

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 28 May, 1982

Time — 10:00 a.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . .

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. J. STORIE:** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again.

I move, seconded by the Honourable Member for The Pas, that the report of the Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** Presenting Reports By Standing and Special Committees . . .

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. L. DESJARDINS:** Mr. Speaker, I thought that the House would find it helpful to have a brief report on the results of the Federal-Provincial Conference of Ministers of Health which took place in Ottawa on Wednesday.

The meeting was convened by the Minister of National Health and Welfare to present our government's proposals for a new Canada Health Act; legislation which would incorporate the program aspects of existing hospital insurance and medicare legislation and which would define more precisely the principles and conditions, the national standards, under which those programs operate.

The legislation would also spell out a process for resolving disputes over whether or not these conditions were being met.

I will table copies of the Federal Minister's proposals along with my own opening statement and the joint communique which was issued at the close of the conference.

In outlining the reviews on clarification and strengthening of program conditions, the Federal Minister emphasized that our proposals were just that, proposals, which will be subject to review and negotiation in the coming months.

I believe most provinces were encouraged by the fact that the Federal Minister made a clear commitment in a joint communique that even though she hopes to be able to introduce new legislation in 1983, the federal-provincial discussions will be permitted to take as long as reasonably necessary to reach consensus. That commitment should, I hope, rule out unilateral federal action. At the same time, our province and others did express concern that at the same

time the Federal Government wants to see a strengthening of conditions and some expansion of insured services, it apparently is not in a position to offer any more financial support for health programming. In our view, that is an inconsistent position.

Virtually all provinces pointed out our recent federal transfer payment cutbacks had already caused serious budgetary problems and it is worth noting that the communique makes reference to the constraints imposed on health insurance programs by current economic difficulties and by recent changes in inter-governmental fiscal transfers. The federal proposals and alternatives will be discussed on a priority basis by officials this summer and there will be further Ministers' meetings starting in the fall to review the results of their work.

At our suggestion, an official's group would also be established to exchange information on various aspects of fee negotiations with the medical profession. While provinces are already in regular communication on the subject, this committee will facilitate the information exchange process. Members will also be interested to know that I questioned the other provincial Ministers on an informal basis about their government's views on binding arbitration as a mechanism for establishing rates of compensation for physicians and other health professionals. Of the nine provincial and territorial Ministers present at the Ottawa conference, only one indicated that his government would be prepared at this time to endorse such a system. Overall, I thought the meeting was quite useful and a promising start to a process which I hope will see important improvements to safeguard our national health care system, a system which the Federal Minister correctly described as one of Canada's greatest social policy achievements.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. B. SHERMAN:** Mr. Speaker, I wish to thank the Honourable Minister of Health for his report to the Legislature on the federal-provincial meeting which he has just attended on Manitoba's behalf. I will look forward with great interest indeed to the opportunity in the hours immediately ahead of reviewing the opening statement to the Conference made by the Minister of National Health and Welfare, the Honourable Monique Begin and to the statement made by the Minister of Health for Manitoba, the Minister who has just reported to the House.

I thank him for his description of the climate and atmosphere of the meeting just concluded and I take some heart and I'm sure all Members of the Opposition do, and all members of the House do, from the impression conveyed through his statement that the meeting was positive, constructive and co-operative.

I think it's particularly gratifying that according to the Minister, the Minister's federal counterpart, the Minister of National Health and Welfare, recognized the absolute necessity for consultation and for a flexibility among the Health Ministers of Canada in dealing

with the problems and challenges facing the Medicare system and the health care system in the country today. In the past there have too often been declamatory positions taken, tied to strict and rigid time frames; that, of course, provides no environment for solution and no environment for progress or co-operation. I think we are all happy to see that there appears to be an understanding and a recognition on Ottawa's part that these problems must be addressed conscientiously and that requires time, care and flexibility.

I would only say to the Honourable Minister of Health that I would not place too much confidence in initiative and leadership in this field from the Federal Government. I don't intend to be too partisan in my remarks, Mr. Speaker, but I must say that my own personal experience is that the initiative for change and progress and for necessary improvement in this whole field is going to have to come from the provincial Ministers, from this Minister and his provincial counterparts.

It's gratifying to see that the federal Minister has taken a positive, constructive and co-operative tone but the Minister for Manitoba should not interpret that as representing, at this point in time, an indication that the Federal Government is determined to solve this problem constructively. He and his provincial colleagues are going to have to maintain the initiative in that area and we will be co-operating with him as responsibly as possible.

Thank you.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Speaker, as Minister responsible for the Manitoba Housing and Renewal Corporation, I'm pleased to announce that the new Critical Home Repair Program, which was introduced as part of this government's commitment to improving and rehabilitating housing throughout the province, has proven very popular with the people of Manitoba.

It should be recalled that the original Critical Home Repair Program established in 1975 by the previous New Democratic Party administration was also very successful, but was allowed to run down considerably over the last few years. When we examined the program upon taking office, it was obvious that the initial eligibility restrictions which were necessary at the time were no longer appropriate and were preventing homeowners from getting assistance that they needed. As well, no adjustments had been made to the program to take account of the effects of inflation.

Accordingly, we raised the income qualifications considerably and increased the maximum benefits by 50 percent. The response to these changes has been very positive. From our experience with the earlier program, we expected a take-up of about 6,600 applications in the first year. It is now evident that we will exceed that figure. By May 27th, we had received 3,998 applications and more are coming in at the rate of 1,000 per month, though this should taper off by midsummer.

To handle this increased work load, I have authorized Manitoba Housing and Renewal Corporation to expand the CHRP department significantly. Seven

new inspectors have been taken on staff and more will be hired if necessary. Of the applications received to date, 400 have been approved and contracts awarded, 246 have been cancelled or transferred to other programs such as the Federal Residential Rehabilitation Assistance Program and another 440 have had inspections carried out and bids solicited from contractors. As the new staff gain experience, program delivery is expected to balance the new applications being received. In any event, the backlog is being monitored closely and as I stated earlier, more staff will be taken on if deemed advisable.

Historically, about two-thirds of the total program activity has taken place in rural Manitoba. This is attributed to the generally lower incomes and older housing stock outside the City of Winnipeg, plus the fact that there is a significantly higher proportion of pensioner homeowners in rural areas. This take-up pattern is continuing and of the \$416,450 committed for the 400 applications approved so far, \$309,800 has been for the rural areas of the province and \$106,650 has been for the City of Winnipeg.

I should also point out that MHRC inspectors also deliver the federal RAP Program throughout a large part of the province. I consider this to be an excellent example of co-operation between the Federal and Provincial Governments which benefits the citizens of Manitoba. MHRC is also offering assistance to the City of Winnipeg, delivering the federal RAP Program on their behalf in the core area of the city until their inspection staff are able to take on the program.

As you know, the Core Area Initiatives Program is a very complex and extensive undertaking and I'm happy to have the province provide this assistance through the early stages. I'm firmly convinced that reactivation of the Critical Home Repair Program is in the best interests of all Manitobans, as it will enable a large number of citizens to improve their living conditions and at the same will provide a stimulus and employment for the housing industry which has been particularly hard hit by the current economic recession in Canada.

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

**MR. G. FILMON:** Thank you, Mr. Speaker. I'm rather surprised at the tenor of the announcement since the Minister is not announcing any new program or policy at the moment. It seems to me that he is abusing his privilege in the House under Ministerial Statements simply to make a partisan political statement at this time and it's interesting to note that earlier this week, he seemed to have no idea of the fact that his department was several thousand applications behind in processing the Critical Home Repair Program, applications that have been coming in largely as a result of the \$50,000 or \$60,000 advertising program and the enhancement which his department should have known was coming.

Mr. Speaker, we, on this side, are very familiar with this program enhancement because it results from the recommendations and the policies that were developed under our government by the MHRC Board that was appointed in accordance with our government's direction that these enhancements were developed. And as we went through this in the Minister's Esti-

mates, Mr. Speaker, we certainly made him aware as I showed him copies of the information that had been developed at our request for this program enhancement. The Minister also should have known, Mr. Speaker, that the major factor that has caused the influx of applications is the fact that homeowners can now reapply for a second grant which had not been possible before and so obviously there are many thousands out there, who had had a grant in the first five years of the program, who are now reapplying, and understandably so, which was part of the whole rationale that we had in developing this enhancement to the program.

I would say, Mr. Speaker, it's interesting . . .

**MR. SPEAKER:** Order please. Order please. Order please.

**MR. FILMON:** . . . to note how the Minister is scrambling to try and appear as though he's helping so many thousands of Manitobans after his government has dealt them some severe body blows by virtue of having most of the property taxes on average homes in this city go up almost \$200 this year, as a result of the inappropriate policies in housing that they've been bringing forward. I think we'd be a lot better served in this province if they'd be concerned about helping people who are in their homes to maintain their homes by controlling the property taxes through a proper system of equitable treatment.

So, Mr. Speaker, we welcome the announcement by the Minister that he has finally awakened to the problem that many of us already knew from many phone calls that were coming to us daily, existed as a result of the fact that his department was not set up to deal with the matter which they should have known was about to happen. Mr. Speaker, I hope that he doesn't allow it to happen in the way it did under the former NDP Government where they ran several thousand applications behind and it was taking months and months for people to get a Critical Home Repair Grant application dealt with.

Perhaps this Minister, as a result of the prodding from the Opposition, now knows what he has to do in order to run his department efficiently.

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

**HON. R. PENNER:** If I may be permitted a completely nonpartisan three-sentence response to the acting Opposition House Leader on forthcoming bills at this time rather than take up time during Question Period, in addition to the bills now on the Order Paper, it is anticipated there is yet in preparation an additional 11 bills, but only 4 of these are bills of any substance. Now, this is an interim report and by next Tuesday or Wednesday, I would hope to be in a position to report to the House whether or not there is any intention or expectation of dealing with all of those on the Order Paper in preparation for the end of the Session.

**MR. L. SHERMAN:** Mr. Speaker, I thank the Honourable Government House Leader for that information.

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

## INTRODUCTION OF BILLS

**HON. J. COWAN** introduced Bill No. 43, An Act to Amend the Public Schools Act. Loi modifiant la Loi sur les écoles publiques.

**HON. A. MACKLING** introduced Bill No. 47, An Act to amend the Fisheries Act. (Recommended by Her Honour, the Lieutenant-Governor)

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 48 students of Grade 9 standing from the Hedges Junior High School under the direction of Mr. Mayer. This school is located in the constituency of the Honourable Member for Assiniboia.

There are also 65 students of Grade 8 standing from the Cecil Rhodes School under the direction of Mr. Enns. This school is in the constituency of the Honourable Member for Inkster.

There are 75 students of Grade 5 standing from the Parc La Salle School under the direction of Miss Redman. This school is in the constituency of the Honourable Member for St. Norbert.

There are 45 students of Grades 5 and 7 standing from the Victoria School under the direction of Mr. Neufeld. This school is in the constituency of the Honourable Member for Portage la Prairie.

There are 45 students and 6 adults, Grades 4 to 9 standing, from the Kola School under the direction of Mr. Koop. This school is in the constituency of the Honourable Member for Virden.

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

## ORAL QUESTIONS

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

**MR. J. DOWNEY:** Thank you, Mr. Speaker. In view of the fact that it's almost a daily occurrence that we see in our daily newspaper major layoffs by companies in Manitoba, and in view of the fact that today we see a layoff of some 1,150 people at Versatile and many people at the Co-op Implements Plant and particularly Versatile, Mr. Speaker, where during our term of office we saw a major expansion of that plant and major employment opportunities develop, could the Minister of Economic Development assure this House, the employers and the farm community that get the equipment from that particular company, as well as CCIL, that these are just short-term job layoffs and not a major cutback in the employment opportunities and the jobs that have been created during our term of office?

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

**HON. M. SMITH:** Mr. Speaker, I know that the honourable member shares with this side of the House our deep regret at the pattern of layoffs and indeed of bankruptcies afflicting us all. We recognize, of course, that many of these are the result of the overall reces-

sion about which we can do something, but we can't remedy the basic problem.

The Versatile Company is one of the very aggressive companies in the province. They have been in sharing with us their plans and in fact their orders for a greatly expanded international trade, but they too are affected by the ups and downs in the market that are hitting everybody else. They are one of the companies, however, that does have a long-term sound prospect for development and I think that we can be quite confident that they are going to remain viable and strong.

None of the companies that we're dealing with today are able to cope single-handedly with the market situation. They all require some kind of remedy to the underlying problems that are causing these great ups and downs and that, to the honourable members opposite, is why our government favours a degree of economic co-ordination and planning and we will be doing our utmost to see that Manitoba companies benefit from more of that co-ordination to help with the ups and downs and help allay the worst affects of that system in the future.

**MR. J. DOWNEY:** Mr. Speaker, let me assure the Minister that we share the concern for the employees and the employers that are involved, but I cannot associate this party's side, Mr. Speaker, with the commitment that they made last fall that no one in the Province of Manitoba would lose their job under an NDP Government. Mr. Speaker, we can in no way associate ourselves with that kind of a false statement that was made.

To the Minister responsible for Co-operative Development in this province, Mr. Speaker, could the Minister tell us precisely what the provincial commitment is towards the support of CCIL, who are also laying off jobs, and will this layoff in any way endanger the taxpayers' money that has been put up to support that company, and does the employer or the payroll tax that has been imposed on that particular company, is there any consideration given to alleviate that company of that payroll tax, seeing that on one hand he is helping the company and on the other hand giving him a discriminatory kind of tax against both the employer, the employee and the farmer who is using it? What is the precise amount of support that Co-op are receiving from the province and could he give us that information?

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

**HON. A. ADAM:** Thank you, Mr. Speaker. I can advise the honourable member that the approximate exposure of the Provincial Government in regard to assistance to Co-operative Implements is a loan guarantee made back in 1978 of \$2,800,000 in the form of a loan guarantee. The latest financial assistance package is \$2.975 million for a total of approximately \$5,000,700.00. Of course, the CI is affected in the same way as practically every implement manufacturer on the North American Continent. Mr. Speaker, they are affected in the same way by high interest rates, low farm income as all the other major companies, even John Deere, which is one of the major and

the most successful companies in the history of North America. They are also having a very difficult time of it.

We have assisted C.I. to continue operating and we hope that the economic situation of the agricultural sector will improve and that they will be able to keep on operating in a profitable way. That has not been possible up to this point in time and that is why the three prairie provinces, the Federal Government and the Co-operative movement themselves have come forward with a financial package to enable them to continue operating.

In regard to the second part of the question, I'm sure that the Minister of Finance has advised the House, this is a question that has already been dealt with in the House. They will be affected the same as every other company in Manitoba, but the Minister of Finance has indicated that he will be reviewing those situations where there is hardship. I know the member heard that before and I tell him again but, Mr. Speaker, we certainly hope that the economy of the agricultural area improves, otherwise there are going to be a lot more companies going under.

**MR. SPEAKER:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Speaker, in view of the answer given by the Minister of Co-op Development that the initial support for CCIL came under our administration and the fact is now that under his administration he has imposed a 1.5 percent tax on top of the CCIL, a manufacturing plant as well as Versatile, can he assure the farm community and the employers and the employees at CCIL that he will make representation to his Minister of Finance because they are in a hardship situation? He admits that they're in a hardship because of his financial contribution to that plant through government funds, Mr. Speaker. If that isn't the reason for contribution of funds, what is? He admits that they're in a hardship case. Will he make representation to the Minister of Finance to remove that payroll tax from the farm community, Mr. Speaker? That is a tax that is not imposed on John Deere and those other companies. It's a penalty tax for people wanting to do business in the Province of Manitoba. The question is: will he make representation to remove that payroll tax?

**HON. A. ADAM:** Mr. Speaker, we will be reviewing that. The Minister of Finance has indicated that where there are adverse effects, that we will be reviewing that and that statement remains.

**MR. J. DOWNEY:** Mr. Speaker, a final question to the Minister of Agriculture. Can he assure the farm community, people who have made large investments in either CCIL equipment or Versatile, that the layoffs that are taking place at the implement manufacturing places that we have mentioned and talked about, because they have made large investments, are they going to be assured of service, repairs and supplies to keep those machines operating that they have bought in good faith? Mr. Speaker, can he assure those investors in that farm equipment in any way that investment will not be jeopardized with the layoffs and the shut-downs of the plants in Manitoba?

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

**HON. B. URUSKI:** Mr. Speaker, I can give the member as much assurance - as I know he is a great supporter of market economy - and as one can give any kind of assurance in the market economy, I can probably give that member that kind of an assurance.

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

**MR. A. DRIEDGER:** Thank you, Mr. Speaker. My question is also to the Minister of Agriculture. After finally consulting with some beef producer groups, is the Minister now prepared to change the three most undesirable aspects of his Beef Stabilization Program: namely, the six year tie-in, the compulsory finishing of feeders and the state-central marketing system?

**HON. B. URUSKI:** Mr. Speaker, I'm pleased now that maybe some members of the Opposition realize and are beginning to realize that the program when it was announced was to be developed by the beef producers of this province, that we announced the basic principles of the plan and that the producers themselves will be working the plan out. Mr. Speaker, those kinds of details and discussions are now being handled by and have been handled by the Beef Producers Advisory Committee in the various regions and they will be making recommendations to us in terms of how best to bring about their plan in terms within the parameters that we have put out.

**MR. A. DRIEDGER:** Mr. Speaker, to the same Minister, then I can only assume by his answer that he's finally gotten off that rigid position he had on those three principles and is saying that the producers now can work out their own program. A question that I have - can the Minister indicate how many applications have been received under his Beef Stabilization Assurance Program?

**HON. B. URUSKI:** Mr. Speaker, to the Honourable Member for Emerson, I want to tell him that I have never had a rigid position on any matter and I believe in terms of the meetings that I've had with many groups, I've always been open and flexible to suggestions that people have made and those, of course, all the suggestions that have been made are being reviewed by the committee who will be making recommendations to me. Mr. Speaker, the producers have indicated that it is taking them time to develop the program and that they will be coming up, hopefully, with recommendations on the specifics of the program by the end of June.

**MR. A. DRIEDGER:** To the Minister of Agriculture, contrary to what he indicated, he stood in this House not that many weeks ago and indicated that the three principles were not flexible at all. He is now indicating that they are flexible. I'm just wondering, when did the Minister change his position in terms of the hard position that he had at one time. He is now indicating that the producers can form their own program.

**HON. B. URUSKI:** Mr. Speaker, the principles that I have announced are within the program and within the parameters in which the producer groups are developing the program. Mr. Speaker, there is more than one way of accomplishing the principles and those kinds of suggestions are coming forward. In fact, I give credit to the producer groups for many ingenious suggestions as to how to better bring about equity in the marketplace for producers. There are many ways, there have been many good suggestions made and the producer groups are working them out to find out how the program can be implemented and developed.

**MR. A. DRIEDGER:** A final supplementary, Mr. Speaker, and I know it's possibly repetitive, but could the Minister indicate how many applications have been received?

**HON. B. URUSKI:** Mr. Speaker, I believe the question is quite facetious from the Honourable Member for Emerson. The member should well know that the program is being developed by the producers, Mr. Speaker. The program is not in place at this point in time and when it is, fortunately, we can take some consolation that the marketplace has provided better returns to producers in terms of the increased market prices on beef and that producers are receiving some of the benefits from the marketplace. Some of the benefits, Mr. Speaker, at least that we know the marketplace hasn't been able to provide producers in terms of long-term stability and that's the basic reason for this program.

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

**MR. D. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister of Agriculture and it stems from the confusion of his answers this morning. My question is specifically to the Minister.

Do the parameters that he mentioned in his first answer to my colleague, the MLA for Emerson, still include a rigid insistence by the Minister that the program be of six-year terms and involve a compulsory marketing of all animals through a Beef Marketing Commission established by the government? Are those two principles still parameters insisted upon by the Minister of Agriculture to the committee developing this program?

**HON. B. URUSKI:** Mr. Speaker, the only confusion that there might be is probably in the mind of the Member for Pembina. That's the only - he may have his confusions.

The details of the program and there are - we've indicated that on the basis of recommendations we received from the MCPA in terms of the program that was given to us as recommended by the Cattle Producers Association, it was recommended to us that the minimum contract period of time in order to make a self-insuring program operate and be viable would be a minimum of six years. In fact, it went from 6 years upwards to 10 to 15 years, Mr. Speaker. We used that recommendation in terms of the development and the announcement that we made, but there are other ways of accomplishing the viability and the financial integ-

rity of the program and they are being reviewed. There have been suggestions made by the producer groups and that is an open question.

Mr. Speaker, the Member for Emerson now seems to say that he already knew the answers. He should have communicated those concerns to his Cattle Producers Association who made those recommendations to the government.

With respect to the question of marketing, Mr. Speaker, the Cattle Producers Association has come and said yes, we agree that producers should have greater equity in the marketplace between producers and they have ideas as to how this can be accomplished. We are taking those suggestions, but certainly in discussion with the producers, a final decision will be made by July, based on the recommendations that they come up with and we will see what the end result will be to make sure that there is greater equity in the marketplace for producers of beef cattle.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. Well, I almost hesitate to admit, but the Minister in his answer has still got me quite confused as to whether he has insisted in the development of this emergency Beef Stabilization Program, which now is put off until July, as to whether he as Minister is still insisting that all producers signing up to that program must market their beef through a soon-to-be established Beef Marketing Commission. He has not answered that question. Is that one of the parameters that he is insisting be part of the program: namely, compulsory marketing by participants through a Beef Marketing Commission?

**HON. B. URUSKI:** Mr. Speaker, the member should well remember in this Legislature that there were two commissions inquiring into the marketing of red meats in this province. One in the 60s and one in the 70s, Mr. Speaker. One of the major findings of those inquiries was that there were inequities between producers in the marketplace, that producers received vast differences in terms of returns for the same quality and the same grading of cattle market at the same point in time.

I think the Member for Lakeside, who is looking on, probably well remembers and should remember that some of the recommendations made by those inquiries was that in order to bring about equity in the marketplace, that cattle should be marketed through a central marketing agency. There have been suggestions made by producers that producers should be involved in the marketing of cattle as well in the process, but in order to administer the program a central agency would be set up. Those kinds of options are being looked at, but in terms of having a central agency to administer the program and deal with the marketing, those principles stay within the plan, Mr. Speaker.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. Well, the Minister still hasn't answered the question as to whether that's one of the parameters. Is he still insistent on a Beef Marketing Commission that was rejected by 78 percent of the farmers in 1977?

**HON. B. URUSKI:** Mr. Speaker, the member should

well remember that the beef producers voted on a Beef Marketing Board in terms of a producer-elected board which his Leader of the Opposition during that period time told producers that it was being forced on them. Your party, while producers were being given a vote and it was being forced on them, Mr. Speaker, by giving them a vote, at that same time the then Leader of the Opposition, the former Premier of this Province, said that it would be his government who would sit down with producers and would develop a meaningful program in 1977 when this vote was being taken.

We see what kind of a program has been developed over the last four years after they ruined a basic program that assisted the beef producers to survive in the Province of Manitoba, Mr. Speaker, over some very difficult years. The producers came to that administration in the year 1980, Mr. Speaker, asking for assistance. They were turned back by that administration, Mr. Speaker. We have sat down with the producers as we have promised. We are consulting with them and we are allowing the beef producers of this province to develop their own program in concert with the principles that we have established.

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

**MR. D. BLAKE:** Thank you, Mr. Speaker. My question is to the Minister of Agriculture stemming from some of the other questions. In view of the fact that about 80 percent of the producers told the Minister what they wanted in the plan, could he inform the House how many additional staff have been recruited in the last couple of months to explain and promote the Beef Stabilization Plan that he proposed?

**HON. B. URUSKI:** Mr. Speaker, there have been, in terms of recruitment to explain the program, no new staff in terms of explaining or promoting the program. The farmers are presently developing their own program; they will be doing the explaining of the program and there are no new staff being hired at this present time, Mr. Speaker.

**MR. D. BLAKE:** Yes, Mr. Speaker, my question is to the Minister responsible for the Manitoba Public Insurance Corporation. I wonder if he could inform the House if the vacancy on the Board of Directors has now been filled.

**HON. B. URUSKI:** No, Mr. Speaker.

**MR. D. BLAKE:** I realize that the Minister may be having difficulty finding a backbench MLA with the knowledge, talents and skills required for that position, but could he inform the House when that vacancy will be filled?

**HON. B. URUSKI:** Very soon, Mr. Speaker.

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

**MR. J. BUCKLASCHUK:** Mr. Speaker, a question to the Minister of Natural Resources. Could he inform this House what initiatives the province will be undertaking in the near future with respect to the matter of

Garrison Dam?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Speaker, I thank the honourable member for giving me notice of that question and indeed I'm pleased to announce — (Interjection) — yes, you know, Mr. Speaker, I would like to say that some honourable members have the courtesy of advising of the question beforehand so that they can answer. — (Interjection) — Well, yes, it is noted that there is a lack of courtesy on the other side, Mr. Speaker, in that regard.

However, in respect to the particulars of the question, Mr. Speaker, I am happy to confirm that there will be an all-party delegation from this Legislature going to Ottawa and thence to Washington on June 8 and returning on June 11. The all-party delegation will be made up of members from the government side and from the Opposition side. They will be briefed in Ottawa, joined in Ottawa with a group of parliamentarians from Ottawa and will meet in Washington with representatives of the Embassy staff. There will be functions laid on and there will be an opportunity to dialogue with American congressmen, key people in Washington, in respect to our concerns about the Garrison development.

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

**HON. S. LYON:** Mr. Speaker, arising out of the Minister's announcement which is now old news, that this parliamentary delegation will be going to Washington, which we commend - we think it's a good action that is being taken jointly by the Federal Department of External Affairs and I presume with the co-operation of the Government of Manitoba - can the Minister now advise in response to a question that I put to the First Minister some two, two-and-a-half months ago, whether or not the First Minister, or he, or indeed any other member of the Treasury Bench has seen fit to write directly to the members of the United States Senate, members of the United States Congress as was done by our administration on a number of occasions to acquaint them personally and directly by means of direct correspondence with the concerns, the ongoing concerns of Manitobans with respect to Garrison and the transference of biota and polluted water into the Hudson Bay drainage system?

**HON. A. MACKLING:** Mr. Speaker, perhaps it's a matter of strategy or style, but this administration has chosen to work more closely with the Federal Government in developing initiatives to influence American congressional opinion.

**HON. S. LYON:** Mr. Speaker, for the sake of the record, I would have to tell my honourable friend that his reading of history is slightly wrong because not only our administration, but indeed the Schreyer administration worked very very closely with the Department of External Affairs and we have the highest degree of co-operation with them. I'm sure the Honourable Minister wouldn't want to be suggesting

that his administration is doing something that is different from what two administrations were doing before. But my question is this — I'm sure that the Minister will be up to date at least on this piece of information — I take it that the joint parliamentary committee is being organized with the full consent of the Government of Canada because heretofore the Government of Canada even at the request of some members of parliament and some members of our government felt that particular kind of a medium was not appropriate in those days. I take it that now the Department of External Affairs and the Canadian Embassy in Washington are recommending the joint parliamentary committee which for some years we thought was a good idea.

**HON. A. MACKLING:** Mr. Speaker, I certainly cannot reflect on past decisions of the Federal Government in respect to initiatives. I can only indicate that at this time there is no question about the wholehearted co-operation and agreement to work closely together with the Province of Manitoba and that the Federal Government has indicated its concern about this matter by agreeing to a committee on which the Minister of External Affairs and myself are co-chairmen. That indicates the degree of co-operation and the degree of importance that the Federal Government is giving to our initiatives in respect to the Garrison problem.

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

**MR. G. MERCIER:** Mr. Speaker, my question is to the Minister of Community Services. In view of the information, Mr. Speaker, that the Children's Aid Society of Winnipeg have 57 children who cannot be placed, most of them because of a moratorium imposed by the Provincial Government on adoptions of Native children, would the Minister and his government immediately lift the moratorium to allow adoptions to take place?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. L. EVANS:** Thank you, Mr. Speaker, I'm not in a position to say at this time. I believe that we would be inclined not to, but I can assure the Honourable Member for St. Norbert that we have had discussions with Judge Kimelman and have expressed our concern that we reach some decision, some recommendations, early on. It's a complicated matter; many people are involved. Many organizations are vitally interested; many Native organizations in particular are vitally interested. I think it would serve us all well if we got a report sooner rather than later. I believe Judge Kimelman is quite aware of that. I trust that they're now holding hearings and I trust that these hearings will be held expeditiously and that a report will be forthcoming in a reasonable amount of time.

**MR. G. MERCIER:** Mr. Speaker, the Minister indicates he's not inclined to and it's a complicated matter. Mr. Speaker, in view of the statements by Betty Schwartz, the Executive Director of the Children's Aid Society of Winnipeg, describing these 57 children that are free

for adoption and they can't move them because of the provincial moratorium and describing these children as feeling bad — they say, see no one wants me — you can't wrap them up in plastic and put them on the shelf to wait like last year's dolls. But I suggest to the Minister, that doesn't seem complicated, that's a pretty simple matter, Mr. Speaker. I ask the Minister, does he not have any feelings, any compassion for these children? Should he not lift this moratorium immediately to allow these adoptions to proceed?

**HON. L. EVANS:** Mr. Speaker, I can assure the member that I do have compassion and great concern in this matter, but there are other initiatives, other avenues, that governments and children welfare agencies should consider. We are looking at some new initiatives that will help with the general problem of seeking suitable homes for the adoption of disadvantaged children of whatever background and I think some of these other initiatives may help to alleviate the problem that the honourable member refers to in his question.

**MR. G. MERCIER:** Mr. Speaker, we'd welcome any initiatives by the new government, but in view of the fact that Betty Schwartz indicated that in the last two years only 1.8 percent of the 1,112 applications for adoption handled by CAS in Winnipeg were from Native couples; in view of the representation that in Western Manitoba of 75 applications received, I take it in the last year for adoption, only one was from a Native couple; in view of the fact that it appears from the report that the Indian agencies themselves are saying that they need time to develop child welfare services and to deal with Native adoptions.

In view of the fact of the delay that is obvious, even after the Minister receives a report, would he not now consider immediately lifting the moratorium, allowing the adoptions to proceed, receive the report whenever His Honour Judge Kimelman presents it to the Minister and then taking whatever initiatives he wants at the same time, but do something to solve the plight of these 57 children whose adoptions are being held up now because of the moratorium placed by his government?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. L. EVANS:** Thank you, Mr. Speaker. I can assure the honourable member that Judge Kimelman is very much aware of the situation and that, indeed, Betty Schwartz, the Executive Director of CAS Winnipeg, has met with me only within the past week and I know she is in communication with Judge Kimelman, so the honourable member is not telling us anything that we're not aware of. It's not as though we are trying to ignore a serious problem.

Mr. Speaker, the honourable member should know that there are many initiatives that are being taken; there are many initiatives that are in place. Under the tripartite agreement that was signed some months ago, subsidiary agreements are now in the process of being signed and Native organizations on the reserves, tribal councils and so on, are taking their new responsibility. I think that will go some way towards perhaps

alleviating the problem because it is argued by many Native organizations that those international placements are unwarranted and uncalled for. That is their view, that there are homes within the Native communities. There are homes for their children - we're talking about Indian children - there are homes for such children on reserves or in Indian homes off of reserves.

I don't think it's a matter of governments or the child caring agencies sitting back just grappling with an insurmountable problem. The fact is that there are new thrusts, there are new initiatives and I think, given a bit of time, we may find that there aren't as many children who are required to be placed outside of the Province of Manitoba. Ideally, they should all be placed within the Province of Manitoba in my view.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. SHERMAN:** Mr. Speaker, I'd like to ask the Honourable Minister of Corrections what measures his department is taking to guarantee the safety of hospital patients and hospital personnel in circumstances where there are dangerous criminals in the facilities undergoing medical treatment?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. L. EVANS:** Mr. Speaker, I would assume that the precautions that are being taken now would have been the precautions that have always been taken where such patients, such people, were placed in hospital wards, be they psychiatric wards or whatever, would apply. I'm not aware of any change in the nature of handling that particular problem. I would imagine that all precautions that should be taken are taken and will be taken in the future.

If the honourable member knows of some specific instance or some specific problem, I would like to know from him, not necessarily publicly, but even confidentially if he wishes, so that we might look into a particular problem.

**MR. L. SHERMAN:** Mr. Speaker, I only know of one specific problem of which I'm sure approximately a quarter-of-a-million other Manitobans are aware and that is the escape of the dangerous criminal by the name of Baptiste, described by police as a very dangerous criminal, from the Health Sciences Centre and the report that he was apparently being guarded by a single, unarmed security man. I understand that the Attorney-General's Department is undertaking an investigation with respect to the circumstances of the escape, but I'm not asking the Attorney-General about it. I am asking the Minister of Corrections what the Department of Corrections is doing to ensure the safety of - I don't care about the criminal, I don't care what happens to him in these circumstances if he wants to risk an escape - patients and staff in a hospital when a dangerous criminal is trying to escape? Why is he in there with one lone, single, unarmed security man?

**HON. L. EVANS:** As I indicated earlier, Mr. Speaker, I would presume that our Correction staff which is, I



believe, an excellent calibre of personnel, with good administration, I would assume that they would take all due precautions necessary to protect those people that the honourable member is concerned about, that is the patients who happen to be in the Health Sciences Centre. I would just assume that all normal precautions would be taken. However, I will endeavour to look into the matter and hopefully will be in a position to report to the House on Monday next about this matter.

Unless the honourable member has another question, I have an answer for a question that was posed to me yesterday, Mr. Speaker, by the Member for Pembina with regard to Interdiscom Systems Ltd. The question was, does the Manitoba Telephone System hold any proprietary rights to the technologies developed by Interdiscom Systems Ltd. now that the Telephone System was required to write off a half-a-million dollar loan. I can advise the member that under the terms of the debenture between MTS and Interdiscom, patent rights are secured by the debenture and Interdiscom is prohibited from disposing of any assets or permitting any effective change in ownership without the written consent of the Manitoba Telephone System.

The Board of Commissioners of MTS has authorized provision in the accounts of MTS for a full write-off of the debenture to Interdiscom; however, the debenture remains in place at this date.

The honourable member also asked the question along the lines of whether there were any businessmen interested in pursuing the technology developed there by Interdiscom and whether there is any market value to the technology and interest in the business community. He says, "Is there any interest in the business community in furthering that technology?"

The advice I have is that Interdiscom is presently entertaining proposals from an eastern Canadian company which is interested in acquiring or making equity investments in the company. The Manitoba Telephone System has become involved to some extent in these negotiations, Mr. Speaker, due to the outstanding debenture and the powers granted within it to the Manitoba Telephone System.

**MR. SPEAKER:** Order please. The time for Oral Questions having expired, Orders of the Day.

### ORDERS OF THE DAY

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

**HON. R. PENNER:** Mr. Speaker, would you please call the adjourned debate on Second Reading on Bill No. 2?

### ADJOURNED DEBATE ON SECOND READING BILL NO. 2 - THE RESIDENTIAL RENT REGULATION ACT

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs, Bill No. 2, standing in the name of the Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Thank you, Mr. Speaker. It is not my intention to spend the whole length of time allotted to me to speak on this bill, unless of course I get wound up and mad about the complete misleading statements that were given during the election period by honourable members on the other side and their candidates running for the NDP gave to the people while the election was on about rental controls.

Mr. Speaker, I'd first also like to say that the statements by the Member for Thompson were, as usual in this House, very very inexperienced, I guess, because he seems to relate as other members on the other side do, that there were no rent controls in the Province of Manitoba. I would like to assure the honourable member that a survey taken by a group of people last year examining the rent-control situation across Canada regarded Manitoba as having one of the best rent-control systems, which was very similar to Saskatchewan's rent-control system, in Canada from the point of view that the tenant had the opportunity at any time to complain or may put in a protest about his increase in rent and it was then put into a process to come to agreement between the tenant and the landlord. If that was not accomplished, the Minister could move it into arbitration which would be binding.

Mr. Speaker, the system worked and when I say that there were misleading statements on both sides, the gentleman that ran against me who is now a special assistant in the government, a Vice-President I believe of the NDP Party, he made a statement. He said if a landlord wants to turn your apartment block into a condominium, you can evict in the middle of winter even if you have children in school. Mr. Speaker, a statement like that about rent controls, if the gentleman had just taken the opportunity to read The Condominium Act, it says: notwithstanding Subsections 103(4) of The Landlord and Tenant Act, the tenant may continue to occupy the premises he occupies on the date of registration of the declaration for a period of at least two years after the date of registration of the declaration, or subject to Section 1(2), the option of the tenant for the period of equal number of full years the tenant has been in occupancy of any premises in the property as of the date of registration and declaration.

One would have thought that a person that was the Vice-President of the NDP Party would not publish something that was an absolute downright misleading statement and which he presented to everybody in my constituency. He also said there are no controls in the Province of Manitoba and that was said by many many of the members on the other side. Let me state that I found that the controls worked exceptionally well and I found tremendous co-operation from the present Minister to make those controls work.

Within my constituency, in the Courts of St. James, during the election and before the election, I got many many calls and I got many calls from other apartments. I would say now, all you have to do is pick up the phone or I can do it for you, register a protest and you are automatically protected from that day on until there is a decision made either by agreement between you and the landlord or by an arbitration board. As a matter of fact, Mr. Speaker, there were approximately 1,941 protests dealt with effectively last year and four out of five arbitrations resulted in decrease in rents

within the Province of Manitoba.

I might say that I appreciate the cooperation from the Minister because the previous Minister because of statements made to the media regarding a particular apartment block in my constituency were such that I had to take action and he took action which said that basically if the protests that we are receiving and the ones that we will be arbitrating are going to be as high as previous rent increases, that he had the right and the Minister always did have the right to put the whole block into arbitration. That's what happened in Brandon and I might say again, I appreciate the fact that the present Minister monitored the block and put into arbitration all the rent increases that took place November 1st and December 1st of last year. Naturally, all new increases of this year are covered by the new legislation.

So, Mr. Speaker, for the Member for Thompson to say that there was a system of no rent controls and one that didn't work was absolutely his own fault. If he'd had the initiative that I, personally, had in my constituency to see that they work, to do work for his constituents when they had protests rather than go out and make statements that were not accurate and make statements in this House that were quite inaccurate - the same as the man who ran against me who told absolute, and I won't use the word, but we all know that misleading statements. It says that now the Rent Review Board is gone, if tenants feel the rent increase is unfair, they must get either the landlord or the government to agree to hold arbitration hearings. Tenants who have tried arbitration say it's a waste of time. Well, my tenants have told me that it wasn't a waste of time. As a matter of fact, they didn't have to agree to hold arbitration; all one of them had to do was say I don't agree with the negotiation or the recommendations and there was no agreement, if I'm not correct, Mr. Speaker, the Minister could order it. There didn't have to be agreement on whether it went to arbitration or not; the Minister could order it, period.

Well, Mr. Speaker, if the Member for Thompson had done his job in his constituency, he would have had as many people benefit in his constituency as I did in mine —(Interjection)— Mr. Speaker, he's going to keep talking away from his chair but he arrived in Thompson, ran in Thompson, didn't give a damn or try to find out what the circumstances or facts were about anything. He just agreed with statements that were misleading, went out, put them out and didn't do any work for his constituents.

Mr. Speaker, I have the correspondence; I have the literature. I have the correspondence from the previous Minister and this Minister, and I thank them both for the tremendous work they did in my constituency to make a rent control program work that worked very satisfactorily. In other words, Mr. Speaker, all that has to be done was somebody put in a protest.

The rents, Mr. Speaker, the Member for Thompson said yesterday, it only had to do with the apartment block that you lived in. Mr. Speaker, I can assure you that the arbitration board took into consideration in my area all of the apartments within the area and the rents being charged. It did not matter whether a landlord had passed through costs; it did not matter whether the landlord had to have a new mortgage

financing; those things were not taken into consideration. —(Interjection)— You're right, it does now. Those were not taken into consideration. What was taken into consideration was the fact that the rents within the area, a fair rent within the area, was basically what the rent was set at after arbitration. Now, what will happen now? It's automatically 9 percent. The tenant can put in a protest even if it's up 1 percent, but the landlord, he can come forward and say I cannot survive on 9 percent. Here are my books. Here is my new interest rate. Here are my new costs of operations and now we could end up with 15, 12 or whatever. I might say, Mr. Speaker, that the Member for Thompson was talking about 12 and 15 percent increases that he was worried about. In my constituency, it was 20 to 35 increases, Sir, and again I thank the Minister for using a good system to solve the problem.

So, Mr. Speaker, now we have a situation where landlords will be coming - not the tenant arbitrating with the landlord and not to see what the fair rent should be in the apartment - no! We are now going to have the landlord coming to present to the government reasons why he should get much more of an increase. Now, Mr. Speaker, previously the landlord, he figured out his rents, his costs and he put on a rent. If the person, the tenant felt that it was a nonfair increase, he could make a protest. It was automatically taken care of, worked on and the rents were set according to the rents within the area.

Mr. Speaker, the Member for Thompson again, who doesn't know what he's talking about, is saying automatic. Mr. Speaker, all a person had to do was pick up the phone, phone and say that I have had a rent increase which will take place three months from the date of the letter and I protest that rent increase. That was enough to start the process. It didn't need a letter; it didn't need anything. Mr. Speaker, I did it many times and many of my tenants did it many times and if he had known the procedure of the program, he might have done it too, if he had been working for his people. So, Mr. Speaker, he . . .

**MR. SPEAKER:** Order please. The Honourable Member for Thompson has a point of order.

**MR. S. ASHTON:** On a point of privilege, Mr. Speaker, I was not the MLA at the time when rent increases were announced in 1981 in the constituency of Thompson and I think the honourable member would do well not to make references against me in that regard. If he's criticizing anybody, he's criticizing the former member, Ken MacMaster.

**MR. SPEAKER:** I thank the honourable member for that clarification.

The Honourable Member for Sturgeon Creek.

**MR. J. JOHNSTON:** Mr. Speaker, I would agree that he was not the MLA, but the MLA for Thompson at the time wasn't the one walking around giving in misleading information about the fact that there wasn't rent controls. It was the present Member for Thompson, who was running, who was running around giving the misleading information. I wonder when he called at any doors and when rent controls were complained

about, did he tell them to pick up the phone and put in a protest? No. And, Mr. Speaker, I'll betcha I know what he said. I would just assume that he'd say there's no rent control program in this province. —(Interjection)—

Well, Mr. Speaker, he produced three letters here yesterday. Did you make sure the results on those three letters were followed through with? —(Interjection)— You produced three letters when you were standing in the House here yesterday, saying these were complaints about rents. Did you make sure those were satisfactorily taken care of? Not on your life, Mr. Speaker.

So, Mr. Speaker, again I say that we had a system that was working. We had a system that was very close to the Saskatchewan rent control system which was one of the finest in Canada and I still believe it is. Mr. Speaker, I lived in Regina when they had the old mediation board and what have you. There was more undercurrent, blackmail or whatever you might call it. To get an apartment, you had to pay money under the table; you had to do everything while they had that system in. It was brought in by the NDP Government many many years ago and when they found out that system was one of the worst they could possibly have - Saskatchewan is more experienced in rent controls than any other province in the country and they came up with a system that was excellent and very close to what we had in the Province of Manitoba before this legislation was presented.

Mr. Speaker, I assure you that the Member for Thompson said there were many many complaints about the fact that there was not good maintenance within the apartment blocks. Mr. Speaker, the maintenance of the apartment blocks dropped drastically during the rent control period when the NDP were in power. I don't know of any landlord - I don't know of any person who owns rental accommodation of smaller type or anything who is going to say that I'm going to spend money on this building that I can't get back. Because of the rent controls, I can't sell it and I can't spend the money because I will have no return on investment.

The honourable members on the other side don't seem to know what the word "return on investment" means. They don't seem to know what it means in the business world. They don't seem to know or care what it means anywhere because if there isn't a return on investment, nobody - even the members in this room - are going to invest their money unless they see some return, whether it's monetary or whether they see it investing or donations to public organizations, charitable organizations. People want to see a return on their investment and if there is no return on investment, Mr. Speaker, there will not be any money spent in apartment blocks for upgrading.

Then the complaints will become very very harsh. Then you put your board that's going to be looking at the rent increases or the negotiation with the landlord to see if he should get more money and they're going to say, well, you know, why should we give you more when you haven't done this or you haven't done that. It puts your negotiations into another field altogether of whether there should be an increase or not or whether the landlord should be allowed to pass through costs because there's an argument all of a sudden develops

that he hasn't been doing anything.

The argument will also develop that if we give you this increase, will you upgrade the building and the fellow said, well, my increase isn't enough to do so. So then you say, well, if you don't upgrade the building, you can't have the increase. It becomes a chicken-and-egg situation with the landlord and it's just an impossible way to operate intelligently.

The Minister has put through, put into operation a system that is going to take a large bureaucracy. Mr. Speaker, we just went through the Budget Debate and the costs of the operation of the province, the deficits, etc. We just had a new payroll tax put on and I sat down the other night and the payroll tax will bring us 2 percent of the total Budget of Manitoba. That's approximately \$70 million it could bring in. I could find \$5 million in your Budget tomorrow. Just give me three weeks and I'll probably find, with my colleagues here, the \$70 million. So when the Minister puts in this bureaucracy, a very great increase in people to take care of this system that he's put in - because it can't work without a lot of people - but he is going to have another group within this province that are really unnecessary.

I would suggest, Mr. Speaker, that the fact we put an office in Brandon was a move to see that our rent control system would operate much better and I know the discussions I had with the Minister previously, last year, when the office went into Brandon, was that it worked so exceptionally well that there should probably have been offices put in other areas. That was a step that I'm sure would have gone in that direction because we found it worked.

Mr. Speaker, so the government has now put in a situation. I don't intend to go through all of the parts of this bill that are not desirable. My colleague, the Member for Tuxedo, did an excellent job and my colleague, the Member for Pembina, did an excellent job. We certainly want to hear the delegations that come forward from the people that come forward at Law Amendments.

There is one thing that disappointed me, Mr. Speaker, when the Landlord and Tenant Association went to visit the Minister. The Minister came out and made an announcement that there may be some slight changes but there will be no changes to the major thrust of this bill. In other words, Mr. Speaker, I think the Minister just told the Landlords' Association and anybody that may have some arguments about the major thrust of this bill, don't bother coming to Law Amendments. Don't bother coming to the place where the public of Manitoba is allowed to present their opinions and, hopefully, if they have a good argument, the government will listen to them or all members will listen to them and possibly make some recommendations that are logical, good changes that make common sense. But at this particular point the Minister has basically said, "There will be no changes in the major thrust of this bill." He may as well have said, "Don't bother, ladies and gentlemen of the Province of Manitoba, coming to the Law Amendments Committee to give your opinions on that bill if it refers to the major thrust because I'm not going to change, I'm not going to listen to you." That's what he said, Mr. Speaker —(Interjection)— and I also just finished saying he listens better than I do. He doesn't even know

me; most of the members on the other side who criticize don't even know me. But it comes from the top in this party, it comes from the top. They say anything and it comes from the top; it comes from the Leader.

Mr. Speaker, the bill is going to create more confusion. The bill is going to take away the incentive for more investment in the Province of Manitoba; we dearly need that right now and the bill is not going to make that much change. You're still going to have an arbitration system, as far as a change, as far as arbitration is concerned, but it's going to be between the landlord and the government. It's not going to be a system where the government is working on behalf of the tenant because the tenant made a protest about his rent increase. If the tenant and the landlord could not come to some agreement by having the government arbitrate it or work between the two of them, either one of them just had to say, "I don't agree," and the Minister could offer or order arbitration.

What better system do you have when the government is really working with the tenant to get a fair rent? Now you have a system where the government is going to be negotiating with the landlord to satisfy the landlord that he's getting a fair rent because of his pass-through costs and he can make a case that it would be no more than 9 percent. So, Mr. Speaker, we've gone to a complete turnaround; we've gone back to the system that was not working. We've gone back to the system that discouraged investment in the apartment block business in Manitoba. We have gone back to a system, Mr. Speaker, that is, after four years in a new building, you've come not back to - that's a new one - come back under four years, you've come under rent controls which is not long enough to encourage investment. —(Interjection)—

Mr. Speaker, the Member for Thompson laughs again. He does not understand the words "return on investment," he doesn't know what it means. If the people who are going to invest in rental accommodations sit down and work out their costs and find that after four years they haven't got their money back and they're going to come under rent controls, they won't invest, period. Now, argue with that. Really, who could argue with that? They've got computers and everything today to tell them whether they're going to get a return on investment or not. —(Interjection)—

Mr. Speaker, the Member for Thompson asks me again, "Did we have rent controls?" I say, yes, we did and the present Minister made them work in my constituency. There's the correspondence that did it. The present Minister made it work in my constituency and work very efficiently. I'd be very pleased, I'll send copies over to the member of this correspondence. I'm sure the Minister has it but it's available to him any time he wants, but the present Minister made the previous rent controls work in my constituency. As a matter of fact, even after elected, after January 1st, before this bill came in, there were protests made from my constituency and the Minister's department carried them through as they should have been carried through and I appreciate him for doing that during this period this year, Mr. Speaker, even though the new bill is retroactive.

So, Mr. Speaker, now we have a change and we're going to go to a system that was put in just because of an ideological type of thinking. It was put in, because

when they went through an election telling downright, misleading statements - as I said, the Vice-President of the N.D. Party making a statement that's a downright misleading statement in a piece of literature. —(Interjection)— Mr. Speaker, the Member for Thompson laughs. For some reason or other he thinks that this room is something to laugh about when somebody has misled the public out there in Manitoba, in our province. When the candidate made this statement, it was a downright misleading statement. We had to put out a bulletin to overcome it; we had to send in a letter to the Courts of St. James to overcome it to explain the rent control system. You know, when that was done, when we explained the rent control system in my constituency, the one that was operating very efficiently in my constituency, I won the largest apartment block vote in my constituency because we explained a good program, we explained a common-sense program.

Now you've got one that is going to be automatic, 9 percent, and people are saying, "Isn't that marvelous? We are just going to have a 9 percent increase." They're going to have a 9 percent increase even if the landlord could get by with 6 percent, but the person in the apartment block can put in a protest even if it's 1 percent, even if it's ½ of 1 percent. Then there will be arbitration; then there will be investigation, the same as there was before. Then the landlord will come down and if he proves his pass-through costs - the bill is very clear - it's very likely that he will get them because the Minister has been saying all along that he wants a bill that is fair to the landlords and he wants it fair to the tenants. He's made it very clear that he wants to be fair to both. Mind you, they don't need to come to Law Amendments Committee because he's told them he won't change. But anyway, he wants a bill that's fair to both and if he's put in pass-through costs, then he obviously is saying that he's going to try to be fair to both. So there's a person, people, who got a 9 percent increase and a very good possibility that it could be 14, 15, 12 or whatever. So, Mr. Speaker, I think that it's a step backwards, but it's rent controls.

We had rent controls, a better system, and for the NDP Party to say that the Progressive Conservative Party didn't believe in rent controls, that's wrong because as I said at the very beginning, a survey done in Canada showed that Manitoba had one of the best rent control systems.

I'm sure instead of calling it arbitration and mediation —(Interjection)— That's right. We should have called it rent controls and you fellows wouldn't have anything to talk about. You wouldn't have been able to walk around making misleading statements. I wouldn't have had from the Vice-President of the NDP Party a downright misleading statement in my constituency that I had to put a letter out to correct.

So, Mr. Speaker, as I said, we had rent controls. We should have called it that. You know, here's another thing he says, "As soon as they were elected the Conservatives started to dismantle rent controls. Now, there are no controls and many tenants face increases of 20 percent or more." Mr. Speaker, how can anybody make the statement there are no controls? There was no controls. That's what he says. I might have even accepted the statement, Mr. Speaker, if the words "no effective controls" had been used because that would

be an opinion, but he says, "There are no controls," and yet, Mr. Speaker, the Minister made the control system that the Progressive Conservative Party put into effect work in my constituency and for somebody to say there were no controls is an absolute misleading statement again, and people being put out in the snow in the middle of winter. All he had to do if he'd had any internal fortitude is to read the Bill, The Condominium Act and he wouldn't have been able to write that.

Mr. Speaker, I remember when the new Elections Act came in there was some discussion about having something in the Elections Act to the effect that if a person in an election gives a misleading statement that he could be held liable for that statement during election. You know who fought against that? The NDP Party. There are many members here that weren't here then, but the NDP Party fought against that amendment.

I can remember the members standing up and saying — Mr. Green who was there at the that time didn't think that it would be a good situation to have it in because it would be hard to control and prove, but the NDP Party said no, that's not what we want in The Elections Act.

Why? Why? We even had a statement that said nobody will lose their business, their home or their farm, signed by the Premier. Anybody, a lawyer, a person trained in law that would sign a statement like that - well not only misleading but impossible - has to have his head read really.

Mr. Speaker, the Bill is what I'm speaking of. The statements that were made by the NDP Party during the election regarding rent controls in my constituency and I don't know what happened in others, but I can say that the rent controls worked well in my constituency.

Mr. Speaker, 35 percent approximately of my constituency - it may not appear that way - but is in rental accommodation, and because we took the time to explain our system, we won a lot of that rental accommodation. —(Interjection)— No, we gave them a truthful pamphlet that said what it actually is. Mr. Speaker, the ones that we didn't win were the ones during election day where the NDP would knock on the door and say, come on out and vote, vote against your rent going up. Those were the words that were used. Come and vote against your rent going up they said during that election day and they're going to go up automatically 9 percent.

Mr. Speaker, this is the type of thing that went on and because of an ideological situation, we are going to have less investment in Manitoba in the rental business. We are going to have run-down apartment blocks and we are going to have a system where the government is negotiating with the landlords so the landlord can get more money over 9 percent.

So, Mr. Speaker, I will wait; unlike the Minister, Mr. Speaker, I will wait. I will wait patiently to hear the representation that comes to Law Amendments Committee. I won't be like the Minister who makes a public statement saying there will be no changes to the substantive parts of this Bill. I won't be a person that tells the public of Manitoba there's no reason to come to Law Amendments Committee in the Province of Manitoba which is set up to hear the people and

possibly make representation that would make changes. I will go to the Law Amendments Committee and listen very carefully to all of the submissions. Hopefully, the Minister will change his mind and if there's something that comes up that's common sense and will be beneficial to the people of Manitoba that he will listen to it. I sincerely hope he changes opinion in that regard.

So, Mr. Speaker, I wait very patiently for Law Amendments Committee. I say sincerely that rent controls are something that I believed in because I made them work in my constituency. I made a system work and work well. I assure you that I will always work to see that people have fair rents within my constituency.

You know the members on the other side, whether they were members or whether they weren't, just said this is a good political thing. Let's go out and just yell about no rent controls and there were controls in this province. We made them work.

Thank you, Mr. Speaker.

**MR. DEPUTY SPEAKER, Jerry Storie:** The Honourable Member for St. Johns.

**MR. D. MALINOWSKI:** Thank you very much, Mr. Speaker.

First of all, to begin with I wish to commend my colleague, the Honourable Minister of Consumer and Corporate Affairs for bringing before us this important Bill on rent control.

This is a very necessary but complex piece of legislation. Since this Bill affects many people, both tenants and landlords, with opposition views it will not be easy to satisfy everybody. So, Mr. Speaker, all we can hope for is that it will do the greatest good for the greatest number of people.

Mr. Speaker, to the people in the real estate business, houses and apartment blocks are simply commodities to be sold. The landlords who have such properties are merely a source of income, but to the people living in the house or apartment building, it is home. It is part of their lives; it bears the character of the people living in it. It is associated with many memories; it shelters the family. So, Mr. Speaker, housing is therefore one of the most important elements of human existence. It is important for individuals and for society as a whole that people are assured of adequate housing at prices they can afford to buy or at rental rates they can afford to rent.

Some honourable members may have read a recent report about 36,000 people homeless in New York City, Mr. Speaker. We don't have to go very far, to Sweden, we don't have to go to Africa, but we may have the same problem here. As I said, we have this kind of a problem in New York City.

Newsweek Magazine recently showed pictures of the pathetic human beings sleeping in doorways or wherever they can find a bit of shelter. There were reports of 250 men sleeping on the floor of a large building without bedding in one of the emergency shelters. It is hard for us to imagine having to live under such conditions. Such people cannot be helped by rent control, naturally, but I believe many people in Manitoba will be helped by the legislation before us.

It is a fact, Mr. Speaker, that people in the lowest

income group have to spend a larger part of their income on rents than those in the higher income brackets. Most rental accommodation is provided by private enterprise which has nothing wrong with it as long as they are doing it properly, so we are faced with the fact that the private developers want a fair return on their investment. The land speculators also want to make a fair profit. The landlords of course also want only a responsible profit while the tenants want housing at responsible rentals.

The question is, Mr. Speaker, what is a fair return on investment? Previously, the Honourable Member for Sturgeon Creek was saying that naturally, if somebody put up investment he has to have some profit. This is a natural thing, a logical thing and that's the gimmick. If you work, you are expecting something. But, Mr. Speaker, what is a reasonable profit? What is a reasonable rent? There are no easy answers, but that is what we hope to grapple with, hope of being fair to both tenants and landlords. It won't be easy but, Mr. Speaker, I consider myself a responsible person. As a matter of fact, I guess all of us in this House regard ourselves as being reasonable men and women. But I suppose my idea of what is a reasonable profit may not be the same as that of ardent supporters of private enterprise.

I don't accuse our landlords as being greedy, grasping, heartless monsters who are determined to squeeze the tenants for all they can get, but it is a fact that greed and selfishness has motivated a lot of people in private business to charge all that traffic will bear. This is not only true in housing, but is also almost everywhere. But since housing is such a vital, important matter, it is definitely an area where fairly strict controls are absolutely essential.

There is, of course, considerable agreement on both sides of the House. Under the previous Conservative Government, considerable control was exercised over rental housing through the Act respecting landlords and tenants, but I believe under the bill before us, the tenants will receive better protection. Under the rent review procedure in effect, up until now the responsibility is placed on the tenant to protest a rent increase that is considered excessive. Under the bill before us, as I understand, its limits will be set beyond which landlords must justify any increases in rent. It doesn't mean that he has to stick to - if I'm not mistaken we're talking about 9 percent or something like that - but if he will justify it, so he may get more. It depends. There are, of course, many other controls needed, Mr. Speaker, to secure decent housing for all people.

Professor Norman Pearson, Chairman of the Centre for Researchers Development at the University of Guelph in Ontario, had an article in the Community Planning Review. He deplored the lack of planning in housing development; he believes in far too much of the private housing developments. The dominant aims are the profit interests of the builders rather than the convenience and comfort of prospective tenants. Developers of poorly planned substandard rental housing don't have to live in these buildings. They only rather have to come and collect the money. Landlords don't have to live in the slum buildings. They can generally afford to live in the best part of the city. I won't mention any portion here in Winnipeg, but we

know that we have some nice — (Interjection) — Fort Garry, Tuxedo might be, whatever. River Heights is not such a high rate anymore.

Mr. Speaker, Professor Pearson points out that one of the most effective forms of rent control and poor housing development is through government involvement in housing. There are many examples of this. For instance, in Britain, in Austria, France and in fact in most European countries, municipal governments are heavily involved in providing rental housing. I might add this is being carried on under conservative governments, democratic socialist governments and other governments in Europe. Where municipal or provincial governments are the landlords it is much easier to maintain rents at reasonable levels. It also gives people greater control over the type of housing development taking place in their communities.

Mr. Speaker, I could point out some horrible examples in Winnipeg to show how the interest and welfare of the people were completely discarded by the private developers. Not far from here at the corner of Broadway and Donald Street, there is a six-storey apartment block. On the east side, there was a narrow lot, a bit of open space. The tenants in that block could see the sun rise. There was light in their suites. Then the real estate developers came along and erected an office building, the Xerox Building, on that narrow lot. In doing so, they completely sealed off all the windows on the east side of that six-storey apartment block. There was no talk about the tenants' need for light or air.

Further south on Donald Street is another horrible example where an office building was erected on a narrow strip of land next to the apartment building, so all the people on the south side of the apartment building can see when they look out of their windows is a solid brick wall completely shutting off all the light.

On Smith Street near the downtown area, a new apartment block went up a few years ago. It had nice big picture windows, but several years later another apartment building was erected right next to it, so all the tenants can see out of their picture windows is a solid cement wall about three feet away. That kind of a view those tenants have right now. The developers didn't think at all about those tenants; they were just thinking about themselves because they came to the point - if we will build such a building here, so naturally we will have our profit.

Mr. Speaker, with the bill before us we will be able to control the rents in those buildings, but so far there is nothing to control the developers from shutting out the light in their calculation for their profits when they put buildings next to an apartment house.

Any member of this House could point out numerous examples of how the real estate developers completely ignore the interests and welfare of prospective tenants. We not only need rent control but we also badly need control and proper planning of housing developments in Winnipeg and other cities. We need the kind of development in which human needs, human values and aesthetic consideration will be considered above private profit.

Mr. Speaker, we need the kind of development that will enrich the community rather than the private developers. We need not only rent controls over the

rental housing that is built, but it seems to me that we also need some control over what rental housing is being demolished. Mr. Speaker, I simply can't find any reason or logic in the development taking place on Broadway a short distance from here. One apartment building has been torn down already and another next to it is also slated to be demolished. Why? To make room for still another office building? As every member of this House knows, this city is suffering from a glut of empty office space. You can look in every direction in the downtown area and see empty office space for rent. In many cases, entire floors are empty. On the other hand, there is a shortage of the kind of rental housing being demolished. I look upon this as an act of vandalism on a large scale.

Mr. Speaker, we have here in Winnipeg the ridiculous situation where the businessmen in the downtown area are desperately trying to draw more people into the downtown area. There are many who believe that it would be better for the city and better for business if more people lived near the downtown area. Yet here we have another group of businessmen demolishing two apartment buildings, forcing more people away from the downtown area. What goes on here? Who is in control? Sometimes I wonder if even our Legislative Building is safe from the wrecking crews. Someone may get the notion that a complex of office buildings would be better on the Legislative grounds. You never can tell. They may change their mind. Some day we may come, there will be lots of bulldozers here and they will be cleaning and then we have to move.

Mr. Speaker, our country is facing a serious economic crisis over which provincial governments have little control. With over a million unemployed in the country and many people already facing great hardship, it is vitally important that rents are effectively controlled. Rents are a big item in most families and particularly those in the low-income groups. I feel confident that under the bill before us rents will be kept in check so as not to add further hardships to many people in my constituency.

Of course, I don't regard all tenants as angels and all landlords as devils. I know some tenants are indifferent about the landlord's property or cause the landlords worry and grief in other ways. In this legislation we are trying to resolve many conflicting interests between owners and renters. I believe in the bill before us we shall get as near as is humanly possible to being fair to both tenants and landlords. Mr. Speaker, I have also tried to show the need for a greater degree of government involvement in community planning and control of building development. I believe we will get the best and most effective control over housing costs when the principle and motive behind all housing development is the need and welfare of the people in the community rather than the desire for profit of private real estate operators and any other speculators. Thank you.

**MR. DEPUTY SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I feel compelled to enter into the debate on this bill at this time, speaking on behalf of the many apartment owners and renters that I have in the constituency of Lakeside.

Mr. Speaker, probably on no other issue has there been allowed to have perceptions of what people perceive something to be when, in fact, they are not, play a greater role than in the question of rent control. Mr. Speaker, that was recognized by our Opposition in the last election, the New Democratic Party and they were very successful in exploiting that. —(Interjection)— Oh, yes, you see, rent control in the minds of most people in fact means rent freeze, whereas as arbitration, mediation, that was the kind of control that was being very successfully applied up to now, during the past four years, represented no control. That was the perception, Mr. Deputy Speaker, that was out there; it was well exploited by our political opponents and they now, of course, have to deliver on that promise in terms of providing an actual rent control bill.

Mr. Speaker, I'm not going to make any lengthy contribution on the bill at this particular time. I'm waiting for the details to come out at the committee hearing - I have taken the time - that shows that the actual record, the track record, of allowable rent increases compared to what happened in Manitoba without this kind of legislation and what has happened in other jurisdictions that have the legislation, principally in British Columbia, where my son and daughter-in-law reside; in Ontario, that legislation very similar to the kind of legislation, even more stringent. I believe in Ontario the current allowable annual increase is some 6 percent and we are talking 9 percent. —(Interjection)— Well, undoubtedly they will raise it. But in any event, the truth of the matter is when independent surveys are taken of what the actual rent increases were, they far exceed them because you are going to be reasonably fair and you're going to allow the acceptable pass-through costs that the bill calls for, or at least I hope I will, and I will reserve final judgment on the bill until I see that. But nonetheless the net effect will be that rents will increase for sure by 9 percent-plus now, whereas the track record of the past four years - yes, without an actual rent control bill, in fact with a decontrolled, de-regularization measure in effect - rent increases were there but, on average, not higher than what most reasonable people would accept as being acceptable.

Well, Mr. Deputy Speaker, I want to indicate that it's my intention to support the bill for reading, in principle, at this particular time because I do agree that there is a role for government intervention in this area because there are always exceptional cases where rent increases are not acceptable or the extent of the increases are not justifiable. We believe the system, as has been enforced and has been administered, was an adequate system. Perhaps it needed modification; perhaps too great an onus was left on the tenant to initiate the kind of action that some tenants initiated with a considerable degree of success. So, Mr. Speaker, that's an understandable difference of point of view between gentlemen and ladies opposite and ourselves.

I will look forward to the representations. I will be watching the kind of willingness on the part of the Minister and the part of the government to at least acknowledge some of the difficulties that the bill may present to that important sector that provides shelter for so many people, so many Manitobans, and to have demonstrated to me in some way that the actual rent

control bill measure that is being proposed will in some way, some demonstrable way, work better than the system in place.

Mr. Speaker, I suggest to honourable members opposite that while only time will tell but they may well be laying a trap for themselves, a problem for themselves, in a sense that the expectation that you have created on November 17, the expectation that you are creating with this bill out there, is no rent increases. Let's not fool ourselves. I want to be fair to my friends opposite; that will be my interpretation of this bill. Oh yes, just as you exploited under the laissez-faire, lack of control, lack of these kind of rent control bills, you knocked on every landlord and you said you don't want to see your rent rise, vote NDP. We saw that in your literature. I'm simply telling you there will be many Conservatives knock on doors saying, "Did in fact your rent increases go up by 8 percent in the last four years? Blame it on the NDP." We're talking a little bit of how the game of politics can be, because, Mr. Speaker, I'm being very fair in being this open about it.

As I said in my first few comments, the perception of the people, perception of our citizens is that rent control means next to no rent increase. That's what it means. That is the perception —(Interjection)— I know that's not what you mean. I know that's not what you mean, but that is the perception that's out there and you let it lay. You let it lie there during the convenient time of an election. Well, Mr. Speaker, we ran against it. We had to cope with that in an election and we lost some very critical seats as a result of that kind of a successful political campaign. I'm simply suggesting to you that if the rents increase in a steady way, there are going to be many disappointed apartment owners, and if an apartment building is being refinanced from a 10 or 11 percent mortgage to an 18 or 20 percent mortgage and this legislation allows for a 25, 30 percent rent increase to be passed through, as you will have to. Then, Mr. Speaker, the disappointment will be keen and it will be felt.

But, Mr. Speaker, as I indicated, I'm prepared to support this bill in principle at this time and deal with it at Committee stage.

**MR. SPEAKER:** Are you ready for the question?

The Honourable Member for Riel.

**MRS. D. DODICK:** I have chosen to enter this debate at this time, Mr. Speaker, because the issue of rent regulations is of a great concern to many of the individuals and the families in my constituency of Riel. In a direct sense, the proposed control of residential rent increases will benefit almost 35 percent of the residents of Riel, which is the approximate number of people residing in rental housing. In meeting with these individuals over the past few years and particularly during the last provincial election campaign, I could sense a considerable degree of anxiety. For many, the pressures of holding down a job and raising a family in a period of general economic stagnation and it was a great burden to bear. The added fear of increased cost of accommodation served only to entrench the prevailing sense of urgency.

It is comforting to me to know that the legislation presented under discussion will serve at least in part to relieve some of the burden borne by individuals and

families such as these. Rent controls will no doubt benefit all the renters in Manitoba. I feel that the individuals in Riel will gain especially.

In Riel, we have very few large, elaborate apartment complexes with swimming pools, tennis courts, gamerooms and the like. Rather, Mr. Speaker, most apartment blocks offer just the tenants' basic needs and the tenants tend to be from these income levels who desire only the essential components of housing for the people, the workers, the single parents and the aged. The apartments in which they live are the most they can afford, given the means that they have available to them. A house is beyond their financial reach and they are doing their best to make ends meet between payments for rent, food, clothing and necessities. When faced with rent increases, these people have had to cut back in other areas. Perhaps they have had to buy cheaper, less nourishing food; perhaps they have had to withdraw their children from activities, and perhaps they'll have to cut back on clothing for themselves and for their children. Whatever the case, Mr. Speaker, I am confident under the proposed Residential Rent Regulation Act, the increases in the housing cost for these people will be reasonable and affordable and that my constituency will be able to face the other pressing economic issues secure in the knowledge that this most basic necessity, the roof over their head, will continue to be within their means.

However, the rent control legislation will have a broader, indirect impact extending beyond simply those individuals who reside in rental housing. As I have mentioned earlier, Mr. Speaker, when renters are faced with undue increases, they are forced to make cutbacks in their other consumer areas. As a result those small businesses providing such goods and services in these other consumer areas must suffer as well.

Ironically, Mr. Speaker, one of the first persons to contact me regarding rent controls was an owner of a small drycleaning service in our area. It was his fear that if rent control legislation was not passed and if residential rents were left to increase at an unregulated rate, that his business would suffer from this subsequent belt-tightening that would undoubtedly take place among apartment dwellers.

The same circumstances, no doubt, apply to the suppliers of other similar goods and services that are absolutely necessities. Neighbourhood barbers, tailors, florists, restaurant operators, all would suffer indirectly from unfair rent increases.

Obviously, Mr. Speaker, my response to the proposed bill is positive for I feel that the rent controls are essential to these two key groups of people, the renters themselves and the owners and operators of small businesses which provide goods and services to renters as part of their clientele. However, my favourable impression of the legislation extends beyond the simple general impact that the Act will have to encompass the manner in which the bill's objectives will be achieved.

In particular, Mr. Speaker, I am especially pleased to see that the onus will be on the landlords to justify rent increases. By and large, the individual renters tend to be people who are unversed and are not aware of the laws and who have many pressing problems facing them everyday. They have neither the skill, the



resources or the time to prove that an increase in the rent that they pay is unfair. On the contrary, Mr. Speaker, landlords are in the business of maintaining rental housing and they are familiar with the legal provisions affecting their businesses and have the knowledge and the time and the logic of justifying increased rent.

As well, Mr. Speaker, I was pleased to see in the Act a provision for the automatic review of rent increases and of the requirement for landlords to provide notification of rent increases. This service to provide ongoing protection to the tenant and to ensure that renters unfamiliar with their rights, will not be taken advantage of in any way.

Overall, Mr. Speaker, I support wholeheartedly The Residential Rent Regulation Act and am fully confident that its administration will lead to a more just treatment to tenants and landlords. For me, the most important thing is that the needs of the renters are met and that he is given every possible protection from exploitation in the business where the landlord is providing all essential services to the tenant. The tenant is obviously at a disadvantage. In my opinion, Mr. Speaker, the present legislation has successfully removed the disparity and will pave the way for a harmonious and mutually beneficial landlord-tenant relationship.

I think any more that I have to say would probably just be echoing what my colleagues have said, so, thank you, Mr. Speaker.

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

**MR. J. DOWNEY:** Mr. Speaker, I am pleased to see that there's so much enthusiasm from the members of the government bench to hear the comments that I have to make on the rent control. Mr. Speaker, my constituency is not affected directly by the rent control but the principles that some of the individuals have talked about on the other side are somewhat contradictory in my mind. I have to, for my own satisfaction, rise to get some clarification from the members opposite who for some strange way want to only talk about one particular side of an issue or one particular point dealing with why, in fact, people in society, particularly those who are renting accommodation, have such a difficult time in keeping up with their rental payments and the costs that have had to be transmitted through. Of course, it isn't like the rest of goods and services provided in society; it's an essential service. We need housing; we need protection and that type of thing.

Mr. Speaker, the last speaker made a comment about the majority of small business who were people who were in rental accommodation. I would hope those kinds of statements could be backed up by a survey of just the types of income earners who are living in rental accommodation. We all like to see everything kept down to a minimum but the regulations or the kind of regulatory mechanisms in a lot of cases are put in place, not always in the case of need, but somewhat in the cases of a personal greed which I have to say I am an individual who is renting accommodation too, and feel the impact of rent increases. Whether or not they are justifiable, I think the mechanism has been set up under our previous administra-

tion and I want to compliment my colleagues this morning on the input into this bill.

There's one point, Mr. Speaker, that I want to make and I want to make it very clear. The members of the government backbenches get up and make a speech and say, you know, that those people who are investing in the rental accommodation should be restricted to 9 percent. The Canadian Labour Congress, Mr. Speaker, came to Winnipeg and they had a great foaraw, their leaders and all those people, and today I hear on the news that the only Provincial Government which they support, is the one in Manitoba. What did the labour movement say, Mr. Speaker? That in today's society, when everybody has to tighten their belt, they aren't going to tighten their belt. No way are they going to back off, Mr. Speaker, when it comes to the tough economic conditions we're in.

Mr. Speaker, for the information of the members opposite, do they realize how much labour goes into the building of accommodation that people have to live in? Do they take a look at that, Mr. Speaker? Here they are on one side of the fence saying the people who hammer the nails and do all the hard work to build the housing and the accommodation should drive ahead at a 15 percent increase, not accept a little bit less in society, but we support the NDP Government who says drive ahead because we have the right not to cut back or accept less. Yet, they'll stand here as a party, as a government, and say that those people who they work for or in other cases those people that they may be a part of through a housing co-op or whatever, have to take less. You don't clearly explain both sides of the picture.

I can't, for the life of me —(Interjection)— that's right. I would almost say that - I'd be making a speculative figure - again, here's what I would expect the Minister and the government to come forward with. How much labour, compared to material, goes into the building of a house? Is it 50 percent? Let's compare a house to a rental unit; what does it cost per rental unit? Is it \$50,000 to build a rental unit? How much of that is labour? Is it 50 percent? Is it \$25,000.00? —(Interjection)— It used to be 50 percent. Here again is where the members opposite aren't telling the whole story. Who planned that two-by-four or that four-by-two or whatever it is in metric? Who put it together, Mr. Speaker? It was labour; it was largely a labour intensive business. They took the tree and they made it into a workable piece of material to build that house. So when you calculate back all the labour that goes into the building of accommodation, that's where the big problem is, Mr. Speaker. Yet, they're squeezing the wrong part of the orange. They're squeezing the skin instead of squeezing the juice that's in the middle of it. You know, it's got to work both ways; both sides have to take a little bit less when you bring in this kind of legislation, but it's away off balance.

I would like a member opposite to stand up, a member of the government to stand and say I'm wrong, say that the labour input into a house or into an apartment shouldn't take a little bit less when everyone is trying to provide the bare necessities for their daily needs. Am I wrong in saying this? —(Interjection)— I'm wrong in saying this. Well, why don't you stand up and justify why I am wrong? I would like the members opposite to justify why I'm wrong in

saying that everyone who has an input should take a little bit less, but no, Mr. Speaker, the members opposite would not get up and speak. I challenge him to get up and speak and say that the Canadian Labour Congress were right; that the Canadian Labour Congress shouldn't tell their membership that they as well should cut back a little bit so that the cost of the rental, Mr. Speaker, to those people who are in need of protection can live within the amount of money that they're making. But they won't do that, Mr. Speaker. They are saying, no, we fully support the Canadian Labour Congress that say, no, we have to have a 15 percent increase. We have to keep ahead of the rate of inflation.

Mr. Speaker, at the same time, here we are, we have a government who recently introduced a Budget that increased the cost to the people who are building the rental accommodation because they have to hire people by 1.5 percent on a payroll tax. They're on one hand saying, you know, we need money from the country, we need money from the people. We're going to tax it out of them at 1.5 percent and yet we don't believe that the people who have to pay that should, in fact, be able to accommodate themselves for those forced government costs.

I, Mr. Speaker, can find very little consistency in the thinking and the policies of the present administration. Mr. Speaker, I would call them a reactionary government, whichever is going paint them in the best light with the average citizen.

Well, Mr. Speaker, you know I was told a long time ago and I've subscribed to the principle that if you don't tell a lie you don't have to have a very good memory. You don't have to remember what you said at one time. Mr. Speaker, the members opposite have somewhat, through the way in which they were elected last fall and misled the people of Manitoba as my colleague from Lakeside had pointed out, somewhat gave them the impression that under the NDP administration that my rent, if it's \$100 a month before the November 17 election, that when it comes four years later my rent will still be \$100 a month. That's the kind of impression they've left with the people of Manitoba. Well, Mr. Speaker, the people of Manitoba don't lie and they don't have to have a very good memory, but the government who is now in office have misled the people. I'll tell you it will come home to haunt them.

I, Mr. Speaker, am going to watch and listen to some of the debates before I make my mind up on whether I will support it or not because I thought we had a pretty good working piece of legislation. Mr. Speaker, I will listen to some of the debates, but I would like one member opposite over there to tell me to help those people who are in need of keeping their rental charges down so that they can live in decent and reasonable accommodation, that the Canadian labour movement is prepared to back off those people that build those housing and accommodations, those people that planed the logs and the two-by-fours and the plywood goes in, that everybody's prepared to take just a little bit less and do so willingly. Or, Mr. Speaker, is this government, because they're going to introduce rent control and what they say is a tougher form of rent control, going to bring in wage controls as well to protect those people in society that are buying the

needed goods and services? Are they going to do that?

Well, Mr. Speaker, tell us. Tell us, Mr. Speaker, if they subscribe to a totally controlled principle of keeping everything within the costs of what they feel are necessary, are they going to do it across the full board? Are they going to bring in food price controls? Is that the next one? If you don't have food, do you need rental? Are they going to regulate? I have some questions. Are they going to regulate? Are they going to reintroduce the Milk Control Board where they regulate the price of milk on the shelf? Are they going to do that?

These are all questions, Mr. Speaker, that I think a government who, if they have a firm commitment and direction, should be prepared to come straightforward on it. I haven't heard it. They're still working under the smoke screen of the election they won last fall and are still trying to apply those principles of misleading the people of Manitoba in governing the province. You know it's demonstrated daily.

So, Mr. Speaker, as I've indicated I will leave my comments at this point and I would hope that there are some members opposite who are prepared to stand up and say yes, I think you're right. The Member for Arthur is right that the labour input is 50 percent or 60 percent of that rental accommodation and that, in fact, they should be prepared to take a little bit less so that the rent to those people who are in need can afford it and have that kind of accommodation. It's a challenge to the government, Mr. Speaker.

**MR. SPEAKER:** Are you ready for the question? The Honourable Member for Springfield.

**MR. A. ANSTETT:** Mr. Speaker, I just have a few short remarks that I'd like to make. Hopefully, within a couple of minutes I can do so.

The Member for Lakeside referred to two different styles of philosophy in rent regulation. He tried to identify us as being very much in favour of control and he talked about that as being freeze, whereas they were prepared to go with regulation. Mr. Speaker, the Member for Lakeside makes an important distinction there, but he makes a distinction which is totally inaccurate in terms of representing the opinion on this side. What he fails to distinguish is the fact that the previous Conservative Government had rent regulation which was a total failure, a colossal disaster and was rejected by the people of Manitoba.

So, when he talks about control and freeze that's a subterfuge to deflect the attention of the people of Manitoba from their failure. When we talk about regulation, we're talking about a meaningful regulation that's fair to both. Mr. Speaker, the reason the Member for Lakeside tries that subterfuge, tries to deflect that attention from their colossal disaster in rent regulation is because he's seen the public reaction to our program and he's seen that it's been good from both sides, from management, from the investment firms, from the landlords themselves and from the tenants. So, Mr. Speaker, that's the first point that has to be made.

The second one is, when he talks about percentage increase he wants to start at that base of 9 percent and yet he knows that the new Act the Minister has brought

into this House provides for directions both ways from 9 percent in terms of decisions by arbitration and regulation - very important.

So, Mr. Speaker, I think those points have to be made and they have to be identified as important questions in this debate.

**MR. SPEAKER:** Order please. Time being 12:30 p.m., I'm interrupting the debate for Private Members' Hour. When we next reach this bill, the Honourable Member for Springfield will have 38 minutes remaining.

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

**HON. A. MACKLING:** Mr. Speaker, I understand that by common agreement the Private Members' Hour will be foregone, and we will adjourn.

I move, seconded by the Minister of Education that the House do now adjourn.

**MOTION presented and carried** and the House was accordingly adjourned and will stand adjourned until 2:00 p.m. on Monday.