



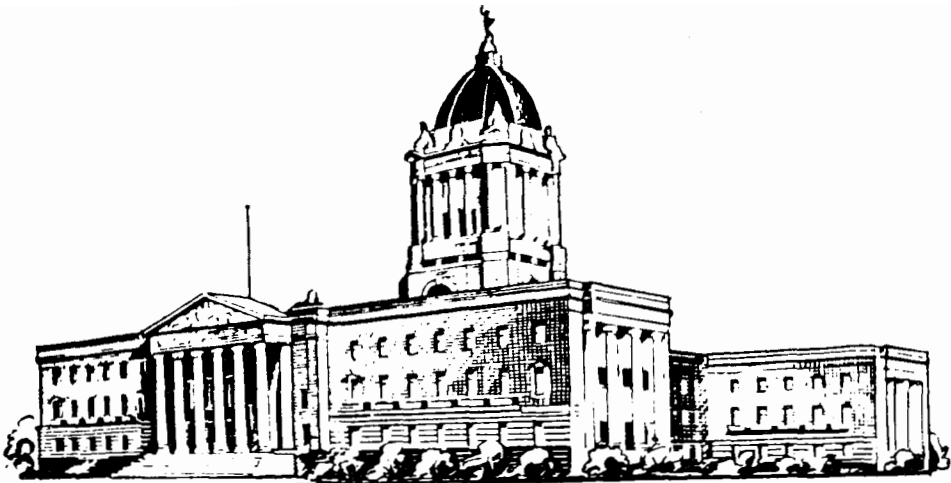
ISSN 0542-5492

Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXIII No. 50 2:30 p.m., Wednesday, March 24th, 1976. Third Session, 30th Legislature

Printed by R. S. Evans — Queen's Printer for Province of Manitoba

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Wednesday, March 24, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 35 students, Grade 9 standing of the Austin Junior High School. This school is located in the constituency of the Honourable Member for Gladstone.

We also have 40 students of Grade 8 standing of the Valley Gardens Junior High. This school is located in the constituency of the Honourable Member for Rossmere, the First Minister.

And we have 50 students, Grade 9 standing of the Earl Grey School, in the constituency of the Honourable Member for Crescentwood.

On behalf of all the honourable members I welcome you here this afternoon. Presenting Petitions. The Honourable Member for Emerson.

PRESENTING PETITIONS

MR. STEVE DEREWIANCHUK (Emerson): On behalf of the Honourable Member for St. Matthews, I beg to present the Petition of K.F. Burrows and Others praying for the passing of The Manitoba Chartered Secretaries and Administrators Act.

MR. SPEAKER: Thank you. Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Tourism and Recreation.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I'd like to table the Annual Report for the Horse Racing Commission.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I just wanted to deal with committees this afternoon. I expect that we will be going into Supply and that there will be the Labour Department in the House and the Department of Corrections outside of the House. But before the Department of Corrections meets I expect that there will be a very short meeting of the Municipal Affairs Committee to consider the bill that is now before the Committee. So when we move into Supply I would hope that Municipal Affairs Committee could meet first and this would be followed by Corrections outside of the House.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, one slight problem has developed with that particular order of procedure. As the House Leader knows even the best laid plans sometimes go awry. We find that our critic for Corrections is ill with the flu and will not be here this afternoon. I have just spoken to the Minister of Renewable Resources and asked him if he would be prepared to go on and he indicated that he would probably be prepared to go on tomorrow but not this afternoon.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Then I would ask the House Leader of the Opposition to suit himself. If his critic on Corrections will be here tomorrow . . . No. . . Well then we could start Renewable Resources tomorrow and we will not have a dual committee today.

MR. SPEAKER: Introduction of Bills. The Honourable Minister of Consumer, Corporate, and Internal Services.

INTRODUCTION OF BILLS

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne) introduced Bill No. 38, an Act to amend The Manitoba Telephone Act.

MR. SPEAKER: The Honourable Member for Point Douglas.

REV. DONALD MALINOWSKI (Point Douglas) introduced Bill No. 35, an Act to amend An Act Incorporating "Fort Garry" Trust Company.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Opposition) (Riel): Mr. Speaker, I direct a question to the Minister of Mines and Natural Resources. I wonder if he could advise the House in the matter of the Tantalum Mine involvement of the Provincial Government and the present concern over the activities of their partner, Chemalloy, whether there is any threat to the public interest's involvement in Tantalum as a result of the present machinations with Chemalloy?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I am assured that there is not, that the Chemalloy shares are being handled by a Receiver responsible to the court to deal with his receiver's role in the manner in which he is required to do so. In other words, to advance the interests of the company, whoever is the beneficial owner, and that we are not affected by the internal affairs as between various disputing elements in Chemalloy.

MR. CRAIK: Mr. Speaker, a supplementary question. I wonder if the Minister could provide, by way of information, what is the percentage of the province's involvement in Tantalum?

MR. GREEN: Mr. Speaker, these figures are rough but perhaps to one-tenth of a percentage point. The province is a 25 percent shareholder in Tantalum, Kaweck-Berylco 24.99, and Chemalloy the balance.

MR. CRAIK: Mr. Speaker, can the Minister confirm, is Chemalloy providing basically the management requirements of Tantalum?

MR. GREEN: Mr. Speaker, Chemalloy is the major shareholder of the company now represented by a Receiver. The managerial function is appointed by the Board of Directors. I believe that the on-site manager of that mine is one of the most respected mining managers in North America.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the First Minister. I wonder if the Premier could indicate if he has been invited to meet with the Souris Valley Flood Area Association?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, no, I have not received any such request. My colleague may have.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I think that a request was received by the Premier who sent it on to me. The authority will have to be able to meet just with the Minister of Mines as I am meeting with just the delegation.

MR. WATT: To the First Minister. Is it not his intention then to meet with the Souris Valley Flood Area Association?

MR. SCHREYER: Well, Mr. Speaker, if the Minister responsible for the nature of the subject matter of the problem area is arranging to meet with them there is not much point in arranging otherwise, is there?

MR. WATT: I direct a question to the Minister of Mines and Natural Resources. Oh, this is Charlie Lynch's recipe for horse and magpie . . .

MR. SPEAKER: Question please.

MR. WATT: Mr. Speaker, I direct a question to the Minister of Mines and Natural Resources. I wonder if he could indicate to the House if it is the intention of his department doing anything to alleviate the flooded area on the Souris basin before the Manitoba-Saskatchewan Study Commission have completed their studies in 1977?

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

ORAL QUESTIONS

MR. GREEN: Mr. Speaker, that area will be treated with equal priority to other areas having problems in the Province of Manitoba.

MR. WATT: Is the Minister then indicating that nothing will be done on the Souris River until that report has come out in 1977?

MR. GREEN: No, Mr. Speaker. I indicated that the area would be receiving equal treatment and throughout the province there have been considerable steps to deal with flood problems as they have affected various residents of our province.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is directed to the Minister responsible for MDC. I wonder if the Minister could advise the House the number of representatives on the Board of Directors for Tantalum Mines as well as the number of representatives MDC has on the Board and possibly the names of the MDC.

MR. SPEAKER: Order for Return. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Colleges and Universities. I wonder if he could confirm to the House that during the past few days he has terminated the employment of the Director of Special Projects in the Department of Colleges and Universities and the Assistant Director of Special Projects in the Department of Colleges and Universities, as was reported in the Brandon Sun of last Thursday.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education, Minister of Colleges and Universities Affairs) (Burrows): Mr. Speaker, yes I can confirm the termination of employment of the two mentioned. I cannot confirm whether I have terminated their employment as reported in the Brandon Sun.

MR. MCGILL: Mr. Speaker, a supplementary question. I wonder if he could tell the House the reason for this particular action on the part of the Minister.

MR. HANUSCHAK: Mr. Speaker, this is a matter of internal personnel management and I do not feel that anything would be gained by having a public discussion thereof.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to direct this question to possibly the First Minister. Has the government any involvement in the natural gas storage proposal in the Daly Field at Virden as announced in the Free Press, today's edition? And is there further information that a cavity exists that will be available for storage, since the bill was introduced last year?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can confirm that the province has been involved in this matter, which is largely technical and engineering, principally through the Department of Industry and Commerce and the Manitoba Energy Council. I know that there have been meetings and technical working follow-up as between the Trans-Canada Pipe and Greater Winnipeg Gas or at least the utilities and the Department of Industry and Commerce.

I can also confirm that there is indeed a cavity, as my honourable friend puts it, which is felt by technical experts to lend itself to gas storage. However the degree to which it does is somewhat difficult to appreciate as a layman and I must confess I don't appreciate whether it is indeed a good cavity or merely a so-so cavity.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. My question is to the Minister of Health. I'd like to ask the Minister, because of the financial grants that were given to the city for the ambulance services last year, is it the intention of the Minister to investigate the reports that have been coming from the media regarding the ambulance services in Winnipeg at the present time?

MR. SPEAKER: The Honourable Minister of Health.

ORAL QUESTIONS

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, the Health Services Commission has already been alerted. For the present I think it is a difference of opinion between the city, or some of the people in the city, some of the aldermen, and the firm with whom they've contracted. But the Manitoba Health Services Commission is looking into it.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): To the Minister responsible for Autopac. Has the government purchased land on Plessis Road or any land to go into the auto salvage business?

MR. SPEAKER: The Honourable Minister in charge of Manitoba Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, the government has not purchased any land in that area but the Manitoba Public Insurance Corporation has. It's to deal with storage. If the honourable member is not aware, the properties that we now utilize are presently leased from private owners and we've had to lease additional properties and we have problems with security, with fencing and the like and we have purchased property in the Plessis Road area.

MR. WILSON: A supplementary. Is this to use this property to go into the auto salvage business?

MR. URUSKI: Mr. Speaker, when and if plans are announced for salvage, this property could be used for that same purpose as well.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. My question is directed to the Minister of Health and Social Development. Can the Minister tell this House approximately how many people are occupying acute hospital beds at this time costing up to \$135 a day.

MR. SPEAKER: Order please. Order for Return. Unless the honourable member wishes to rephrase the question. . . The Honourable Member for Rhineland.

MR. BROWN: Can the Minister tell this House how many people are occupying acute hospital beds when they should really be in nursing homes.

MR. SPEAKER: Order please. A statistical question. The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Speaker. My question is for the Minister of Mines and Natural Resources. What precautions has his department taken to alleviate the flood problem in the Carman area?

MR. GREEN: Mr. Speaker, we are trying to see to it that the days of hot weather are interspersed by days of cold weather so there will be a slow thaw.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker, and I understand that there is a slow burn on here as well. May I ask the Attorney-General if he has received the report from the Law Society dealing with the Pilutik affair?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): No I have not, Mr. Speaker.

MR. GRAHAM: Has the Attorney-General received back in his department the information which he forwarded to the Law Society for their perusal?

MR. PAWLEY: Not to my knowledge, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, a statistical question for the Honourable the Minister reporting to the House for the Lotteries Commission. Of the \$1,500,000 net revenue reported to have been the yield from the last Western Canada Lottery draw, can the Minister advise the House what was Manitoba's share?

MR. SPEAKER: The Honourable Minister of Health and Social Development.

MR. DESJARDINS: No offhand, Mr. Speaker, but I'll certainly get that information for my friend.

ORAL QUESTIONS

MR. SHERMAN: A supplementary, Mr. Speaker. Can the Minister also advise the House, either now or when answering the question previously put, whether any extra payments will have to be made to accommodate persons claiming to be winners. In other words, have there been any disputed claims in Manitoba which is reported to be the case in Saskatchewan?

MR. DESJARDINS: I haven't heard any such complaints, Mr. Speaker. I don't think this is the case in Manitoba. If my friend is talking about revenue I think I should make it clear that there hasn't been that much revenue in Manitoba, as was stated before, because of the lack of sale of tickets. But I'll get the information for my honourable friend.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. My question is directed to the Minister of Health and Social Development. Can the Minister tell this House whether this government will be constructing more nursing homes this year?

MR. SPEAKER: The Honourable Minister.

MR. DESJARDINS: My honourable friend, there's an announcement that's been made. But for my honourable friend I intend to make this same announcement so my friends on the opposite side will know exactly how many beds will be constructed in the next five years or so.

MR. BROWN: My question is directed to the same Minister. Can the Minister give any reason why the St. Boniface Hospital in particular is experiencing a serious shortage of acute beds at this time?

MR. DESJARDINS: I suppose there are more people that want to go to St. Boniface Hospital. It is a very good hospital, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Health and Social Development. Can he indicate when the government intends to issue the regulations governing the District Health Program under Bill 48 that was passed last year?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: I'll have to take that under consideration.

MR. SPEAKER: Orders of the Day. The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, my question is to the Minister responsible for the MDC. After the answer to the Member for Pembina . . .

MR. SPEAKER: Question please.

MR. DILLEN: I almost hate to ask. But perhaps now he would be prepared to answer my question of yesterday and an additional question.

In light of recent interest is it correct that \$300 million is being loaned to Lockheed Aircraft by the same Federal Government which is forcing the closure of hospitals for lack of funds?

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister of Agriculture, and would ask him, in light of his meetings in Ottawa this week, I wonder if the Minister could inform the House by what amount the Manitoba milk share quota is going to be cut?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, the position of a number of provinces including Manitoba was that we not reduce or provide for interprovincial transfer of quotas, given the situation of a surplus production period that we are in at the moment. In other words we are suggesting that the terms of the agreement, the Market Share Quota agreement, were drawn up under different circumstances which did not foresee our present situation. Therefore we took the position that those terms should be ignored for this year. The Government of Canada has taken that advice under advisement and we hope to either have further discussions or at least to have an answer from them in that connection.

MR. BANMAN: I wonder if the Minister could then confirm that we will be continuing to have the same quota allocations as we presently have for the balance of this year.

ORAL QUESTIONS

MR. USKIW: Well again the Member for La Verendrye should appreciate that the Government of Canada announces its dairy policy on April 1 of each year for the next twelve month period. Therefore that is the very reason why we had taken a day yesterday to review the position that we are at in terms of dairy policy in terms of the surplus situation, with the idea of trying to deal with that problem in such a way that it would be most beneficial to all dairy producers in Canada.

One of the key questions in that connection is whether or not one should transfer interprovincially quotas unused in any given province. That is the main point of yesterday's discussion and it was the position of Manitoba along with the Province of Quebec and a number of other provinces that we should disregard that section of the agreement for the very reason of our surplus production and that we not allow inter-provincial transfers in the coming dairy year. Now that doesn't give me an idea or an answer as to where we will be in another week or two with respect to our total allocation.

MR. BANMAN: A final supplementary question to the same Minister. The way things stand right now we're about where we were before the Minister went down there. We don't know until the Federal Government will be announcing their policy.

MR. USKIW: No. I think, Mr. Speaker, we did make some progress yesterday in that both the Minister for Canada and his Deputy were very receptive to the suggestions that were put forward. However they were not in a position to give us a definitive answer and especially because the date of their announcement is only a week away. But we were in a position at least to prevent a conclusive position being that of the agreement and its implications for April 1; we have set that aside for the moment. The Management Committee, the Market Share Management Committee, is going to be called to deal with that question pursuant to yesterday's meeting and hopefully before the first of April.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, a question to the same Minister. I wonder if the Minister could indicate if the Province of Manitoba has unused quota now that is eligible for subsidy?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Yes, Mr. Speaker, the province did not fully utilize its MSQ. However, notwithstanding that, the recommendations, if they were not going to be altered for the next dairy year, are such that we would suffer a transfer out of the province of some million and a half pounds of butterfat quota as well as an overall reduction. That is the particular problem over which we met yesterday.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Yes, Mr. Speaker. My question is to the Honourable the Minister for Environmental Management and relates to the announcement that the International Joint Commission's Garrison Study Board will meet in Bismarck on March 30th. I am wondering, Mr. Speaker, if the Minister intends to be present at those hearings or if he intends to be represented in a listening brief on the deliberations of the Study Board.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm not exactly sure of the nature of the meeting. If it is a Study Board meeting then Manitoba and Canada are both represented on the Study Board as part of the personnel of the Board. If it is a hearing of some kind then we would have to see what the nature of the hearing was before we decided whether we were going to make representation.

Mr. Speaker, I want to apologize to the Member for Thompson. I really hadn't intended to ignore his questions but you appeared to go to the next person before I commenced to answer. I'm not aware of the exact nature of the money that goes to Lockheed. My impression is that a large amount of the moneys that are given by governments to aircraft companies are not by way of loans but by way of grants so that they are not shown as receivables and there are no government losses. So it appears, Mr. Speaker, that they bribe the companies to make the planes, then the companies bribe the governments to buy the planes in return.

MR. SPEAKER: The Honourable Member for Brandon West.

ORAL QUESTIONS

MR. MCGILL: Mr. Speaker, a supplementary question in respect to the Garrison Study Board. Does the Minister intend to rely on the three Canadian members of the Study Board or is it his intention, in view of the direct involvement as to the possible effects of this Garrison Project on Manitoba, to also be represented in a listening way at this meeting.

MR. GREEN: Mr. Speaker, if it is a meeting of the Study Board then I would gather that those are the people who are meeting. If it is a meeting which involves representations or considerations which are of an advocate nature then we could possibly be involved as we were involved when representations had to be made to the International Joint Commission. But if it's the Board then it is the Board that is deliberating. The honourable member would have to appreciate that when the Board is deliberating they are not at that point taking representations.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I direct a question to the First Minister. It's in relation to the report of the Commons Committee on Regional Development, Federal Government level. In their statement that the cost of living index rose in Winnipeg for the period, 12-month period, from December '74 to December '75 by about 20 percent greater rate in Winnipeg than the national average, I wonder if he can reconcile this statement or claim with his statement during the Reply to the Throne Speech debate which indicated that it had not increased at a rate higher than the national average.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I will certainly have to get a copy of the source of that particular contention. I would merely repeat what I have stated in the past, that while 1975 did indeed show a somewhat higher rate of increase in the cost of living in Winnipeg as compared to the national average, it was however nowhere near 20 percent. Secondly I would point out that according to information as published in the Financial Times of Canada in the month of February, Winnipeg remains the second lowest city in terms of cost of living of all cities over 100,000 in Canada.

MR. CRAIK: Perhaps to be more specific, Mr. Speaker, I might ask the First Minister whether the figures produced by the Federal Committee indicating a consumer price index rise in Winnipeg of 11.3 percent during that 12-month period coincides with his figures indicated in the Throne Speech Reply and the national average of 9.5 percent used by this Commons Committee, how it compares with his national average figures?

MR. SCHREYER: Mr. Speaker, I've seen various figures on this. I would not quarrel with the figures cited which would show Winnipeg's cost of living index for 1975 as having incremented in the 11 percentile range which is what my honourable friend has cited. I think that's close enough to other figures and sources I have seen. However, I do call sharply to the question, the reference to 9.5 percent as being the national average. I have seen figures at 9.9, 10.2, etc. I would prefer to say that it is very close to 10 percent; one or two estimates slightly under, one or two slightly about 10.0.

MR. SPEAKER: Orders of the Day. Orders for Return. The Honourable Member for Morris.

ORDERS OF THE DAY - ORDERS FOR RETURN

MR. JORGENSON: Mr. Speaker, I move, seconded by the Member for Fort Garry,

THAT an Order of the House do issue for a return showing:

- (1) The total number of sq. ft. of rental accommodation currently being leased by the Government of Manitoba.
- (2) The identity of the people from whom the premises are being leased in each case.
- (3) The rates at which the premises are being rented in each case.
- (4) The branch or department of Government occupying the rented space in each case.

ORDERS OF THE DAY - ORDERS FOR RETURN

(MR. JORGENSON cont'd)

(5) The location and identity of the premises that are not being occupied at the present time.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, we're prepared to accept the Order.

MR. SPEAKER: Thank you.

MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I wonder if we could start with Bill No. 34.

MR. SPEAKER: Thank you.

GOVERNMENT BILLS - SECOND READINGS

BILL NO. 34 - INTERIM SUPPLY

MR. SPEAKER: On the proposed motion by the Honourable First Minister. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, it is our intention to deal with the Interim Supply Motion, or Interim Supply Bill in a manner that it has been dealt with traditionally. That is to provide the interim money supply for the operations of the government which is necessary before approval of the Estimates of Expenditure which are now under consideration in committee. It's not our intention to use the Interim Supply Bill to prove any particular point other than the direct intention of the bill, Mr. Speaker, which is basically a money supply bill. I do want to take the opportunity, however, to pass comment on items which are directly related to that, namely money supply.

Mr. Speaker, this bill provides a latitude for a fairly wide-ranging debate but the most important factor before us is also the direct one which is referred to in the bill and that is money management. On that topic, Mr. Speaker, it wouldn't be appropriate to approve a quarter of a billion dollars of expenditure which are the direct money expenditures of the government, not Capital Supply but direct money expenditures, without referring to the track record of the government in the handling of fiscal matters. Of course one need not refer further than the Report of the Provincial Auditor for the year ending March 31st, 1975, to get some perspective on whether the money is being handled in a manner which is in the best interests of the Province of Manitoba.

Mr. Speaker, in that connection the Provincial Auditor has filed a report which is probably one of the most damning reports that has ever been issued on a Canadian government with regards to the handling of fiscal affairs. It's shocking to read this report, Mr. Speaker. On the one hand we've lobbied for many years in opposition to determine and obtain for the Provincial Auditor a latitude which would allow him to bring forward before the committee, the Public Accounts Committee, and in his annual statement, an analysis of financial affairs that would present more information than it has traditionally to the House and to the people of Manitoba. This particular report that we are dealing with this year which is on the operations of the government last year, is almost twice as long as the report which was produced two years ago in 1973. It is not entirely, Mr. Speaker, because there has been any expanded latitude for the operation of the Provincial Auditor, it's primarily because there just has been an expansion of the number of problem areas of fiscal management on the part of the government. His report, Mr. Speaker, doesn't cover only those areas which were controversial last year, namely in the field of the financing of some of the northern fishing co-ops and so on, it covers almost all the departments of a critical nature in the government and not just those areas dealing with the co-ops. It covers for instance, the Manitoba Housing and Renewal Corporation; it covers also the Manitoba Development Corporation and, Mr. Speaker, of all things it also covers the Department of Finance.

To give you some idea of what is reported here in the Department of Finance I read for you, taken from the report, this statement on the Department of Finance:

BILL 34

(MR. CRAIK cont'd) "During the course of audit we have observed significant inconsistencies in monitoring procedures including a lack of independent certification that funds have been expended for the purpose intended." And it goes on to say: "On the basis of present procedures my office can only carry out a limited verification of the accountability for grant expenditures."

Well, Mr. Chairman, this is a very serious allegation not made against a minor department or even against a particular department of the government not dealing with money, but directed at the department which has to control all the other departments which is the Department of Finance. The Auditor tells us that the procedures are basically inadequate to give a proper accounting for the expenditure of public moneys.

It goes on, Mr. Speaker, and deals with the Manitoba Development Corporation and we've come over the years to become somewhat skeptical of some of the operations of the Manitoba Development Corporation for the particular reason that they have got involved in so many loss leaders in their investments. Also with the large amounts of money that are being passed into and out of the department we find that the auditors themselves are having some difficulty in applying adequate normal procedures in accounting practices. For instance as an example here, the Auditor points out that there is again a repeat of a former inconsistency, almost I guess you'll call it a violation of normal procedures, where money is being borrowed from the government into the MDC and the MDC in turn is paying back the government money with the other hand and it shows up as a revenue to the government rather than as a loan. The procedure of course is a self-defeating one and in basic accounting principles it just doesn't add up.

Now in normal procedures where a loan is anticipated as being self-sustaining there is often capitalization of interest charges, a normal procedure in the utilities. But when money is being spent by the government, put into the MDC where there is absolutely no hope of getting it back - it's recognized already in the Auditor's Report that there's a write-off requirement to be put into a dead-weight debt - that's not the exact terminology - but no hope of repayment of the loan. It's fallacious to say that money repaid back from the MDC to the Provincial Government should show up as anything other than the repayment of a loan. So we have money going from the government on the one hand into the MDC and paid back out in the revenue column on the other hand, which it is not at all. And this goes on.

For instance, Mr. Speaker, on the Manitoba Housing and Renewal Corporation we've had already some discussion of this in the Estimates of this particular Corporation and we've indicated here that we don't hold the present Minister responsible for this; he hasn't been in his office long enough. But it's obvious that this report refers to the year prior to his tenure of this present office. In the Manitoba Housing and Renewal Corporation we have statements such as and I quote: "During the course of this year's audit of the Corporation matters have again been noted which indicate that the administrative practices and organizational developments within the Corporations have not kept pace with its growth." And it goes on to say and I quote: "The deficiencies in the management information system have contributed to a situation in which capital funding approvals and advances from the Central Mortgage and Housing Corporation are not being received on a timely basis and this has resulted in excessive interim financing by the province."

His report goes on and on and on and is loaded with these anomalies that indicate that the rule is that there is inadequate financial administration in too many departments of the government. It goes right through - not through the co-ops only which we've attacked in the past - it goes right through all the departments that you would normally expect to show good administrative procedures. It goes through the Manitoba Development Corporation; it goes through the Manitoba Housing and Renewal Corporation and it goes through the Department of Finance itself. The whole spectrum, Mr. Speaker. We're asked here to pass judgment on the advancing of a quarter of a billion dollars of Interim Supply for these procedures to continue.

Well, Mr. Speaker, we're being very specific. We stand here and we debate the programs; we debate the philosophical principles, the differences between the government and the opposition. What we're trying to say here is that there is very strong

BILL 34

(MR. CRAIK cont'd) evidence that the administrative capabilities of this government need a lot of stiffening up and a lot of tightening. We need to bring in - as a matter of fact the Auditor himself says that there is a need to bring in a legislative management system more adequate. There needs to be people trained by the government to provide more adequate management of government spending.

Well, Mr. Speaker, maybe it's understandable. The budget has grown as indicated by the Member for Lakeside when he goes back to just prior to the government taking power in 1968 to this point. The Interim Supply alone now almost is equivalent to the total budget of that year, and between a three and four-fold increase in government spending since this government has come to office. Also it would appear, on reading the Auditor's Report, that there is an inadequate system in the government to control those spendings that are taking place, not only as grants from the government to third party groups, but inadequate procedures within the very government departments that are spending directly and have been traditionally responsible for reporting to this House.

We have here for example cases where if you add up the total of the moneys that have no possible way of ever being repaid, if you total them all up they come to over two million dollars. Not this year alone, Mr. Speaker, but an accumulation through a number of different ventures that the government has been involved in. Those don't show up as being indicated in the report as they normally should be as a dead-weight debt on the government.

Now there's a whole series of these show up and there's every indication, as I say again, that there's a major concern that has to be expressed, that the government is into a degree of spending and a degree of budget that requires a much higher degree of sophistication in control and in management and in accounting practices to indicate to the people of Manitoba where they stand and also to tighten up on the spending of the money that we're being asked to approve. This has very little to do with the budget that is coming in. I'm referring specifically to the Estimates of Expenditure that we have been provided with here and are being asked to approve roughly 25 percent in Interim Supply.

So, Mr. Speaker, I don't intend to deal with any other matters except that because it is the most critical matter that has to be dealt with in this bill. This bill does not have to be used as a jumping off spot to talk about the activities of the government in other areas that are very current. Their activities in education; their activities in WesCan Lotteries and others that are of a very highly political nature at this time. This bill needs enough attention in itself by way of pointing out the intense need for better administrative procedures verified by the Provincial Auditor that this should be pointed out at this time and certainly should be dealt with more intensely before the final budget and the final Estimates at Concurrence are approved by the government.

MR. SPEAKER: The Honourable First Minister will be closing debate. The Honourable First Minister.

MR. SCHREYER: Perhaps, Mr. Speaker, I could respond briefly to some of the comments made by the Honourable the Leader of the Opposition. I would say first of all that of course there is as I think could well be expected in the normal course of administration of the Government of a Province, any province these days, some considerable degree of probability that there will be from time to time certain administrative practices and/or omissions that require improvement.

We do not regard the various suggestions and views that have been put forward by the Provincial Auditor in the past as being anything other than well intended advice, most cases of which we do try to take corrective action. It doesn't mean it's not important. It's important but it is at the same time to be regarded as routine, that certain administrative practices be looked at in considerable depth if attention is called to and whatever remedial action taken. That is to say provided it is within reason and doesn't require the hiring of yet additional staff to carry out. It's a matter of judgment as to what pace should be followed in terms of additional staffing to carry out additional administrative duties.

BILL 34

(MR. SCHREYER cont'd)

I might say too that sometimes, and I am sure we are not alone among the provinces of our country and indeed with the Federal Government, we do run into administrative problems that result from the introduction of more and more computerization. We have found in at least two instances that the highly vaunted computerization process in fact has caused more administrative problems than if it had been left alone on a manual system. As to precisely in what context that kind of administrative problem arises it's difficult to debate in the abstract. It relates to specific cases such as student aid for one and where I must say that computerization really caused additional administrative problems, not fewer administrative problems.

With respect to the greater part, the greater number of the administrative practices on which we've received advice, suggestions from the Auditor's office for improvements in practice, the greater part of these have related to the many ventures that have been attempted relating to Northern Manitoba and the remote communities in particular. I must say that personally I was not surprised that we encountered the extent of administrative difficulty that we did. In fact I think that it would only be candid of me if I were to say that I expected if anything more in the way of administrative difficulty because in so many cases we were dealing with ventures that were marginal at the outset, they were known to be so, relating to communities that were in positions of isolation and decades, Sir, of neglect and complete ignoring of their very existence. So any effort that was made was "shoestring" in terms of viability and extremely difficult in terms of any kind of clinical, precise, administrative procedures were concerned. But I believe that it is better to make the effort, try and bring about some change and some improvements in the human condition in these rather out-of-the-way places, working on in some cases marginal resources than to sit back and say that it is not viable enough, it will cause too much administrative difficulty.

We knew we were encountering problems that could best be articulated by what is known as the 'learning curve' and it is not within the realm of the feasible to think that people can be taken from remote and isolated communities' context and brought into modern-day development situations without considerable difficulty in the initial months and indeed even years. So that's part of the problem which is alluded to in the Auditor's Report and it should be understood in that context.

But, Sir, I would also like to point out to the Leader of the Opposition that he can look at any Provincial Auditor's Report or any Auditor-General's Report and he will find that there is always constructive criticism and proposals for improvement. If it were not so then the Provincial Auditor's Report in any given jurisdiction need only be as thick as one page, one page which were to say "Everything is perfect administratively, proceed." But I've not yet seen such a Provincial Auditor's Report in this or any other jurisdiction either now or at any time in the past 20 years - or roughly 20 years - 18 years in which I have been in public office or elective office.

I know, Sir, that in the case of the Auditor-General's Report in Ottawa that it is awaited with anticipation by at least a certain segment of the Members of Parliament in the House of Commons who find it enjoyable bedtime reading because of the number of seemingly ridiculous things that sometimes can happen in public administration. --(Interjection)-- Yes. Years back I recall, it was even before I was in the House of Commons, the appearance of certain horses on the payroll at Camp Petawawa. That was one example. The other was when it was discovered in the Department of Defence (Canada) I think in 1966 or '67 that two persons under the age of 14 were on military superannuation and which led one of the deans of Parliament of Canada to exclaim that the days of the children's crusade must be back at hand, etc., etc.

There is no point in trying to pretend that particularly in our time, in our day and age that there can be as close as detailed scrutiny maintained of all aspects of public administration as in the days when provincial budgets were in the order of \$80 million or \$90 million, and that largely routine, cut and dried, and when at the same time very much less was being done to try to meet some of the problems of improving the human condition, particularly in those communities that were in situations of economic distress, of social distress, and of course, in those days the circumstance of the remote

BILL 34

(MR. SCHREYER cont'd). . . . communities wasn't even thought of.

Mr. Speaker, times have changed, the Honourable the Leader of the Opposition seems to be trying to intimidate himself by making repeated reference to the fact that Interim Supply being requested today is as much as the total budget was back in 1968, or thereabouts. Mr. Speaker, would it surprise the member the Honourable Leader of the Opposition if I were to tell him that the size of the Interim Supply in 1968 was about the same as the total provincial budget in 1958. In other words, one decade later the same kind of proportionality of arithmetic, the same point could be made that Interim Supply in 1977, for the fiscal year ending 1977, he says is about equal. Well it's not quite but I'll take his point at face value, it is about equal to the entire provincial budget in 1968, well about the same proportionately applies to the size of Interim Supply in '68 as to the entire provincial budget in '58, I believe that is fair to say, and with only the slightest of margins for poetic licence.

Mr. Speaker, there is need for constructive criticism, for close scrutiny, we welcome that. I believe that the conduct of the Estimates, discussions of the Estimates of each of the departments will capture all of the attention and time that my honourable friends feel that is needed.

His specific references to MHRC and the Department of Finance, I would merely say that we are aware of the recommendations by the auditor with respect to certain improvements in the Department of Finance with respect to pre-audit, and there have been some technical administrative meetings held on those very points, certain corrective action is under way in 1976, commenced in late '75; additional persons have been hired; some, alas, extra degree of computerization is being put onstream in order to meet some of the suggestions.

Insofar as MHRC is concerned, I don't know that we should be particularly apologetic of anything in particular. I think my honourable friend happened to catch a period in time in the auditor's report. He is probably referring to the time period of 1973-74, and that, Sir, comes at the time or immediately on the heels of a very rapid expansion in MHRC activity of 1971-72. So the understandability of it I think is there and would be so seen by anyone of a responsible cast of mind.

With those words, Sir, I would certainly thank the Leader of the Opposition for his comments, but I do plead with him to keep it in perspective both historical perspective and in the perspective of the nature of the kinds of problems, degrees thereof as being experienced in other jurisdictions in our country.

QUESTION put MOTION carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I move, seconded by the Honourable the Minister of Mines, that you, Sir, do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report on Bill 34.

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

COMMITTEE OF THE WHOLE - BILL NO. 34 - INTERIM SUPPLY

MR. CHAIRMAN: Bill No. 34. What is the will of the Committee, page by page? Page 1--pass; Page 2--pass; Preamble--pass; Title--pass. Bill be reported.

Committee rise, call in the Speaker.

Mr. Speaker, your Committee of the Whole has considered Bill No. 34, recommends it and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the Report of the Committee be received.

MOTION presented and carried.

BILL NO. 34, (By leave) was read a third time and passed.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, would you now proceed with the adjourned debates on second reading in the order in which they appear on the Order Paper.

BILL NO. 17 - AN ACT TO AMEND THE LIQUOR CONTROL ACT

MR. SPEAKER: Bill No. 17 proposed by the Honourable Minister of Tourism, Recreation. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. The subject that I would like to deal with particularly on this bill at this time is a problem that I think is of growing concern to Manitobans right now. I think most of us realize and agree that if it was possible to do away with the liquor that is consumed by the people of Manitoba and people of Canada, society would definitely be a better place to live. However, this is not possible and we as legislators of course have to do our best to try and deal with this growing social problem. I would suggest at this time that our laws in Manitoba are quite liberal, and I use that advisedly, when we look at other jurisdictions just to the south of us here like Kansas, Oklahoma, Texas and Utah, we would say that our liquor laws are indeed very permissive.

I would like to make several references to the problem of the young people involved with alcohol, and I think the awareness that has been created over the last little while with regard to the lowering of the drinking age from 21 to 18 has started many people, whether it be in the Alcohol Research Foundations and the different social agencies that are involved with the problems and abuses of alcohol, it has really started a clamour on behalf of these people to have the drinking age raised to 19. The youth are consuming alcohol at an alarming rate and we notice from the different studies being done that the accessibility has a large amount to do with it, also the parental approval has quite a bit to do with it, and I would refer to the Minister of Corrections Deputy Minister now, the Assistant at the time when he was quoted in this article, and he says that Winnipeggers woke up to a sudden shock early in January when the Provincial Government survey told them that there was an alcohol epidemic threatening their children.

The report, which is just now being distributed, shows 75 percent of 1,000 grade 9 students interviewed reported alcohol was their favourite drug. The Assistant Deputy Minister of Corrections said, use of other drugs among teenagers has reached a plateau and that alcohol is on the rise. It's being used by younger and younger students all the time. One of the problems that we face with lowering the drinking age from 21 to 18 - in effect what we did was, we didn't lower it from 21 to 18, we lowered it from about 18 to 16 or 15, because we have now made alcohol much more accessible to that lower age group, and when we look at the different incidents that happen I think that we can see that the young people 15, 16 and 17 are having very easy access; the pubs and the drinking establishments are very easily accessible to these people.

I was driving in from Steinbach the other day and I was listening to a local talk show where the Minister of Tourism or the Minister in charge of Manitoba Liquor Control Commission was on, and I found it interesting that we had a lot of young people phoning in and giving names of hotels where they were drinking, claiming they were 14, 15 and the host of that particular show was then taking down the names of these hotels and was going to forward them on to the Minister. I don't think that's the proper way of doing it; it sort of smacks a little bit of sort of KGB type tactics. I think that the problem should be overcome in properly enforcing the laws that we have right now.

The Minister also mentioned that he was concerned about a proper identification system as far as these juveniles are concerned, and I would suggest to the Minister that maybe he should sit down and talk with the Minister of Highways. There are several jurisdictions in Canada now that are moving to put the picture on a driver's licence, and I notice that Alberta is moving in that direction; large states like California have had that particular practice for years in the past, and I note that Alberta is now moving in that direction. I think that this is getting off the topic a little bit but there would be many other useful purposes served with having your driver's licence serving as an I.D. with your picture on it; it would serve to eliminate problems with suspended drivers because maybe of the .08, and it would also serve as a real identification for the young people that want to get into these establishments.

I think that the enforcement aspect of this particular law is one that we have possibly been falling down on, and that the tightening up of this type of thing should be done by the Minister. I note in the annual report of the Liquor Control Commission the

BILL 17

(MR. BANMAN cont'd) amount of suspensions when you look in the back of the report, the number of suspensions as far as hotels are concerned there are about, I think, about 20 suspensions that are directly attributable to service to juveniles, sold vendor beer to juveniles, and that type of thing.

The other thing that is happening I believe, with regard to the lowering of the drinking age is that we have an increase in vandalism, and it is felt that the lowering of the drinking age not only has provided, as I mentioned before, liquor to the younger people, but it also has aided and abetted driving accidents and also driving problems. And I refer specifically just to what is happening to the neighbours south of us. Minnesota a number of years ago, I believe 2 years ago, lowered the drinking age to 18 also, and Governor Anderson has now signed an Act that raises the legal drinking age to 19, and the law goes into effect September 1st. Ontario had a lot of controversy with regard to this, and the Alcohol Foundation there is also asking that the government raise the drinking age to 19.

I would just like to quote out of an article here, "The Minnesota Public Safety Department says that the percentage of young drinking drivers killed in traffic accidents has climbed greatly since the drinking age in Minnesota was reduced to 18 three years ago. The department based its findings on alcohol tests administered to 583 drivers of all ages killed during that period. The percentage of drivers between 16 and 19 killed in traffic accidents during the period was 14.6 in 1973, 17.8 in 1974, and 20.6 in 1975. During the two years before the drinking age was lowered to 18 the department said in the report, slightly more than 11 percent of the drinking drivers killed were between the ages of 16 and 19."

Another interesting point I believe in talking to several hotel owners, there seems to be a general support among the hotel owners for an increase in the drinking age. They seem to be having a certain amount of problems themselves with regard to this matter, and I think they would welcome a proper identification system such as the Minister had mentioned, and as I mentioned it is interesting to note that many of these hotel keepers themselves would be in favour of having the drinking age raised to 19.

The problem is growing I imagine. When I looked at the Civil Service Commission with regard to alcohol abuse generally, I noted that the government as an employer is becoming increasingly aware of administrative problems and costs resulting from alcoholism and other behavioural health problems in the Civil Service. This is what sort of interested me, sort of shocked me: It is estimated that less than 10 percent of the employees are responsible for at least 80 percent of the absenteeism and that of these 50 percent are problem drinkers. So that the government is beginning to realize, the Civil Service Commission is beginning to realize that alcohol is playing a certain amount of havoc with regard to people performing properly in society and is causing different problems when it comes to their work habits and their work generally.

I think it is time that the Manitoba government took a step forward and had a good look at toughening up some of these liquor laws instead of rather taking a step backwards and allowing sort of door to door wine sales on behalf of the different people concerned with the production of wine in Manitoba and I would ask the Minister to sit down with his colleagues in the Cabinet and rethink their position on this particular matter and would ask him to move in the same direction other jurisdictions are moving and increase the drinking age in Manitoba to 19 and hope that by that we can eliminate some of the problems being caused right now.

As a final word I would encourage him to go to a specific I.D. type of system where people can check on the juveniles in the beverage rooms and put some teeth in the law. There is a big problem right now with young people being served in these establishments and I think that a crackdown is needed at this time to help the people in Manitoba and especially help the young people of Manitoba.

MR. SPEAKER: The Honourable Minister shall be closing debate. The Honourable Member for Pembina first.

MR. HENDERSON: Mr. Speaker, I move, seconded by the Member for Rhineland, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 18 proposed by the Honourable Minister of Mines. The Honourable Member for Fort Garry. (Stand)

BILL NO. 22 - AN ACT TO AMEND THE ALCOHOLISM FOUNDATION ACT

MR. SPEAKER: Bill No. 22 proposed by the Honourable Minister for Corrections. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Speaker, it seems too much of a fortunate coincidence that after we've just received what I think is one of the more effective and useful speeches on the problems of alcohol, that a bill comes up dealing with a foundation or an agency of government which is designed to try to somehow correct the abuses that have already happened. I would want to pay my compliments to the Member from La Verendrye for I think expressing in a very articulate way the particular concerns. I would only want to say, Mr. Speaker, that while I think that concern is one that is widely shared and widely expressed, I am not so sure that the solution to the problems that were described is necessarily one of more restrictive regulation or use. I think we only have to go back to the experience of prohibition to realize that even the most stringent means of cutting off total supply to everybody simply had an end result of probably more than anything making it more of an adventure and more of a romance to get into the area of drinking and also made a lot of family fortunes on this side of the border for those Canadian families that decided that it was an awfully good way. I suppose we wouldn't have the Montreal Canadiens if we hadn't had prohibition or something similar to it.

So while regulation I think always has to be reviewed and looked at and has its place, that it is sometimes too simple an answer to assume that the way to control the increasing incidence of dependencies upon drugs and chemicals and alcohol is simply one of changing age regulations or becoming more stringent in the application of the law. I think the law must be adhered to and must be enforced fairly and effectively, but I'm not so sure that that is a solution. I think as I read the problem that whatever jurisdiction one's talking about and whatever laws they have there seems to be a general rise in the incidence of use of alcohol and drugs in an industrial society. Maybe it's part of the penalty or price that we pay for the kind of world that we've built up in the last 10 or 15 years. Whatever the reasons are, whether it's the breakdown of family or the development of more tension and stress . . .

MR. SPEAKER: Order please. The Honourable Minister of Mines on a point of order.

MR. GREEN: I'm sorry to interrupt my honourable friend who was speaking in a very interesting way, which I approve of by the way for a change. But it seems to me that the members of the Municipal Affairs Committee could meet now if it would help them because they want to deal with the bill that is before them and that would expedite matters in case we do not get to Supply this afternoon. I don't want to remove my honourable friend's audience but I understand that there's only a few members of the House that would meet.

MR. SPEAKER: Is it agreed? (Agreed) The Honourable Member for Fort Rouge, carry on.

MR. AXWORTHY: Just to pick up the line of thought, the point I'm trying to make I think is that whatever the stringencies of the law, I'm not so sure that it is going to significantly reduce the frequency or the seriousness of problems of addiction in society and I think that that may be endemic to the kind of community that we have.

The corollary of that and the one I guess that I do find disturbing is that we have tended in the past and maybe in the present to emphasize the aspect of alcoholism in terms of both the marketing philosophy of it which has always been in the financial interests of provincial governments - there's no question the revenues garnered from the sale of alcohol is one that provides a pretty substantial and cushy boost to the fortunes of provincial treasuries and we have also, I suppose, been concerned about the applications of laws as they relate to hotels and cabarets and drinking places. What we haven't been nearly as concerned about is what we do with the people who have already become victimized by that particular addiction. That has always been treated with somewhat less attention, perhaps because it is less dramatic. You can't make all those fiery speeches

BILL 22

(MR. AXWORTHY cont'd) about raising drinking ages or getting tough because it's a much more diffuse and more vague kind of question of what do you do when somebody has already become an alcoholic and how do you go about solving the problem. I think the difficulties, the intangible problems of addressing oneself to the ones who have already become victimized are much more severe than those of simply passing a new law or a new regulation.

Yet, Mr. Speaker, the bill in front of us, the changes to The Alcoholism Foundation Act are part of that effort by this government over the past several years to find ways of doing it. I think it is the responsibility of members of the opposition perhaps to treat that aspect of the alcohol dependency problem more seriously than we have in the past, of looking at the treatment and response to the problems of dependency in a way that could be more closely examined in terms of its effectiveness and the way we're going about it. I think the key to this bill that the Minister for Corrections has introduced - as he said it's a simple change but it's one of those simple changes which may have fairly widespread repercussions - that he is really changing the notion of alcoholism to what he calls chemical dependency which is one of those words I guess coined by that breed of public official which is designed to somehow obscure the English language. But I think what it really means, it's the recognition of the fact that the problem of alcoholism is also closely related with all other kinds of addiction, particularly addiction of drugs and other forms of chemicals that can be just as severe and just as demeaning and just as addictive as alcohol itself and that oftentimes they go hand in hand together. They're not separate items.

The high school students that the Member for La Verendrye was talking about, there's a syndrome built up. They're just not drinking more, they're also as much taking drugs. As I've said in the past, Mr. Speaker, my wife is a high school teacher and in listening to her experiences and things that she says go on in her high school and others that she knows about, about the number of children who kind of have to smoke up before they come into the classroom at nine o'clock in the morning. I don't know if that's any comment on the educational system in Manitoba but it does seem to be some indication that there are numbers of children in junior and senior high schools who are becoming totally dependent upon some stimulation to make it through the day which is an awfully sad commentary and one that causes me at least a great distress every time I hear these stories.

Yet, Mr. Speaker, when you ask the question: well what do you do with children such as this - there aren't many answers, you know. You refer them to the Child Guidance Clinic and the Child Guidance Clinic is overworked. It's one of those areas where we're being cut back because we're cutting back on education. As I mentioned the other night, it's the first thing that goes, it's those kinds of services that are cut back. I recall a conversation that I heard that it was going to be three weeks before one of the workers of the Child Guidance Clinic would be able to deal with a young girl who had troubles like this. It's just not right, Mr. Speaker. It just is not the way to deal with the problem because so many of the dependencies are created in home situations and broken families and situations where there is two parents working and the problem of dependencies, whether it's alcohol or chemical, are not again exclusively confined to what we usually consider to be some areas, the core areas or lower income areas.

The incidence of alcohol and chemical dependency is found as rampant in East Kildonan or Fort Garry or Tuxedo as it is in downtown Winnipeg. It seems to me that that indicates something of the kind of strategy and the kind of approach we should be taking to the treatment of alcohol. I must say that perhaps it was just a matter of not wanting to spend time on this bill to explain to us, but I would have wished that the Minister for Corrections, in introducing what I consider to be an important bill because it is an important subject, would have spent a little bit more time talking about what he was doing in the Alcoholism Foundation. There have been changes in personnel.

They have acquired a new Chairman of the Board, General Graham, who comes to that Board with a great reputation, a fine reputation. Many structural reorganizations have been going on and it has raised many questions in my mind again of simply, not in criticism but more in curiosity, as to what is the efforts being made through the

BILL 22

(MR. AXWORTHY cont'd) Alcoholism Foundation to meet with this widespread problem, to treat it in the way that it requires.

You know we saw one of the newspaper articles the other day saying that one of Winnipeg's proud distinctions is now that we have more pubs per person than anybody else which is an interesting commentary upon our quality of life. I would again suggest that that's perhaps not the way in which we would want our city to be known. I would prefer if that indicator had said that rather than having more pubs per person, we'd had a better record in the treatment and recidivism of those who are suffering from alcoholism or chemical dependencies. That would have been a far more complimentary indicator of the quality of life in Winnipeg than the fact that we have more pubs for people.

The reason I raise the question is that it gets into some very difficult areas that we have always had in this province. A large amount of the treatment of alcoholism in particular has been conducted by private agencies, Salvation Army, Alcoholic Family Services, the Native groups and many others. What has seemed to be occurring over the past couple of years is again a high degree of centralization of the treatment agencies under the rubric of the Alcohol Foundation on the grounds that it's the Alcohol Foundation which is paying the bill.

Again this is a logic to that argument which if someone I guess is endowed with the feeling that what the public spends the public should hold accountable for. But I would like to raise perhaps a different kind of question and that is: is this centralization of treatment facilities and the transfer from private treatment outreaches into public ones, how is it going to affect the effectiveness of treatment? That really should be the issue, not who owns it or who controls it or who is accountable. But how effective is that going to be in the actual treatment itself and to what degree do the changes in the Foundation require that perhaps the kind of independence and autonomy and ability of private agencies to work in a variety of ways and approach it from a variety of techniques may be a more valuable approach than having a neat chart on a wall that shows how everything is sort of held in a line fashion accountable to the public purse. I'm not saying or suggesting that these agencies should be held unaccountable or held irresponsible, but I am suggesting that perhaps the fundamental question people in this House should be raising, if we are going to express our concern, is the effectiveness of the treatment programs.

I believe that the Minister really owes it to us to further explain what actual changes in mode of operation and relationships to private agencies are being undertaken by the Alcoholism Foundation as it begins to re-organize itself to deal with this matter. A complementary question would be the issue of what kind of funds are being put into the treatment of alcohol as derived from the resources of the Liquor Control Commission for the treatment and prevention of it? What kind of research and experimentation is really now going on in the province? I believe that the budget announced by the Premier last year - or I think it was this January, I'm not sure of the exact date - the Minister of Corrections was something like \$6 million which is a substantial increase over previous allotments. But compared to the revenues that are derived from the sale of alcohol which I believe - and I could be corrected, \$48 million was it last year, something in that order, of net profit. Perhaps the Minister of Tourism and Recreation could explain. What was the net profit in sales last year in liquor? \$48 million --(Interjection)-- Was it more than that? Well, whatever. The more, the better. Should we not be saying in a very clear way, how much of that revenue is being turned back to deal with the problems of treatment and prevention?

To give you some indication, Mr. Speaker, there is almost virtually no proper treatment facilities for those who suffer alcoholism other than acute cases in hospitals. All kinds of people are sent to private treatment clinics in the United States at an enormous price because there isn't the availability of those kinds of centres here. We have certain homes, there's a number in my constituency and I for one am glad that they're there, glad that they're somewhere. But there aren't enough of them to treat the full range of kinds of problems that are being encountered.

I haven't really heard from the Minister of Corrections or from really anyone in government - maybe they know but we don't - what is the ratio, what do they say is a

BILL 22

(MR. AXWORTHY cont'd) fair proportion of the revenues derived from the Liquor Control Commission that should be applied and directed towards treatment, research, experimentation and prevention? One of the agencies that I know relatively well that works in the field indicates to me that probably the way in which treatment of alcoholism and drugs is now going is increasingly into an integrated community approach. The best way of doing it really is not to take someone who is already fully addicted and try to work him through A.A. or one of these other areas but to try and get back a couple of steps into the family context and work it from that approach.

Well, Mr. Speaker, unfortunately that's an expensive way of doing it. You know, that costs money. That's not an easy way of dealing with the problem. But I believe that the rate of success that that approach has experienced is well worth the money. The Ontario Alcohol Foundation indicated in a report about two weeks ago that the loss to the economy of Canada for alcoholism is \$1 billion and that doesn't take into account a lot of the other costs. That's direct losses accounted for days lost from work and everything else. Now it seems to me a \$1 billion loss compared to some of the expenses of providing for proper treatment and outreach, is a small price to pay.

So, Mr. Speaker, when I looked at this bill and said well it's a fairly simple amendment, we're changing the word "alcoholism" to now talk about "chemical dependency." That could have been passed by fairly easily but I didn't want to let it pass by because first what this Foundation is now being asked to do is take it on a much wider arena of involvement and get into a much more complicated and wider set of treatment and intervention type programs. So that the scope of the programs have increased and I think that as a result this House should have been more informed as to what was the organizational restructuring that's taking place to fit that problem; what kind of finances were going to be undertaken; what kind of role do we see for the private agencies, what kind of revenue could the Minister of Corrections acquire from the Minister of Tourism and Recreation to support that program in its full-scale ways, so that we would know finally in the province that we're going to really make an attack.

I'm not being critical of the government because I believe that since they have come in that they have, compared to some other provincial governments, made some very serious efforts in this field. I give really, you know, high marks in this area. I think that they have made an effort but I am saying that I think comparative to the nature of the problems that have been described, I would like to see us be as serious about treatment and prevention as we are about regulation and cutting back and all these other kinds of, you know, tough arm tactics. Not that I'm against the other either. I think that the two have to be balanced out. I just have a kind of reservation about how effective these kind of regulations are going to be, as we talk about them. But I'd be interested to see at least a proper balance, an equability in the approaches we take.

Those are the concerns I would like to raise, with the hope, Mr. Speaker, if nothing else that the Minister of Corrections when he receives an opportunity to close debate on second reading, will be able to respond to them and give us a clear indication so that when we do have the opportunity to debate his Estimates that we will have a clear perspective on the basic approach and strategy that the government has taken towards the very serious issue of prevention and the kind of money that is going to be devoted to it. We can maybe have another kind of debate about what we should be doing to prevent the dependencies upon alcohol and drugs and how we treat it rather than just simply how we try to sort of toughen up the regulations in that particular area.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 23 proposed by the Minister of Agriculture. The Honourable Member for Rock Lake. (Stand)

BILL NO. 25 - AN ACT TO AMEND THE HIGHWAYS PROTECTION ACT

MR. SPEAKER: Bill No. 25 proposed by the Honourable Minister of Highways. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I adjourned this debate for another member of the House. But before I let it go I want to make a few comments on it and I think the comments deal mainly with legislation in general and in particular I think they apply to this bill maybe more so than we have seen in some other bills.

I think we have to ask ourselves the question when we are passing legislation of what the intent of the legislation is and if we are trying to protect one segment of society from another by the passing of legislation. In this bill I would like to ask the Minister whether we are trying to protect the people of the province from the encroachments of government or whether we are trying to protect the administration of government by the type of legislation that we have in front of us. I think it is important that we discuss these things because I have always felt that legislation should not be of a nature that gives an unfair advantage to one segment of society over another. I think that it is imperative in today's society that we make every effort to ensure that the rights of the individual are not encroached on by a growing bureaucracy and a growing involvement every day of government in the lives of people.

When you look through the amendments that are before us here, I think that those questions are very valid and I would hope that when this bill gets further discussion probably in committee stage that we may get some of the answers to some of these questions.

MR. SPEAKER: The Honourable Member from Pembina.

MR. HENDERSON: Mr. Speaker, I move, seconded by the Honourable Member for Charleswood, that debate be adjourned.

MOTION presented and carried.

BILL NO. 29 - AN ACT TO AMEND THE BUILDERS AND WORKMEN ACT

MR. SPEAKER: Bill No. 29 proposed by the Honourable Attorney-General. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. I see the Honourable Attorney-General is just coming into the Chamber at this time. I would like to start out by saying that the amendments that are proposed here in Bill No. 29 are . . .

MR. SPEAKER: Order please. The Honourable Member for Ste. Rose have a point of order?

MR. A. R. (Pete) ADAM (Ste. Rose): Yes. I am just wondering if it should be allowed to stand. I believe the Honourable Member for Pembina used the Member for Charleswood as a seconder and I don't believe he is sitting in his proper seat.

MR. SPEAKER: The point is well taken. The Honourable Member for Pembina.

MR. HENDERSON: In this case I'll move, seconded by the Member from St. James.

MR. SPEAKER: Very well. I accept the amendment. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. I would think that the amendments that are proposed here as the Attorney-General said are more of a housekeeping nature and it does bring this bill more in line with the Mechanics Lien Act. But in talking to some people and in fact in reviewing some of the information that I am sure the Attorney-General has, and I refer here to a working paper that was presented to the Law Reform Commission in 1974, dealing with the Mechanics Lien Act and the Builders and Workmen Act, I just wonder if it is not a good time to sit down and think whether it is absolutely essential to have two bills.

I think that with the exception of the trust provision of this bill, I think most of the work that is done in this area in court is carried out under the Mechanics Lien Act although there are two or three cases I understand that have been before the courts recently under this bill. It seems to me that there is a great deal of duplication here with the exception of the trust provisions in this Act which I understand are not in the Mechanics Lien Act. I know that the working paper that was presented in 1974 made a

BILL 29

(MR. GRAHAM cont'd) suggestion at that time that perhaps all of the material that is in this Act could better be incorporated in the Mechanics Lien Act and in fact we could then have one Act applying rather than two. I'm not opposed to that idea, Mr. Speaker. I have always felt that the less legislation we had on the books the better. I think that's a view that I have expressed in this Chamber before and if there is a duplication in the statutes and there is a possibility of making one Act operate where two are presently in force, I think that we should be looking towards what could be done towards amalgamation into one Act rather than doing what we are doing at the present time and that is just up-dating a second Act.

So I raise these issues at this time because I know there are varying views in the legal profession; I know there is a rather limited use of this particular Act in the legal profession and yet at the same time I am one that believes we should have the utmost protection available to people in legislation. So I just ask the Attorney-General if he has considered in any great detail the advisability of consolidating this Act together with the Mechanics Lien Act. I know the Law Reform Commission has looked at it and the recommendations of the Law Reform Commission, I'm not too sure if they are unanimous or not in this respect, but I would hope that perhaps when this goes to Committee we can avail ourselves of the services of some of the Law Reform Commission at that time so that we can ask them questions on whether or not we are duplicating or bringing forward a profusion of legislation when in fact we might be able to simplify it.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

SUPPLY - LABOUR

MR. CHAIRMAN: I refer all members to Page 38. Resolution 76(a) Mechanical and Engineering: Salaries \$706,400--pass? The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, on this item I wonder if the Minister could indicate where the province stands right now in the development of a provincial building code as has been referred to in his annual report. It is intended to complement the National Building Code I know but was addressing itself in particular to standards in Manitoba. The annual report indicates that it's aimed at improved safety standards directed towards our own building standards. I wonder:

1) Is the government going to address itself to physical building standards that are going to require energy conscious design that is more adapted to Manitoba than the National Building Code has been and if so, what sort of efforts are being made to determine what level of standard will be required in this.

2) Has the government given consideration to how the building code would be administered? Will it be administered through the municipalities and through the City of Winnipeg as the case may be, and particularly in view of the fact that the City of Winnipeg has a very substantial Building Commission that is at the present time addressing itself to the upgrading of building standards which don't require a building code of a provincial nature but just upgrading them basically in the way of existing safety standards. So if the Minister could reply to that, I think in particular those two items, it would be worthwhile passing on information at this time.

MR. CHAIRMAN: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Yes, Mr. Chairman. If memory serves me correctly, we have been having continuous consultation with our advisers on the regulations pertaining to The Building Code Act. The Act in itself has of course been passed and I'm not sure offhand as to its full proclamation. I'm just trying to find that precisely --(Interjection)-- I now have the information, Mr. Chairman, dealing precisely with the Building Code.

SUPPLY - LABOUR

(MR. PAULLEY cont'd)

It is anticipated that the Manitoba Building Code will become effective on October 1st. The code will establish standards relating to the structure of buildings, electrical, plumbing and fuel installations, will deal with fire safety questions, requirements respecting such matters as building materials, fire walls and exits, fire alarms, sprinkler and smoke detection systems. The code will apply to all new buildings of 100 square feet or more except farm buildings used or to be used in actual farm operations.

Major renovations to existing buildings will also be covered by the code. Of course it's judgmental, as I am sure my honourable friend will appreciate, an interpretation of what is meant by "major". I would suggest that if a building is fairly well gutted out then it would be construed as being within the general context of major.

When it becomes effective the province intends to take the responsibility and this is in reference to the second part of my honourable friend's question precisely. When it becomes effective, the province intends to take responsibility for the administration of the code outside of the City of Winnipeg as it applies to buildings three storeys or more or 6,000 square feet, including provincial buildings and all public buildings. In general, municipalities are expected to have the responsibility for the administration of the code with respect to dwellings and small establishments, that is buildings of less than three storeys and 6,000 square feet. Where a municipality cannot carry out this function it might apply to have the area designated a provincial responsibility.

In reference to the City of Winnipeg, and I might say I recently have had representations made to me from one of the Committees of the City of Winnipeg, I'm not sure whether it was the Executive Policy Committee or the Administrative Committee - I would be glad to ascertain that - as to the situation prevailing to the City of Winnipeg. It is our intention to conduct discussions with the officials of the City of Winnipeg with a view of their taking complete responsibility for the administration and enforcement of the code within the city boundaries including schools, hospitals, provincial buildings, other public buildings and so on. In our opinion the City of Winnipeg has the administrative facilities for this purpose. However, and I think this is very important, Mr. Chairman, and could conceivably be the subject of considerable discussion between the department and the City of Winnipeg. However, the city or any other municipality administering the code will not be allowed to vary building standards below the minimum requirements set out in the code.

Now as my honourable friend may be aware at the present time Winnipeg fairly well on its own establishes its own code for the City of Winnipeg. Our approach is that we are going to establish a Manitoba code patterned after the National Code and that the same code will be applicable right across the province, that is insofar as minimum standards are concerned. We feel that this is desirable so that having established generally a uniform standard, we can't have deviations above or below those minimums.

Oh I might say, too, Mr. Chairman, in reference to the City of Winnipeg, under the operation of the Building Code in the department we have a Building Standards Committee set up at the present time and being comprised of representatives of the Building Construction Association, the Home Builders Association, I believe representatives of rural --(Interjection)-- architects yes, professional engineers I believe are on there as well, and for some reason or other there was no direct representation from the City of Winnipeg on this subcommittee and we have as a result of the correspondence that I had received, either I have sent, or in the process of sending a letter to the City of Winnipeg inviting them to name a representative from the City of Winnipeg to be on this board so that they have a direct involvement in the application of the code.

I do say the appropriate changes were made in the code and will be made from time to time by Order-in-Council following the recommendations - I now have the correct name of this board - following the recommendations by the Building Standards Advisory Board. The board may make recommendations on its initiative or in response to proposals for changes made by interested parties.

There is continuing liaison with bodies such as the National Research Council to keep abreast of findings and improvements and technological developments relating to

SUPPLY - LABOUR

(MR. PAULLEY cont'd) building safety, and copies of the code will be available at cost and will be produced in loose leaf form so that any changes that take place in the code can be readily . . .

We have adopted or developed a model by-law which municipalities may wish to adopt to provide for the code's administration respecting such matters as inspection fees. It is our understanding that only Alberta and Quebec have to date adopted comparable building codes. The Manitoba Building Code should prove an important step in improving safety conditions in new buildings and in the case of major renovations to existing buildings. I want to say that to my knowledge the Canada Building Code will be very very closely followed and really the only basic and/or major deviation from the Canada Building Code, as I understand it, is to take into consideration climatic conditions existing in the Province of Manitoba that are not uniform across the country, such as, by way of example, buildings in Fort Churchill, that there will be provisions in the Manitoba Code for a building construction in Churchill that will be at some variance with the National Code.

Now that basically or generally, Mr. Chairman, is what the department has in mind at the present time, and as I say the present intention is for the code to come into effect later on this year.

I can appreciate the points raised by my honourable friend, and all I can say insofar as administration in the City of Winnipeg is what really I have said, there was a query from the City of Winnipeg; we know that they have the administrative capability. It is not the intention of the government to superimpose any administration over top of what is now existing. We're asking for their full co-operation. But basically we feel that a building code that is adopted for Manitoba should be applicable across the broad spectrum of the province.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, I thank the Minister for some clarification on this. I believe he said that the one qualification was that building standards would have a certain minimum and there would be no flexibility of that minimum as far as implementing anything different on the part of the city would be concerned. Does this indicate in this administrative responsibility that it will still lie with the city? Will the former Winnipeg Building Commission that was there still handle appeals? Like at the present time there are several hundred, approximately 1,500 apartment buildings in the city that are on the list to be investigated and looked at and recommendations made for upgrading, and this is all currently in the hands of the Winnipeg Building Commission.

I understand that their procedure is to attempt to do about 20 percent of them per year and to have them all done - or maybe higher, I think it's 25 percent a year, and have them all gone through over a period of four years. In that case if there are appeals come back in from the individual people that are affected by this, would this still be handled by the Winnipeg Building Commission or does this now come back to the Provincial Board which is the Standards Board? Can he give any indication as how that will actually work?

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: It's my understanding, and indeed my hope, Mr. Chairman, that in respect of the Building Commission's involvement at the present time, and the program that they have, that it will continue. I think it's really worthwhile and we don't want to superimpose on the provincial level on that function that is being performed. With one exception, that hopefully having the full co-operation - and I think we will have - that in the final analysis the final appeal will be to the Provincial Appeal Board rather than the Appeal Board presently existing within Unicity or the City of Winnipeg.

In that way I think we can have a more readily uniform appeal, final appeal body in the province. And by doing this in this way, too, using the City of Winnipeg by way of an example not because of its size but because it is just municipality, although I guess some would object to me using that description, we feel that we should apply equally to all municipalities in the province, the administration and the function, with the exception of course of some of the smaller municipalities that haven't got the capability professionally, but we feel that in the final analysis on appeals after the Act becomes fully

. SUPPLY - LABOUR

(MR. PAULLEY cont'd) into effect, final appeal would be directed to the Provincial Appeal Board rather than it is at the present time, and I'm not quite sure whether the present function of the Appeal Board in Winnipeg the final one is to the City Council itself. I know when I was Mayor there was a final involvement of the local municipal councils in buildings; I don't know whether that's true of Winnipeg or not. But we feel that under the Building Code when fully in effect the final appeal and the conclusive appeal should be the provincial authority.

MR. CRAIK: One other point on this, Mr. Chairman, which I think might be emerging as a very major one. I wonder if the Minister has been apprised yet of the problem that is emerging with renovations that are being requested and required under the new activity of the Winnipeg Building Commission on apartment buildings; that appeals are being made on the basis that with the pending rent control legislation that owners are unable to get financing to make the renovations to the new safety requirements, and some cases are appealing back because of an inability, economic inability, to make the changes in view of the uncertainty of the lenders with regard to financing the changes; and whether or not the Minister might want to take this into account and do his own lobbying with the Minister of Consumer Affairs in the event that a safety renovation is required to consider that this is now going to make the problem more complex of justifying what is the pass-through cost, if in fact the pass-through cost is approved.

It would appear at the present time that there may be a very real problem in owners coming back with their appeal on the basis that they cannot get the financing to upgrade their building because of the uncertainty of the lender as to whether or not he can amortize his debt. It puts in what may appear to be a fairly small feature of the total picture in the new changes that are going to be required by the Minister of Labour, but in fact may turn out to be a very major one in actually getting this thing to happen.

MR. CHAIRMAN: Order.

MR. PAULLEY: Before the Committee rises. In answer to my honourable friend I do confess that I haven't given consideration into the area referred to by my honourable friend. It's something that I haven't thought about but I want to assure him that I will take a look into the number of appeals that are being made to the City of Winnipeg based on the financial input or the lack of availability of finances to carry through the requirements. I'll be more than pleased to do that, at least as a starter.

MR. CHAIRMAN: Order. Being 4:30 Private Members' Hour, Committee rise and report. Call in the Speaker.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose, that the Report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR
RESOLUTION NO. 10

MR. SPEAKER: First Item, Resolution No. 10. The Honourable Member for Wolseley.

MR. WILSON: I move, seconded by the Member for Charleswood,

WHEREAS there is a need to ensure that all vehicles are roadworthy and in safe mechanical condition; and

WHEREAS the Manitoba Public Insurance Corporation at present sells all vehicles classified as written off or demolished by public auction or tender; and

WHEREAS as many as 30 percent of the vehicles sold eventually return as new owner re-insured vehicles; and

WHEREAS written off and demolished vehicles should be sold for auto parts only;

THEREFORE BE IT RESOLVED that the government give consideration to the desirability of having all serial numbers removed before public auction to insure that all vehicles that have been written off are not resold again for other than spare parts.

MOTION presented.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: Mr. Speaker, the purpose of bringing forward this resolution at this time is to finally prompt some discussion and debate regarding the apparent lack of good government policy towards written off vehicles and minimizing the dollars that are lost to the taxpayers; they're the people that pay for the losses of Autopac. In my opinion there should be two areas of concern here, mainly - I'm talking about the overall losses. I'm talking about two areas of concern here, mainly safety and the economics of written off vehicles.

However, in dealing with these two subjects regarding written off junk or derelict autos, we should also give some thought to what's going on in the private sector as well. I feel the time is fast approaching when all vehicles sold at public auction and by tender of a vintage 1969, or lower, should have a safety certificate before receiving current Autopac insurance and license plates.

I refer in particular to our own Manitoba Gazette which publishes together with the newspapers a long list of vehicles which are sold and the latest one was Saturday, March 20th, in which 59 cars were sold by McArthur's Towing on No. 1 North of Perimeter and No. 7 Highway. And upon examining I noticed most of these cars were 60, 1963, 1961, '62, and what I'm trying to get at is the majority of the 59 vehicles - and this is a private sector auction - in my opinion are not roadworthy and should require some safety certificate.

Now this is up to the government to lead the way and of course they haven't led the way, so how do you expect the private sector to respond any differently. But I'm saying that this is a concern to me that this particular company could sell 59 wrecks to the public who will then have the majority back on the highway without any requirement for a safety certificate. We look at also that Autopac has a salvage auction every Wednesday at 465 Panet Road and we assume that many of those vehicles listed are the written off type of which I am referring to.

But my number one area of concern is safety and I feel by removing the serial numbers off the written off vehicles we guarantee that all severely damaged vehicles, autos in such a condition that our government Autopac employees have deemed them worthless or they've written them off and they will never - I think we have a responsibility to see that these will never return to the highways again.

You see, because if Autopac argues that some of the late model cars are really valuable - and I see the Minister shaking his head - then why in the world would his staff have written them off in the first place. There must be a logical explanation and I'm sure that he will give this to me later on. These automobiles in my opinion are of a questionable safety condition and I think that they should be stripped for valuable parts and the final remains, the frame, will be processed through the shredder for scrap metal, and I must say very needed and very short supply of scrap metal, possibly at Manitoba Rolling Mills.

It seems that at present the Autopac practice seems to be to simply auction

RESOLUTION 10

(MR. WILSON cont'd)these vehicles off or as the Minister says in his letter to me, that he contracts some of them out to possibly friends or whatever.

The public auction or tender system does not require, has no requirement that a safety check or certificate is mandatory. And I think this is very important. We should have a safety check on these written off vehicles. And I think that the prices we realize from the sales - and the Minister may care to comment on this - but in my experience they're far too low, they're insulting and so far as I'm concerned I don't think we should take a chance that even 10, even a small number like 10, of these many many vehicles that we auction off, that if only 10 of these got back were unsafe, then I think we would have a major responsibility, because if only 10 found their way back to the road, back to the highways, they might cause a fatal accident and a lot of suffering through further accidents. We wonder if that is really good business on the part of the Minister to be reinsuring 10 unroadworthy cars that would be involved in a second and possibly third fatal, or just a mishap.

Government should place a very high value in my opinion on human life and I get back to the safety aspect of this. But just as an aside I wondered if we might think what the public would think if they knew that the car that they were buying from a used car lot, the car that they were buying out of the newspaper or from an auto body shop had been involved in a fatal accident.--(Interjection)--In a fatal accident. I just wonder what - okay, we'll talk about - or the fact that this vehicle was recycled, if it was fixed up. The Member from Gimli would probably appreciate this. The superstition involved in a death car or possibly a refloated boat, that many people have a superstition they will not buy a boat that has sunk and been refloated.--(Interjection)--Well, also if you're a good businessman and you were the public you need some protection and the Minister of Consumer Affairs should be protecting the public because these cars from the dealerships do not require, and they do not have any warranty, and if the dealership finds out that this car has been written off will not give this car any warranty. And I'm talking about a late model car. I don't think the Minister of Consumer Affairs could guarantee the public that this car did not have a bent frame or faulty steering.

The resale of these vehicles has been a policy of failure by the members opposite, and in my opinion to remove the serial numbers, to remove them is to end human suffering caused by these unsafe autos written off by Autopac and now being redriven under questionable circumstances.--(Interjection)--If it doesn't take out of mytime, I'd be glad to answer one. No, I'll answer his questions after I'm finished.

Now we could get to the other part that I'm talking about which is the area that certainly interests the members on this side but should interest you as well, and I'm talking about the economics of my resolution.

It has been suggested to me that the NDP members opposite intend to go into the salvage business. And in the question period today the Minister did not say, he didn't deny my questions regarding this suggestion, a futuristic suggestion, and certainly the First Minister over there he takes a great deal of exception to me crystal-balling what you fellows are going to do, but you did admit that you had purchased land on Plessis Road, and I submit that when we're talking about futuristic predictions that you are going to be going into the salvage business. So if you want o hear the economics of my resolution and then make sense.

Let's take a few minutes to explain the government's salvage business as it appears in Saskatchewan. The Saskatchewan Government Insurance office have five salvage depots. They stock a large inventory of parts and they fill orders for garages, auto body shops and individuals who may be looking for a door or a windshield or a fender or something, and they have these throughout the province. One of the drawbacks of this business is that they don't have enough parts, and this has been the major criticism. Even with the lack of sufficient parts in 1974 they realized sales of \$1.9 million. Then after this takes place they still have the salvage, the scrap from the frame and the body of the car which goes to the Interprovincial Steel Company for crushing and shredding. Here in Winnipeg we have the general scrap shredder of Mandac and of course Manitoba Rolling Mills would just love to get this shredded scrap metal.

So, unlike the intention of my motion the Saskatchewan people they go into a

RESOLUTION 10

(MR. WILSON cont'd)reserve bid system, because they don't make the same mistake as members opposite and give the car away for low prices, on a contract basis or tenders - and I won't allude to any favoritism of who buys them - but you know if they're selling that low obviously somebody's buying them. They put a reserve bid on these and if the reserve bid at public auction or tender or contract is not met, then these cars are stripped and scrapped. Vintage models like Model Ts are spared for the collectors.

Manitoba doesn't have a policy of reserve bid so something must be done, and my resolution is an intent, and it's a suggestion to prompt debate and discussion, for what can be done with these written off cars. Even though I have many other thoughts, I'm basically going to stick with this particular one. You must realize the members opposite that during the lifetime of the auto the province they make all the money from this, they make all the revenue. They make the sales tax and gasoline, and they get the licence and they certainly make, according to the member for last year they made some money on the Autopace, and they basically seem to always be grinding money out of the automobile user in some form of taxation, licence fees, whatever. Probably next there will be toll highways. The Minister of Highways could comment on that, I don't know.

But I do say that it's obvious because of the money that they're deriving from the automobile that the members opposite have a duty to protect the taxpayer and they have a duty to get all the money they can back, ever last dollar from that written off vehicle, because that is a loss, and if we have a loss I know we have to get on to the plus side. I think by removing the serial numbers the used car people and the auto body shops they'll be no longer able to put these questionable cars back on the highway without a safety certificate.

You know, this resolution it does have much needed parts - they would be good for the used parts industry assuming that the member is going to go into competition with private industry. The used parts industry will certainly need these parts and we'll have a competition and we'll be bidding for these parts, and I would suggest that they'll bring several times the amount of the prices that we're enjoying today. And, you know, the average car - I've read this of course - weighs about a ton and a quarter stripped, and if scrap metal prices bring in the area of \$70.00 a ton, and down in the States as high as \$125 at times, then we're looking at a nice dollar from the government entering into discussions with the Manitoba Rolling Mills, or possibly it will be worthwhile to put that on a competitive basis and sell it to somebody south of the border.

We have many questionable cars, and I've referred to them in the Manitoba Gazette, which are of a pre 1969 vintage which anyone that travels to their summer cottage at the lake must look at some of these cars and say, I hope the government puts them to rest and gives them a safety check. At least let's make them roadworthy and safe.

MR. SPEAKER: Five minutes.

MR. WILSON: While these statements are made with the hope that this government with the City of Winnipeg will finally get on with the job, and I'm going to digress for a minute, of removing derelict autos from the open fields and back lanes within the City of Winnipeg and the outer rural areas.

You know, as a person interested in the environment and as a former Chairman of the Derelict Car Committee at the City of Winnipeg, I have some knowledge of what I am speaking about, when I talk about wrecks, because I have had to look at what is the difference between a derelict car and what somebody considers an antique, or what somebody considers Johnny's little car which he's going to use next year, or some transfer guy, even though the car is six-foot sunk in the mud says, "It's my spare truck in case my original truck gets involved in an accident." I've had to go through all of that.

I'm just saying that I know there's money in 'them there wrecks' and I can assure you having examined all the facts there that I'm really surprised that we haven't got on with the job of looking at that. And again this is the responsibility of the Minister of Mines who I believe tried to make some minor impact on the solid waste disposal by last year's Throne Speech had a sum of \$136,000, or close to that, for the disposal

RESOLUTION 10

(MR. WILSON cont'd)of solid waste. However, he discriminated against the City of Winnipeg, his own city, he did not allow any particular funds to be allotted to get rid of this environmental situation that exists with all these derelict cars scattered throughout the city. So I hope the Minister of Mines will look at a continuing policy to rid the province of these wrecks.

However, I hope I have convinced without digressing too much, that some of the new members, and certainly myself, I have a lot of ideas environmentally as well as in some small way in economics, which I hope the members opposite will look at and I hope that before a member of your family gets involved with a fatal accident, or an accident in which the cause of the accident is listed as mechanical failure, and the mechanical failure is then further researched and it's found out that it was a written off car from the NDPs Autopac Corporation, and I think you people have a responsibility to turn around and see that these cars which have been insured against death and have died and should now be put and laid to rest, and we derive the money from the car which is there to return to the taxpayers a lot more money than we are getting under the present government policy. And again I'll speak about this at a later date, closing debate.

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTONIAK (Minister of Highways)(Dauphin): Mr. Speaker, I'd like to say a few words on this particular resolution. After reading it over a couple of times and listening to the honourable member's comments, I certainly would like to say something on it, and particularly when the Honourable Member for Wolseley refers to the safety end of it. The other comments dealing with the MPIC as such I will leave to my colleague the Minister responsible for the Manitoba Public Insurance Corporation.

Mr. Speaker, when we look at the resolution as presented by the honourable member I don't think that anyone in his right mind would ever oppose the first "Whereas" where it reads as follows, and I quote:

"WHEREAS there is a need to ensure that all vehicles are roadworthy and in safe mechanical condition." Well, certainly I would think that that is a position that every member of this House and every person in Manitoba or anywhere in Canada, of course, would agree with.

However, as we go down the resolution and read some of the other comments I begin to wonder just what the honourable member is trying to achieve; and one of these things of course I understand that he is very much opposed to the fact that any vehicle that was involved in an accident and is written off should never appear on the road again. I certainly don't agree with that. I think that if the vehicle which has been involved in an accident, and of course depending on the age of the vehicle as well, that if that vehicle could be put back into roadworthy shape and retained by the original owner, I don't see any reason why this particular vehicle cannot be put back on the road providing it passes a safety check.

Now when I said about, earlier when I started to speak, that I would try to confine my remarks strictly to the safety end of it, because really that is our responsibility as far as the Department of Highways is concerned, and I think the honourable member said something to the effect that the Provincial Government hasn't done anything, or hasn't done too much in the way of safety for public vehicles. I beg to disagree with that comment because we have tried to improve our programs insofar as safety of vehicles is concerned, particularly mechanical safety.

If you recall, Mr. Speaker, prior to 1970 I believe, we had in the Province of Manitoba something that was established by the previous administration, a Motor Vehicle Inspection program which was strictly a voluntary program. Now I am not going to argue the point and say that it definitely was a worthless program, because it was not. There was some value in it, but as you know a voluntary program is a voluntary program, and those people who felt that perhaps their vehicle was not in too good a mechanical condition certainly - and I wouldn't want to say that everyone took that position - but I think many owners of such vehicles took the position that, why should they go into these inspection tests when upon inspection it will cost them some money to repair that vehicle, so they kept away from these test areas.

RESOLUTION 10

(MR. BURTNIAK cont'd)

We, I believe it was in 1970, we implemented a compulsory motor vehicle inspection program, which is administered by the Department of Highways and specifically the Motor Vehicle Branch. As a result, Mr. Speaker, we find that where less than 16,000 vehicles were checked prior to 1970, by 1975, when we created the compulsory program, we have something in excess of 28,000 vehicles that were inspected and this with only one unit. Now we have in 1975 increased that to two units, mobile units I'm talking about, and although the fact of the matter is that we instituted, or I shouldn't say instituted but we put the other unit into being late in the year, nevertheless that showed good results. And it is very interesting, Mr. Speaker, to find that of the number of these units that were called in, we find that only 27 percent of these 28,000 vehicles that were inspected in 1975, only 27 percent of these vehicles that were called in for inspection succeeded in passing the inspection on the first attempt.--(Interjection)-- That's right, and they never were involved in an accident in the first place. Of the 73 percent, 73 percent failed the initial inspection test. Eleven hundred vehicles, Mr. Speaker, were found to be in hazardous condition and, of course, immediately we proceeded to cancel the registration of these vehicles.

I might also point out that we are now in the process of inspecting trucks as well, and the failure rate on these vehicles is something like 71 percent. Our hope for this coming year with the two mobile units is to inspect, hopefully, something in the neighbourhood of 40,000 vehicles in the year 1976.

Now when you look down the resolution, Mr. Speaker, and you find that the honourable member says that as many as 30 percent of vehicles sold eventually return as new owner re-insured vehicles. I for the life of me cannot understand where my honourable friend gets his statistics from because upon checking with the Motor Vehicle Branch and also with the MPIC, I think that I'm correct in saying that that figure is nowhere near correct and where that figure comes from I don't know, perhaps the honourable gentleman can tell us.

But I would like to say, Mr. Speaker, that we did just a few months ago set up a pilot project which I referred to, I believe it was on Monday during the Question period, very very briefly, where we have taken 300 vehicles and we've monitored this, the registration of vehicles which were disposed of as salvage or were written off by the MPIC but were retained by the owners, and we've found that out of these 300 vehicles, 264 or 88 percent were not re-registered. So in other words that 30 percent certainly does not come even close. Nine vehicles or three percent still have their renewals outstanding.

Now the important thing to mention here, that every unit, and I want to emphasize that, that every unit that was re-registered was called in by the compulsory motor vehicle inspection unit. In other words before they were released they were brought in and were tested and were given a roadworthy sticker. Now this is a program that we have established, or we're trying to establish - as I say it's only a pilot project and we hope that we can increase this program or expand this program to get a better coverage of all these vehicles that may be involved in an accident and to be inspected before they go back on the road. However, that goes beyond the MPIC also, it involves the private sales, garage sales, and all that, so you can appreciate the tremendous amount of work that will have to be done if we ever want to accomplish this thing completely. But certainly we are trying to do that.

However, also I would say, Mr. Speaker, that when the honourable member is talking about the removal of serial numbers from these vehicles that were involved in accidents and written off, I would suggest, Mr. Speaker, that really I cannot see any reason for this because I would think that if we're going to follow through as much as we possibly can with the program that I've just mentioned, that in order to follow through with this type of a program, I'd say it would be mandatory to have a serial number so that these vehicles could be identified. So, Mr. Speaker, I would not agree with the honourable member that these vehicles that are written off, that they definitely have to

RESOLUTION 10

(MR. BURTINAK cont'd)be scrapped and not appear on the road, whether they are roadworthy or not.

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

MR. MINAKER: Thank you, Mr. Speaker. I'd like to make a few comments on this resolution that I support, that the Honourable Member from Wolseley has put forward for debate.

I think I heard the Honourable Minister of Highways correctly and I am quite surprised that a Minister of the Crown, particularly a Minister responsible for safety of vehicles on highways, to make some of the statements that he just has because it's obvious that the Minister hasn't given it much thought or he would not have made such statements. If I understand the Minister correctly, he said that he has no objection to cars that are being totalled to be recycled, to be used on his highways. Yet on the other hand, if I understand the Minister correctly, that at the present time they have no accurate way of following up this particular vehicle after it's been totalled, after it's been auctioned off or picked up by a person, and whether or not it's physically repaired to the limits that it should be to be safety worthy. Now if I'm wrong I hope the Minister corrects me. But it is my understanding at the present time that a vehicle can be purchased from the insurance company that has been totalled and can be put back on the highway if it physically looks okay.

And what I mean by that, Mr. Speaker, is the fact that I would suggest that the majority of cars that are totalled by the insurance company, Autopac, are done so on a basis of appearance. And what I mean by that statement is the fact that the estimator looks at the car and says it will cost X number of dollars to repair this, to make it look like it did before and presumably physically be able to operate: but I would think the majority of the cost is in putting the vehicle back into what it looked like before, whether it needs new fenders, new doors, and so on, because the majority of the cost would be related to this. I think the Honourable Minister responsible for Autopac would agree. But now what happens is the fact that these cars can be recycled if they're put back into basically half decent appearance but there's no guarantee that they are physically in condition to operate safely on our highways. I don't think there's any X-rays being done to those particular parts of the car that may be bent and out of shape and that physically they could be straightened out - I'm thinking of tie rods and so forth, your steering systems and so forth - that there is no real follow-up into what the conditions of the innards of the car are, and this is where probably the mechanical failure will occur; it will probably occur in braking systems or steering, and so forth, that I would concern myself if I was the Minister responsible for Highways, that vehicles were going back on the road that would be in this condition.

And particularly, if I understand the Minister correctly, at the present time the safety checks are random checks, that I presume you have a system that either ran them through the registry, your central registry, that every fifth registration on a vehicle over a certain year is called in to be checked, or maybe there's even random checks that you can volunteer and come in. I understand that still exists. And really to my knowledge the Minister hasn't advised the House whether or not when a car is totalled, whether there's a follow-up on that serial number so that--(Interjection)--it can be computerized, I'm sure it can be within the Highways Branch - that that serial number would be put down, that if anybody came in to apply for a licence under that serial number that they would automatically have to have a safety hazard check.

Now I don't know whether that exists or not but it would make sense, but even in that manner, I question, I question the Minister whether or not his testing equipment would be capable of knowing that the car that was totalled is physically not acceptable to drive on the highway other than the fact that they would check to see if the lights are correct, they would try the brakes, they would try the steering, and so forth. But no way would they look at the innards of that car to see if the tie rods or whatever was physically bent, the framework and so on, had been straightened out, whether or not mechanically they know whether that will hold up, whether there's any mechanical damage internally. And if I am wrong, I hope the Minister corrects me. What I'm talking about is internal X-rays of damaged parts.

RESOLUTION 10

(MR. MINAKER cont'd)

So, Mr. Speaker, that is why I'm surprised that the Honourable Minister would make a comment that he had no objections to recycled cars going back on the road if they were physically in condition. And my question mark is: Has his department got the capability to assure that the car is in physical shape, not from appearance alone but mechanically sound, that any damages which occur in a car are properly checked out.

The other objection I have to the Minister, or I cannot support the Minister's statement that, if I understand the Minister of Highways correctly, he thought that the owner who had the car totalled should have the right to purchase it back and repair it if he wanted. Basically this is what could happen. And I would ask the Honourable Minister, how often would he think that car should be written off because if we cite an example of what happens when a person buys his car back, I would say that he might buy it back for \$100 we'll say, you know, scrap value, and he got paid off on what the value of the car was estimated at by the Autopac. Now I would presume then that in that estimate of repair costs, or value of the car, would be repair rates for professional body repairmen, for new parts, and so forth, that that comes into part of the estimate of cost of whether you decide you want to repair it or scrap it. And I would presume that when the repair costs get very close to or exceed the value of the car, then obviously you give him the value of the car. Now I would presume that the same individual can now take that car home, jack it up, pound the dents out, spray it if he wanted, and so forth, and put it back on the road. Now if he totals the car again, what guarantee have we got, what guarantee have you got how much repair was done to that car prior to it being damaged?--(Interjection)--No, what kind of guarantee have we got? Have we got a system going here where a person totals a car at \$700 and he puts it back on the road for \$100 repairs, he gets into another accident, you say, well that car now is only worth \$600.00. So I can't buy the argument of the Honourable Minister of Highways that, you know, recycle these cars, there's nothing wrong with them.

I think really in defence of the resolution before us, Mr. Speaker, the Honourable Member from Wolseley I think is putting forward a resolution that hopefully will help out Autopac, will help out the Highways, that they will assist the department while eliminating this risk that these cars are being put back on the road. They might physically look okay but internally and mechanically they're not okay and that they will cause damage, they will cause deaths, and they will cause . . . Mr. Speaker, I think . . .

MR. BURTNIAK: Will the honourable member permit a question?

MR. MINAKER: Yes, when I'm finished, thank you. So that I cannot support the comments of the Honourable Minister of Highways and I believe if he has listened to the Honourable Member from Wolseley and looked at his resolution, that he realizes that the member is trying to assist his department, he's trying to assist the department responsible for Autopac, that he believes this is a simple straightforward method of eliminating this risk, making the highways more safe to travel on and to make the people that might try and take advantage of the system, eliminate it.

And I might suggest as another precaution as well, would be - if it's not already done and I can't understand why it wouldn't be done - that the serial number of the car be put on the computer, both at Autopac and at the Highways Branch, so that when someone comes in to get a car registered, it's just a matter of feeding into the computer the serial number. It kicks out and says this car has been recycled and it should have a road test. And again I question whether - and I hope that someone on the government side will advise if the road test . . . that safety checks are capable of internally X-raying certain physical parts of the car. I question whether that's possible. But that's one of the problems we might have with, say, a head-on collision or a side-swipe. There are parts of the car that can be bent out of shape, they can be possibly straightened back but we don't know the physical strength of that particular part of the car once it has gone through particular exercise.

So these are the concerns that we have when the Honourable Minister has made this statement that he does not object to cars being recycled. And I hope that the government members will possibly answer some of these questions that I have raised during this part of the debate. Thank you.

RESOLUTION 10

MR. SPEAKER: The Honourable Minister in charge of Public Insurance Corporation.

MR. URUSKI: Thank you, Mr. Speaker. Indeed hearing the honourable members opposite in taking part in this debate on the resolution by the Honourable Member from Wolseley, I first will deal with some of the comments made by the Honourable Member from St. James as I received them.

The Member from St. James indicates that the safety check or the Minister of Highways is really not that interested in the safety of vehicles, as he would allow vehicles that have been involved in accidents back on the highways.

A MEMBER: Totalled vehicles.

MR. URUSKI: Totalled vehicles. Mr. Speaker, the Minister of Highways certainly did not indicate that. He, through his comments, has indicated that there is an attempt being made by his safety division to ensure and attempt to ensure that vehicles are safety checked and put back on the highway in a relatively safe condition. But the vehicles that you are speaking about, and there are two different classes of what would be considered of totalled vehicles. Vehicles that would normally come back on the highway would be the vehicles - I believe that the Honourable Member from Wolseley has indicated - would be the six years and older, six to ten year old cars, those cars that relatively on the market today are running anywhere from \$1,500 downward in retail value. Well, Mr. Speaker, today with the cost of repair work, body repair work on the market and the cost of repair parts - a vehicle can be involved in an accident, can have a dented fender, the grill pushed in slightly, the chrome around the light knocked out, very slight damage. Appearancewise the damage appears slight but when you total the amount of repairs and add them up they exceed or come very close to the value of the vehicle on the market. As a result many of those cars are written off.

The car is written off with no apparent damage to any of the power train, to the steering column, to the tie rods, to the wheels, no damage whatsoever, or to the frame. But there is body damage that exceeds the value of the car. As a result when the cost of repairs to the claimant, including depreciation on parts if the car is old, because the Corporation, if it cannot obtain used parts then of course has to indicate that new parts will be put on. However if there are parts on a motor vehicle that are of a nature that tend to wear out, that are of a wearing-out nature they will be depreciated. As a result there is a depreciation factor worked into the repair costs. Therefore there are many vehicles that are written off that do not necessarily have any damage to the power train or to the steering column or to any of the parts that would be considered and would be tested, normally tested by the Motor Vehicle Branch as being safe, like the tie rod ends, the wheels, the tires, or the frame. These parts would not have even been touched in the accident but yet the motor vehicle is written off. So it's not quite as simple as that, that some of the written off vehicles of an older vintage are in effect in an unsafe condition.--(Interjection)--I'll permit a question when I am finished.

Mr. Speaker, the Honourable Member for St. James indicated that the Motor Vehicle Branch Safety Check does the checks primarily for cosmetic looks or checks. That isn't so, Mr. Speaker. The Safety Division doesn't look primarily at the body condition or whether the chrome strip is off or anything like that when they check a vehicle. They do exactly the opposite. They put the vehicle through a - I happen to own a six-year-old vehicle and I happen to have been called in for a safety check this last summer. I have a 1970 car and the check that I went through, relatively simple and very effective, was a check initially for the lights, whether the lights are properly focused; secondly there was a test on the brakes; then additionally there was a test of the signal lights and the clearance lights, the front and the back were checked; thirdly was the braking power and lastly the vehicle was put up on a jack and the tie rod ends and ball joints were checked by a very simple and cursory procedure which will give some indication to the inspector whether or not the front end is out of alignment, whether or not the ball joints on the steering are worn, or whether the tie rods are worn. The physical appearance, Mr. Chairman - oh, another check that is made is of

RESOLUTION 10

(MR. URUSKI cont'd)course the condition of the tires, whether or not the tires are worn or not. But the appearance of the car, unless the appearance is of such a nature that hinders the driving ability of the owner, then they would not be concerned whether it had a dent in the back fender or something like that.

There is another point that the Member for St. James made with respect to whether or not the vehicle should be written off more than once. Well, Mr. Speaker, the member is absolutely right. There are some people who, through the process of having their claims settled, want to retain the salvage value of the vehicle. They take the salvage vehicle, less that value, and they take a cash settlement as they would in comparison to settling for a cash settlement and the Corporation retain the vehicle. So the option does remain as is the fact now with the Corporation, as was the fact prior to Autopac, the settlement of vehicles that have been written off has not changed. So that the owner today can retain the salvage because the vehicle by law is his until the claim is settled and settled in a way that he deems desirable. He can retain the salvage.

Mr. Speaker, if a vehicle is roughly repaired, say a few dents just banged out and the vehicle is not repaired to the condition that the estimate originally called for even though the vehicle was written off, it is not very hard for an experienced body man or an estimator in a claims centre to say, "Look, all you did was just bang out a few dents. Look at all the old damage that is left." If that vehicle should come back in again with damage that previous damage would be deducted from the value of the vehicle. It would be considered in the next or any other settlement. Should that vehicle come back to the claims centre again, the previous damage would be taken into account.

Mr. Speaker, the honourable member for Wolseley in his resolution stated, and the Minister of Highways commented on it as well, that as much as 30 percent of the vehicles sold eventually returns as new owner reinsured vehicles. I really don't know where he gets that figure. I believe that he just plucked it out of the--(Interjection)-- Evans Bureau of Statistics. Mr. Speaker, I don't believe that the total amount of 30 percent of the owners do keep their cars. If they do, not necessarily will the vehicle be put back on the road. I hope the honourable member isn't saying that every time that a vehicle that is purchased privately or the salvage retained from the Corporation that that vehicle automatically comes back on the road. That I don't believe is the case and I certainly don't believe that the percentage - because we do not have a percentage, an accurate figure from our statistics as to what vehicles are put back on the highway.

But, Mr. Speaker, he makes the point that all vehicles should be sold for repair parts and sold to the salvors rather than to private individuals. Well I want to tell him, Mr. Speaker, that in 1971 and '72 the Corporation did have a policy and did sell all its vehicles to the salvors in the province. Mr. Speaker, when we calculated the return per vehicle as compared to the returns that we are receiving after we changed the policy, when we sold all the vehicles to the salvors we were receiving less than half the returns that we are receiving for the vehicles today. The salvors have come into the province and have said look, sell us all the vehicles. Give us all the vehicles and then the vehicles will not come back on the road. I have indicated to them that we would be prepared to have those vehicles go to them provided that they give us a return in comparison per vehicle, as the only comparison we could make, as to the Saskatchewan Government Insurance Office, on a percentage basis. They have not agreed to this day to give us that type of a return per vehicle if we allow them to have all of the vehicles.

Secondly, there was another stipulation that we made, that the parts that they do sell on the open market to the consumer, to the body shops or to anyone who wishes to purchase a motor or some part, would be retailed in a similar manner as is done in Saskatchewan at 50 percent of the retail price and downward for slightly more damaged parts. They have not agreed to that proposition insofar as having a return on salvage and providing the consumer a fair price for used parts. Because, Mr. Speaker, I'm sure the Honourable Member for Wolseley can relate stories of the price of used parts and the so-called competition and the prices that are demanded today and are in many instances received, because of the shortage of parts, by the used parts dealers for used parts.

Mr. Speaker, the Member for Wolseley indicated that the vehicles that the

RESOLUTION 10

(MR. URUSKI cont'd) Corporation writes off are worthless, that they are junk and derelict. Well, Mr. Speaker, that is the farthest thing from our mind. Those vehicles that are written off, they represent a very substantial amount in value of parts, in value of salvage, in future values with respect to the costs of repair work when we are dealing with the total cost of accidents and repairing of vehicles. Those vehicles at present, Mr. Speaker, are ranging - the average value of a salvage unit ranges nearly in the amount of \$300 per vehicle and I would say, Mr. Speaker, that that amount is very low, that the amount that we are receiving is very low. But when you compare it to the amount that was received several years ago it was considerably higher when we sold them all direct to the salvors.

Another comment that he made, he read from the Gazette about vehicles being sold and being unsafe. I presume, Mr. Speaker, he is indicating that he is speaking about cars that are being sold either under The Garagekeepers Act, are being sold as per repossession or seizures by towing companies, by bailiff companies, or any other firms that do repossess vehicles, or vehicles that were illegally parked and abandoned and these kinds, those are the vehicles he is talking about. He is not speaking about the vehicles that are sold by MPIC.

He also made a comment that there could be more money brought into the Corporation for the return of used vehicles. There is no doubt, that is one point that I will agree with him, that the return on salvage is low, that we could further maximize our returns on salvage and increase the number of used parts on the market which would have an impact in the repair cost for the Corporation and would end up as a lessening in the total cost of repairing automobiles and claims in the Province of Manitoba. That portion I agree with him.

He also indicated, he made futuristic predictions or at least he indicated to me that he could guess or read between the lines that the Corporation would end up in the salvage industry. There is no doubt in my mind, Mr. Speaker, that the Manitoba Public Insurance Corporation will at some future date end up in the salvage business. There is no doubt. I am very pleased that the Member from Wolseley supports an increased return for salvage that should be retained by the Corporation and he has indicated that. I look forward to his support from the comments that he made, with the Corporation eventually wrecking some of its own vehicles and providing a greater number of used parts on the market, more so than is the case today.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: Mr. Speaker, on a point of privilege. I at no time said that I was applauding. I was just attempting to get an answer from the Minister, whether he was going to go into the salvage business and he has now answered that question.

MR. SPEAKER: It's not a matter of privilege. The Honourable Minister.

MR. URUSKI: Mr. Speaker, there's no doubt we have had discussions with the salvors and we are continuing discussions with them in this vein. We have asked for the salvage operators to set up a central clearing house which would be a benefit, irrespective of whether the Corporation does any salvaging on its own or not; the salvors would enter into a central clearing house for the sale of used parts and we have had an initial response, a good response. But then they came back and said that they were not prepared to set up this type of a facility to accommodate the sale of used parts for the Corporation. I believe that it's still in the interests of the Corporation and of the salvage operators that if they wish to maximize their sales of used parts that it would be in their interests to set up such a facility even though the Corporation may at some future date enter into competition for the sale of salvage parts. I know that the Saskatchewan Insurance Corporation - it's been in the salvage operation for many years and it still to this day only supplies about 40 percent of its needs on the used parts that it can produce on its own.

Mr. Speaker, in indicating that the resolution, the first part of it is a part that no one can disagree with, it is what I would consider a motherhood issue. The rest of the portion of the resolution as has been indicated by the Minister of Highways and myself, has some basic. . .

MR. SPEAKER: Order please. The Honourable Minister will have three minutes the next time we get to the resolution.

The hour being 5:30 I am now adjourning the House and the House stands adjourned until 2:30 tomorrow afternoon. (Thursday)