inflation - it may change to something else like recession in a little while - but I invited their comments and they did comment, and I certainly appreciated the discussion of the substantive issues. The personal remarks that the Member for Pembina wants to make I will accept in the manner in which they are made. I feel that the discussion of Estimates before a Legislative Assembly is exactly what should be carried on, that Ministers should be kept on their toes. To me the answering of the ministry to the opposition in the Legislature is the basis of democracy. I do not feel that I have had my fingers rapped. I think you have gone on and carried on as a responsible opposition should have, but if you feel that I have

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(MR. TURNBULL cont'd) . . . been kicked in the pants then I say to you that I feel like I have knocked you on the head a few times.

MR. CHAIRMAN: (Resolution 35(a) was read and passed) That concludes the Department of Consumer, Corporate and Internal Services.

MR. GREEN: Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain resolutions and directed me to report progress, and ask leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the report of the Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Member for Souris-Killarney, that the House do now adjourn.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The House will stand adjourned until 2:30 tomorrow afternoon. (Tuesday)