

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 10 April, 1987.

Time — 10:00 a.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Madam Speaker, I'd like to submit the Standing Report of the Municipal Affairs Committee.

Your Standing Committee on Municipal Affairs met on Tuesday, April 7, 1987 at 8:00 p.m. and Wednesday, April 8, 1987 at 8:00 p.m. in Room 255 of the Legislative Building to consider bills referred.

Your committee heard representations on Bill No. 8 - An Act to amend The City of Winnipeg Act; Loi modifiant la Loi sur la Ville de Winnipeg, as follows:

Tuesday, April 7, 1987 at 8:00 p.m.:

Mayor Bill Norrie, on behalf of the City of Winnipeg;
Mr. Harold MacDonald, on behalf of the City of Winnipeg;

Dr. L. James Shapiro, on behalf of the St. Germain Community Association;

Mr. Don Adamek, on behalf of the St. Germain Community Association;

Mr. Fred Corey, on behalf of the St. Germain Community Association;

Mr. Don Fleming, Private Citizen;

Mr. Marjan Urbanowicz, on behalf of the Old Kildonan Residents Association.

Wednesday, April 8, 1987 at 8:00 p.m.:

Mr. Gordon Crozier, Private Citizen;
Mr. Roger Ritchot, Private Citizen;
Dr. Gary Glavin, Private Citizen;
Mr. Zenon Chrol, Private Citizen;
Mr. Victor Bantle, Private Citizen;
Mr. Marcel Taillieu, Private Citizen;
Mr. Gary Smith, on behalf of the South Charleswood Community Association;

Mr. Raymond Starkell, Private Citizen;

Mr. William Devos, Private Citizen;

Mr. Gordon Fossay, Private Citizen;

Mr. Michael Tomlinson, Private Citizen;

Mr. Jarl Johner, Private Citizen;

Mr. Roman Jablonski, Private Citizen;

Mr. Nelson Boychuk, Private Citizen;

Mr. Gerry Madden, Private Citizen;

Mrs. Lilly Wiebe, Private Citizen.

Written Submission by:

Mrs. Alice Studham, Private Citizen.

Your committee has considered:

Bill No. 8 - An Act to amend The City of Winnipeg Act; Loi modifiant la Loi sur la Ville de Winnipeg;

Bill No. 13 - An Act to amend The Municipal Assessment Act; Loi modifiant la Loi sur l'évaluation Municipale.

And has agreed to report the same without amendment.

All of which is respectfully submitted.

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Madam Speaker, I move, seconded by the Honourable Member for Kildonan, that the Report of the Standing Committee on Municipal Affairs be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Cultural, Heritage and Recreation.

HON. J. WASYLYCIA-LEIS: Thank you, Madam Speaker.

It's my pleasure to table the Annual Report for 1985-86 for the Legislative Library.

MADAM SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

Manitoba Developmental Centre - tabling of Ombudsman's Report

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

Madam Speaker, the Ombudsman has indicated that the Minister of Community Services has the authority to release the Ombudsman's Report on the deplorable living and working conditions at the Manitoba Developmental Centre. With the appropriate deletion of names for confidentiality, would the Acting Premier now instruct the Minister of Community Services to release that report to us?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I'll take that question as notice for the Minister.

MR. E. CONNERY: Could the Acting Premier also indicate at that time when the release, if it's going to be released, when it would be released?

HON. L. DESJARDINS: There are an awful lot of questions, but when I'm taking a question as notice and anticipating that the answer will be yes is going a little too far.

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MPIC - Management Review by Touche Ross

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister responsible for MPIC.

Yesterday I asked him about a study or review that is being done by Touche Ross, P.S. Ross, Management Consultants, into MPIC. I wonder if he can indicate now whether or not they are indeed contracted to do work for MPIC at this point in time.

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker.

I did take that question as notice yesterday and I can confirm that Touche Ross was asked to develop an executive information system. This report, I believe, was completed on March 31, and the contract called for the outlining of the information content of the system, to determine a level of accuracy and to develop a system that would provide for the timeliness of reporting and presentation style that would assist senior executives in decision making.

MPIC - Minister aware of review by Touche Ross

MR. G. FILMON: Madam Speaker, I want to know from the Minister how it is that he, as chairman of the board, wasn't aware of this, a review and analysis yesterday?

HON. J. BUCKLASCHUK: As I indicated yesterday, the Corporation may have any number of studies under way at any given time. The Minister responsible for the Corporation is not the manager of the Corporation. There are certain authorities or delegation of authorities to the manager or the president. This contract was undertaken by the president within the authority provided to him by the Board of Directors.

MPIC - did Touche Ross review investments

MR. G. FILMON: I'm sure most Manitobans are grateful that the Minister is not the manager of the Corporation, Madam Speaker.

My further question is, did this firm of Touche Ross do any examination or investigation into the investments of the Corporation?

HON. J. BUCKLASCHUK: Madam Speaker, the Member for Tuxedo is asking very specific information. I indicated that the purpose of the contract was to develop an executive information system. I would imagine that the consultants would have looked at every area of operation within the Corporation, of which the information would be useful to the senior executive in a Corporation in making informed decisions.

MPIC - Touche Ross review impact on financial projections

MR. G. FILMON: Madam Speaker, will the information that they are gleaned from their investigations impact on the financial position or projections of the Corporation?

HON. J. BUCKLASCHUK: Madam Speaker, I would hope that if the consultants have been asked to develop a system that would enable executives to make better, more informed decisions, that it should impact positively on the financial operations of the Corporation.

MPIC - Touche Ross review - availability to Opposition

MR. G. FILMON: Madam Speaker, I was speaking about financial projections, not financial operations. I wonder if the information from the study that's being done by Touche Ross can be made available to the members of the Opposition.

HON. J. BUCKLASCHUK: Madam Speaker, I will take that question under advisement; however, it is an internal document. If the Opposition member is asking for the keys to the Corporation, why doesn't he come right out and ask for them?

MR. G. FILMON: Madam Speaker, I hadn't thought of that but, if the Minister is offering it, then will he give us the keys to the Corporation?

First Ministers' Conference on Constitution re special status for Quebec

MR. G. FILMON: Madam Speaker, my question is for the Acting Premier.

It is my understanding that there will be a First Ministers' Conference with respect to the Constitution later this month and I wonder if the Acting Premier can give us the assurance that the government will table in this House the government's position with respect to the granting of special status to Quebec, as that pertains to the negotiations that will be taking place later this month?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: As the Premier has stated previously, there have been no formal proposals made by the Province of Quebec. There have been a number of positions that have been discussed at the official's level, informally at a ministerial level. Soundings have been taken as to where there might be consensus. It's clear that there is no consensus at this particular point and, therefore, there is no position which the Government of Manitoba as yet has been called upon to develop with respect to formal proposals.

It's my understanding that the nature of the meeting on the 30th of April is for the Prime Minister of this country to assess whether or not there is the possibility of consensus before more formal proceedings take place so that, at this moment, Manitoba has not been called upon and indeed has not developed any formal position with respect to these soundings.

MR. G. FILMON: Madam Speaker, has Manitoba taken a position with respect to the proposal put forward at

the New Democratic Convention in Montreal to give Quebec special status for entering the Constitution?

HON. R. PENNER: It's not in the nature of government to take a position with respect to resolutions of the party, either at federal conventions or provincial conventions, except when the government is ready to translate general policy into government positions.

The question of special status for the Province of Quebec has not arisen as an issue. There are questions relating to appointments to the Supreme Court with respect to immigration policy, with respect to the spending power of the Federal Government that are applicable to all the provinces, and I want to assure the Leader of the Opposition and members opposite that our position is to protect the interests of the people of Manitoba within the national fabric, and that will always guide us in any position that we take.

MTS - impact of MTX loss on rates

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker.

Madam Speaker, the Manitoba Telephone System, faced with at present day's calculation a \$27.4 million loss because of MTX in Saudi Arabia and other operations, is now before the Public Utilities Board for a rate hearing. Six months ago, the Minister of Labour, before he resigned as Telephone's Minister, said the \$27.4 million loss would have no impact on the rates of the Manitoba Telephone System.

The new Minister, four months ago said, yes, it would have some impact on the rates request before the Public Utilities Board. There appears to be a great deal of confusion as we hear testimony from senior people in the Telephone System as to the impact of that \$27.4 million loss on the rate request.

My question to the Minister responsible for the Telephone System is: Will he clear the air and tell the people of Manitoba what they inherently know through common sense, that the \$27.4 million loss will be made up by the ratepayers of Manitoba?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. G. DOER: Thank you very much, Madam Speaker.

I also have a copy of the document or the report that the honourable member asked for that was filed with the Public Utilities Board yesterday afternoon.

Madam Speaker, the interventions and the debate going on at the Public Utilities Board I think is very instructive for Manitobans. The issue of the MTX losses, there's absolutely no question that we publicly stated that it was \$27.4 million based on the estimates of the auditing companies, Coopers and Lybrand and Arthur Andersen. We are in very sensitive negotiations on a number of those projects that affect the \$27.4 million figure.

The \$27.4 million loss has been accounted for and publicly filed in the Retained Earning Account of the Telephone System, as the member knows, and obviously the Telephone System would be \$27.4 million better

off it hadn't lost that money in terms of the Retained Earning Account of the Telephone System.

Madam Speaker, I haven't followed all the debate at the Public Utilities Board, but the question has been posed, how can the ratepayers pay for a loss of \$27.4 million in a subsidiary such as MTX, which I think is a legitimate question to be posed by the Public Utilities Board.

Evidence filed yesterday was that there was some \$70 million gained in the competitive side of the Telephone System that has also been put into the rate base and decreased the rates.

So, Madam Speaker, the Public Utilities Board is looking at that \$27.4 million projected loss and is looking at the rate application and is hearing a number of interventions, including a number of interventions from rural Manitoba and will be determining the rate increase as it is legally constituted to do.

MTS - rural services, rates

MR. D. ORCHARD: Madam Speaker, I won't ask the Minister again about the impact of the \$27.4 million loss on the rate structure, but I would like to ask the Minister a question, whether it is government policy, and policy that he approves of, to have the Telephone System add charges to long-distance tolls within the Province of Manitoba so that those small rural constituencies, which are under 20 miles apart, will pay a 22 percent increase in their long-distance charges, whereas communities 400 kilometres apart will pay only a 4 percent increase in long-distance charges. Is this the kind of equity and fairness that this government supports in telephone rates in the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. G. DOER: Thank you, Madam Speaker. I think that's a very legitimate question.

There is absolutely no question that there is a massive debate going on at the Public Utilities Board over the issue of who should pay what in terms of the rate proposals before the board. There are a number of people from rural Manitoba who feel that the proposal of the Telephone System is unfair. There are a number of other people, in fact, the Anti-Poverty Association has said that the rate proposal, in terms of the long-distance issues is fair; in fact, it should be the other way that the honourable member is mentioning. I think it's legitimate that the Public Utilities Board hear those two positions.

I think, Madam Speaker, it is also very worrisome to me that we have a decrease in interprovincial long-distance rates that has been necessitated by potential competition from American long-distance companies. We have a situation, Madam Speaker, where in the Province of British Columbia the CRTC, a federally-appointed body, is allowing long-distance calls to go down to the States, across Canada and up to Canadian cities which will kill the rural rates in Manitoba and all of the other prairie provinces if the federal CRTC is allowed to do that. It will really jeopardize the Manitoba Telephone System having the lowest rates in Canada.

MR. D. ORCHARD: Madam Speaker, I can only presume from that answer that government policy is to gouge small rural constituencies 22 percent in this rate application and other ones 4 percent, because that Minister did not answer the question.

MTX - updated loss amount

MR. D. ORCHARD: Madam Speaker, my final supplementary question to this Minister: Who is implementing government policy to gouge small rural constituencies with long-distance rates, is the \$27.4 million loss currently updated to a higher figure through the MTX fiasco?

HON. G. DOER: Madam Speaker, yesterday I showed where the rate in rural Manitoba under the proposal is quite a bit less than Tory Saskatchewan. Madam Speaker, if Michael Wilson and Barbara McDougall have their way, there will be competition in the long-distance area and rural Manitoba, rural Saskatchewan and rural Alberta will be decimated, in terms of their rates, by Americanizing the telephone system in this country. The honourable member across the way should be aware of that.

In terms of the specifics of the question the \$27.4 million, Madam Speaker - one has to deal with the preambles and the questions from the honourable member - the \$27.4 million estimate and figure that has been placed and subtracted from the Retain Earning Account was placed there by the advice of the individuals involved in the MTX wind-down, Mr. Curtis, Mr. Robertson, and it was placed in there by accountants, the Arthur Andersen group, and it was also reviewed by Coopers and Lybrand who have been intimately involved in the calculations of those figures.

I trust the advice we've been given. There are, as I said the first time the honourable member asked the question, sensitive negotiations going on which will obviously determine the bottom line, Madam Speaker, and I will advise the House when those negotiations have been completed.

Sugar beet industry - layoffs at Fort Garry plant

MADAM SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker.

We, on this side, have been pushing the government to change their position on agriculture for the last couple of years, especially as it relates to the issue of the sugar beet industry in this province, and my colleague, the Member for Virden, has been working very hard to have the government take a positive position to encourage the survival of the sugar beet industry in this province.

My question to the Minister of Labour is: Has he received notice that 93 employees of the sugar plant in Fort Garry have received layoff notices as of this morning?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: I had a meeting yesterday afternoon with Mr. Elliott of the Manitoba Sugar facility, and reviewed with him, not only the notice that he gave me, but a proposed press release which is designed to put the best case forward for the Federal Government, which is turning its back on the sugar beet industry in this country, particularly in Manitoba.

Our Minister of Agriculture and the Minister of Industry, Trade and Technology have clearly outlined the kind of double-dealing that we have in this country by a Federal Tory Government, and members opposite have been urged to use their political persuasion with their cousins in Ottawa to change that kind of policy, but they fail to do it.

MR. C. BIRT: Madam Speaker, a further question to the Minister of Labour.

I'm advised that the manufacturing process currently being carried on at the sugar plant will be discontinued, and only a small group of employees will be retained, namely, 20 in number, as a distribution centre for the product of sugar.

I'd like to ask the Minister of Labour if he has received notice from any of the suppliers and people involved with the sugar company, namely, Kleysen's or others, if they have given similar notices to their employees that they will be laid off because the sugar plant will no longer be in operation?

HON. A. MACKLING: No I have not, but I've been apprised by some of my colleagues that the Member for Fort Garry has been complaining about the continuance and operation of the plant in his constituency because of the smell, Madam Speaker.-(Interjection)- The smell that I hear in this Chamber is the double-dealing by Conservatives in this country who elected a Federal Conservative Government thinking they were going to be fair to the west, and we've had nothing but abuse from the Federal Conservative Government.

MADAM SPEAKER: Order please.

Sugar beet industry - Ag. Min. to change policy

MADAM SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker. The only smell in this Chamber is emanating from the other side of this House.

Would the Minister of Labour now meet with his colleague, the Minister of Agriculture, to persuade him to change his position on his failure to support the sugar beet industry, now that he sees the devastating effect of his failure to get involved in a support of an industry that's vital to the Province of Manitoba? Will you ask your colleague to change his pig-headed policy?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, first of all, the honourable members should know that for 25 years in

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this country the sugar beet industry was supported 100 percent by the Federal Government through The Agricultural Stabilization Act, until 1985; Mulroney's Conservatives changed that policy.

Madam Speaker, we negotiated on a one-time basis with the Federal Conservatives that there would be no further funding required on a provincial basis beyond the 1985 crop, and that there would be a national sugar sweetener policy put into place in this country, which would not necessitate any further taxpayers' dollars for that industry. Madam Speaker, they, in fact, did not meet either of those two commitments; they unilaterally in 1985 changed their policy and, in 1986, the fall of 1986, they unilaterally changed their policy again. The wrong-headed policy, Madam Speaker, is from their brothers and sisters in Ottawa.

MADAM SPEAKER: Order please, order please.

AIDS - funds for education-information program

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Acting First Minister, whichever one of them would like to answer it.

Yesterday in the Health Estimates, both the Minister of Health and the head of Communicable Disease Control of his department, Dr. Margaret Fast, reiterated the need for more education programs to help in the fight against AIDS through the education of the general public and through school children through school programs.

I'd like to ask the Acting First Minister: Will the government commit additional dollars to fund an appropriate information program and that the \$50,000 requested in Health Estimates is woefully inadequate?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I want to assure the members of this House that we have certainly the same concerns. I'm sure all the members of this House have the same concerns. Of course, we have in front of us a series of Estimates and that is what we're debating at this time. I think that it was also - I mean at this time while we're going through the Estimates, of course. I wish to tell the members of this House also that the Minister of Finance has discussed the possibility of funding for Health, through Lotteries, and there's discussion going on at this time. Nothing is decided at this time. If there's any announcement it would be announced in this House.

MRS. S. CARSTAIRS: A supplementary question to the same Acting First Minister, Madam Speaker.

I'd like to ask the Minister if the government in that they have been prepared over the years to spend millions on Jobs Fund advertising and hundreds of thousands on gambling advertising, if they do not think it is essential to provide an appropriate budget for education problems and education programs to combat the most serious health problem of our century?

HON. L. DESJARDINS: Yes, Madam Speaker, I think it is very important. This is why we have been preparing. We have a program prepared and the Federal Government - we're working with the other provinces and the Federal Government - started their program about a month ago and I think that, when we piggyback on this program with the provincial program, I think that it'll make quite a bit of difference. We've been working for a number of months on this with the Federal Government and the other provinces. Now it is, in this case, I think it would be safe to say that whatever money we spend it'll never be enough. I think there'll always be somebody who feels that we should spend more. But we have to balance the health of all the people of Manitoba; the other costs also that we hear people asking for all through the Estimates and practically every day.

So we certainly will do the best we can. We think we'll have a good program and there's co-operation with the Federal Government. As I say, if it's felt that something new - there's an awful lot more to learn about AIDS, we're learning every day and we're keeping all the options open.

AIDS - percentage of budgets to advertising

MRS. S. CARSTAIRS: A final supplementary to the same Acting First Minister.

Would the First Minister be prepared to go to Cabinet to ask each and every department of his Cabinet to give a percentage of their budget to advertising programs for AIDS?

HON. L. DESJARDINS: Madam Speaker, this is hardly a precedent that we would want to start, but we might ask the members of the Opposition if they would like to reduce their budget and maybe we can start with that. I think it would be a little - (Interjection) - Well, the question was asked, are we all ready to give a percentage of our budget, and there is a budget to treat the research and that of all the members of this House. Maybe we could see what the other side thinks about that.

Budget - balanced by 1991

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you very much, Madam Speaker.

Madam Speaker, approximately three weeks ago the First Minister indicated outside of this Chamber that the government would balance the Budget in 1991. He was subsequently unceremoniously corrected by the Minister of Finance, who on April 2, in the Free Press, was quoted as saying, "The Premier meant that we will balance the operating portion of the Budget by 1991." I ask the Minister of Finance, Madam Speaker, which portion of the Budget is going to be balanced and was he correct or was the Premier correct?

MADAM SPEAKER: The Honourable Minister of Finance.

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HON. E. KOSTYRA: Thank you, Madam Speaker.

I'd first reject any suggestion that I do anything unceremoniously in this House or outside of the House. I think if the First Minister was in the position and was not away today with his mother, he would indicate to the member opposite the same position that I advanced in reply to questions from the media.

MR. C. MANNES: Madam Speaker, the former Schreyer Government taught Manitobans what can be done by creative accounting, if one shifts expenditures from one operating deficit to one capital deficit.

Madam Speaker, given that the NDP are so adroit at this time at using this creative accounting, latest to be displayed in the Workers Compensation Board, where we now have an unfunded liability, can the Minister of Finance indicate to Manitobans as to why or as to whether or not the government has decided to totally reject the view of the Provincial Auditor, who in 1984 said that this practice of separating operating from capital is not a realistic representation of the net deficit on operations? Is the government rejecting that view?

HON. E. KOSTYRA: First I'm a bit surprised that, as the government has taken action to maintain services in our province and at the same time bring about a reduction in the deficit, unlike the Tory provinces of Saskatchewan and Alberta, where deficits indeed are rising, that we're facing criticism from members opposite with regard to taking that kind of action.

In regard to the way that the books are presented, the position that was advanced in the Budget this year, which was a change in format from previous years, was reviewed with the auditor, and I'm informed that he finds that that presentation is in accordance with his views.

MR. C. MANNES: Madam Speaker, I'm not talking about the presentation. I'm talking as to whether or not the government feels that the Budget will be balanced in 1991, and if they can balance one portion of it, whether they feel that is fair or not.

My final supplementary, Madam Speaker. Is this a firm commitment of the government to balance the Budget by 1991 or is it a fond hope, something similar to what happened again in the Workers Compensation Board where the Minister two years ago and last year said that things were becoming better within that activity? Is it a firm commitment that will be demonstrated within a plan, that will be laid before the people of Manitoba?

HON. E. KOSTYRA: The Premier was very clear in terms of indicating that was the goal of the government to bring about that reduction after the turn of this century. We are certainly going to continue to work to meet that goal, Madam Speaker.

Madam Speaker, the members know the kind of situation that faces the province. They know full well that this year we're receiving a significant reduction in support from the Federal Government, which caused us to make up that reduction through increased revenues on the people of the Province of Manitoba. They know that that's the same position that's facing

other provinces in this country. I can certainly tell you that if the kind of growth that we're seeing, if the Federal Government provides for increased support for the Province of Manitoba that goal will be reached.

However, on the other hand, that if we see continued deterioration in support from the Federal Government, or a change in the economy, then it may be more difficult to reach that goal. But we will not reach that goal by taking it out on the backs of Manitobans by reduced services.

Native hunting and fishing - upholding laws

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I have a question to the Minister of Native Affairs.

The Minister of Native Affairs, representing the Native community, has he been encouraging the Native community to defy the hunting and fishing laws in this province?

MADAM SPEAKER: The Honourable Minister of Northern Affairs.

HON. E. HARPER: I have not been encouraging or telling people to defy the laws of the province.

MR. J. DOWNEY: Madam Speaker, a question to the Minister of Native Affairs.

In view of the fact he is a Minister of the Crown charged with upholding the laws, will he carry out that responsibility and prepare to uphold the laws of the province and carry out charges if laws are broken by the Native community in hunting and fishing?

HON. E. HARPER: While I certainly support the government in upholding the laws and I have never encourage anybody to break any laws and, if I did that, if I encouraged people to break laws but, in terms of any kind of encouragement, I haven't done so. But the Government of Manitoba will certainly uphold the laws.

Flood conditions update

MR. J. DOWNEY: I have a new question for the Minister of Natural Resources.

In view of last night's heavy rainfall and snowfall in western and southern regions of the province, current flooding conditions, particularly along the Souris River, are somewhat severe, and with the additional moisture could well increase substantially. Could the Minister of Natural Resources provide the Assembly with a report, or an update, as to what the projected flood conditions will be following the additional moisture?

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, the most recent forecasts that I have in my possession were prior to last night's precipitation. At that time indications were that flood levels were subsiding in all parts of the province, but I will seek that additional information and share it with the public as soon as it is available.

Farmers - banks charging service fee to check loan agreements

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Madam Speaker, as an urban member who is concerned about every industry in our province, I have a question for the Minister of Agriculture. Can the Minister of Agriculture confirm the reports that banks, loved so much by the members sitting opposite, are attempting to charge a \$500 service fee for checking whether or not they charged farmers too much interest on loans in the early 1980's?

MADAM SPEAKER: Order please.

That question's out of order. Would the honourable member care to rephrase it?

The Honourable Member for Turtle Mountain.

MR. D. ROCAN: Madame la Présidente, j'ai une question pour le ministère responsable, The Environment and Workplace Safety and Health. It has come to my attention that the tunnel linking . . .

MADAM SPEAKER: Order please, order please.

The Honourable Member for Ellice on a point of order.

MR. H. SMITH: Yes. I am asking if the Minister has any knowledge that the banks are charging a \$500 service fee to check whether they were . . .

SPEAKER'S RULING

MADAM SPEAKER: Order please.

The honourable member's original question was out of order on two counts: one, it's a members duty to ascertain the truth of his statement before they bring it to the Legislature, and not ask a Minister to confirm; and it's also not within the Minister of Agriculture's jurisdiction. Secondly, I asked the honourable member if he would like to rephrase his question. He did not indicate at that time.

Asbestos - Norquay-Leg. Bldg. tunnel closed due to

MADAM SPEAKER: The Honourable Member for Turtle Mountain has the floor.

MR. D. ROCAN: Merci Madame la Présidente. Madam Speaker, my question is to the Minister responsible for the Environment and Workplace Safety and Health.

It has come to my attention that the tunnel linking the Legislative Building to the Norquay Building has been shut down because of fear of asbestos poisoning coming from the asbestos that is presently wrapped around the heat pipes which are in the tunnel. Can the Minister tell us what action his department is taking to make sure that the tunnel is free and safe from asbestos?

MADAM SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: Thank you, Madam Speaker.

I will certainly look into the matter and report back for the members.

Asbestos - all gov't buildings free from

MR. D. ROCAN: A new question, Madam Speaker, to the Minister responsible for Government Services.

Can this Minister assure this House that all government buildings are asbestos free; and, if not, will the Minister look into it being removed for the good health of all the employees?

HON. G. LECUYER: I am not sure if I heard clearly what the member is stating in requesting that we provide assurance that all buildings will be asbestos free. Madam Speaker, clearly we cannot provide that assurance at this time.

In many, many instance, Madam Speaker, to remove the asbestos creates a greater degree of risk than to leave it in place at the present time. Obviously, where there is exposed asbestos, loose asbestos fibres, they have to be removed, and should be removed, according to established procedures. But to go and remove asbestos where it is covered up, for instance, would create a greater number of loose fibres in the workplace than presently exists, and would be ill-advised.

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: My question -(Interjection)- I am not, Madam Speaker, on a point of order. I don't know why they're objecting to my asking a question.

MADAM SPEAKER: Order please.

The Honourable Member for Ellice, who has a question, or a point of order.

MR. H. SMITH: I have a question, Madam Speaker, yes.

MADAM SPEAKER: Place your question.

Farmers - banks charging service fee to check loan agreements

MR. H. SMITH: Madam Speaker, my question is to the Minister of Agriculture.

What actions or action is the Minister of Agriculture going to take in regard to the banks attempting to charge a \$500 service fee for checking whether or not they charged farmers too much interest on loans in the early 1980's?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I am shocked that any business institution would in fact, in order to have one's records checked, purport to levy a fee of \$500, or even less. Madam Speaker, we will be, and I have undertaken to meet with the banks to ascertain their entire procedures that they have undertaken about this whole question of variable and varied interest rates. And, Madam Speaker, we have also asked the Manitoba Mediation Board to handle calls from farmers who, in

fact, may be suspecting financial institutions, of whatever nature, to look at the question of variable interest rates and see whether or not those charges were, in fact, not legally applied.

High School Review - recommendations of Parents' Network to be implemented

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker. My question is to the Minister of Education.

In March of this year, Madam Speaker, the Minister of Education tabled a document on the High School Review, one which is going to have an impact on, not only present high school students, but also future high school students, among whom are students who are visiting with us today. At the same time, Madam Speaker, the Parents' Network tabled with the Minister a document which was entitled, "In The Name Of Our Children," a fairly comprehensive document recommending many areas in which the High School Review, perhaps, should be channelled; and also proposing many constructive and positive ways to deal with High School Review.

My question to the Minister is whether or not, now that he's had some time to review this document, he will be incorporating some of the recommendations and principles that have been suggested by the Parents' group throughout Manitoba?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Yes, Madam Speaker. I believe the information that I received from the Parents' Network will be treated, as will be other briefs, information provided by other citizens and other groups, in terms of the High School Review. The High School Review panel has prepared a discussion paper. That discussion paper is being disseminated at this time; there are public meetings which will be held throughout the province and there will be thousands of individual and group presentations to that committee, and all of the information that's received will be distilled, will be reviewed by the committee before they make their final recommendations.

I can assure the member and individuals who are, or will be, making presentations to the committee that their input will be valued, will be reviewed and will in fact form the basis for any recommendations which that committee makes.

We are about an important task and the committee is a group of very committed individuals and we'll be taking all kinds of advice from many quarters.

MR. L. DERKACH: Madam Speaker, let it not be misunderstood that this document can hardly be considered a brief, as compared to the document that was tabled by the Minister of Education, and it was not intended to be a brief, Madam Speaker.

This document . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. L. DERKACH: Yes, I do, Madam Speaker.

This document was intended to be an assistance in the discussion paper that the Minister tabled, and I'm wondering whether he can tell Manitobans whether in fact he will incorporate the recommendations into the consultation paper that he has tabled before the House.

HON. J. STORIE: Madam Speaker, I'm somewhat disturbed by the lack of perspicuity of the member opposite.

Madam Speaker, the member is requesting, for some unknown reason, requesting me to incorporate a response to a series of questions before all of the other groups, legitimate groups and individuals in the province have had a chance to respond to the questions. What was tabled is a series of questions and issues that were raised by the High School Review Panel. Those questions will be answered in many different ways by many groups throughout Manitoba. That is a legitimate process.

The information that I received from the group in question is part of the information that will serve as the basis for making recommendations. It will not be sent out as part of the discussion paper; it is a response to it, I presume.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Orders of the Day, I would like to direct the attention of honourable members to the gallery where we have 70 students from Grade 5 at the Stonewall Centennial School. The students are under the direction of Mrs. Val McHale, and the school is located in the constituency of the Honourable Member for Lakeside.

On behalf of all the members, we welcome you to the Legislature this afternoon.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, on a matter of House Business first, I'd like to indicate that the Standing Committee on Public Utilities and Natural Resources will be meeting on Tuesday, April 14, and Thursday, April 16, if required, at ten o'clock to consider the Report of Manitoba Hydro.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Madam Speaker, I would indicate we concur with that, recognizing that Tuesday is Passover for those of the Jewish faith and obviously anyone of that faith would not be required to attend on that date.

Perhaps, secondly, I could simply ask the Government House Leader to confirm, as we have agreed, but for

the record in the House, that the Legislature will sit Thursday next week at its normal hours, will not sit on Easter Monday, but will treat the following Tuesday as a Monday so that the House will sit both in the afternoon and the evening on Tuesday following Easter Monday.

HON. J. COWAN: Madam Speaker, I can confirm that and I wish to thank all members opposite for their cooperation in setting out that arrangement.

The House will adjourn on Thursday evening at its normal adjournment time until Tuesday, and will sit on Tuesday, using the normal sitting hours for a Monday, which would include an evening sitting.

Madam Speaker, it's our intention today to be calling Bills No. 8 and 13 for Third Reading, followed by, if time permits, the Adjourned Debate on the government resolution on Changes to The Patent Act, dealing with the generic substitutions of brand name pharmaceuticals marketed in Canada.

So if we have time we'll proceed on to that debate, following debate on Third Reading on Bills No. 8 and No. 13.

THIRD READING

BILL NO. 8 - THE CITY OF WINNIPEG ACT

HON. W. PARASIUK presented Bill No. 8, An Act to Amend The City of Winnipeg Act, for Third Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker.

I would like to speak briefly to the Third Reading of this particular bill. The phasing-in portion of the bill, providing permission for phasing in of tax increases under reassessment in the City of Winnipeg for this year is one that members on this side of the House support, and feel that a certain break for those people who are going to be faced with dramatic increases in taxation, in fact, deserve that kind of opportunity.

As we know, Madam Speaker, it's the City of Winnipeg that will ultimately decide whether or not that will happen, but certainly they had no opportunity to do that even, unless we had the legislation in place to allow them to do that.

With respect to the question of appeals, Madam Speaker, that has been the subject of concern in this House ever since the House started back in February. We had members on this side who brought forward a resolution for an emergency debate to discuss the question of whether people could have an opportunity to appeal their assessment once they found out what their taxes were going to be.

Madam Speaker, the concern that people had, and I think it's widely spread throughout the city, was that even though they had a reassessment notice because of the change of value base from 1957-1975 level of value, people did not know what their taxes were going to be, people were very concerned that they were going to be taxed from their homes.

Madam Speaker, the members on this side had brought forward that emergency debate resolution in the hopes that we could have some quick action on that matter and, in fact, the government has responded to the concerns of the people of Winnipeg with respect to that in introducing the section of Bill 8 dealing with the question of assessment appeals.

It's going to be a major concern, Madam Speaker, gauging from the number of appeals already registered with the City of Winnipeg. There are in excess of 7,000 appeals, we understand, now in the hands of the Board of Revision of the City of Winnipeg, and once the tax bills go out some time within the next 30 days, I suspect there will be a great many more people appeal their assessment when they realize what their taxes are going to be.

So I concur with the bill; I think both sections now will provide some measure of protection, some measure of comfort to the citizens of Winnipeg who are facing massive tax increases as a result of reassessment.

Thank you very much.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you very much, Madam Speaker. My comments will be very brief.

Firstly, I want to thank both Ministers of Urban Affairs and Municipal Affairs on one respect, Madam Speaker, and that was causing the Deputy Minister of Municipal Affairs to meet with members of this side. Indeed all members of the Legislature were given an opportunity to be in attendance but, at that meeting, the Deputy Minister of Municipal Affairs and staff of the Assessment Branch spent considerable time with some of us in going through some of the historical perspectives associated with assessment. I think that it was a meaningful meeting to the extent that the Minister finally caused it to happen and I thank him for that.

Madam Speaker, there's something wrong. In my being here for five years, I haven't seen so many people make presentation to a bill or so many people want to be present when a bill was being discussed in committee. I think that it's incumbent, even though this bill will receive passage, even though the government has chosen not to support the addition of another classification - I know, Madam Speaker, I'm sort of talking about another bill but, if you'll allow me some leeway, I'll speak just once. Given the fact that this government has not allowed or given consideration to the development of another classification, I think that this whole process to some degree is being brought into disrepute. It didn't need to happen this way, Madam Speaker.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

In my view, if the government last fall had seen fit to maybe not bring Bill 57 in in that fashion or it made a commitment that legislators would have an opportunity to address every classification as it's being developed, Mr. Deputy Speaker, I think to a large degree part of this acrimony, certainly in the minds of the people from the City of Winnipeg, large lot owners at least, could have been prevented.

Mr. Deputy Speaker, it's one of the fears that those of us who are in Opposition have, when every Session

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we're asked to deal with at least a handful of bills that give the Government of the Day enabling legislation, allow them to do things in Cabinet. Mr. Deputy Speaker, where we do not have an opportunity, those of us who represent a large number of Manitobans but who are not at the levers of power, it is at that point where, I think, the whole democratic and parliamentary process is thrown into disrepute.

This was a classic example, in my view, of the government giving to itself and to Cabinet powers far beyond what it should of had. Mr. Deputy Speaker, I don't care what the government is, if they are going to move into this major area of developing classes for which taxation will ultimately bring forward sums of money, then, my goodness, there can't be any more important reason than why any of us are here to represent taxpayers and ratepayers of this province. And yet, we were not given the opportunity to pass judgment on the setting of six, now eight, classifications.

Mr. Deputy Speaker, Bill 8, the appeal process that is covered within it, is certainly acceptable. Indeed, I give credit to my colleague, the Member for Charleswood, who took the major initiative in seeing that this did come forward and, Mr. Deputy Speaker, the phasing-in provision, I suppose, when one sits down and realizes the political realities of the situation, there may not be an opportunity to do much less.

I think that the Minister in closing debate may want to expand upon his comment that he made the other day when he indicated that there would be no phasing-in provisions as applying toward the education portion of the tax bill. He may want to provide the rationale from his viewpoint as to why indeed that would be the case.

But nevertheless, let me say that there has been some agonizing over Bill 8, not so much in itself, but much more in the sense that those of us who wish to see this whole assessment reform process move along in some fair and some fully comprehensive fashion feel that we have fallen off the track a little bit. I think it's incumbent that the Minister, particularly with the Minister of Urban Affairs, tells us how it is that when he was discussing Bill 57 a year ago, and he used the word interim, making it seem like what we were locking into place then, in the form of enabling legislation and what we're putting into place today, would be something of a temporary nature.

I'm wondering if he would spend a few minutes and address the so-called temporary aspect of both these two bills, because they sort of go hand-in-hand together. I think it's incumbent that he put the government's position on the record as to how temporary Bill 57 and Bill 8 will be.

Mr. Deputy Speaker, with those few remarks, again, I thank the Minister of Municipal Affairs and his staff for providing the information to us that they did.

MR. DEPUTY SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Deputy Speaker, I will not uphold the important speech that was to be made by one of the other members who you decided to hear later.

Mr. Deputy Speaker, I want to make a couple of comments based on the message that we got the other

night at committee hearing and there was one underlying point being made by many many people of the Province of Manitoba which I feel it's my duty to rise and speak on their behalf. That is the fairness and the equitability of legislation that is passed and that governments are obligated or should be obligated to work from that principle. That is one which I have always subscribed to and will continue to subscribe to. That is of fairness and equitability.

There was a major move made by the Legislature to accommodate this bill for some 9,000-and-some ratepayers for the phasing-in portion. They will benefit because of that. The appeal mechanism that was put in is for all the taxpayers so that they have that opportunity to be heard and that's one which is not hard to argue with, but I again want to just stress the case that was made to us at the committee that there are people out there, maybe they're not in as great a numbers, but who definitely demonstrated to me that something has to be done to alleviate their concerns. I think the government should be charged with an aggressive action to make sure that those people are, their needs are, adhered to.

When you look back at the history of where it has come from, where they say that they had their own fire protection, fire engines, money in the bank, as municipal corporations prior to the whole development of the larger city corporation, and the level of taxation they were paying then as opposed to now, I really think that the case that they made forward that they would look to opt out of it in any way, shape or form. You can't blame them. You can't blame them that they have a good case and a good argument. I think the government should be charged with carrying out the responsibility as the senior government of making sure that fairness and equitability are carried out for those individuals.

I would hope that the Minister would in some way, in his closing comments today, briefly address that and I thank you for the opportunity to participate.

MR. DEPUTY SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Deputy Speaker.

I will be supporting this legislation but, before we take a vote on it, I think that it is very important that we point yet once again that two wrongs don't make a right. In my opinion, phasing-in legislation is not the correct way to proceed and it is in fact a very dangerous precedent.

Unfortunately, through no fault of the individual taxpayers, the assessment that should have been going on year after year after year, and therefore logically and in an orderly fashion, did not take place. As a result, many of them are now faced with such massive increases that it will be very difficult for them to make future plans if they are forced to pay all of the taxes that they would be required to pay in any one given year. They say, for example, the incidence of a senior citizen who may have found that their taxes will go up so much as a result of this very delayed assessment, that they will have to sell their homes and move into accommodation that will not face such a heavy tax burden.

But, Mr. Deputy Speaker, that does not make it fair to the individual who lives in an inner city housing

accommodation at the present time who, while yes, may have his tax go down for this particular year and into the future, has paid an inappropriate amount of tax, sometimes as much as paying that inappropriate tax for over a 25-year period. That individual, in his tax payment this year, will still be required to pay some of the burden of those individuals who are benefiting from the phasing-in legislation, because it will be taken from general revenues, and general revenues come from the overall tax base.

So that individual who has been overassessed will now be properly assessed, will now pay an appropriate amount of tax, but will receive no compensation for the fact that they have been overtaxed for a period of up to 25 years. On the other hand, the individual who has been undertaxed is now going to have the option of having his undertaxation subsidized over the next three years.

I sympathize with those individuals, because I do understand that some of them made purchasing decisions based on the level of taxation and the level of assessment. Therefore it has come as quite a shock.

But I would like it very clearly on the record, Mr. Deputy Speaker, that phasing-in legislation is not good legislation. No one would suggest that we phase in our income taxes, no one would suggest that we phase in corporation tax, but we are going to phase in property tax. I accept it in this instance, but I would ask the government to seriously question any time in the future that such a proposal would ever be suggested.

MR. DEPUTY SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Deputy Speaker. I just have a few words to say before the Minister closes debate on this particular bill. Actually it's Bill 13 that I wanted to debate. Bill 8, I only have a couple of remarks and I would like to make them at this point.

The phasing in and the extending of the appeal period are almost insignificant, of really no great value. What has happened is that the whole of the process, particularly concerning the people in the area that I represent in the south St. Vital area, which encompasses the St. Germain constituency or area, are not going to be satisfied under any circumstances.

This is a little bit of a healing process because of the manner in which the taxes in those areas are going to be increased. The Minister is trying to relieve the hurt somewhat, and it's not; it's just a matter of going through the motions just to let the people know that he's a nice guy, that he's really got a feeling for them, but it means very, very little.

Phasing in over a three-year period, if they were unfairly taxed, or not taxed enough in the first place, phasing in over the next three years doesn't mean a thing. It's a political ploy. It will not get him any votes and it's somewhat consistent to the nature in which the New Democratic Party Government has carried on in the last little while, little tidbits, walking around, telling everybody like little Jack Horner, "What a good boy am I."

The Minister wants the people to believe that he's a good boy because of these two areas in Bill 8, the phasing in and extending the appeal period. They're

not going to believe it. He is not a good boy. If he wanted to be a good boy, he would listen to the people; he would stand up to the people that I represent particularly and say, I am listening, I will adjust, I will give you that additional category or I will listen to you.

There was another formula that was presented. I hope the Minister is still listening and contemplating changing it. I don't know at this point. We're going to find out I would imagine no later than today whether he will be listening to the people that I represent and I hope he does.

I had made a statement that, when it comes time for the leadership of the party, for the New Democratic Party, when there will be a new leadership, and I imagine it won't be too long - it really wasn't a threat, Mr. Deputy Speaker. I did say that I wouldn't be supporting the Minister of Municipal Affairs for the leadership and I guess I have to stand by that because of his unfeeling towards the people of the Province of Manitoba.

I hope that he is still contemplating the change that was requested and I do have some more words that I wish to say on Bill 13 and I will be speaking on Bill 13.

Thank you, very much, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: I just want to make a few short comments on Bill No. 8.

It's an important piece of legislation, Mr. Deputy Speaker, in that it is provisional to the City of Winnipeg, to the City Council. It allows them to make a decision on phase in, which they have requested, and which is quite consistent with other jurisdictions as well.

I have some difficulty personally with the idea of the people who have been subsidizing the other fellow ratepayers in the city all these years, since the mid 1950's to be continuing that on a much phased-down scale for the next three years. But while I say that, I must also recognize that the city has given us their assurance that they will give the decreases, where due, automatically and completely in this year. That will not make up for all the years that the inner city people, in particular, and the residents of the older parts of the City of Winnipeg who have been under the burden of an inequitable tax system in this city for years upon years due to the neglect, and I would say the willing neglect, of the City Council of the City of Winnipeg.

We have several members sitting in this Legislature now who were members of the City Council for a number of years and these individuals unfortunately when they were city councillors, did nothing at all to rectify that situation. I'm referring, in particular, to the members opposite, but some others maybe weren't necessarily aware of the full situation.

But the most important part of this bill, for me, is that it puts an end to the practice, at least for this one time only . . .

MR. DEPUTY SPEAKER: Does the Member for Charleswood have a point of order?

MR. J. ERNST: Mr. Deputy Speaker, the member opposite in his speech just a moment ago indicated

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that members on this side of the House who had previously been members of City Council had done nothing at all to further the matter of reassessment in the City of Winnipeg; that is an incorrect statement and impugns motives to me and I am offended by it and demand a withdrawal.

MR. DEPUTY SPEAKER: Differences as to opinion do not constitute a point of order.

The Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Member for Charleswood.

MR. J. ERNST: A further point of order.

The member opposite impugned motives to me and to the other members who are former city councillors on this side of the House, Mr. Deputy Speaker. That's an impugned motive and I demand a withdrawal. It's not a question of being out of order.

MR. DEPUTY SPEAKER: I have already ruled that the Member for Charleswood had no point of order.

The Member for Inkster.

MR. D. SCOTT: Mr. Deputy Speaker, you've confirmed my suspicions, as well.

But, Mr. Deputy Speaker, the important thing in this bill allows for people throughout the city to compare their assessments. I do not understand the rationale behind the city when they gave out the assessment notices to do it in drips and drabs, for different sections, different quadrants of the city so that one area of the city could not compare their assessment with other ends of the city, other sides of the city. And that was a conscious decision, I believe, by the city officials to do that so the people could not, in fact, make those comparisons.

And this legislation removes the previous 21-day appeal period; gives an extended appeal period so the people throughout the city, those of us who were in the areas who got our assessments first, can now if we so desire, make comparisons with residents who, the same as people like myself in my corner of the city, support the overall city and can check to see that our homes, our properties are being assessed fairly and comparatively with all corners of the city. And that could not happen before this legislation was passed because of - what I believe to have been a deliberate action on the city officials to send out the notices, instead of sending them all out at once, to send them out so that people could not make those comparisons. So I congratulate the Minister in making this change to the legislation so that can take place.

Thank you very much, Mr. Deputy Speaker.

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

MR. G. MERCIER: Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I firstly want to review, and for the record, I trust the Minister will speak to this matter for the record when he makes his comments with respect to this matter.

Yesterday I brought to his attention, regarding the assessment that is going on in the City of Winnipeg, a situation that exists in my constituency, but I don't think it applies just to my constituency because the Minister has indicated to me in conversation that there are some 300 units that this would apply to. But, Mr. Deputy Speaker, I have a constituent who owns one unit in a row of eight townhouses; it is not a registered condominium, each unit is individually owned and is owner-occupied, but they have been assessed, Mr. Deputy Speaker, under the classification descriptions of the province, as a R20, when they should be - anyone who looks at it with common sense recognizes that it is a single family home and that these are all single family homes, Mr. Deputy Speaker. If they were assessed as single family homes, based on the mill rates that are being referred to, decided at least by Executive Policy Committee and hopefully to be confirmed by the council, their taxes would be some \$1,100, but being assessed, not as a single family home, Mr. Deputy Speaker, their taxes would be some \$1,855, so that there is a difference of some \$755 if the present situation were to remain in effect, and I think all members of the House would agree that that would be totally inequitable.

Mr. Deputy Speaker, there are news reports today that indicate that the Minister is going to readjust the wording of the classifications contained in the Cabinet order in order to insure that these units are treated as single-family homes which they should be. And, as I indicated earlier, it will not just affect my constituency, Mr. Deputy Speaker, it will affect some 300 units throughout the city that are similar to this one. So on the assumption that the Minister is proceeding in that manner and that these units will be classified as single-family homes, I thank him for his cooperation and assistance in resolving what is an inequitable situation.

Mr. Deputy Speaker, I also wish to update members of the House on what this bill does not address; and what it does not address is the severely increasing level of taxation on homes in the City of Winnipeg. In 1981, Mr. Deputy Speaker, the taxes on a single-family home in the Winnipeg School Division with an average assessment of some \$7,000 were \$764.34 after the property tax rebate.

Mr. Deputy Speaker, as a result of what Executive Policy has done, and assuming that there is no change in the mill rate, and there very rarely is any significant change of any kind, the taxes on that home with the phasing in will be \$1,690, less of course the education tax credit of \$325, which will result in taxes in that average home of \$1,375.00. So that in six years, Mr. Deputy Speaker, the taxes on that average home, which is now assessed at \$30,000, in the Winnipeg School Division, will have increased some \$611.00. If there were no phasing in, as I understand it, Mr. Deputy Speaker, the taxes on that home in the Winnipeg School Division would be \$1,862, which is an increase of some \$1,100 since 1981, when the NDP assumed office.

The phasing in is a concept that we have supported, Mr. Deputy Speaker, but it is interesting - and I point out to the Minister that when the phasing in is completed, in some three-years time, and with the usual tax increases that are taking place every year, the taxes on that average assessed home in the Winnipeg School Division are going to be well above \$2,000 in 1990,

which is a very interesting year, should be a very interesting year if, in fact, something doesn't happen before then, as I am sure the members opposite would like to have happen before then.

A MEMBER: There'll be a new Federal Government.

MR. G. MERCIER: There could very well be a new Federal Government. Could be a new Federal Government, but 1990 I suspect will be a very interesting year, Mr. Deputy Speaker.

By that time, when the phasing in is off, Mr. Deputy Speaker, in 1990, the owner of that average single-family home in the Winnipeg School Division, who will be paying taxes of over \$2,000, City of Winnipeg taxes of over \$2,000, the problem will just be that much worse. It is bad enough now that that homeowner will have to pay some \$611 more than they paid in 1981.

So, once again, Mr. Deputy Speaker, I bring that matter to the attention of members of the government. I point out, once again, that from 1977 to 1981 taxes only increased by some \$78 over that total four-year period of time, and that this government has virtually abandoned the single-family homeowner in the City of Winnipeg with its funding policies toward, not only the City of Winnipeg, but with respect to education and to the various school boards.

Now the Minister, Mr. Deputy Speaker, I expect, will stand up and say that this is saving homeowners millions and millions of dollars by bringing in this authority for phasing in and by the classifications that have been adopted. I say, Mr. Deputy Speaker, there was no other alternative, no matter who was in power was going to do this.

I recognized this, Mr. Deputy Speaker, I must say, a long time ago, when I had the privilege of being Municipal Affairs Minister in the appointment of Mr. Weir, to review the whole assessment problem. There was absolutely no question in my mind then, back as far as 1979, that a system like this had to be introduced in order to avoid a massive increase in taxation or shift in taxation from commercial and industrial to single-family homeowners.

Mr. Deputy Speaker, the phasing in, I would remind the Member for River Heights, is not something unique. It was brought in in 1971, 1972, when amalgamation occurred in the City of Winnipeg and there were some significant changes in taxation arising as a result of the unification of the 13 municipalities into the City of Winnipeg. It's not something unique.

(Madam Speaker in the Chair.)

It's something that I think under the circumstances is appropriate in view of the history of this whole topic and we have certainly supported that and support it now. But what it does do, Madam Speaker, is point out to the government - and I want to go on the record clearly - that three years from now there's going to be severe pressure on homeowners with this continuing escalation of property tax increases. It's bad enough now.

I say it's an extremely serious problem now, Madam Speaker, when we have what is generally acknowledged to be the highest rates of real property taxation of any major city in the country. That's not a record to be

proud of and it's a problem that the Minister and the government are going to have to address, because there will be a severe day of reckoning coming in 1990, when the phasing in will be eliminated. Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Virten.

MR. G. FINDLAY: Thank you, Madam Speaker. I would just like to make a couple of comments before closing debate on this bill.

In rural Manitoba, assessment and taxation has been a point where people have a lot of confusion and when they get their tax notices in the fall, they look at it, and they see the bottom line and they pay it. Really, during the Seventies when the farm economy was fairly good, there weren't a lot of complaints. They paid the education portion; they paid the municipal portion and felt that they were good citizens.

Madam Speaker, in rural Manitoba, we were undergoing reassessment approximately every five years and I got a better understanding of the assessment taxation situation when the Minister of Municipal Affairs had a couple of meetings with his Deputy Minister and Mr. Brown, where we were present and tried to explain to us what has been going on in the rural level regarding assessment and taxation.

But, Madam Speaker, when I see bills brought in to address problems in the city with regard to phasing in a prolonged appeal process, the question that immediately comes to mind is why, in rural Manitoba, some of the same considerations weren't given over the years. We did not have the opportunity, Mr. Minister of Urban Affairs, to phase in our tax increases in the past when they increased substantially, particularly because of the education portion, the special levy that was applied on our tax notices in the RM's, and this drastic increase in special levy over the years really, Madam Speaker, has come as a result of offloading of education taxes from the government to the special levy that the farmers pay on their land.

In the last election, the government talked about increasing education support up to 90 percent and, Madam Speaker, in my R.M., which is the one I know most about, we used to have about 80 percent government support to education, and in the last few years, it's eroded down to some 72 percent and that, to me, is direct offloading of the government's responsibility to education; and the difference is picked up in the local school divisions by increasing the special levy on farm land.

We never had a chance to appeal that; we never had a chance to compare that with other municipalities around the province, and it's something that we didn't realize that we could have had in the years past, because there wasn't legislation there. I see the city is now given that option and we feel a little left out, having not had some similar legislation to look after our problems in the past few years.

I guess, Madam Speaker, that probably the most I want to say is that I don't disagree with what's going on in the city and I support my colleagues in their desire to look after their constituents in the city, but the government has been in power since 1981, and has

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done very little to look after the problems of assessment and taxation in rural Manitoba. All we ask is fairness and equality between the city and the rural, Madam Speaker, and I would hope that the Minister of Municipal Affairs will eventually get around to looking after us in this direction.

Thank you.

MADAM SPEAKER: The Honourable Minister of Urban Affairs to close debate.

HON. G. DOER: Yes, thank you, Madam Speaker, and thanks to all members of the House for their comments on all readings of this bill and during the committee hearing on Bill 8.

I'd like to address some of the concerns that have been raised by members on both sides, or all sides rather, on this bill. Madam Speaker, we met as late as this morning with the City of Winnipeg officials and a councillor that represents a large number of large lots, to discuss the issue. We have agreed with the councillor and the City Council and with the Minister of Municipal Affairs and myself, to continue to meet to study this issue to see whether we can get some resolution to some of the problems that have been created with the reassessment after 25 years.

Madam Speaker, with the city's position and the province's position on a separate classification, I certainly support that, and we voted against it in committee. The proposal to have half acres as one part of residential and have the other part as agricultural, requires a great deal of study over the next year. The Union of Manitoba Municipalities is apparently opposed to it, Madam Speaker. Would that mean that large, large lots in Tuxedo got a tax break because of this designation? Madam Speaker, I think it's very important to study these issues. I think it's important to be sensitive.

I've discussed this issue with some of my constituents that also fall in the same category. I don't believe all of them are right out of a set from Dallas television show, Madam Speaker. I believe that there are some legitimate problems with the individuals. Mr. OKCrozier who presented a brief the day at the committee hearing, I've discussed this issue with him on a lot of occasions. He's a former surveyor and retired now and he's provided me with some excellent advice on this issue and I think, Madam Speaker, that phasing-in legislation will allow us to study it.

Madam Speaker, we would have made a major error if we would have not studied the issues of golf courses and curling clubs. If we hadn't studied it and gone just along with the advice we were getting, we would have had a situation where the green spaces in the City of Winnipeg may have been severely jeopardized and curling clubs would get massive decreases and golf courses would have to still go out of business.

So that's why, Madam Speaker, when we started studying it in November, it took us four months, albeit, because we weren't getting the facts and figures from the city to make an intelligent classification decision, and I think intelligent classification decisions require time.

Witness, Madam Speaker, the controversy going on now with condominiums. We have gone about three

different ways from city advice on condominiums, whether they should be a separate class or not. As late as last night, the head of the Condominium Association wants to keep a separate class because they know that by the time we get the '85 values, if they keep the principle of portioning, that will be better for them.

We discussed this with the head of the Finance Committee today and he may be changing his mind again today, I'm not sure, from City Council. I don't know that, Madam Speaker. This morning he said maybe he should keep the separate class; yesterday he condemned me for having created a separate class. We're going to study that over the next year because, Madam Speaker, with 200,000 pieces of property, there have been mistakes made, and I'll be the first to admit it.

But we have tried to be as flexible and fair as possible throughout this process, and I know over the next year there will be mistakes that will have to be addressed by the Minister of Municipal Affairs and myself and our government and members on all sides of the House because it is basically, Madam Speaker, an issue that affects all our constituents, notwithstanding political parties.

Madam Speaker, on the topic of mistakes made, the Member for Fort Richmond has raised the issue of the row housing situation. I discussed this with my colleague, the Minister of Municipal Affairs and the Deputy Minister. It was his interpretation, Madam Speaker, that in fact they should have been in the single-family residence category because of the separate title. That seemed to me to be a legitimate appeal area.

However, we are reviewing the wording of that right now with the city. I discussed it with the city this morning, Madam Speaker, to make sure these people aren't being left out to dry on the appeal process of their classification, but rather the wording can be strengthened in the regulation to reflect what was intended by the government in the design of the regulation.

I thank Mr. Mercier or the Member for Fort Richmond for bringing that -(Interjection)- St. Norbert, I'm sorry, the Member for St. Norbert for bringing that to my attention. I think it's very important that those people do, in my opinion, be treated the same way as the single-family residences.

Madam Speaker, the word was used that "two wrongs don't make a right," and I agree. We should not have gone 25 years, but it is 1987 and I am pleased that we are dealing with it. I think it's important that we're dealing with it in a fair and equitable way.

Madam Speaker, the Ontario Liberal Government has had two years of office to deal with the issue in Toronto that hasn't been reassessed since 1942, and I think it's important that members of this House, when they're dealing with this issue - we may be not be perfect, Madam Speaker, and some of us are trying to deal with it and bite the bullet on some of these tough decisions, but we think we're much further ahead than other jurisdictions such as Toronto that have left this situation fester again for another two years with the Peterson Government in Ontario, with all the inequities of the inner city of Toronto, all the inequities of the over-assessed areas in the City of Toronto, versus places like Forest Hills, etc.

So, Madam Speaker, I think we should be a little careful with the advice we're giving, in lieu of the party positions we're taking in other places of this country.

Madam Speaker, Bill 57 does provide differential mill rates, which I'm proud of, because it is an interim solution to the problems with the court ordered reassessment. We don't see differential mill rates in Liberal Quebec right now where senior citizens in Notre Dame de Grâce are being assessed at 16 percent to 25 percent more because of the change in the commercial and apartment sector versus the single-family homeowner sector.

The government in Manitoba, I think, bringing in differential mill rates, will allow people to stay in their homes, Madam Speaker, unlike the situation in Liberal Quebec that's going on today.

Madam Speaker, the phasing in will be covered by the city budget, is enabling legislation. It is a very powerful tool. It's been outlined in this House, but we believe we can trust City Council to deal with this issue in an effective and fair way in dealing with the unique problems after the 25 years of assessment.

I also believe, Madam Speaker, that phasing in will help us in getting to 1985 values, which again is very critical to have fairness and some degree of understanding on behalf of our public in Manitoba. Madam Speaker, the phasing-in legislation has again been designed on the same model as the Province of Ontario, and again the Province of Ontario has not changed their legislation. In fact, in the Province of Ontario, municipalities, any municipality, could phase in tax increases in perpetuity for increases to deal with their reassessment.

Madam Speaker, the phasing-in proposal is also designed on the basis of advice we received from the City of Winnipeg on the City of Hamilton. The Chairman of the Finance Committee, the Chairperson of the Finance Committee, visited Hamilton and asked us to provide some of the same tools for the city to deal with phasing in. Notwithstanding the Chairman of the Finance Committee's position yesterday in the city newspaper, we are providing the enabling legislation for the City of Winnipeg on an interim basis, Madam Speaker, because the bill is very, very clear, in 1987, 1988 and 1989 tax years, due to reassessment alone. So it is interim to deal with that unique situation.

The question was raised about education tax. In Hamilton, the province did not provide money for the education tax phasing. It certainly would be very unfair to rural Manitoba, Madam Speaker, for the province to do it with the City of Winnipeg and not provide that in the other situations that have developed over the last 10 years.

Madam Speaker, the issue has been raised about the power of the government to establish classification under Bill 57 and Bill 8 and Bill 13. That power was established by this Legislature under Bill 105. It has not been established by Bill 57. This debate, I'm sure, went on years ago. The principle of establishing classification by O/C or government was not a principle, Madam Speaker, that was established by us in this Session, but rather in previous Sessions in the Legislature. Bill 57 -(Interjection)- Neither was I here. Bill 57 will expire when Bill 105 is proclaimed, so in answer to the member, it will be out with Bill 105.

Madam Speaker, the tax comparison issue, I'm ready to debate that issue. I think we've got two great

examples to deal with tax comparisons. I think we should take the figures from the Province of Manitoba since our election in 1981, and take the figures from the Province of Saskatchewan since the change in government in 1982, and sit down, looking at right up to 1987 and comparing situations between Tory Saskatchewan and New Democratic Manitoba. I would welcome that debate in our Estimate process, because the type of support that I and the Minister of Municipal Affairs have received from the Minister of Finance in this House, Madam Speaker, is dramatically better than the zero zero proposal of Mr. Lane in Saskatchewan and the cutback in the tax sharing agreements in the Province of Saskatchewan.

So I think this will be a great debate and I look forward to it because I know the Member for St. Norbert has a lot of information and knowledge in this area; but I dispute the facts and I think we can have a good discussion during the Estimates.

Madam Speaker, the bill provides enabling legislation. It does provide the city the power to phase in. It also provides the city the power not to phase in by by-law, and I believe they'll be making that decision soon, and it provides an extension of the appeal period for this year only to deal with the unique situation. Madam Speaker, I appreciate the comments I've received informally and formally from all members of this House and I commend the bill to the Legislature.

QUESTION put, MOTION carried.

BILL NO. 13 - THE MUNICIPAL ASSESSMENT ACT

HON. J. STORIE presented Bill No. 13, An Act to Amend the Municipal Assessment Act; Loi modifiant la loi sur l'évaluation municipale, for Third Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker.

Firstly I want to comment on the question of reassessment and how it came to pass over the last little while.

The Minister of Urban Affairs has indicated that for 25 years there's been no reassessment and he's correct. However, there are reasons for that, some of them very dramatic reasons, that the Member for Inkster doesn't seem to know about, Madam Speaker.

First of all, there is no body of evidence at all to suggest that any one group of taxpayers in the City of Winnipeg have been subsidizing any other group of taxpayers for any length of time at all. There has been an indication by reassessment, Madam Speaker, that there is a change in that reassessment over what it was previously. That's correct; I agree with that. But there is no body of evidence to suggest that that has taken place over the entire period of time that reassessment has not taken place in the City of Winnipeg. There's no evidence of that at all.

But I want to tell the members of this House, Madam Speaker, and particularly the Member for Inkster that

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since 1982, for the last five years, members opposite introduced a bill in 1982, called Bill No. 33. Bill No. 33 froze the assessment in the City of Winnipeg for the last five years, so that during that period of time, Madam Speaker, no activity was allowed with respect to that in any event. No reassessment could have taken place regardless.

I, Madam Speaker, and the members of my group at that particular time on City Council opposed that. The Member for Riel and myself, as members of the city's official delegation, came here to see the Minister, and met with the officials of the Government of Manitoba of the Day, members opposite, and told them we did not want Bill No. 33. We did not want it extended indefinitely; we did not want that assessment freeze to take place. The members opposite denied that. They would not permit that. They said no, assessment freeze will be in place indefinitely pending the actions of this government at some point in the future.

So the Member for Inkster, Madam Speaker, is unaware of that. He should be aware of it, it was his government that did it.

Madam Speaker, prior to that there was an assessment freeze put on by Bill No. 100, as the Minister of Urban Affairs has indicated, done in 1980. So, Madam Speaker, now for the last seven years the City Council could not have adjusted the assessment at all or promoted assessment. Since 1979 when the Member for St. Norbert, at that time Minister of Municipal Affairs, had called upon the former Honourable Walter Weir, the former Premier of the Province of Manitoba, to address reassessment. So that, Madam Speaker, for some considerable period of time reassessment has not been either possible or, secondly, plausible in the City of Winnipeg.

But, Madam Speaker, one of the greatest proponents of doing nothing as far as assessment in the City of Winnipeg is concerned, was the member that use to sit on that side of the House, the former Member for Springfield, who was then the Minister of Municipal Affairs. His attitude was, forget it, we're not going to do anything about it, let them sink or swim, let the whole thing go on its own. There was no rational approach to the matter at all, Madam Speaker, by that particular member.

But we talked about fairness and equity in the question of assessment, in the question of real property taxation, Madam Speaker, in the City of Winnipeg and in the Province of Manitoba, fairness and equity. But that seems to have been lost somewhat on the members opposite, Madam Speaker, when we dealt with Bill No. 13 at committee.

At committee we had 68 delegations registered. Now admittedly, Madam Speaker, not all of them were able to attend because the committee meeting was held over for a second evening. But we had 68 delegations registered. Some of them, Madam Speaker, associations of homeowners. Large groups of people who have said, we have a very great concern that we are not being treated fairly; there is not the fairness and equity that was promised in this situation.

Madam Speaker, these people came from areas such as south St. Vital, represented by the Member for Niakwa. They came from Old Kildonan, Madam Speaker, represented either, I'm not sure exactly, by the Member for Kildonan or perhaps the Member for Seven Oaks.

Madam Speaker, they came from my constituency; they came from the constituency of Tuxedo, Madam Speaker; they came from the constituency of Radisson; they came from the constituency of Concordia and they came from the constituency of River East. All of these people that came forward said, we are not being treated fairly; there is no fairness and equity in the situation of our assessment burden related to the balance of the city.

They said, Madam Speaker, they had no services to speak of in that area; they had no piped sewer; they had no piped water service; they have their water trucked in; they have their own septic systems. Madam Speaker, to give you an example of how the assessment unfairness works on those people - in any serviced urban area, sewer and water connection costs about \$1,000 to connect. That connection takes place in the street, off the property, and it not part of the assessment. But yet, Madam Speaker, in those areas where self-contained services are required, these areas, the ones that I've mentioned earlier, they're faced with a capital expenditure on their own property of some \$6,000 to \$8,000 to provide for a well, to provide for a water system, to provide for a septic field, to provide for the pumps and related equipment that goes with those things. Madam Speaker, they're taxed on those. That forms part of their assessment. That's part of the value of their property, Madam Speaker, and they're taxed on that when their urban cousins are not, those in the serviced area. And that's another area of unfairness, Madam Speaker.

To give you a further example of the kind of unfairness that is related to this particular situation - those people who have no transit service, Madam Speaker, and have no opportunity to get any of that transit service, no opportunity to have bus service back and forth from their homes, as their urban cousins are; they are also taxed on the basis of the transit deficit. Madam Speaker, about \$25 million a year of transit deficit is levied on the property taxpayers of Winnipeg, including these people who have no benefit and who can get no benefit from that transit service.

So, Madam Speaker, there needs to be some fairness, there needs to be some equity brought into the situation with respect to those large lot owners in the periphery of the City of Winnipeg.

Now, Madam Speaker, I've stood up in this House on a number of occasions and asked the Minister of Municipal Affairs and asked the Minister of Urban Affairs if they would, in fact, look at a separate classification for these particular homeowners. They cannot, they cannot be treated differently than the fully serviced lot homeowners in the City of Winnipeg, Madam Speaker, by the city unless they have a separate classification, or other legislation that will permit them to be dealt with differently. They must now be dealt with the same as their cousins on fully serviced lots.

But, Madam Speaker, the members opposite and the Ministers I referred to, both Municipal and Urban Affairs, have refused. They have said no, we will not do that, we will not create another classification, and not once have they come forward with a reasoned argument for that; not once have they come forward and said a decent strong, well-reasoned argument for not proceeding with that particular classification. The answers we've been getting are, we've got too many classifications now, or I'm not going to go back to our

group with any more classifications because they're upset.

Madam Speaker, those are not valid reasons to the homeowners in those particular areas. It's not valid reason for them to say, why am I going to be taxed on my home because the members opposite in their caucus are upset over the numbers of classifications? That is a silly argument, Madam Speaker. We have situations where people are being about to be taxed out of their homes, that are taxed unfairly, that have no equity in relation to the balance of their fellow residents of the City of Winnipeg. Yet we have an absolute refusal on the other side with no valid reason to deal with those situations.

I appreciate that the members opposite by and large come from the city, members come from the inner city. But, Madam Speaker, they are the government and they have to deal with this situation. They have to recognize the inequities and the unfairness that the people in those suburban areas are being faced with, with respect to their reassessment.

Madam Speaker, the whole question of classifications of property is raised by my colleague, the Member for Morris. It's a situation that's going to have to be dealt with soon by this government, in terms of assessment reform. They have situations occurring where classifications that relate very directly to the City of Winnipeg have very little relationship to the rest of Manitoba, situations there are different. But, Madam Speaker, it is time the members opposite, it is time the government recognized that in assessment reform, not everybody is the same, that the problems in the City of Winnipeg are different than the problems in the rest of Manitoba. But, Madam Speaker, you cannot continue to drive a square peg into a round hole and expect it to fit. Members opposite have to learn, Madam Speaker, they have to learn that there are different sets of problems, different sets of concerns, with respect to those two areas. Now, it's not our creation collectively, all members of this House, that we have a province where two-thirds of the population is located in one urban centre. It is an occurrence of history, Madam Speaker, over time that has occurred. However, we have to recognize that it's a fact. That it is, in fact, here and we have those two sets of different problems. We have different economies, we have different social problems, we have different property values, we have different relationships between properties in the City of Winnipeg as opposed to that outside.

So, Madam Speaker, it's time that we recognized that perhaps the equalized education levy that was levied over the whole province is not the way to go, that perhaps a different method of funding education is required in order to account and to attempt to address the anomalies that will be created by province-wide classification.

Province-wide classification and province-wide apportioning will create major, major difficulties, Madam Speaker, and major problems across this province. And what will happen is, Madam Speaker, instead of satisfying the majority of people, I fear, that we are going to have major revolt among most of the people. No one will be happy with that kind of a situation, so we have to address that. We have to say that those two areas are different and that perhaps, by removing that general levy across the whole province in an

attempt to make everybody equal - mind you, that goes against the philosophy of members opposite and I appreciate that they have to bring everybody down to the same level, Madam Speaker - that it's time, maybe, that they recognized the folly of that particular attitude in relation to this particular problem.

In fact, we have to deal with the equalized levy differently. We have to look at a new method of funding education so that that particular situation need not create the kind of problems that will be created in my view, Madam Speaker, once assessment reform and apportioning and classification take place at some point in the future.

Madam Speaker, I want to again refer to the large lot situation. We did, at committee, propose an amendment that would have allowed that to take place, that would have allowed those people on those large unserviced suburban lots to have a classification that would allow the city to adjust a mill rate to recognize the kind of unfairness and inequity that is levied on them through the present process, Madam Speaker.

But the members opposite chose to deny that, and it's very nice that they had a meeting today, Madam Speaker, the two Ministers with the City of Winnipeg officials and the chairman of the Finance Committee who appears to be continually changing his mind like he changes his shirt, Madam Speaker. But the fact of the matter is that this situation needs to be addressed.

Madam Speaker, it is a significant problem and one that cannot be dealt with frivolously. I don't care how many meetings they have, Madam Speaker, action is required, not meetings. We don't need to meet and hold hands with these people on the other side. Again, as I indicated, they are changing their mind on a regular basis.

The fact of the matter is that consultations, Madam Speaker, have taken place. Consultations have taken place for the last year-and-a-half. It's time for action, Madam Speaker, it's not time for consultations and handholding any longer. The situation needs to be addressed and it needs to be addressed now. Most people are going to have tax bills, Madam Speaker, in a matter of a month's time. They are going to be faced with that situation of having to cough up that extra thousand, or two or three thousand dollars, Madam Speaker, of after tax income that they are going to have to pay to the city in order to keep in their properties.

Madam Speaker, that is a very unfortunate situation. Those people need not be put into that position if the question of fairness and equity is addressed in dealing with that.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: Thank you, Madam Speaker.

I briefly would like to say a few words in regards to this particular Bill No. 13. I didn't take the opportunity to speak on the third reading of Bill No. 8. I did however express my views when it came up originally in the House. Madam Speaker, before I bring up some of my views on this particular bill, I must say first of all that I do support the Bill No. 13. I wish it had been a little broader brush and established the other category that

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is required. However, like my colleague from Charleswood, be a little offended when a person gets up who didn't understand the process of the assessment issue. There were some councillors that were elected in 1980, a group that did know at the time of the Weir Report that we'd be faced with this very important issue and we did deal with this particular issue.

Madam Speaker, maybe the member on the other side wants to talk about his own colleagues, that during some courses of their terms on council, were more concerned about the issue of frozen turkeys that they received at Christmas, other than dealing with the matters that were very important.

Madam Speaker, this particular issue does benefit the golf courses, as probably mentioned by the Minister in charge of Urban Affairs. I did support the golf courses. I did appear and consult with the golf course people because I've always felt, when I was on City Council, that these particular golf courses, the green spaces, etc. are very, very important throughout the city. I know in my own particular constituency we have a couple of golf courses. One most people probably never get to golf on is the one at the Canoe Club. However, probably most people that go through there, drive through that particular area and have that appreciation of these very important green spaces.

The condominium question, I do feel and I also support the owner-occupied condominium portion, simply because these people, a lot of them, aren't protected under the rent controls as some of the people who are renting condominiums.

The many delegations that were presented during my term on City Council to the Urban Affairs Minister were started away back, away back in '80, '81, '82 and for a member like the Member for Inkster to say that these particular people did nothing, we could have done maybe the same as some previous people did, put our heads in the sand, but we didn't do that. He didn't realize the amount of work that's probably going on in negotiations the last several years.

Madam Speaker, I would like though at this time to probably talk about the classification that was avoided in this particular bill, the very important issue of the large property holders. I know in my constituency I don't have a large amount of property owners, but I do have to sympathize with the many delegations that came forward in the evenings that we heard, the many delegations that probably appeared and I know and am quite aware of the many delegations that appeared at City Council, the many delegations that appeared at the local committee meetings, all these delegations. And I cannot, to this day, understand how that committee that was set forward at the City Hall level and our Minister of Urban Affairs could have ignored these particular people.

Madam Speaker, most of the people in the area south of my particular constituency do not own hundreds of acres, nor do they own serviced city lots. Very few of them are full-time farmers. A lot of them are the market gardeners who are really going to get affected by this particular large lot assessment. Yet, many of them engage in probably agricultural based activities like that.

We heard from members that came forward that said they're going to be affected by \$60 an acre on their farming, and we know that the farmers are in real dire

straits at this particular time. But we also have people that are probably families that have been carrying out businesses and they're in the third generations, south of the Perimeter Highway. The Damans, for instance, who have lots of land holdings who can't speculate on this particular land, they are carrying on their business of market gardeners the same as probably their grandfathers. We have the Paul families out there under the same conditions. They've been there for generation after generation. All they want to do is carry on their business and not be affected by this particular type of assessment. That is why the issue is very important, that these people be relieved of some type of legislation to protect them.

Madam Speaker, with few exceptions, these people are neither city lot owners nor full-time farmers. They fall somewhere in between. The problem that this situation creates by the present classification scheme has produced some very large inequities in our assessment. It is these inequities that they are concerned about and that they have emphasized during the course of the municipal hearings or the meetings the last couple of nights.

A realty tax, Madam Speaker, should be based on property values and nothing else. When it is based on property values, it is impartial. That does not mean that it is fair. Rich individuals can own small property and pay small tax, while individuals with very little income and much real property will pay a lot of tax. In this sense, the realty tax is unfair. It is however, impartial, and treats all property owners by the same rules.

The current legislation is not doing that. Now one's property tax is dependent upon who you are, now only on how much property you have. If one fits in a category City Council and the province want to please, such as golf courses as I previously mentioned, or condominiums, you'll pay a low tax rate. If not, one is taxed unfairly and inequitably.

Madam Speaker, I know that many points have been brought up during the debate on Bill 13, on Bill 8, by the people who - almost 79 delegations that asked to appear, and probably the second night a lot of them did not appear simply because they wanted to express themselves and put their name on record after the first night. I don't think it was a case that they heard anything from the Minister in charge that probably made them feel any better and not bother to come back the second night. I just think, out of frustration, they did not come back and make the presentations.

It would seem that Bill 13 should address the inequities in the current classification scheme that pertain to large lot sizes. It should be noted, Madam Speaker, that to date, there have been no additions to the current classification scheme and there will not be until Bill 13 is passed. At that time, two new classifications will be created to address inequities that pertain to golf courses and condominium owners. One can only wonder what magical powers - and this is what we seem to have got across from all the people who made presentations - what magical powers were invoked to create two new classifications, while a third was ruled out of the question.

That is the mysterious, the question in everybody's mind that came the other night. These are not wealthy individuals who came forward. They are homeowners

struggling and they all mentioned struggling to maintain the family holdings. In this particular case, there are many family holdings that will probably be affected.

Madam Speaker, an unfair and unjust tax burden has been handed to residents of unserviced rural lots both inside and outside the urban limit line. That is the key. These people are saying, they're not talking about wanting the services. They know that they're not going to have the services. Anyone who knows the history of the south St. Vital area will know it's going to be probably 15-20 years before you ever will be able to cut those lots away. Most of them will be left with their grandchildren by then, so there is no fault in even suggesting that these people are speculators. There is no way they can be speculators out in that area. There is no way at all. There is no way the city is going to provide the water and the sewer and a hop and skip from over across the Perimeter Highway. There's just no way they're going to do that.

Right now, the plan that's there suggests that we do not developing between St. Anne's and St. Mary's, all the way to the floodway, more than five-acre lots, less than five-acre lots, and the people on the west side of St. Mary's will be one- and two-acre parcels. So it's in place. In the last five or six years, no one at all, no city council has ever granted the splitting of a five-acre lot in that particular area in the last six years, ever since that plan was approved in 1980. The people there have accepted the fact that there will be no land splits and the city has suggested that there will be none and has shown and indicated that in the last five or six years.

The Minister has given no reasons for his decision when denying a special classification for these unserviced lots. With no reason for his decision, we cannot understand the logic in his particular decision.

Madam Speaker, I was very happy to hear that the Minister will be carrying on talks with these particular people in the next several months. These people need help now. They are the ones who are going to be affected. I hope, and I only hope that this Minister can convince, that this bill was not passed with the large acre parcels that he's . . . I only wish him luck in convincing City Council to change and bring in that particular third classification that is necessary right now. Thank you.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker.

I wish to make a few comments on the bill and they basically will centre around the manner in which the legislation has been handled and the whole question of assessment has been handled by the current government that is in office.

Madam Speaker, the record speaks very well for the Opposition and for the activities that have taken place during their term of office with the implementation of the Weir Report and the aggressive way in which he went about the looking into tax reform in Manitoba. Then we had the disastrous years of the former Member for Ste. Rose as Minister who was an absolute disaster, and we went from a man who was probably sincere and incapable to one who was oversincere and

attempted to pretend that he was one of the smartest people in this whole business.

The former Minister of Municipal Affairs reminded me of a story one time of an individual who said that he knew a little bit too much for one man, but not quite enough for two. As a result, we did not see again any activity that was in the best interests of the assessment reform that was taking place and he was more interesting in changing our Constitution in our province and try to get the government out of hot water in those areas.

I, Madam Speaker, believe that the government has to be held accountable for all the activities that haven't been carried out in proper timing. I think I made my comments on the large lots and the people who have been treated inequitably and unfairly. The Minister did commit the other evening at committee to make sure that he would meet with them and try to resolve their problems.

I can assure you, Madam Speaker, that the Opposition will be pressing him on that commitment and I would just hope that he would do a little bit better job of operating his portfolio. He's demonstrated with the Public Insurance Corporation of how he has a handle on things. I just hope that he doesn't carry the responsibilities as Municipal Affairs as badly as he has done in that one, and I stress this on the Minister, that before he makes many major changes within the whole assessment area as far as rural Manitobans are concerned and city taxpayers are concerned, that they have a clear understanding of the implication of what he is doing.

I think it's imperative that he continue to keep in close touch with what the representation of the union and municipalities feel, and I can assure you that we will be watching him very closely because of the record he has in dealing with public insurance and dealing with the hurry up of having to put time legislation through, to hurry up to put this kind of legislation through. Madam Speaker, there is a normal process and I would hope, in view of the fact that the Minister is left in his portfolio, that he try and live up to the kinds of expectations that the municipal people would expect, as well as the rest of Manitobans.

I, Madam Speaker, feel that it is important to put these comments on the record and would hope for better from the Minister of Municipal Affairs.

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker.

Just a few more words on Bill 13. I don't want to prolong the debate. The Honourable Member for Riel has stated my case pretty adequately and I don't want to just keep beating a dead horse because I see that the Minister is sitting there listening. But I don't think he's really paying too much attention and I have great fear that the same thing is going to happen what happened the other day when I stated some cases and the First Minister had received a pamphlet that I had sent out in December and very, very vividly ripped up the pamphlet right in front of me to show me his disdain and disgust for my expressions. I hope that I don't cause the same feelings with the Minister of Municipal

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Affairs, because I don't want him to, not just rip up the briefs that were sent by the members that I represent, but some of the thoughts.

I want him to keep them in his head because, Madam Speaker, I did make some remarks about how I would not be supporting the Minister of Municipal Affairs for the Leadership of the New Democratic Party when that leadership review comes, and I am starting to favour the Honourable Minister of Government Services and maybe the Honourable Minister of Energy and Resources, they're kind of coming to the forefront at this point.

But, Madam Speaker, I am absolutely disgusted that these people, who are supposed to have a feeling for the people of the province, have rejected the appeals made by the people of south St. Vital and Headingley and places like that, the large acreage in the outskirts of the city that these people live in.

Madam Speaker, I am moved to advise that the Minister is not listening. He is penalizing these people; he is making decisions on the backs of veterans that are going to affect these people. It's going to affect veterans; it's going to affect widows of veterans; it's going to affect children of the veterans; it's going to affect old-age pensioners; handicapped; people in wheelchairs; people who are blinded. And I am not just using this for political purposes, Madam Speaker, I have been in contact with every one of those types of people, and many others. We've got to listen to them.

You know, Madam Speaker, I stand here and I've made reference to the statue across the way. It was Moses and he's standing there and I remember a picture because of the appropriateness of the time where the celebration of the passover is next Tuesday and I remember Moses making an appeal to the Pharaoh, and Moses was saying: "Let my people go." I am not asking you to let my people go, I'm just asking you to listen to my people, these are the ones I represent, listen to them, give them the freedom to live in the areas that they desire to live in, and the Honourable Minister can do that. He can do that by another category. We're not asking for special consideration; we're asking for an adjustment so something can happen that is fair, another category, per chance. This is what I had recommended. Maybe that's not the right course of action, but some action has to be done, Madam Speaker.

I see how the people that I represent have been so upset and irritated. -(Interjection)- Well, I'm trying to. So upset, things that are happening that are uncharacteristic. I, out of character, did something the other day which I apologize for. I saw one of the members of the committee, who was confronted by one of these people, and I know that particular person, and made uncharacteristic remarks which I am sorry for, but was just driven, driven to the point where there was just no understanding left in this particular person, a veteran of the Second World War, who is in danger of losing his homestead, the one that he acquired right after the war, he's been living there all that time.

He moved there because the taxation was adequate, that he could survive there. It looks like there is a danger of him having to move out and I apologize on his behalf to the member who was abused as we were leaving. I do apologize, absolutely out of character for this particular person. This is what the lack of action by this Minister has caused.

I've got to tell the Minister that, if he thinks that he is going to get support from even the New Democrats that live in that area who did somewhat support the New Democratic Party in the past, forget it - forget it.

These people are being taxed for amenities and services that they don't get. A little consideration, there's still time; there's still time, Madam Speaker, and I am not going to prolong the debate. I know that the Lieutenant-Governor is waiting to come in and will put it into law and I'm going to be supporting the bill, I am going to be supporting the bill, Madam Speaker, because there are some things in the bill that have to be passed by law. But I condemn the Minister and I'll never forgive him for it, and neither will the people that I represent in south St. Vital.

Thank you very much, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs to close debate.

HON. J. BUCKLASCHUK: Thank you very much, Madam Speaker.

I rise to close debate and listened with interest to the comments from the members opposite. I'm somewhat pleased to sense that they are beginning to understand the complexity of this issue. The very last speaker from Niakwa constituency simply said, well it could be this, it could be that. I don't know what the answer is. We do know that, at this moment, we are faced with an issue on large lots and the answer is not simple.

The committee hearings have been very useful. I, too, listened very carefully to the briefs and have them and will review them again because it does provide us with some specific information as to how the property owners perceive that reassessment will impact on their taxes.

Having said that, and I know they fully realize that there is the opportunity for the property owner to appeal the reassessment to the Board of Revision, then to the Municipal Board. It's only after all these steps have been taken will we fully realize what the real impact of reassessment has been, because one will have to admit, there were a number of individuals who spoke with respect to the tax impact on agricultural lands. Now we know that the proportion of taxes being collected on agricultural property after reassessment will be the same as the portion previous to reassessment, so there should be no dramatic impact there.

One can be very sympathetic to all those who presented briefs and attended, but one can't make a decision now without the information that is required to make it an informed decision. The purpose of classification, the classes that are being designated at this time, is so that when province-wide reassessment takes place, province-wide assessment reform takes place, that the classes that are being designated now will apply province wide. I, frankly, have no idea how a designation of a new class to assist those large landowners would impact on rural Manitoba. I would like to know what the views are of the Union of Manitoba Municipalities; I would like to know what the views are of the Manitoba Association of Urban Municipalities because there are cities that have large lots besides Winnipeg. Until we have those views, until we have the

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information as to what the real impact will be it, would not be fair nor proper to make a decision.

In the meanwhile, we will pass this bill which will enable the province to designate two classes, one to provide a degree of relief to the private golf courses and, incidentally, there was a recommendation in the Weir Committee Report for a special class for golf courses. Passage of Bill 13 will enable us to designate a new class for owner-occupied condominiums and to assist residents of cooperative housing projects, and this is taking place in other provinces as well.

However, the commitment made a few nights ago by myself, by my colleague to continue to meet with property owners, large lot property owners, to discuss their specific situations with a view of taking that pressure off of them in the future still stands. We will deal with it at that time.

Thank you. Those are my remarks.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker.

I did not intend to put any comments on third reading of this bill until this Minister of Municipal Affairs stood up in this House and said, finally members of the Opposition are beginning to understand assessment.

Madam Speaker, this Minister is one of, and I have to be parliamentary, as well as a gentleman, in this House, but he's the most incompetent Minister you could put in charge of assessment in that whole side of the House. I will say this knowing full well that I give grudgingly the Urban Affairs Minister credit for at least knowing something about the reassessment process. I believe we could work with him upon occasion, but this Minister of Municipal Affairs doesn't understand. If it weren't for his Deputy Minister, he wouldn't know what time of the day it was, let alone understand assessment and him in standing up and telling us we don't understand the assessment process annoys and aggravates members on this side of the House who for five years have watched an NDP Government with the Weir Report bumble, fumble and get nothing done except stall tactics on assessment reform. Then that Minister stands up and tells us after he introduces in an emergency basis a bill, another bill, on assessment telling us we don't understand the assessment process. He doesn't even understand it well enough to know when to bring legislation in and what legislation to bring in. He has to rely on the good courtesies of members of the Opposition to get legislation passed and then

he stands up and says, we don't understand the assessment process.

If the Premier were here and able to listen, he would take the opportunity - because this Minister is totally incompetent in MPIC - to remove him from that as well as from Municipal Affairs, because he's a disgrace to this Government, he's a disgrace to this House and he's a disgrace to the venerable institution of Municipal Affairs. Many good Ministers have represented that department. This certainly is not one of them. His comments will not go unchallenged. This Minister will have a great deal of difficulty in future trying to get stuff and legislation and measures through this House with comments like he just made with the incompetence he's already demonstrated in Municipal Affairs.

QUESTION put, MOTION carried.

MADAM SPEAKER: I am advised that His Honour the Lieutenant-Governor is about to arrive to grant Royal Assent to these bills.

ROYAL ASSENT

DEPUTY SERGEANT-AT-ARMS (Mr. A. Roy MacGillivray): His Honour, the Lieutenant-Governor.

His Honour, George Johnson, Esquire, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Madam Speaker addressed His Honour in the following words:

MADAM SPEAKER: May it please Your Honour:

The Legislative Assembly, at its present Session, passed two bills, which in the name of the Assembly, I present to Your Honour and to which bills I respectfully request Your Honour's Assent.

No. 8 - An Act to Amend The City of Winnipeg Act; Loi modifiant la Loi sur la Ville de Winnipeg.

No. 13 - An Act to Amend The Municipal Act; Loi modifiant la Loi sur l'évaluation municipale.

MR. CLERK, W. Remnant: In Her Majesty's name, His Honour, the Lieutenant-Governor doth assent to these bills.

His Honour was then pleased to retire.

MADAM SPEAKER: The hour being 12:30, the House is now adjourned and stands adjourned until 1:30 p.m. on Monday next.